

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
September 6, 2019**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, September 6, 2019 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

**MEMBERS PRESENT:** Matthew C. Burrell, Chair; K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; Brad Galbraith; and Thomas M. Apodaca

**MEMBERS ABSENT:** Carl H. Ricker, Jr.

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Lisa Jump, Director of Administration and Human Resources; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Jon McCalmont, Parrish & Partners; Jason Sandford, Ashvegas.com; Patrick Pettit, Haskell; Nick Loder, RS&H; James Moose, Avcon; Charles Buckland, Signature Flight

**CALL TO ORDER:** The Chair called the meeting to order at 8:30 a.m.

**RECOGNITION OF BOARD MEMBER – WILLIAM L. MOYER:** The Chair welcomed Mrs. Dot Moyer and presented her with a plaque honoring William L. Moyer. Several Board Members spoke in remembrance of Mr. Moyer for his commitment and service to the Board and the community.

**PRESENTATIONS:**

**A. ASQ Update:** Tina Kinsey gave an overview of the Airport Service Quality program that measures customer satisfaction and compares AVL to a custom group of airports. Mrs. Kinsey highlighted some of the scores received in the second quarter of 2019 and shared with the Board that the goal of the program is to make positive growth and change as well as improve the passenger experience.

**B. Terminal Funding:** Janet Burnette informed the Board that staff has been working with PFM Financial Advisors to determine the financial feasibility and debt repayment for the terminal project. Mrs. Burnette presented trends in both passenger growth and operating revenue as well as program costs and funding sources for the proposed terminal building. The Board was comfortable with the projected funding with terminal program to continue moving forward.

**FINANCIAL REPORT:** The Director reported on the airport activity for the month of July which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of July.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority August 9, 2019 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority August 9, 2019 Regular Meeting Minutes:**

**C. Approval of Position Reclassification and Amended Pay Grade Structure:**

**BE IT ORDAINED** by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Operations Department		\$4,000
Total		<u>\$4,000</u>

This will result in a net increase of \$4,000 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$4,000
Total		<u>\$4,000</u>

**Section 2.** Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 6<sup>th</sup> day of September 2019.

\_\_\_\_\_  
Matthew C. Burrell, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Erwin moved to approve Consent Items A and C. Mr. Galbraith seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Approval of Agreement with LAZ Parking to Operate Shuttle Buses:** John Coon reminded the Board that the purchase of shuttle buses was approved at the May 10th Authority Board meeting. LAZ Parking, the airport's parking system operator, submitted a one-year budget to operate the shuttle buses at a cost of \$385,257.00. The buses will be operated 7 days a week for approximately 20 hours per day depending upon demand as well as contingent upon additional parking areas being necessary. Mr. Coon advised the Board that the agreement contained in the agenda package includes the agreement to lease the shuttle buses to LAZ Parking. Mr. Coon stated that approval of the agreement with LAZ Parking will require the following budget amendment:

**BE IT ORDAINED** by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Operations Department	_____	\$385,257.00
Total	_____	\$385,257.00

This will result in a net increase of \$385,257.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$385,257.00
Total	=====	\$385,257.00

**Section 2.** Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 6th day of September 2019.

\_\_\_\_\_  
Matthew Burrell, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

The Chair affirmed that the shuttle operation start date and schedule could be adjusted if the parking lots were not constructed. The Director stated that this was correct. A modified version of the shuttle operations could be implemented during the holiday season utilizing the WNC Ag Center for temporary parking should the need arise.

Mr. Galbraith moved to authorize the execution of shuttle agreement with LAZ Parking in the amount of \$385,257.00; authorize the Executive Director to execute the necessary documents; and amend the FY2019/2020 budget by adopting the budget ordinance amendment as presented by staff. Mr. Apodaca seconded the motion and it carried unanimously.

**B. Approval of Contract for South Apron Expansion Project Construction:**

Michael Reisman reported that the South Apron Expansion Project was advertised for bid in June with only two bids received in July. The project was re-bid and three bids were received in August. The low bid in the amount of \$9,087,857.00 was received from Zachry Construction Corporation. Mr. Reisman advised the Board that the current fiscal

year budget includes \$10,664,537 for the project from airport funds. However, staff is expecting \$2,937,817 from an airport improvement program grant.

Mr. Erwin moved to approve the South Apron Expansion construction project with Zachry Construction Corporation in the amount of \$9,542,250.00 (\$9,087,857.00 plus \$454,393.00 allowance); and authorize the Executive Director to execute the necessary documents. Mr. Galbraith seconded the motion and it carried unanimously.

**C. Approval of Contract for Construction of Parking Lots:** The Chair announced that this item would be pulled for discussion in Closed Session.

**D. Approval of Letter of Agreement for Airport Safety/Maintenance Projects and Resolution of the Sponsor with North Carolina Department of Transportation Division of Aviation:** Michael Reisman stated that the NCDOT Division of Aviation manages a Safety, Preservation and Maintenance (SPAM) grant program which provides direct assistance to airports for projects such as sealcoats, airport markings, light maintenance, etc. Participation in the program requires renewal of a standing agreement that will be effective through December 31, 2023.

Mr. Bailey moved to approve the Letter of Agreement for Airport Safety/Maintenance Projects and Resolution of the Sponsor with the NCDOT; and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried unanimously.

**E. Approval of an Agreement Amendment between The Paradies Shops, LLC. and the Greater Asheville Regional Airport Authority:** Christina Madsen informed the Board that staff has been working with Paradies to increase services that will enhance the customer experience as well as increase revenue. The vending machines were identified as an amenity that needed improvement. Paradies provided new vending machines through a sublease with Canteen. Mrs. Madsen stated that Paradies will pay half of the revenue received from Canteen to the Authority as outlined in the Agreement Amendment. Staff anticipates approximately \$20,000 per year in additional revenue from this Agreement Amendment.

Mr. Erwin moved to approve the Agreement Amendment with The Paradies Shops, LLC.; and authorize the Executive Director to execute the necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

**F. Approval of Revised Agreement for Professional Consulting Services between the Greater Asheville Regional Airport Authority and GS&P, N.C. and Affiliate of Gresham Smith and Partners:** The Chair stated that this item would be pulled for discussion in Closed Session.

**DIRECTOR'S REPORT:** The Director advised the Board that he had a few additional items to include that were not on the agenda.

**A. 2020 Authority Board Schedule:** The Director called the Board's attention to the draft schedule that was available at their seats. The Director stated that the month of April shows two different dates for the Board to decide which date would be preferred. The schedule for meetings in 2020 will be an agenda item for approval at the October meeting. The Director requested Board Members notify the clerk of any conflicts.

**B. PFC Update:** The Director stated that the last time the PFC was increased was in 2000 and set at a rate of \$4.50. The industry has been trying to get this raised for many years and some progress is being made in Congress. A bill has been submitted to Congress uncapping the PFC and another is being worked on that will raise the PFC to \$8.50 with indexing. The Director will keep the Board apprised of any news on this issue.

**C. NCDOT Grant:** The Director was pleased to note that an additional grant in the amount of \$282,000 was received from the NCDOT and will be applied to the south apron project.

**D. Dunkin:** The new Dunkin adjacent to the Triangle Stop is set to open at the end of September.

**E. Terminal Design:** The Director informed the Board that a meeting has been scheduled for the following week with GS&P to begin the design process for the new terminal. The Director inquired if one or two Board Members would like to participate in the design process and to let him know if interested in attending any of the meetings that will be scheduled.

**F. Terminal Design Press Release:** Guidance from the Board was requested as to how they would like to proceed with information disseminated to the public regarding stakeholder input for the design of a new terminal building. Following the meeting with GS&P planned for the following week, Mrs. Kinsey felt a skeleton timeline should be shared with the community. The Board was encouraged to provide staff with feedback.

**G. Ground Transportation Lot:** The Director provided background information on the process used in the ground transportation lot. While a majority of the ground transportation providers use cash to debit their accounts, this creates a lack of

accountability as well as extensive work for staff. Staff is considering a pay on foot machine which would allow the operator to put money on their account. However, the cash option would be eliminated. Ground transportation providers have not been notified of this proposed system. A discussion took place regarding eliminating cash from the system used for ground transportation providers.

Mr. Erwin moved to eliminate the use of cash by ground transportation providers for debiting their accounts with the Authority. Mr. Galbraith seconded the motion and it carried unanimously.

The Director stated that staff would prepare a policy that eliminates cash handling which will be shared with the Board. If changes are not necessary, it will be considered approved through the motion that was just passed.

**H. PFC Process:** The Director reported that \$4.50 is collected from each passenger ticket as part of the PFC process. The FAA grants permission for the airport to collect and expend the PFC's. Several years ago when staff was beginning the runway project, an application was submitted to the FAA to collect the PFC but not expend it until more information on the runway was determined. The initial request was under \$3 million. Once the direction of the runway project was finalized, an amendment on that PFC was submitted to the FAA increasing the PFC to almost \$12 million. Since expenses were being incurred, staff also requested to begin to expend the PFC. The FAA gave a payout and collection timeframe of up to 2024. Staff has engaged a consultant to amend the PFC collection because the Authority's portion of that \$12 million was not enough due to the increased scope of the project. FAA stated that the amendment can be no more than 25% of the original PFC amount. Staff was acting under the premise that the original amount was the \$12 million because a full PFC application amendment had been done. The FAA is saying it is on the original amount of the \$2 million which negates the airport's ability to do a short-term increase of 25%. The \$12 million has been collected and the PFC collection will need to stop for a brief period until a new application goes into place. Staff is working with the consultant and the FAA on this process. Staff will bring this item to the Board in the near future.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the next regular meeting of the Authority Board will be held on October 11, 2019.

**AUTHORITY MEMBER REPORTS:** None

**CLOSED SESSION:** At 10:15 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege; to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations; and to Consider Personnel Matters. Mr. Erwin seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 12:11 p.m.

Mr. Erwin left the meeting during the Closed Session.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY SEPTEMBER 6, 2019**

**CLOSED SESSION MINUTES:** Mr. Bailey moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Galbraith seconded the motion and it carried by a 5 to 0 vote.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 9, 2019**

**CLOSED SESSION MINUTES:** Mr. Bailey moved to approve the minutes for the August 9, 2019 Closed Session and to seal and withhold the minutes for the August 9, 2019 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Apodaca seconded the motion and it carried by a 5 to 0 vote.

**NEW BUSINESS:**

**C. Approval of Contract for Construction of Parking Lots:** Ms. Brown moved to establish a budget in the amount of \$1.5 million for construction of surface parking lots. Mr. Apodaca seconded the motion and it carried by a 5 to 0 vote.

**F. Approval of Revised Agreement for Professional Consulting Services between the Greater Asheville Regional Airport Authority and GS&P, N.C. an Affiliate of Gresham Smith and Partners:** Mr. Galbraith moved: (1) To approve Task Order No. 2 with GS&P N.C., an Affiliate of Gresham Smith and Partners, for Phase 1, in the amount of \$3,969,904.50, pending Legal Counsel's revisions of the Scope of Services



for Task Order No. 2, Phase 1; (2) To direct the Executive Director and Deputy Executive Director to work with Legal Counsel regarding revisions to the Scope of Services; (3) Upon completion of Legal Counsel's revisions, to submit the revised Scope of Services to the GS&P for their consideration and approval; and (4) Upon approval by GS&P, to authorize the Executive Director to execute the necessary documents. Mr. Bailey seconded the motion and it carried by a 5 to 0 vote.

**EXECUTIVE DIRECTOR EVALUATION:** Mr. Galbraith moved to increase the Executive Director's salary by 5% retroactive to July 1, 2019, and to offer as an additional benefit, a three-months' severance clause for compensation in the employment agreement with the language to be provided by legal counsel. Mr. Bailey seconded the motion and it carried by a 5 to 0 vote.

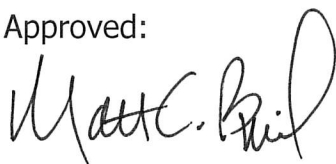
**ADJOURNMENT:** The Chair moved to adjourn the meeting at 12:18 p.m. Mr. Bailey seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Matthew C. Burrell  
Chair