



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, November 15, 2019, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. SERVICE AWARD PRESENTATION:
 - A. Beauford Rice – 10 Years
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority October 11, 2019 Regular Meeting Minutes ([document](#))
 - B. Ratification of Easement with Duke Energy ([document](#))
 - C. Approval of the Greater Asheville Regional Airport Authority October 11, 2019 Closed Session Minutes
- VI. OLD BUSINESS: None
- VII. NEW BUSINESS:
 - A. Presentation of the Annual Audited Financial Report for Fiscal Year 2018/2019 ([document](#))



- B. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2021-2025 ([document](#))
- C. Approve Award of Contract to Patton Construction Group for Terminal Building - Phase 1 Utility Modernization ([document](#))
- D. Approve Task Order No. 1 for Rental Car Facility Assessment ([document](#))
- E. Approve Award of Contract to Chatham Civil Contracting, LLC for Parking Lot Construction Project ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Status of State Grant
- B. Holiday Parking Update

IX. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. September 2019 Traffic Report ([document](#))
- B. September 2019 Monthly Financial Report ([document](#))
- C. November 2019 Development/Project Status Report ([document](#))
- D. Airport Facilities Review for Third Quarter ([document](#))
- E. Potential Board Items for the Next Regular Meeting:

- None identified at this time

X. PUBLIC AND TENANTS' COMMENTS

XI. CALL FOR NEXT MEETING: December 13, 2019



XII. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XIII. AUTHORITY MEMBER REPORTS:

A. Key Strategic Elements ([document](#))

XIV. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

**Asheville Regional Airport
Executive Summary
September-19**

AIRPORT ACTIVITY

	<u>Month</u>	<u>Variance to Prior Year</u>	<u>Calendar Year to Date</u>	<u>Variance to Prior Year</u>
Passenger Enplanements	69,344	54.9%	587,703	46.3%
Aircraft Operations				
Commercial	2,208	20.1%	17,893	27.9%
Scheduled Flights	929	35.8%		
Flight Cancellations	8			
Seats	87,929	44.2%	753,067	56.0%
Load Factor	78.9%	7.4%	78.0%	(6.2%)
General Aviation	4,856	103.3%	36,293	19.8%
Military	257	48.6%	2,253	(5.8%)

FINANCIAL RESULTS

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
Operating Revenues	\$ 1,482,983	39.7%	\$ 4,642,447	45.8%
Operating Expenses	704,819	(40.4%)	2,047,628	(31.1%)
Net Operating Revenues before Depreciation	<u>\$ 778,164</u>		<u>\$ 2,594,819</u>	
Net Non-Operating Revenues	<u>\$ 582,062</u>	70.3%	<u>\$ 572,819</u>	(44.1%)
Grants:				
FAA AIP Grants	\$ 801,706		\$ 2,212,386	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 801,706</u>		<u>\$ 2,212,386</u>	

CASH

Restricted	\$ 14,135,118
Designated for O&M Reserve	5,201,092
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	17,858,157
Total	<u>\$ 37,844,367</u>

RECEIVABLES PAST DUE

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
Advertising Customers	31,633	7,571	5,846	18,216
Allegiant	17,054	3,613	-	13,440
American	377	377	-	-
Elite	7,089	2,890	3,125	1,074
FAA	13,531	13,384	147	-
TSA	5,142	380	410	4,352
Hertz	786	-	689	97
Paradies	9,288	1,600	1,721	5,967
Signature	3,912	-	210	3,702
Skywest	2,207	-	-	2,207
Spirit	7,143	3,386	-	3,756
Travelers	2,882	-	-	2,882
Worldwide	7,463	1,368	927	5,168
Miscellaneous	20,941	13,066	539	7,336
Total	<u>\$ 129,446</u>	<u>\$ 47,635</u>	<u>\$ 13,614</u>	<u>\$ 68,198</u>
% of Total Receivables	<u>11.80%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	<u>Original Amount</u>	<u>Current Balance</u>
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	1,835,000
	<u>\$ 21,000,000</u>	<u>\$ 17,585,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 62,902,904
Year-to-Date Spending	\$ 2,685,621

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 11, 2019**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 11, 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. Burril, Chair; K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; Carl H. Ricker, Jr.; and Thomas M. Apodaca

MEMBERS ABSENT: Brad Galbraith

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; Jared Merrill, Airport Planning Manager; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jon McCalmont, Parrish & Partners; Rhett Morgan, Ailevon Pacific Aviation Consulting; James Moose, Avcon; Jeff Kirby, Parrish & Partners

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

INTRODUCTION: The Director introduced Jared Merrill as the Authority's new Airport Planning Manager. The Board welcomed Mr. Merrill.

PRESENTATIONS:

A. Air Service Development Update: Mr. Rhett Morgan with Ailevon Pacific presented an air service development update. Mr. Morgan informed the Board that six of the eight growth markets identified in his presentation to the Board in 2016 have experienced additional or new service. Mr. Morgan shared information on how the growth was accomplished and tactics employed to build the service. Mr. Morgan spoke about the state of the aviation industry and how Asheville compares to other airports in the country. Mr. Morgan concluded the presentation by stating that he will continue to work with staff to keep the lines of communication open with existing carriers to retain the service as well as have those discussions with carriers not yet serving Asheville. The Board suggested it may be a good idea to share the presentation with elected officials, business partners, and the media to educate them on the importance of the airport to

the community. The Director stated that he could incorporate some of this information in the presentation he gives to the city and town councils and county commissioners each year. The Board thanked Mr. Morgan for his presentation.

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

CONSENT ITEMS: The Chair stated that Consent Item C, Approval of the Greater Asheville Regional Airport Authority September 6, 2019 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority September 6, 2019 Regular Meeting Minutes: Mr. Bailey moved to approve the Greater Asheville Regional Airport Authority September 6, 2019 Regular Meeting Minutes. Mr. Erwin seconded the motion and it carried unanimously.

B. Approval of Amendment to the FY 19/20 Budget for Capital Carry-Over: Ms. Brown moved to amend the FY19/20 budget by adopting the following budget ordinance amendment. Mr. Apodaca seconded the motion and it carried unanimously.

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>
Administrative Department	\$213,940	
Planning Department		\$30,311
Executive Department		11,918
Finance Department		\$23,118
Guest Services Department		\$7,885
Information Technology Department		\$17,372
Marketing Department		\$18,082
Operations Department		\$80,597
Properties Department		\$2,342
Public Safety Department		\$22,315
Carry-over Capital Expenditures		\$4,987,933
Totals	\$213,940	\$5,201,873

This will result in a net increase of \$4,987,933 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal AIP Funds		\$296,538
NC DOT Funds		\$2,521,955
Transfer from GARAA Cash		\$2,169,440
Totals	<hr/> <hr/>	<hr/> <hr/> \$4,987,933

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 11th day of October, 2019.

Matthew Burril, Chair

Attested by:

Ellen Heywood, Clerk to the Board

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of the Greater Asheville Regional Airport Authority Board 2020 Schedule: Mr. Erwin moved to approve the 2020 Authority Board schedule as presented. Mr. Ricker seconded the motion and it carried unanimously.

B. Resolution to Impose and Use a Passenger Facility Charge: The Director informed the Board that staff has been working with a consultant, McFarland Johnson, to complete Passenger Facility Charge (PFC) Application No. 7 with the FAA. This is basically a continuation for the Airfield Re-development project. The FAA requires that the Authority adopt a resolution acknowledging the application and responsibilities of the PFC program.

Mr. Bailey moved to adopt the following Resolution of the Greater Asheville Regional Airport Authority to Impose and Use a Passenger Facility Charge. Mr. Erwin seconded the motion and it carried unanimously.

**RESOLUTION
OF THE
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
TO
IMPOSE AND USE A PASSENGER FACILITY CHARGE**

WHEREAS, the Greater Asheville Regional Airport Authority ("Authority") is owner and operator of the Asheville Regional Airport ("Airport"); and

WHEREAS, the Authority has approved a program of capital improvements for the Airport ("Capital Improvements") for the purposes of, among other things: preserving or enhancing safety, security or capacity of the Airport and the national air transportation system; reducing and mitigating noise impacts of Airport operations; and furnishing opportunities for enhanced competition between or among air carriers; and

WHEREAS, pursuant to the authority granted by the United States Congress the FAA has promulgated a Federal Aviation Regulation ("Regulation") allowing owners, operators and sponsors, operating commercial airports such as the Airport, to impose a Passenger Facility Charge ("PFC") on passengers enplaning commercial passenger aircraft at the airports and to use the proceeds thereof to fund the Allowable Costs (as defined in the Regulation) of Eligible Projects (as defined in the Regulation) as provided and described in the Regulation; and

WHEREAS, the Authority believes certain costs of the Capital Improvements would be so allowable and eligible; and

WHEREAS, the Authority believes a PFC would be an equitable means to raise revenues to fund some or all of the said Allowable Costs of Eligible Projects of the Capital Improvements.

NOW, THEREFORE, the Authority hereby resolves that:

1) The Executive Director is authorized and directed to apply to the FAA, for and in the name of the Authority, for approval to impose a PFC at the Airport of \$4.50 per enplaning passenger and to use the resulting net revenues to pay the Allowable Costs of the Eligible Projects of the Airport's Capital Improvements; and the Executive Director is authorized and directed to take all such reasonable actions as necessary or desirable to obtain approval of said application.

2) Said PFC shall be collected by the commercial air carriers on behalf of and remitted monthly to the Authority for so long as may be necessary to pay the Allowable Costs of Eligible Projects, or such shorter period as may be required by the Regulation.

3) With respect to that class of air carriers comprising only those air carriers operating under FAR Part 135 and which provide only on-demand non-scheduled

service and do not sell tickets to individual passengers enplaning their aircraft at the Airport ("Air Taxis") the Authority finds that:

- a) requiring Air Taxis operating at the Airport to collect the PFC would not generate a substantial amount of PFC revenues for the Authority and would be an undue burden to the Air Taxis;
- b) said Air Taxis enplane less than one percent (1%) of all passengers enplaned at the Airport; and
- c) said Air Taxis, therefore, should be exempted from the requirement of collecting the PFC at the Airport and the Executive Director is hereby directed to include in said application a request that Air Taxis be so exempted.

SO RESOLVED, this the _____ day of _____, 2019.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

BY: _____
Chair

C. Approval of Amendment to Airfield Re-development Project Budget:

Janet Burnette advised the Board that due to continuing issues with the runway construction and the takeover agreements with the contractor's surety, the project budget needs to increase by \$35.1 million. Staff is requesting additional funding from the FAA as well as requesting \$27 million in the current PFC application to be used toward this project. Mrs. Burnette requested approval of the Airfield Re-development project budget from \$79.9 million to \$115 million.

The Director advised the Board that staff has not spent over the \$79.9 million. This will clean up items from the takeover agreement.

Mr. Bailey moved to approve the Airfield Re-development project budget from \$79.9 million to \$115 million. Ms. Brown seconded the motion and it carried unanimously.

D. Award of Contract for Repair of 60 Inch Reinforced Concrete Pipe:

Michael Reisman reminded the Board that the 60-inch reinforced concrete pipe (RCP) installed under the north general aviation area requires repairs. The project was advertised for bid in September and the bid documents provided for a base bid for the repair of high priority deficiencies as well as an additive alternate bid for the repair of medium priority deficiencies. While two bids were received, one was deemed to be non-responsive. Since the project was expected to cost within the value limits for an informal bid, three bids were not required for this project under state procurement rules. Applied

Polymeric, Inc. submitted a bid in the amount of \$155,949.75 for both the base bid and the additive alternate bid, well below the engineers' estimate of \$285,312.50. Mr. Reisman stated that the project will be funded with airport funds and would 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>
Capital Improvements	_____	\$171,544.73
Totals	_____	\$171,544.73

This will result in a net increase of \$171,544.73 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$171,544.73
Totals	_____	\$171,544.73

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 11th day of October, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Erwin moved to approve the contract with Applied Polymerics, Inc. in the amount of \$171,544.73 (\$155,949.75 plus an allowance of \$15,594.98); 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. Ricker seconded the motion and it carried unanimously.

E. Approval of Work Authorization No. 2R with Parrish and Partners of North Carolina, PLLC for South Terminal Apron Expansion Project Engineering

Services: Michael Reisman reminded the Board that Work Authorization No. 2 with Parrish and Partners for design and construction services for the South Terminal Apron Expansion project was approved by the Board in November of 2018 in the amount of \$821,196.00. As Parrish and Partners undertook work on this project, it became apparent that some changes to the scope of work were needed. Mr. Reisman reviewed the additional items and advised the Board that this would increase the contract price by \$158,253.00 for a total contract price of \$979,449.00. Mr. Reisman further advised the Board that the number of scheduled construction days on this project has also increased, therefore, staff may need to request an additional revision to this Work Authorization for resident project representative services at a later date. Mr. Reisman stated that the following budget ordinance amendment would be necessary:

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>
Capital Improvements	_____	<u>\$158,253.00</u>
Totals	_____	<u>\$158,253.00</u>

This will result in a net increase of \$158,253.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$158,253.00</u>
Totals	_____	<u>\$158,253.00</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 11th day of October, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

The Chair asked for the total increase on this project. Mr. Reisman responded that the engineer's estimate for the project was \$12 million. However, the low bid for construction approved at the September Board meeting was just under \$9.1 million, making the total project several million dollars under the original project budget.

Mr. Ricker moved to approve Work Authorization No. 2R with Parrish and Partners of North Carolina, PLLC in the amount of \$979,449.00; authorize the Executive Director to sign the necessary documents; and amend the FY2019/2020 budget by adopting the budget ordinance amendment presented by staff. Ms. Brown seconded the motion and it carried unanimously.

F. Approval of Scope of Services No. 1R with Avcon Engineers and Planners, Inc. for Parking Lot Project: Michael Reisman stated that in May of 2019 the Authority Board approved Scope of Services No. 1 with Avcon Engineers and Planners in the amount of \$189,962.00 for design and construction services for the parking lots project. Mr. Reisman reminded the Board that this project was bid twice and that at the September meeting, the Authority Board elected not to award a contract for construction, but rather to re-bid the project a third time on a different time schedule. Mr. Reisman further stated that additional efforts for the re-bidding process as well as additional design and construction services for the addition of Lot D to the project will increase Scope of Services No. 1 with Avcon by \$103,796.00. The revised contract amount is \$293,758.00 and will require the following budget ordinance 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>
Capital Improvements	_____	____\$103,796.00
Totals	_____	____\$103,796.00

This will result in a net increase of \$103,796.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	____\$103,796.00
Totals	_____	____\$103,796.00

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 11th day of October, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

The Chair requested information on the relocation of the cell phone lot. Mr. Reisman reviewed the plans for additional passenger parking and the relocation of the cell phone lot across NC 280 as well as the changes to the ground transportation lot to accommodate the transportation network companies.

Mr. Apodaca moved to approve Scope of Services No. 1R with Avcon Engineers and Planners, Inc. in the amount of \$293,758.00; authorize the Executive Director to sign the necessary documents; and amend the FY2019/2020 budget by adopting the budget ordinance amendment presented by staff. Ms. Brown seconded the motion and it carried unanimously.

G. Approval of Agreement with PASSUR Aerospace for Gate Management

Solution: Shane Stockman advised the Board that the growth of the airport has created challenges for airline operations. Aircraft gate assignments and parking require manual

Mr. Stockman was asked if the program cost had been negotiated. Mr. Stockman responded that the fee was heavily negotiated and is half the cost of other systems on the market. The system is specifically tailored for the airport and highly customizable.

The Board affirmed that the airlines will assume the monthly cost once the initial fee was paid for by the Authority. The Director informed the Board that with the increase in enplanements, revenue received from the airlines through the rates and charges was higher than budgeted. Staff plans to use some of those funds to pay for the \$15,000 setup fee and the remaining operational months through the remainder of the current fiscal year. The rates and charges cost structure for the fiscal year beginning on July 1, 2020 will include the cost of the monthly operational expense.

Mr. Erwin moved to approve an agreement with PASSUR Aerospace for a Gate Management Solution; authorize the Executive Director to execute the necessary documents; and amend the FY2019/2020 budget by adopting the budget ordinance amendment presented by staff. Mr. Bailey seconded the motion and it carried unanimously.

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

A. Airport Ranking: The Director was pleased to note that Asheville ranked 117 out of 568 airports nationwide due to the growth experienced over the past year. This is an increase in position from the 127th spot the airport was ranked the previous year.

B. Terminal Kick-off Meeting Update: A timeline for the phase 1 design schedule of the terminal project was available at the Board Members' seats for their information. The Director advised the Board that once word is received regarding expected grants, staff will execute the agreement with Gresham Smith and Partners. Staff anticipates construction to start late in 2021.

C. Amendment to Transportation Network Company Agreements: Amendments to the agreements with the transportation network companies (TNC's) have been executed. This amendment will relocate the TNC's to operate out of the ground transportation lot once that lot has been reconfigured.

D. Conference Schedule: An updated industry conference schedule and travel guideline document was available at the Board Members' seats. The Director requested that Board Members mention any plans to attend a specific conference at a Board Meeting for discussion.

E. Renewable Energy Project: The airport was approached by the city of Asheville and Buncombe County about participating in the RFP process for a renewable energy project for city and county facilities. There would be no cost to the airport. This may be a little premature given the terminal building project. However, there are other

facilities on airport property that may work. The Director explained that as part of the RFP process, the sites will be evaluated and a more in-depth analysis for renewable energy will be conducted. The Director requested the Board's feedback and the consensus of the Board was for the airport to participate in this program.

F. Parking Tickets: The Director stated that he has been working with the new Asheville City Manager to have the city process parking tickets written by airport police. The city has agreed to process the tickets and will retain the revenue.

G. Shuttle Operation: Staff has asked LAZ Parking to begin shuttle operations on a small scale in preparation for the holiday season. A full shuttle operation will commence once the additional parking lots are open next spring.

H. United Way: Ten employees participated in United Way's Days of Impact the previous day as a way to give back to the community. The employees volunteered at Habitat for Humanity's ReStore in Asheville.

I. NCDOT: The Director reported that while the state budget has been at a stalemate, a transportation mini budget passed in the House this week and went to the Governor's desk for signature. Approximately \$75 million is earmarked for commercial service airports in the state with Asheville expecting to receive almost \$5 million.

J. Airport Experience News: The Director commented that he had the issue of AXN magazine in which he was featured as Director of the Year for small airports division if anyone was interested in seeing it.

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 November 15, 2019.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:17 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and 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. 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 11:15 a.m.

Ms. Brown left the meeting during the Closed Session.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 11, 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. Ricker seconded the motion and it carried by a 5 to 0 vote.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY SEPTEMBER 6, 2019

CLOSED SESSION MINUTES PARTS A AND B: Mr. Bailey moved to approve the minutes for the September 6, 2019 Closed Session Parts A and B and to seal and withhold the minutes for the September 6, 2019 Closed Session Parts A and B from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 11:17 a.m. Mr. Apodaca 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



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director

DATE: November 15, 2019

ITEM DESCRIPTION – Consent Item B

Ratify Approval of Grant of Easement to Duke Energy Progress, LLC Inc. (DEP) for Electric Service to Instrument Landing System Equipment.

BACKGROUND

In the process of on-going construction activities associated with the Airfield Re-development Project, easements for the routing of electrical power and equipment on the airport is a common necessity to support navigational aid equipment. A path has been provided to DEP for electric service to certain instrument landing system equipment on the north end of the airfield for the new permanent runway for which DEP requires an easement, but for which they were slow in providing the necessary documentation to the Authority for. As a result, and in the interest of meeting the necessary timeline to have this work performed, the document was executed by the Executive Director with the intent on ratification at the next Board Meeting.

ISSUES

None.

ALTERNATIVES

None. DEP is the sole provider of commercial power on the airport.

Consent – Item B



FISCAL IMPACT

None associated with this action. Separately, there have been costs associated with the installation of power needed at the required location. These expenses are eligible for inclusion in the overall budget associated with the project.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) ratify approval of grant of an Easement to DEP for power to the north end instrument landing system location; and authorization of the Executive Director to sign the necessary documents.

EASEMENT

NORTH CAROLINA
BUNCOMBE COUNTY

Prepared By: Duke Energy
Return To: Duke Energy Carolinas
Attn: Wendi McCrain
555-A Brevard Road
Asheville, NC 28806

THIS EASEMENT ("Easement") is made this 1st day of November, 2019 ("Effective Date"), from Greater Asheville Regional Airport, a body corporate and politic, ("GRANTOR," whether one or more), to Duke Energy Progress, LLC, a North Carolina limited liability company ("DEP"); its successors, licensees, and assigns.

WITNESSETH:

THAT GRANTOR, for and in consideration of the sum of ONE DOLLAR (\$1.00), the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto DEP, its successors, lessees, licensees, transferees, permittees, apportionees, and assigns, the perpetual right, privilege, and easement to go in and upon the land of GRANTOR situated in Limestone Township and Hoopers Creek, described as follows: PIN# 9643-52-3284-00000, PIN# 9643-36-2590-00000, PIN# 9643-36-1531-00000, PIN# 9643-36-2031-00000, PIN# 9643-36-0063-00000, and PIN# 9643-35-1731-00000 containing combined 578.2 acres, more or less, and being a portion the land described in a deed from The City of Asheville, North Carolina, a North Carolina Municipal Corporation to Greater Asheville Regional Airport Authority, dated June 30, 2017, and recorded in Deed Book 5565, Page 1196, Buncombe County Registry (the "Property"), LESS AND EXCEPT any prior out-conveyances, and to construct, reconstruct, operate, patrol, maintain, inspect, repair, replace, relocate, add to, modify and remove electric and/or communication facilities thereon including but not limited to, supporting structures such as cables, wires, underground conduits, enclosures/transformers, vaults and manholes and other appurtenant apparatus and equipment (the "Facilities") within an easement area being twenty (20) feet wide, together with an area ten (10) feet wide on all sides of the foundation of any DEP enclosure/transformer, vault or manhole (the "Easement Area"), for the purpose of transmitting and distributing electrical energy and for communication purposes of DEP and Incumbent Local Exchange Carriers. The centerline of the Facilities shall be the center line of the Easement Area.

The right, privilege and easement shall include the following rights granted to DEP: (a) ingress and egress over the Easement Area and over adjoining portions of the Property (using lanes, driveways and paved areas where practical as determined by DEP); (b) to trim and keep clear from the Easement Area, now or at any time in the future, trees, limbs, undergrowth, structures or other obstructions, and to trim or clear dead, diseased, weak or leaning trees or limbs outside of the Easement Area which, in the opinion of DEP, might interfere with or fall upon the Facilities; and (c) all other rights and privileges reasonably necessary or convenient for DEP's safe, reliable and efficient installation, operation, and maintenance of the Facilities and for the enjoyment and use of the Easement Area for the purposes described herein.

Notwithstanding anything to the contrary above, it is understood and agreed that:

- (1) The Easement Area herein granted shall be approximately located as shown on the sketch attached hereto as "Exhibit A" and recorded herewith;
- (2) DEP's access to secured portions of the Easement Area shall require the prior permission of Grantor and escort by an authorized representative of Grantor, in accordance with airport security regulations.
- (3) No above ground poles or wires shall be allowed within this easement area.
- (4) DEP must obtain written approval from the Grantor for any changes or construction upon the easement area.
- (5) DEP needs to comply with all Federal Aviation Regulations that might impact the airport, inclusive of FAR Part 77.

TO HAVE AND TO HOLD said rights, privilege, and easement unto DEP, its successors, licensees, and assigns, forever, and GRANTOR, for itself, its heirs, executors, administrators, successors and assigns, covenants to and with DEP that GRANTOR is the lawful owner of the Property and the Easement Area in fee and has the right to convey said rights and Easement.

IN WITNESS WHEREOF, GRANTOR has caused this EASEMENT to be signed in its name by its duly authorized officer, as of the date first above written.

GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY
A body corporate and politic

By: 

Title: EXECUTIVE DIRECTOR

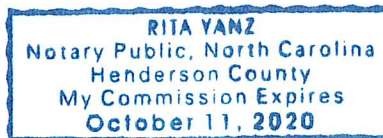
NORTH CAROLINA, Buncombe COUNTY

I, RITA YANZ, a Notary Public of Henderson County, North Carolina, certify that Lew Bleiweis personally appeared before me this day and acknowledged that he/she is Executive Director of Greater Asheville Regional Airport Authority, a corporation, and being authorized to do so, executed the foregoing EASEMENT on behalf of the corporation.

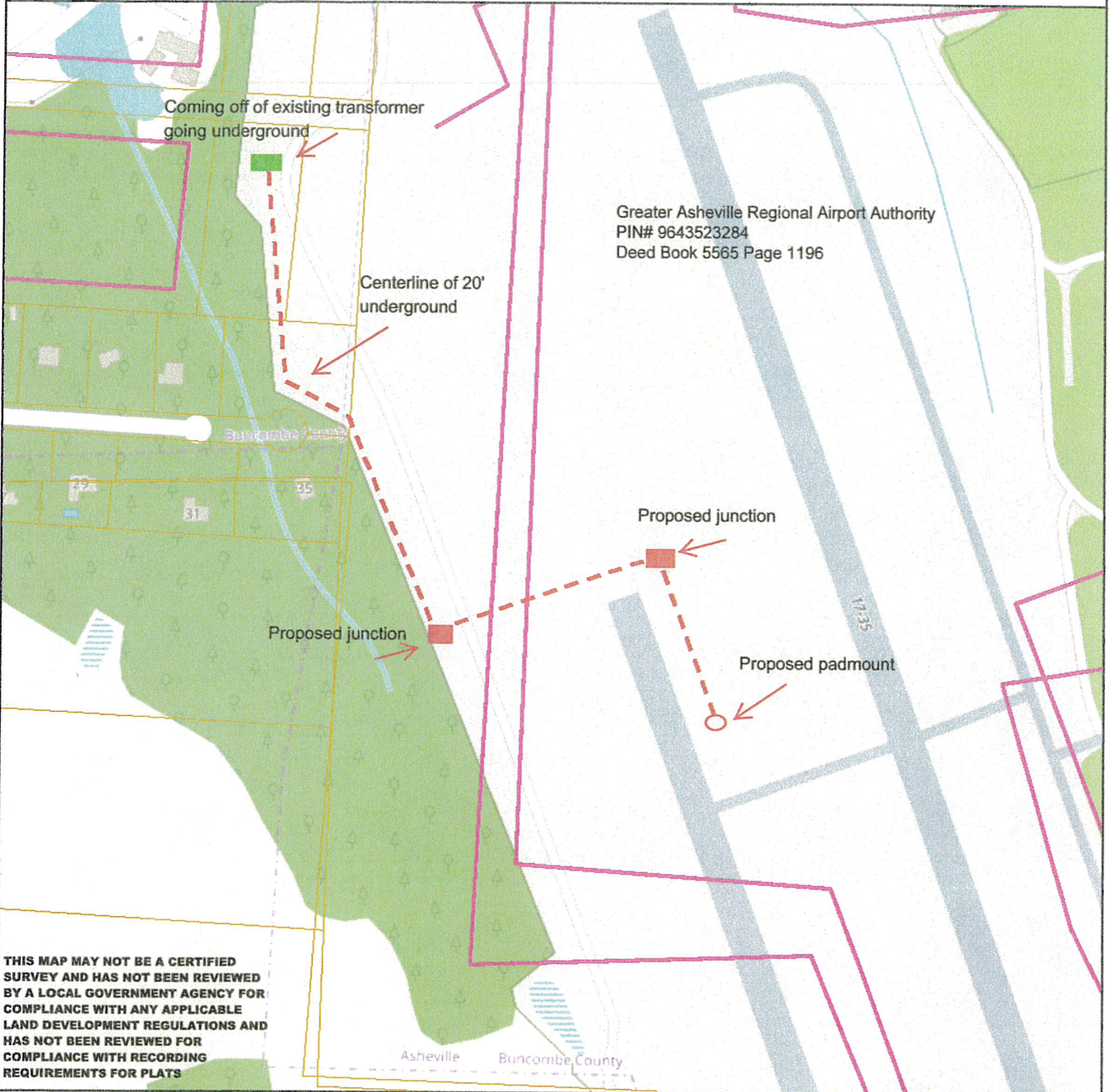
Witness my hand and notarial seal, this 1st day of November, 2019.


Notary Public

My commission expires: October 11, 2020

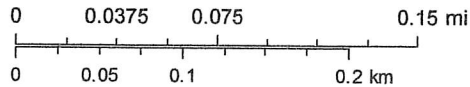


THIS IS NOT A SURVEY. LOCATIONS SHOWN ARE APPROXIMATE. THE ACTUAL CENTERLINE LOCATION OF THE UTILITY LINE IS THE CENTERLINE OF THE EASEMENT



THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS

NOTE: PROPERTY LINES AS SHOWN WHERE PLOTTED FROM INSTRUMENT # AND SITE IMPROVEMENTS FROM GIS DATA



1:4,514

WGS 1984 Web Mercator Auxiliary Sphere
Projection: Mercator Auxiliary Sphere
Datum: WGS 1984



Buncombe/NC

SITE NAME: Asheville Airport



DR.	EXHIBIT MAP OF: Underground Facilities		
CK.	EXHIBIT MAP FOR: Greater Regional Asheville Airport		
DATE 10/31/2019	LOCATION 61 Terminal Dr.		Exhibit A
SITE #	LU #	MAP #	EMAX #



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: November 15, 2019

ITEM DESCRIPTION – New Business Item A

Presentation of the Annual Audited Financial Report for Fiscal Year 2018/2019

BACKGROUND

The annual audit for the fiscal year ended June 30, 2019 was performed by the auditing firm, Gould Killian CPA Group, P.A., and the findings are hereby submitted for the Board's review and acceptance. The audited financial statements being provided to you have been submitted to the Local Government Commission ("LGC").

ISSUES

None. An unmodified opinion was issued by the auditors.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to accept the 2018/2019 Audit Report as presented.



**GOULD KILLIAN
CPA GROUP, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

2019 Annual Financial Report

Audit Summary

- Thank you for allowing us to serve as your auditors
- We issued an unmodified (clean) opinion; reasonable assurance that the financial statements are free from material misstatement
- We reported one material weaknesses in internal control
- We reported no material noncompliance with laws and regulations
- Special thanks to Janet, Karen and staff for their hard work and cooperation in completing the audit



Recently Issued Accounting Pronouncements

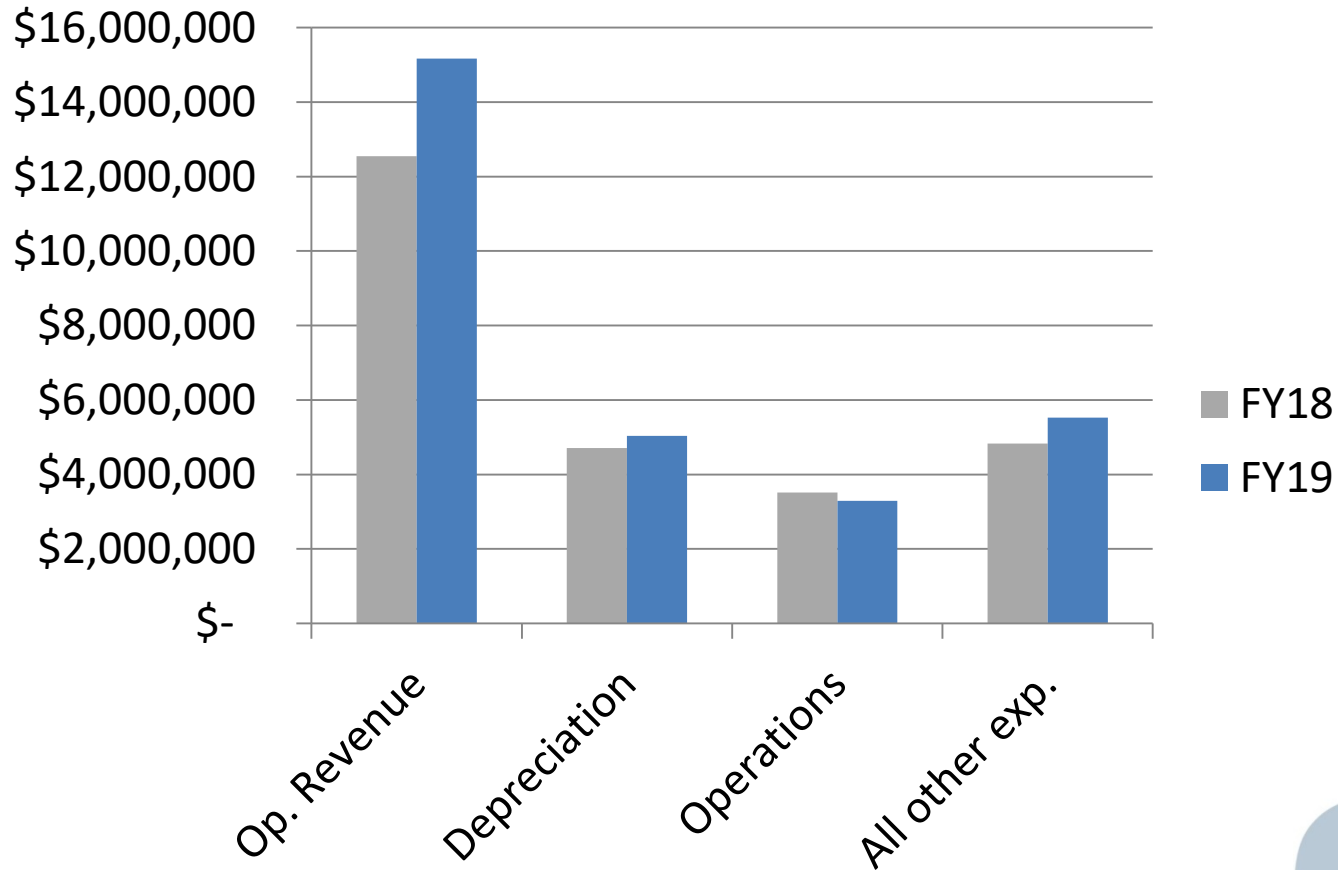
- **GASB No. 87 LEASES** – Implementation requires the Authority to recognize certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Effective beginning fiscal year 2021.
- For lessors — A lessor should recognize a lease receivable and a deferred inflow of resources. A lease receivable should initially be measured at the present value of lease payments expected to be received during the lease term, which is initially offset by the deferred inflow for the value of the lease liability. The lessor should not derecognize the asset underlying the lease and continue to record depreciation, as applicable.
- Considerations for implementation – lease terms including renewal options, incentives, discounts, scheduled rate changes or variable rates, etc.

Key Statistics for FY19

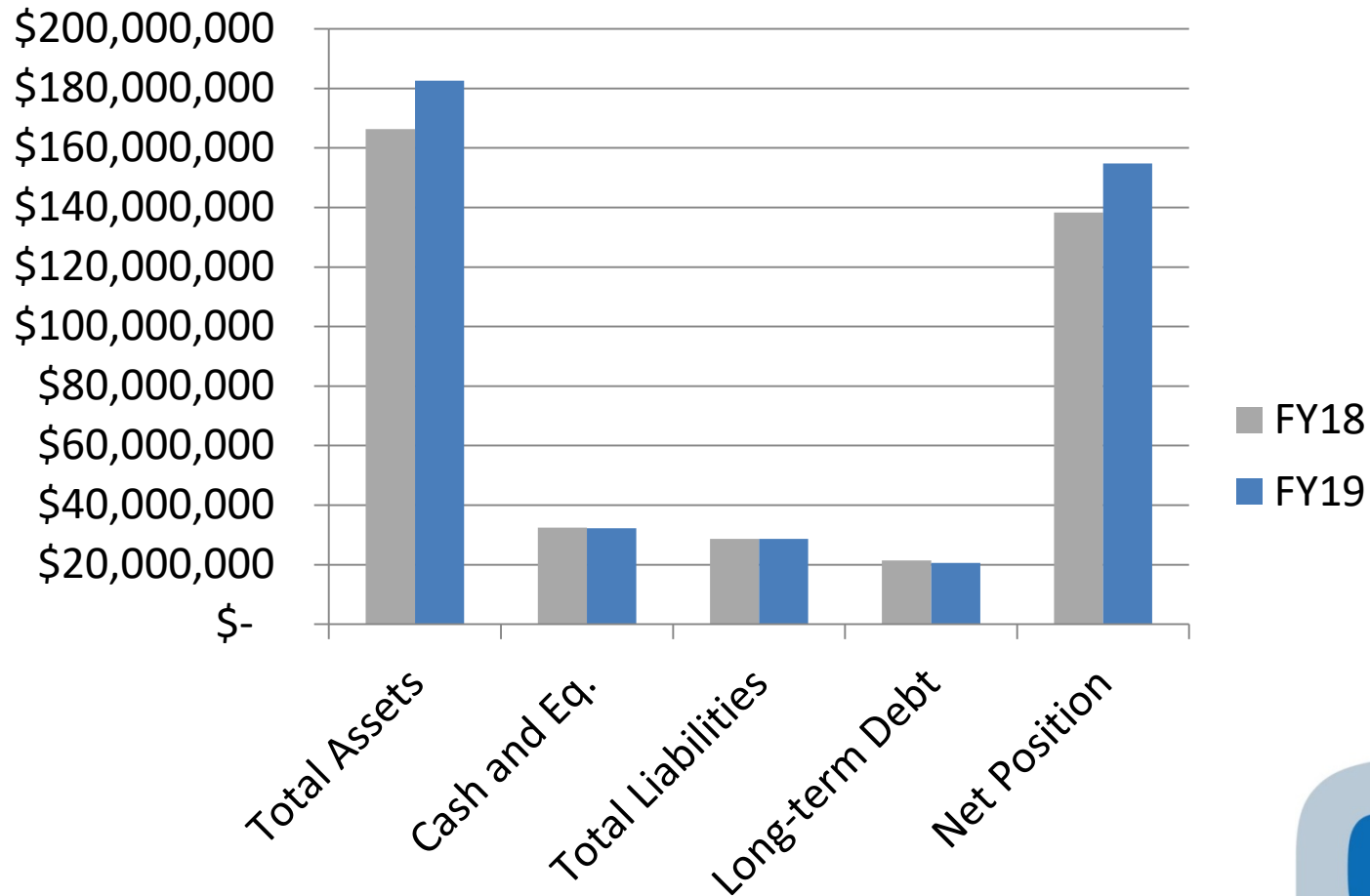
- Cash and investments totaled \$32.2 million at 06/30/2019
- Net Position for FY19 is \$154.8 million (increase of \$16.5 million)
 - \$24.2 million is unrestricted (increase of \$4.8 million)
 - \$12.4 million is restricted (increase of \$3.1 million)
 - The remaining increase was due to investment in capital assets
- Operating income of \$1.3 million in FY19 (compared to loss of \$500k million in FY18)
- Depreciation expense - \$5 million
- Debt service - \$1.7 million



Revenues and Expenses



Balance Sheet Summary



Key Comparisons Summary

	FY19	FY18
Working capital	\$ 20.9 mil	\$ 18.2 mil
Working capital in months operating expenses (excl. depreciation)	28.4 months	26.2 months
Unrestricted net position	\$ 24.2 mil	\$ 19.4 mil
Operating income (loss)	\$ 1.3 mil	\$ (0.5 mil)
Change in net position	\$ 16.5 mil	\$ 9.4 mil
Cash flows from operating activities	\$ 5.3 mil	\$ 4.3 mil
Net increase (decrease) in cash	\$ (.3 mil)	\$ (3.5 mil)



Capital Projects

- Capital Assets (gross) increased by \$12.4 million in FY2019
 - This increase is primarily due to major capital projects in progress for the Airfield Re-Development and other projects
 - The Authority has remaining commitments of approximately \$44.4 million for construction/renovation of facilities
 - Funded through Federal grants, passenger facility charges, and Airport funds





**GOULD KILLIAN
CPA GROUP, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**
2019 Annual Financial Report

**Greater Asheville Regional
Airport Authority
Fletcher, North Carolina**

Annual Financial Report

For The Years Ended June 30, 2019 and 2018

DRAFT



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

Matthew Burrell, Chair
K. Ray Bailey, Vice-Chair

Carl Ricker, Jr.
Stephanie Brown
Thomas Apodaca
George Erwin, Jr.
Brad Galbraith
Cindy Rice, Attorney

Executive Director

Lew S. Bleiweis, A.A.E.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2019 and 2018

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2019 and 2018

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the Greater Asheville Regional Airport Authority's activities and financial performance provides the reader with an overview to the financial statements of the Greater Asheville Regional Airport Authority for the fiscal year ended June 30, 2019. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

THE REPORTING ENTITY

The Asheville Regional Airport Authority was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (the "County") and the City of Asheville (the "City"). It was organized for, and has as its sole purpose, the management, operation, and maintenance of the Asheville Regional Airport (the "Airport"). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 which changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the "Authority"). Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

The Authority operates as an Enterprise Fund and is governed by seven members: two registered voters of the County, appointed by the Board of Commissioners of Buncombe County; two registered voters of the City, appointed by the Asheville City Council; two registered voters of the County of Henderson, appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority. Members of the Authority serve four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment.

The Authority employs a managing director (the "Executive Director"), who is the chief administrator and executive officer of the Authority. The Executive Director manages the Airport under the Authority's control with a staff of 64 full-time employees. The staff is responsible for the day-to-day financial, administration, and operational matters pertaining to the Airport and for the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a small hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 117th largest airport in the United States based on the number of passenger boardings during calendar year 2018.¹

As of June 30, 2019, Asheville Regional Airport had approximately twenty-five daily, non-stop commercial flights to twenty cities (Atlanta, Baltimore, Charlotte, Chicago, Fort Lauderdale, New York, Newark, Dallas, Philadelphia, Washington DC, Detroit, Tampa, Sarasota, Sanford, West Palm Beach, Denver, Orlando, Punta Gorda, St. Petersburg/Clearwater and Vero Beach). The commercial airline carriers included Allegiant Air, American Airlines, Delta Air Lines, Elite Airlines, Spirit Airlines and United Airlines.

The mission of the Greater Asheville Regional Airport Authority is to provide an exceptional airport experience with a focus on people, service, commercial and general aviation, and to contribute to the regional economy.

¹ Federal Aviation Administration, passenger boardings calendar year 2018

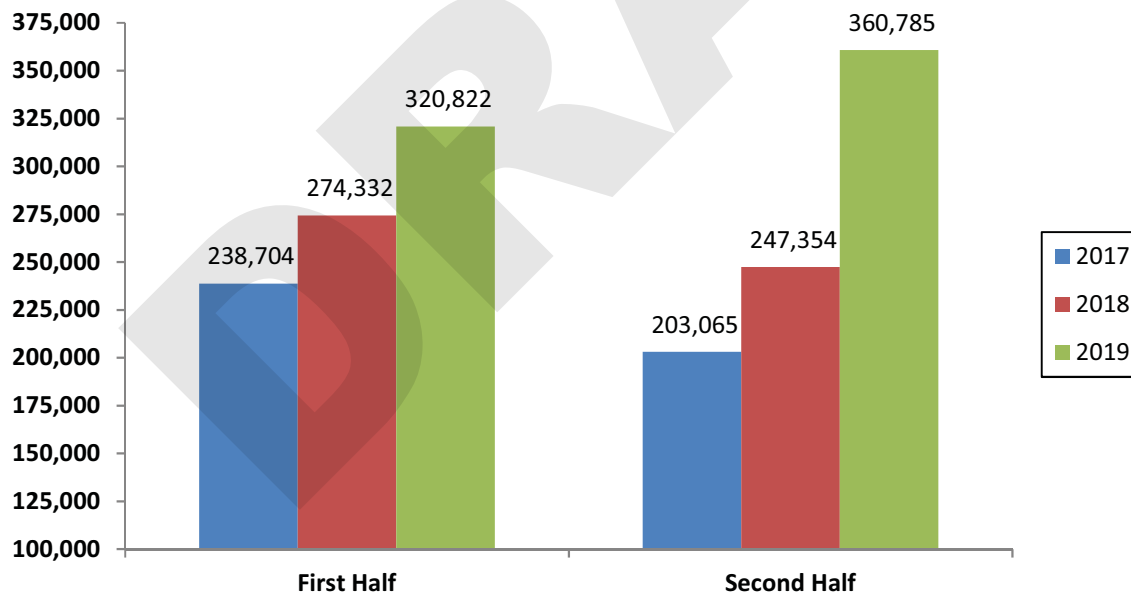
AIRPORT ACTIVITIES AND HIGHLIGHTS

For Year Ended June 30	2019	2018	2017
Enplanements	681,607	521,686	441,769
Revenues per enplanement:			
Airlines	\$ 5.17	\$ 5.90	\$ 6.24
Rental cars	4.50	5.09	5.17
Parking facility	8.66	8.59	8.04
Concessionaires	1.06	1.18	1.24

Enplanements increased by 30.6% in fiscal year 2019.

	2019	2018	2017
<i>Aircraft Movements (Land or Takeoff):</i>			
Airline	21,842	19,036	17,014
General aviation	40,229	43,449	41,516
Military	3,101	4,168	4,280
Total	65,172	66,653	62,810

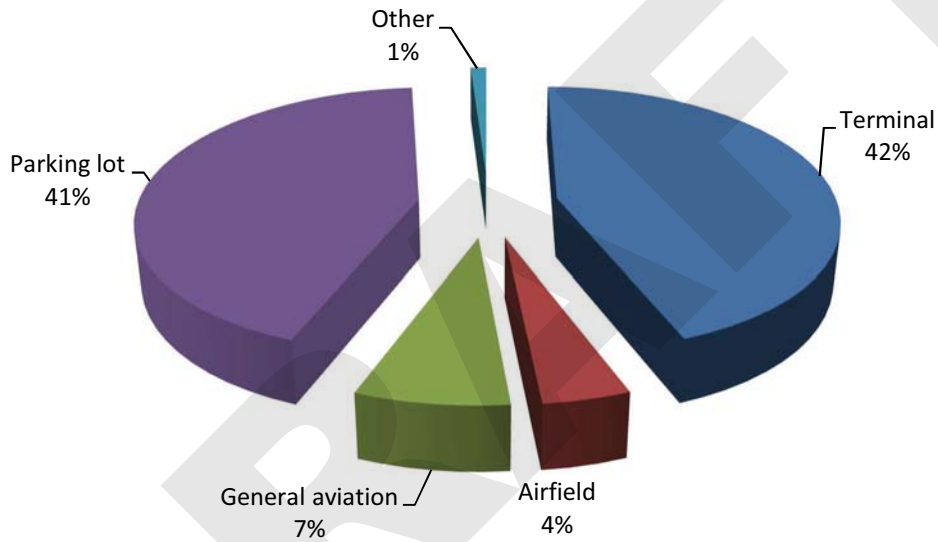
Passenger Enplanements for Fiscal Year



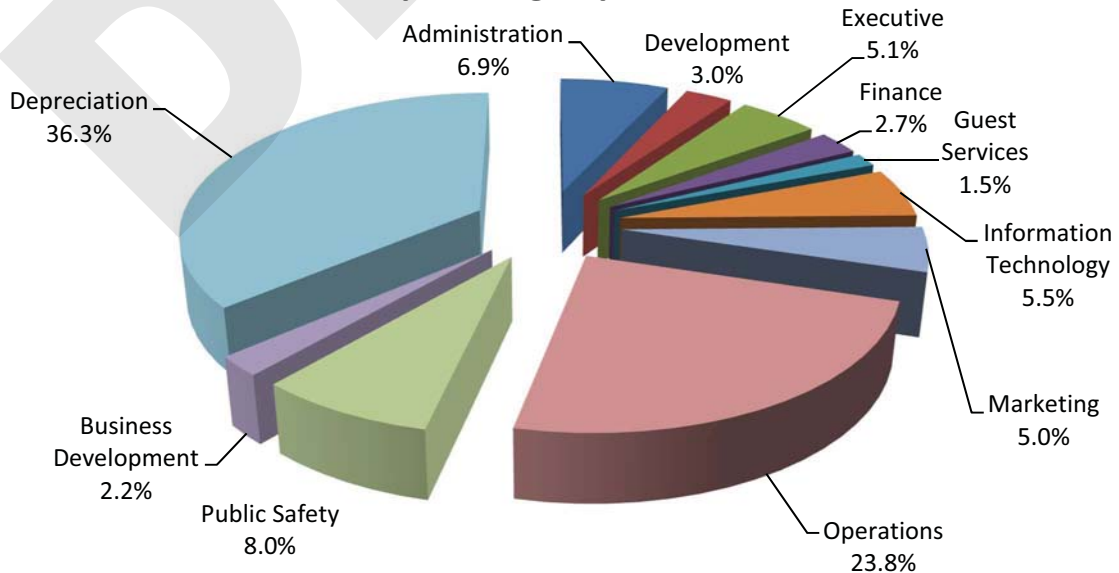
SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

For Year Ended June 30	(restated)		
	2019	2018	2017
Operating revenues	\$ 15,168,401	\$ 12,549,325	\$ 10,804,627
Operating expenses	13,851,380	13,014,654	13,700,175
Operating income (loss) before non-operating revenues and expenses	1,317,021	(465,329)	(2,895,548)
Non-operating revenues and expenses, net	4,976,935	3,566,124	2,925,683
Income before capital contributions	6,293,956	3,100,795	30,135
Capital contributions	10,184,989	6,313,483	14,284,352
Increase in net position	<u>\$ 16,478,945</u>	<u>\$ 9,414,278</u>	<u>\$ 14,314,487</u>

Operating Revenues



Operating Expenses



FINANCIAL POSITION SUMMARY

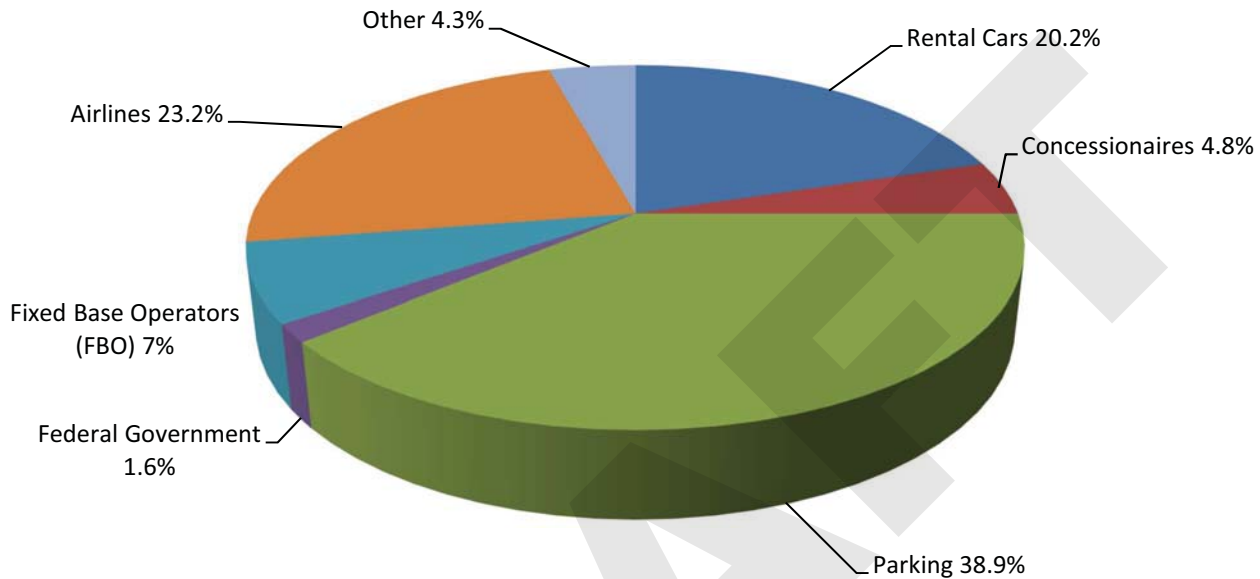
Net position may serve, over time, as a useful indicator of the Authority’s financial position. The Authority’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$154,808,712 at June 30, 2019, an increase of approximately \$16.5 million from June 30, 2018, and roughly a \$25.9 million increase from June 30, 2017.

	2019	(restated) 2018	2017
Asset and Deferred Outflows of Resources:			
Current assets	\$ 28,971,613	\$ 24,771,402	\$ 23,318,849
Restricted assets	16,561,028	11,904,719	16,988,875
Capital assets	137,104,929	129,708,016	119,204,501
Deferred outflows of resources	1,035,011	683,064	991,970
Total assets and deferred outflows of resources	<u>183,672,581</u>	<u>167,067,201</u>	<u>160,504,195</u>
Liabilities and Deferred Inflows of Resources:			
Current liabilities	8,118,526	7,209,244	8,635,823
Non-current liabilities	20,604,462	21,434,702	22,892,860
Deferred inflows of resources	140,881	93,488	60,023
Total liabilities and deferred inflows of resources	<u>28,863,869</u>	<u>28,737,434</u>	<u>31,588,706</u>
Net Position:			
Net investment in capital assets	118,274,929	109,663,016	98,204,501
Restricted	12,381,166	9,250,474	15,777,675
Unrestricted	24,152,617	19,416,277	14,933,313
	<u>\$ 154,808,712</u>	<u>\$ 138,329,767</u>	<u>\$ 128,915,489</u>

REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as parking receipts, rental car privilege fees, landing fees, space rental, and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2019.



SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits, and highly liquid investments with an original maturity of three months or less.

For Year Ended June 30	(restated)		
	2019	2018	2017
Cash flows from operating activities	\$ 5,315,576	\$ 4,352,156	\$ 1,572,053
Cash flows from capital and related financing activities	(6,083,521)	(7,977,193)	12,373,281
Cash flows from investing activities	510,562	122,155	90,542
Net increase (decrease) in cash and cash equivalents	(257,383)	(3,502,882)	14,035,876
Cash and Cash Equivalents			
Beginning of year - July 1	32,460,138	35,963,020	21,927,144
End of year - June 30	<u>\$ 32,202,755</u>	<u>\$ 32,460,138</u>	<u>\$ 35,963,020</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2019, the Authority expended \$12 million on capital activities. This included the following major projects:

- \$9.1 million on the Airfield Redevelopment
- \$700,000 on North Apron Expansion
- \$660,800 on snow removal equipment

Acquisitions are funded using a variety of sources, including Federal and State grants, passenger facility charges, operating revenues, and net position appropriations.

CAPITAL ASSETS (net of accumulated depreciation)

	2019	2018	2017
Land	\$ 7,796,901	\$ 7,796,901	\$ 7,593,744
Construction in progress	62,560,507	75,999,187	61,456,158
Buildings and improvements	63,798,491	43,649,371	47,732,909
Equipment	1,780,761	956,798	980,602
Furniture	60,040	80,180	114,611
Vehicles	1,108,229	1,225,579	1,326,477
Capital assets, net of accumulated depreciation	<u>\$ 137,104,929</u>	<u>\$ 129,708,016</u>	<u>\$ 119,204,501</u>

Long-Term Debt

As of June 30, 2019, the Authority has the following long-term debt:

LONG-TERM DEBT

	2019	2018	2017
Greater Asheville Regional Airport Authority System Revenue Bonds	\$ 18,830,000	\$ 20,045,000	\$ 21,000,000

THE FUTURE

The Asheville Regional Airport has seen five consecutive years of record growth with calendar year 2018 ending with a 19% increase in passengers. Six carriers are now serving the airport. Staff continues to advocate for additional airlines. Authority management continues to seek additional non-stop service to its top 25 origin and destination markets. Allegiant Travel Company continues to grow its presence and now has the largest market share of the air carriers operating from the airport. Allegiant also established a maintenance base in Asheville with three overnighting aircraft and 50+ employees calling the Asheville area home.

Authority management continues to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. They are working with the local economic development authorities to attract domestic and international manufacturing opportunities to the local community.

The Authority has seen one full year of its parking garage utilization. The garage, which was planned for a 10-15 year capacity growth, has already seen days in which the garage is completely full. Revenues were higher than budgeted due to the parking demand. The Authority continues to work on completion of the airfield redevelopment project, and is hopeful to have most of the project completed by the end of the calendar year. Again, due to passenger growth, Authority management has started the planning process for a new passenger terminal. Groundbreaking is expected late 2021 with a four to five year construction period. Capital funding continues to be a challenge for airports nationwide. The North Carolina commercial airports were successful in getting capital funding programmed into the annual state budget on a recurring basis. Asheville Regional Airport's share will be approximately \$5 million per year which will help tremendously toward its capital program. FAA Funding Reauthorization was approved for five years providing some stability for airports and their capital needs. Airports continue to advocate in D.C. for an increase to the Passenger Facility Charge (PFC), a user fee that supports local capital development. The PFC has not been increased from the maximum of \$4.50 per flight segment since 2000.

Management will continue to improve the Airport and its facilities in a financially prudent manner, maximizing Federal, State, and other revenues to minimize the Authority's internal funding commitment, thereby maximizing the Authority's return on its investments.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732. You may also call (828) 684-2226, visit our website www.flyavl.com, or send an email to pr@flyavl.com for more information.

BASIC FINANCIAL STATEMENTS

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 1
Page 1 of 2

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	2019	(Restated) 2018
	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,641,727	\$ 20,555,419
Accounts receivable	2,016,792	1,482,424
Grants receivable	10,584,349	2,201,257
Passenger facility charges receivable	600,000	500,000
Prepaid expenses	128,745	32,302
Total current assets	<u>28,971,613</u>	<u>24,771,402</u>
Restricted assets:		
Cash and cash equivalents	<u>16,561,028</u>	<u>11,904,719</u>
Non-current assets:		
Non-depreciable capital assets	70,357,408	83,796,088
Depreciable capital assets, net	<u>66,747,521</u>	<u>45,911,928</u>
Total non-current assets	<u>137,104,929</u>	<u>129,708,016</u>
Total assets	<u>182,637,570</u>	<u>166,384,137</u>
Deferred Outflows of Resources		
Pension deferrals	984,682	657,382
OPEB deferrals	<u>50,329</u>	<u>25,682</u>
Total deferred outflows of resources	<u>1,035,011</u>	<u>683,064</u>
Commitments and Contingencies (See Note 3)	<u>-</u>	<u>-</u>
Liabilities		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	231,342	414,227
Construction contracts payable	2,638,787	1,387,133
Construction contract retainages	574,507	1,933,007
Compensated absences	251,000	241,000
Accrued liabilities	148,185	143,672
Prepaid fees	67,932	413,803
Payable from restricted assets:		
Accrued interest payable	228,099	243,833
Advance grant funding	2,733,674	1,217,569
Revenue bonds payable, current portion	<u>1,245,000</u>	<u>1,215,000</u>
Total current liabilities	<u>8,118,526</u>	<u>7,209,244</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 1
Page 2 of 2

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	2019	(Restated) 2018
Non-current liabilities:		
Total OPEB liability	1,259,475	1,211,712
Compensated absences	95,617	118,211
Total pension liability - LEOSSA	453,052	474,558
Net pension liability - LGERS	1,211,318	800,221
Revenue bonds payable, non-current portion	<u>17,585,000</u>	<u>18,830,000</u>
Total non-current liabilities	<u>20,604,462</u>	<u>21,434,702</u>
Total liabilities	<u>28,722,988</u>	<u>28,643,946</u>
Deferred Inflows of Resources		
Pension deferrals	58,801	36,751
OPEB deferrals	<u>82,080</u>	<u>56,737</u>
Total deferred inflows of resources	<u>140,881</u>	<u>93,488</u>
Net Position		
Net investment in capital assets	118,274,929	109,663,016
Restricted	12,381,166	9,250,474
Unrestricted	<u>24,152,617</u>	<u>19,416,277</u>
Total net position	<u>\$ 154,808,712</u>	<u>\$ 138,329,767</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 2

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Operating Revenues		
Terminal	\$ 6,405,967	\$ 5,740,026
Airfield	1,314,480	1,082,062
General aviation	1,072,689	1,015,024
Parking lot	6,208,892	4,482,852
Land use	140,498	160,493
Other	<u>25,875</u>	<u>68,868</u>
Total operating revenues	<u>15,168,401</u>	<u>12,549,325</u>
Operating Expenses		
Administration	954,859	798,098
Development	414,908	381,329
Executive	706,206	606,459
Finance	375,930	405,256
Guest services	206,855	194,827
Information technology	762,762	704,279
Marketing	685,917	602,717
Operations	3,291,719	3,286,565
Public safety	1,109,616	1,213,494
Business development	309,205	109,517
Depreciation	<u>5,033,403</u>	<u>4,712,113</u>
Total operating expenses	<u>13,851,380</u>	<u>13,014,654</u>
Operating income (loss)	<u>1,317,021</u>	<u>(465,329)</u>
Non-Operating Revenues (Expenses)		
Passenger facility charges	3,034,177	2,376,802
Customer facility charges	1,827,348	1,492,413
Interest revenue	510,562	122,155
Gain on disposal of capital assets	61,045	62,419
Interest expense	<u>(456,197)</u>	<u>(487,665)</u>
Total non-operating revenues, net	<u>4,976,935</u>	<u>3,566,124</u>
Income before capital contributions	6,293,956	3,100,795
Capital contributions	<u>10,184,989</u>	<u>6,313,483</u>
Change in net position	<u>16,478,945</u>	<u>9,414,278</u>
Net position, beginning, previously reported	139,010,024	128,915,489
Prior period adjustment (Note 4)	<u>(680,257)</u>	<u>-</u>
Net position, beginning, restated	<u>138,329,767</u>	<u>128,915,489</u>
Net position, end of year	<u>\$ 154,808,712</u>	<u>\$ 138,329,767</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 3
Page 1 of 2

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2019 and 2018

	2019	(Restated) 2018
Cash Flows from Operating Activities:		
Cash received for providing services	\$ 14,794,804	\$ 12,083,701
Cash paid for goods and services	(4,844,142)	(3,038,398)
Cash paid to, or on behalf of, employees for services	(4,635,086)	(4,693,147)
Net cash provided by operating activities	<u>5,315,576</u>	<u>4,352,156</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(12,537,162)	(17,955,610)
Cash received for the sale of capital assets	61,045	26,419
Passenger facility charges	2,934,177	2,171,124
Customer facility charges	1,827,348	1,492,413
Principal payments of bond maturities	(1,215,000)	(955,000)
Interest paid on bond maturities	(471,931)	(500,032)
Capital contributions	<u>3,318,002</u>	<u>7,743,493</u>
Net cash used by capital and related financing activities	<u>(6,083,521)</u>	<u>(7,977,193)</u>
Cash Flows from Investing Activities:		
Interest income	<u>510,562</u>	<u>122,155</u>
Net cash provided by investing activities	<u>510,562</u>	<u>122,155</u>
Net decrease in cash and cash equivalents	(257,383)	(3,502,882)
Cash and cash equivalents, beginning of year	<u>32,460,138</u>	<u>35,963,020</u>
Cash and cash equivalents, end of year	<u>\$ 32,202,755</u>	<u>\$ 32,460,138</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 3
Page 2 of 2

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>(Restated) 2018</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 1,317,021	\$ (465,329)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	5,033,403	4,712,113
Changes in assets, deferred outflows of resources, and liabilities:		
(Increase) decrease in accounts receivable	(534,368)	145,176
(Increase) decrease in prepaid items	(96,443)	(23,218)
(Increase) decrease in deferred outflows	(351,947)	308,906
Increase (decrease) in accounts payable	(182,885)	(149,695)
Increase (decrease) in accrued liabilities	4,513	(9,780)
Increase (decrease) in prepaid fees	(345,871)	17,780
Increase (decrease) in other post-employment benefits	47,763	20,781
Increase (decrease) in compensated absences	(12,594)	9,205
Increase (decrease) in net pension liabilities	389,591	(247,248)
Increase (decrease) in deferred inflows	47,393	33,465
Total adjustments	<u>3,998,555</u>	<u>4,817,485</u>
Net cash provided by operating activities	<u>\$ 5,315,576</u>	<u>\$ 4,352,156</u>
Non-Cash Capital and Related Financing Activities:		
Value of assets given in trade	<u>\$ -</u>	<u>\$ 36,000</u>
Supplemental Cash Flow Information:		
Net change in construction contracts and retainage payable	<u>\$ (106,846)</u>	<u>\$ (2,775,982)</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

Note 1 – Organization and Summary of Significant Accounting Policies

The accounting policies of the Greater Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Asheville Regional Airport Authority (the “Authority”) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five-year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year-to-year extension after the term has been reached. Under the agreement, Buncombe County was responsible for funding any operating deficits of the Authority during the term of the agreement. On June 28, 2012, the General Assembly of North Carolina enacted the Greater Asheville Regional Airport Authority Act in Session Law 2012-121, making the Authority an independent airport authority and changing the official name to Greater Asheville Regional Airport Authority. Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

On June 28, 2017, the Federal Aviation Administration issued an Airport Operating Certificate in the name of the Greater Asheville Regional Airport Authority, allowing the Authority to act as the sole sponsor to operate the airport. The real property of the Authority was also deeded in the name of the Greater Asheville Regional Airport Authority. There are no outstanding liabilities, including grant reimbursements, regarding any payment to the City. Furthermore, all grant obligations incurred by the City, on behalf of the airport, were transferred in the transaction and are now the direct responsibility of the Authority. Also, the Authority is fully empowered to issue debt on behalf of the airport in support of future capital improvement needs.

B. Basis of Presentation

Fund financial statements provide information about the Authority’s funds. Statements for the proprietary fund category are presented.

Proprietary funds include the following fund type:

Enterprise Funds. Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one enterprise fund for airport operation.

C. Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for services.

Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the enterprise fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer may transfer amounts between line item expenditures, within a budget ordinance line item/cost center, without limitation and without a report being required. These changes should not result in increased recurring obligations. The Budget Officer may transfer amounts up to \$60,000 from contingency to other line items within the same fund. An official report on such transfers must be made at the next regular meeting of the Board. Any other amendments must be approved by the governing board. During the year, several amendments to the original budget were made. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Authority's use of estimates includes depreciation methods and useful lives, accrued expenses, deferred revenue, and pension and OPEB liabilities and deferrals. Accordingly, actual results could differ from those estimates.

F. Assets, Liabilities, and Net Position**1. Deposits and Investments**

All deposits of the Authority are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed, both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

2. Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Restricted assets consist of monies and other resources which are legally restricted as described below:

Cash and cash equivalents. The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Passenger facility charge collections that have been collected, but not yet disbursed on eligible projects, are restricted.

The unexpended grant proceeds are classified as restricted because their use is restricted to the purpose for which the grant was awarded.

Restricted cash and cash equivalents at June 30, 2019 and 2018 were as follows:

	2019	2018
Passenger facility charge collections, undisbursed	\$ 12,354,244	\$ 9,228,313
Debt service sinking funds - bond repayment	1,473,110	1,458,837
Unexpended grant proceeds	2,733,674	1,217,569
Total restricted cash and cash equivalents	\$ 16,561,028	\$ 11,904,719

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Authority did not have any accounts that were considered uncollectible by management for the years ended June 30, 2019 and 2018.

5. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

Asset	Estimated Useful Lives
Buildings and improvements	5-40 years
Public safety and maintenance equipment	3-20 years
Vehicles	3-20 years
Furniture	5-10 years
Computer software	5 years
Computer equipment	5 years

6. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

7. Compensated Absences

Airport personnel policies permit an employee to earn vacation based on years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31, unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Executive Director. Employees who resign, are laid off, or otherwise separated from the Authority shall be entitled to be paid for any unused annual leave earned by them as of the date of termination, not to exceed 60 days. Accrued vacation pay amounted to \$259,064 and \$270,252 at June 30, 2019 and 2018, respectively.

A specific number of professional leave hours are available to exempt employees. Employees must be employed for 180 days of the calendar year to be eligible for professional leave for that year. The professional leave does not accrue from year to year. Unused professional leave is not paid upon termination, thus, no accrual has been made.

The Authority’s sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is earned by regular, full-time employees at a rate of 12 days per year. All employees who properly resign, are laid off, or otherwise separated from the Authority in good standing shall be entitled to be paid for 33% of up to 240 hours of earned, but unused sick leave. Accrued sick pay amounted to \$87,553 and \$88,959 at June 30, 2019 and 2018, respectively.

The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

8. Pensions

The Authority participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State: the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due and the Authority has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

9. Net Position

Net position in proprietary fund financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

10. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due and the Authority has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2 – Detailed Notes On All Funds**A. Assets****1. Deposits**

All the deposits of the Authority are either insured or collateralized by the Pooling Method as required by State law [G.S. 159-31]. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows; however, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority does not have a deposit policy for custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions

and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the Authority's deposits had a carrying amount of \$12,696,028 and a bank balance of \$15,388,449. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$14,638,449 was covered under the Pooling Method. The Authority maintains petty cash of \$200.

2. Investments

At June 30, 2019, the Authority's investments and maturities were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 3 Months
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level I	\$ 17,864	\$ 17,864
North Carolina Capital Management Trust – Term Portfolio	Fair Value Level I	<u>19,488,663</u>	<u>19,488,663</u>
		<u>\$ 19,506,527</u>	<u>\$ 19,506,527</u>

* As of June 30, 2019, the NCCMT Term Portfolio had a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 3 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2019, the Authority's investment in the North Carolina Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's. The Authority's investment in North Carolina Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended.

3. Accounts Receivable

The balance of accounts receivable at June 30, 2019, and 2018, consisted of the following:

	2019	2018
Trade receivables	\$ 1,798,674	\$ 1,121,028
Sales tax refunds receivable	218,118	361,396
Total	<u>\$ 2,016,792</u>	<u>\$ 1,482,424</u>

4. Capital Assets

The capital assets of the Authority at June 30, 2019 are as follows:

	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Non-Depreciable Capital Assets:					
Land	\$ 7,796,901	\$ -	\$ -	\$ -	\$ 7,796,901
Construction in progress	75,999,187	12,373,881	(25,812,561)	-	62,560,507
Total	<u>83,796,088</u>	<u>12,373,881</u>	<u>(25,812,561)</u>	<u>-</u>	<u>70,357,408</u>
Depreciable Capital Assets:					
Buildings and improvements	105,168,199	24,668,715	(12,793,751)	-	117,043,163
Equipment	5,405,563	1,103,657	(1,539,064)	-	4,970,156
Furniture	301,763	15,253	(118,568)	-	198,448
Vehicles	3,226,045	81,371	(217,300)	-	3,090,116
Total	<u>114,101,570</u>	<u>25,868,996</u>	<u>(14,668,683)</u>	<u>-</u>	<u>125,301,883</u>
Less Accumulated Depreciation:					
Buildings and improvements	61,520,936	4,517,487	(12,793,751)	-	53,244,672
Equipment	4,448,765	279,693	(1,539,064)	-	3,189,394
Furniture	221,583	35,395	(118,568)	-	138,410
Vehicles	1,998,358	200,828	(217,300)	-	1,981,886
Total	<u>68,189,642</u>	<u>5,033,403</u>	<u>(14,668,683)</u>	<u>-</u>	<u>58,554,362</u>
Depreciable capital assets, net	<u>45,911,928</u>				<u>66,747,521</u>
Total capital assets, net	<u>\$ 129,708,016</u>				<u>\$ 137,104,929</u>

Construction Commitments

The Authority has active construction projects as of June 30, 2019. At year-end, the Authority's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airfield re-development	\$ 8,069,396	\$ 41,099,451
Terminal bldg- phase 1 design	45,956	116,864
Security identity mgmt system	164,140	2,361,054
60" pipe rehabilitation	31,000	152,700
Parking lots- design	-	189,962
Apron expansion	336,832	484,364
Total	<u>\$ 8,647,324</u>	<u>\$ 44,404,395</u>

B. Liabilities**1. Payables**

Payables at June 30, 2019, and 2018, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Security Deposits</u>	<u>Total</u>
June 30, 2019:				
Accounts payable	\$ 218,557	\$ -	\$ 12,785	\$ 231,342
Accrued liabilities	<u>-</u>	<u>148,185</u>	<u>-</u>	<u>148,185</u>
Total	<u>\$ 218,557</u>	<u>\$ 148,185</u>	<u>\$ 12,785</u>	<u>\$ 379,527</u>
June 30, 2018:				
Accounts payable	\$ 400,425	\$ 3,292	\$ 10,510	\$ 414,227
Accrued liabilities	<u>-</u>	<u>143,672</u>	<u>-</u>	<u>143,672</u>
Total	<u>\$ 400,425</u>	<u>\$ 146,964</u>	<u>\$ 10,510</u>	<u>\$ 557,899</u>

2. Pension Plan Obligations**a. Local Governmental Employees' Retirement System**

Plan Description. The Authority is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Authority were \$267,877 for the year ended June 30, 2019. For the year ended June 30, 2018, the Authority's contractually required contribution rate was 8.25% for law enforcement officers and 7.57% for general employees. Contributions to the pension plan from the Authority were \$247,476 for the year ended June 30, 2018.

Refunds of Contributions. Authority employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a liability of \$1,211,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018, utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Authority's proportion was 0.05106% (measured as of June 30, 2018), which was an decrease of 0.00132% from its proportion as of June 30, 2018 (measured as of June 30, 2017.)

For the year ended June 30, 2019, the Authority recognized pension expense of \$332,900. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 186,878	\$ 6,271
Changes in assumptions	321,437	-
Net difference between projected and actual earnings on pension plan investments	166,278	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	9,519	11,235
Authority contributions subsequent to the measurement date	<u>267,877</u>	<u>-</u>
Total	<u>\$ 951,989</u>	<u>\$ 17,506</u>

\$267,877 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 325,102
2021	210,172
2022	37,597
2023	93,735
2024	<u>-</u>
Total	<u>\$ 666,606</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017, valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protected	6.0%	4.0%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Authority's proportionate share of the net pension liability (asset)	\$ 2,909,690	\$ 1,211,318	\$ (207,869)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. The Authority administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Authority’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>14</u>
Total	<u>15</u>

Summary of Significant Accounting Policies

Basis of Accounting. The Authority has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meet the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees’ Retirement System for the five year period ending December 31, 2014.

Deaths after retirement (healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths before retirements: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths after retirement (beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths after retirement (disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the operating budget. There were no contributions made by employees. The Authority’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The Authority paid \$15,672 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a total pension liability of \$453,052. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Authority recognized pension expense of \$34,088.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,971	\$ 19,012
Changes in assumptions and other inputs	19,784	22,283
Benefit payments and administrative expenses subsequent to the measurement date	7,938	-
Total	<u>\$ 32,693</u>	<u>\$ 41,295</u>

\$7,938 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (2,282)
2021	(2,282)
2022	(2,282)
2023	(1,508)
2024	(5,340)
Thereafter	(2,846)
Total	<u>\$ (16,540)</u>

Sensitivity of the Authority’s total pension liability to changes in the discount rate. The following presents the Authority’s total pension liability calculated using the discount rate of 3.64 percent, as well as what the Authority’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	<u>\$ 493,953</u>	<u>\$ 453,052</u>	<u>\$ 415,968</u>

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2017	\$ 474,558
Changes for the year:	
Service cost at end of year	21,066
Interest	14,748
Change in benefit terms	-
Difference between expected and actual experience	(22,507)
Changes of assumptions and other inputs	(19,141)
Benefit payments	(15,672)
Other	-
Net changes	<u>(21,506)</u>
Total pension liability as of December 31, 2018	<u>\$ 453,052</u>

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 332,900	\$ 34,088	\$ 366,988
Pension liability	1,211,318	453,052	1,664,370
Proportionate share of the net pension liability	0.05106%	n/a	

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 186,878	\$ 4,971	\$ 191,849
Changes of assumptions	321,437	19,784	341,221
Net difference between projected and actual earnings on plan investments	166,278	-	166,278
Changes in proportion and differences between contributions and proportionate share of contributions	9,519	-	9,519
Benefit payments and administrative costs paid subsequent to the measurement date	267,877	7,938	275,815
	<u>\$ 951,989</u>	<u>\$ 32,693</u>	<u>\$ 984,682</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 6,271	\$ 19,012	\$ 25,283
Changes of assumptions	-	22,283	22,283
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,235	-	11,235
	<u>\$ 17,506</u>	<u>\$ 41,295</u>	<u>\$ 58,801</u>

c. Supplemental Retirement Income Plan

Plan Description. The Authority contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (the "CAFR") for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5% of each officer's salary. In addition to the required contribution for law enforcement officers, the Authority makes a monthly contribution equal to 5% of non-law

enforcement officer's salary. Also, law enforcement officers and non-law enforcement officers of the Authority may make voluntary contributions to the Plan.

The Authority made contributions of \$37,970 and \$130,924 for law enforcement officers and non-law enforcement officers for the year ended June 30, 2019, respectively. The Authority made contributions of \$41,051 and \$119,655 for law enforcement officers and non-law enforcement officers for the year ended June 30, 2018, respectively. No amounts were forfeited in 2019 or 2018.

d. Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan, the Authority does not determine the number of eligible participants. The Authority has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based on rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Authority considers these contributions to be immaterial.

The Department of State Treasurer uses funds derived from court costs to offset employer contribution rates to the LGERS Death Benefit Plan for law enforcement officers. During the fiscal year ended June 30, 2019, these offset funds matched the total contribution rate of .014%.

The Authority provides health, dental, short-term and long-term disability, life insurance, and a 457 deferred compensation plan to its regular full-time employees. Regular part-time employees, working at least 1,000 hours annually, qualify for these benefits.

e. Other Post-Employment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Authority Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the North Carolina Local Governmental Employees' Retirement System, were hired prior to July 1, 2011, and were covered by the Authority's group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. Employees hired on or after July 1, 2011, are not eligible for the Authority's post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority. The Authority Board may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Retiree Health Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees receiving benefits	2	1
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	<u>21</u>	<u>10</u>
Total	<u><u>23</u></u>	<u><u>11</u></u>

Total OPEB Liability

The Authority’s total OPEB liability of \$1,259,475 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% – 7.75%, including wage inflation
Discount rate	3.89%
Healthcare cost trends	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate 5.0% by 2023

The discount rate is based on the June average of the Bond Buyer General Obligation 20 Year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Schedule of Changes in Total OPEB Liability

Total OPEB liability as of June 30, 2018	\$ 1,211,712
Changes for the year:	
Service cost	75,000
Interest	42,614
Changes of benefit terms	-
Differences between expected and actual experience	(693)
Changes in assumptions or other inputs	(39,497)
Benefit payments and implicit subsidy credit	<u>(29,661)</u>
Net changes	<u>47,763</u>
Total OPEB liability as of June 30, 2019	<u>\$ 1,259,475</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease <u>(2.89%)</u>	Discount Rate <u>(3.89%)</u>	1% Increase <u>(4.89%)</u>
Total OPEB liability	\$ 1,383,137	\$ 1,259,475	\$ 1,147,400

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Total OPEB liability	\$ 1,099,871	\$ 1,259,475	\$ 1,448,581

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$98,597. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 191	\$ 596
Changes of assumptions	-	81,484
Benefit payments and administrative costs made subsequent to the measurement date	<u>50,138</u>	<u>-</u>
Total	<u>\$ 50,329</u>	<u>\$ 82,080</u>

\$50,138 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be

recognized as a decrease of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (14,810)
2021	(14,810)
2022	(14,810)
2023	(14,810)
2024	(14,810)
Thereafter	(7,839)
Total	<u>\$ (81,889)</u>

3. Long-term Debt

On September 1, 2016, the Authority issued \$21,000,000 of direct placement revenue bonds entitled Greater Asheville Regional Airport Authority System Revenue Bonds 2016A and 2016B. These bonds provide financing for the construction of a parking deck for the airport system. The bonds require sinking fund payments beginning July 1, 2017 ranging from \$955,000 to \$1,665,000 annually, including semi-annual interest ranging from 2.39% to 2.59%, until July 1, 2031.

The revenue bonds mature as follows:

Year Ended June 30	Principal	Interest
2020	\$ 1,245,000	\$ 440,074
2021	1,280,000	407,376
2022	1,315,000	374,530
2023	1,345,000	342,188
2024	1,375,000	309,684
2025-2029	7,395,000	1,032,779
2030-2032	4,875,000	176,681
Total	<u>\$ 18,830,000</u>	<u>\$ 3,083,312</u>

The Authority is in compliance with the covenants of the bond order. The Bond Order requires the debt service coverage ratio to be no less than 125%. The debt service coverage ratio calculation for the year ended June 30, 2019, is as follows:

Airport revenues (excluding passenger facility charges)	\$ 17,506,311
Current expenses *	<u>8,697,771</u>
Net revenues	<u>\$ 8,808,540</u>
Debt service: **	
Principal	1,245,000
Interest	<u>456,197</u>
	<u>\$ 1,701,197</u>
Debt service coverage ratio	517.8%

* excludes capital outlay, debt service, and depreciation

** Per Bond Indenture, debt service for a fiscal year ending June 30, includes amounts of principal and interest due on the following July 1

The Authority has pledged future airport system revenues, net of specified operating expenses, to repay the \$18.83 million in airport system direct placement revenue bonds issued 2016. Proceeds from the bonds provided financing for the construction of the parking deck. The bonds are payable solely from airport system net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. In the event of a default, the Authority agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the Authority under the related agreement. The total principal and interest remaining to be paid on the bonds is \$21,931,312. Principal and interest paid for the current year and total customer net revenues were \$1,686,931 and \$8,808,540, respectively.

4. Changes in Long-Term Liabilities

Changes in long-term liabilities are as follows:

	July 1, 2018	Additions	Retirements	June 30, 2019	Current
Direct placement revenue bonds	\$ 20,045,000	\$ -	\$ 1,215,000	\$ 18,830,000	\$ 1,245,000
Compensated absences	359,211	243,456	256,050	346,617	251,000
Total pension liability (LEO)	474,558	-	21,506	453,052	-
Net pension liability (LGERS)	800,221	411,097	-	1,211,318	-
Total OPEB liability	<u>1,211,712</u>	<u>47,763</u>	<u>-</u>	<u>1,259,475</u>	<u>-</u>
Total	<u>\$ 22,890,702</u>	<u>\$ 702,316</u>	<u>\$ 1,492,556</u>	<u>\$ 22,100,462</u>	<u>\$ 1,496,000</u>

C. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property, general liability, flood, automobile, workers’ compensation, crime, public officials, law enforcement, and employment practices coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Authority carries flood insurance through Federal Insurance Company in the amount of \$10,000,000.

The Authority’s crime insurance covers all employees, with a limit of \$250,000 per loss. The Finance Officer is individually bonded for \$250,000.

A cyber insurance policy for up to \$1,000,000 single and aggregate limit for both first party and third party claims is carried by the Airport to insure against losses and damages and address major cyber risks such as data breach, business interruption, data theft or corruption, and cyber extortion.

D. Net Position

The Authority Board has established an operations and maintenance designation equal to six months of the Airport’s subsequent year’s operations and maintenance budget. The Board has also designated \$650,000 for emergency repairs. Unrestricted net position consists of the following:

	2019	2018
Unrestricted net position, designated for:		
Operating and maintenance	\$ 4,608,465	\$ 4,517,470
Emergency repair	650,000	650,000
Undesignated, unrestricted net position	18,894,152	14,248,807
Total	\$ 24,152,617	\$ 19,416,277

E. Revenue and Expenses

1. Leases and Other Non-Cancelable Agreements

The Authority leases land and facilities to tenants under various cancelable and non-cancelable agreements. Some agreements require a fixed monthly rent and others require a fee that is the greater of a minimum annual guarantee privilege fee or a percentage of gross sales by the tenant. The future non-cancelable minimum annual rentals and privilege fees to be received under agreements in effect at June 30, 2019, are as follows:

Year Ended	Amount
June 30	
2020	\$ 1,101,143
2021	840,826
2022	529,677
2023	529,677
2024	496,624
Thereafter	4,103,780
Total	\$ 7,601,727

2. Passenger Facility Charges

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Revenues from passenger facility charges totaled \$3,034,177 for the year ended June 30, 2019, and \$2,376,802 for the year ended June 30, 2018.

Note 3 – Commitments and Contingencies (Including Litigation)**A. Construction Contract Commitments**

The Authority has commitments of approximately \$44.4 million for the construction/renovation of facilities. These projects are to be funded through Federal grants, State grants, passenger facility charges, customer facility charges and Authority funding.

The underlying contracts have termination provisions. The contract with an architectural/engineering consulting firm representing approximately \$4.3 million of the commitment amount allows either party to terminate the agreement with a seven-day written notice and the consultant is entitled to payment for work executed and costs incurred by reason of such termination.

The contract with the construction firm representing approximately \$2.2 million of the commitment amount allows the Authority to suspend or terminate the agreement upon any violation or breach of terms of the contract. Authority will provide contractor written notice of breach and corrective actions contractor must undertake to avoid termination of contract, including specific date by which the breach must be corrected. Authority reserves the right to withhold payments to contractor until such time the contractor corrects the breach or the Authority elects to terminate the contract.

The contract with the construction firm representing \$37.9 million of the commitment amount allows the attachment of surety bond for the faithful performance of work specified in strict conformity with specifications set forth. If said work is not completed within the time stated, the contractor shall be liable to pay the Authority liquidated damages in the amount of \$3,000 per calendar day for each day thereafter that said work remains substantially incomplete.

B. Federal and State Assisted Programs

The Authority has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

C. Contingent Liabilities

The Authority is presently a defendant in various lawsuits and is also subject to potential claims which may arise out of the ordinary conduct of its affairs. The Authority is also involved in general disputes with contractors as an ongoing matter. The Authority is involved in the following:

General Disputes

The Authority is involved in several general disputes with contractors involving the Authority's capital projects. These ongoing issues are not pending litigation. The Authority is working with the surety on one project, in order to resolve a particular dispute. The other disputes are not pending any litigation. Management does not believe that these matters require a provision for a future loss as of June 30, 2019.

Pending Matter – Notice of Violation

The Authority has received a Notice of Violation (NOV) from the North Carolina Department of Environmental Quality (DEQ) alleging violations of North Carolina’s water pollution control law. The NOV involves the Authority, the DEQ, and another party. At this time management takes the position that the other party is legally, contractually, and financially responsible. Legal counsel has confirmed that they are unable to form a judgement of the matter at this time. Given management’s stance, and consultation with legal counsel, the Authority has not made a provision for contingent liabilities related to this matter.

The Authority faces additional costs in the form of legal and professional fees, costs, and potential settlement payments involving the matters noted above. However, it is the opinion of the Authority’s management that the additional costs, including the possibility of settlement of these matters, if any, will not have a material adverse effect on the Authority’s financial position.

Note 4 – Prior Period Adjustment- Correction of Error

The Authority receives various grants from federal and state sources for several ongoing construction projects, most of which are on a reimbursement basis. During the year ended June 30, 2018, the North Carolina Department of Transportation awarded the authority approximately \$2 million, which was received in advance by the Authority, and the entire amount was recognized as revenue. In fiscal year 2019, the Authority realized that only a portion of the grant would be applied to expenditures made during fiscal year 2018. The net effect of the correction of these errors is an increase in accounts receivable of \$494,368 and an increase in advance grant funding of \$1,217,569. In addition, the Authority increased the balance of cash and cash equivalents by \$42,944 at June 30, 2018 due to corrections made to the bank reconciliation process during the implementation of a new ERP system. The net prior period adjustment is as follows:

Advanced grant funding	\$	(1,217,569)
Accounts receivable		494,368
Cash and cash equivalents		<u>42,944</u>
	\$	<u>(680,257)</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Three Fiscal Years*

Schedule of Changes in Total Pension Liability

	2019	2018	2017
Beginning balance	\$ 474,558	\$ 441,122	\$ 446,133
Changes for the year:			
Service cost at end of year	21,066	18,349	21,843
Interest	14,748	16,298	15,375
Change in benefit terms	-	-	-
Difference between expected and actual experience	(22,507)	7,343	-
Changes of assumptions and other inputs	(19,141)	29,226	(11,280)
Benefit payments	(15,672)	(37,780)	(30,949)
Other	-	-	-
Net changes	<u>(21,506)</u>	<u>33,436</u>	<u>(5,011)</u>
Ending balance of the total pension liability	<u>\$ 453,052</u>	<u>\$ 474,558</u>	<u>\$ 441,122</u>

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total Pension Liability	\$ 453,052	\$ 474,558	\$ 441,122
Covered Payroll	731,825	740,566	834,877
Total pension liability as a percentage of covered payroll	61.91%	64.08%	52.84%

Notes to the schedule:

The Authority has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

* The amounts presented for each fiscal year were determined as of the prior calendar year ending December 31.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Two Fiscal Years

Schedule of Changes in the Total OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>
Service cost	\$ 75,000	\$ 79,544
Interest	42,614	35,421
Changes of benefit terms	-	-
Differences between expected and actual experience	(693)	265
Changes of assumptions	(39,497)	(65,963)
Benefit payments	<u>(29,661)</u>	<u>(28,486)</u>
Net change in total OPEB liability	<u>47,763</u>	<u>20,781</u>
Total OPEB liability - beginning	<u>1,211,712</u>	<u>1,190,931</u>
Total OPEB liability - ending	<u>\$ 1,259,475</u>	<u>\$ 1,211,712</u>
Covered payroll	\$ 1,794,239	\$ 1,794,239
Total OPEB liability as a percentage of covered payroll	70.20%	67.53%

Notes to the schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Six Fiscal Years*

Local Governmental Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) (%)	0.05106%	0.05238%	0.05093%	0.05042%	0.04853%	0.05120%
Authority's proportion of the net pension liability (asset) (\$)	\$ 1,211,318	\$ 800,221	\$ 1,080,905	\$ 226,282	\$ (286,204)	\$ 617,157
Authority's covered payroll	3,206,342	3,226,530	3,067,020	2,861,908	2,699,905	2,574,058
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.78%	24.80%	35.24%	7.91%	(10.60%)	23.98%
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Six Fiscal Years

Local Governmental Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 267,877	\$ 247,476	\$ 241,459	\$ 210,066	\$ 204,511	\$ 192,190
Contributions in relation to the contractually required contribution	<u>267,877</u>	<u>247,476</u>	<u>241,459</u>	<u>210,066</u>	<u>204,511</u>	<u>192,190</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	3,368,784	3,206,342	\$ 3,226,530	\$ 3,067,020	\$ 2,861,908	\$ 2,699,905
Contributions as a percentage of covered payroll	7.95%	7.72%	7.48%	6.85%	7.15%	7.12%

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SUPPLEMENTARY INFORMATION

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the year ended June 30, 2019

With comparative actual amounts for the year ended June 30, 2018

	2019			2018
	Final		Variance	(Restated)
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Terminal	\$ 5,035,033	\$ 6,405,967	\$ 1,370,934	\$ 5,740,026
Airfield	1,049,838	1,314,480	264,642	1,082,062
General aviation	1,038,185	1,072,689	34,504	1,015,024
Parking lot	3,694,500	6,208,892	2,514,392	4,482,852
Land Use	133,157	140,498	7,341	160,493
Interest income	35,000	510,562	475,562	122,155
Other	24,000	25,875	1,875	68,868
Customer facility charges	1,400,000	1,827,348	427,348	1,492,413
Total operating revenues	12,409,713	17,506,311	5,096,598	14,163,893
Non-operating Revenues:				
State grant reimbursements	3,646,400	1,165,869	(2,480,531)	1,304,629
Federal airport improvement program grants	13,325,283	9,019,120	(4,306,163)	5,008,854
Passenger facility charges	1,850,000	3,034,177	1,184,177	2,376,802
Total non-operating revenues	18,821,683	13,219,166	(5,602,517)	8,690,285
Total revenues	31,231,396	30,725,477	(505,919)	22,854,178
Expenditures:				
Administration	530,977	489,274	41,703	380,977
Development	494,383	414,908	79,475	381,329
Executive	822,437	706,206	116,231	606,459
Finance	409,967	375,930	34,037	405,256
Guest services	248,974	206,855	42,119	194,827
Information technology	885,228	762,762	122,466	704,279
Marketing	734,698	685,917	48,781	602,717
Operations	3,662,386	3,637,098	25,288	3,546,393
Public safety	1,522,514	1,109,616	412,898	1,213,494
Business development	684,500	309,205	375,295	109,517
Debt service - principal	1,215,000	1,215,000	-	955,000
Debt service - interest	471,931	471,931	-	500,032
Emergency repair	172,500	-	172,500	32,184
Contingency	45,000	-	45,000	-
Equipment and small capital outlay	4,182,007	830,880	3,351,127	7,143
Renewal and replacement capital outlay	3,011,845	1,137,516	1,874,329	203,157
Capital project expenditures	35,410,455	10,461,920	24,948,535	14,969,328
Total expenditures	54,504,802	22,815,018	31,689,784	24,812,092

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the year ended June 30, 2019

With comparative actual amounts for the year ended June 30, 2018

	2019		2018	
	Final		(Restated)	
	Budget	Actual	Actual	
		Variance		
		Positive		
		(Negative)		
Revenues over (under) expenditures	(23,273,406)	7,910,459	31,183,865	(1,957,914)
Other Financing Sources:				
Proceeds on sale of assets	-	61,045	61,045	26,419
Appropriated net position	23,273,406	-	(23,273,406)	-
Total other financing sources	23,273,406	61,045	(23,212,361)	26,419
Revenues and other financing sources over expenditures	\$ -	7,971,504	\$ 7,971,504	(1,931,495)
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Capital outlay expenditures		1,968,396		210,300
Capital project expenditures		10,461,920		14,969,328
Principal payments of bond maturities		1,215,000		955,000
Increase (decrease) in deferred outflows of resources		351,947		(308,906)
(Increase) decrease in accrued interest payable		15,734		12,367
(Increase) decrease in accrued compensated absences		12,594		(9,205)
(Increase) decrease in net total pension liability (LEOSSA)		21,506		(33,436)
(Increase) decrease in net pension liability (LGERS)		(411,097)		280,684
(Increase) decrease in total OPEB liability		(47,763)		(20,781)
(Increase) decrease in deferred inflows of resources		(47,393)		(33,465)
Trade-in value of disposed assets		-		36,000
Depreciation		(5,033,403)		(4,712,113)
Change in net position		\$ 16,478,945		\$ 9,414,278

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

CAPITAL IMPROVEMENTS SUPPLEMENTAL SCHEDULE

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

From inception and for the year ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Federal airport improvement program grants	\$ 61,244,404	\$ 44,944,014	\$ 8,421,567	\$ 53,365,581	\$ (7,878,823)
Passenger facility charges	11,683,636	4,126,144	1,000,993	5,127,137	(6,556,499)
State grants	4,852,662	808,762	1,212,776	2,021,538	(2,831,124)
Total operating revenues	<u>77,780,702</u>	<u>49,878,920</u>	<u>10,635,336</u>	<u>60,514,256</u>	<u>(17,266,446)</u>
Expenditures:					
Airfield Re-Development - Bid Package 1	11,868,128	10,357,412	89,500	10,446,912	1,421,216
Airfield Re-Development - Bid Package 2	13,956,089	13,912,380	-	13,912,380	43,709
Airfield Re-Development - Bid Package 3	16,338,255	16,056,759	(658,608)	15,398,151	940,104
Airfield Re-Development - Bid Package 4	34,703,096	12,194,655	9,665,482	21,860,137	12,842,959
Parking Garage Design and Construction	1,627,575	12,194,655	-	1,604,163	23,412
Parking Garage	21,938,700	1,604,163	83,924	20,880,317	1,058,383
Other	6,559,433	20,796,393	1,281,622	2,161,552	4,397,881
Total expenditures	<u>106,991,276</u>	<u>87,116,417</u>	<u>10,461,920</u>	<u>86,263,612</u>	<u>20,727,664</u>
Revenues under expenditures	<u>(29,210,574)</u>	<u>(37,237,497)</u>	<u>173,416</u>	<u>(25,749,356)</u>	<u>3,461,218</u>
Other Financing Sources (Uses):					
Transfers (to)/from operating cash	<u>29,210,574</u>	<u>16,980,742</u>	<u>(173,416)</u>	<u>16,807,326</u>	<u>(12,403,248)</u>
Total other financing sources (uses)	<u>29,210,574</u>	<u>16,980,742</u>	<u>(173,416)</u>	<u>16,807,326</u>	<u>(12,403,248)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (20,256,755)</u>	<u>\$ -</u>	<u>\$ (8,942,030)</u>	<u>\$ (8,942,030)</u>

Note: Schedule represents cumulative activity for active capital improvement projects. Budget and actual activity is accounted for in the Operating Fund; not a separate fund. This schedule is for additional detail of active capital improvement projects.

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COMPLIANCE SECTION



**Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the Greater Asheville Regional Airport Authority, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements, and have issued our report, thereon, dated November 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Asheville Regional Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2019-001, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Greater Asheville Regional Airport Authority's Responses to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 5, 2019



Report on Compliance for Each Major Federal Program and Passenger Facility Charge (PFC) Program; Report on Internal Control Over Compliance; With Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the OMB *Compliance Supplement*; the *Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission; and with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the Greater Asheville Regional Airport Authority's major federal programs and passenger facility charge (PFC) program for the year ended June 30, 2019. The Greater Asheville Regional Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and the PFC program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the State Single Audit Implementation Act; and the *Passenger Facility Charge Audit Guide for Public Agencies* (Audit Guide) issued by the Federal Aviation Administration. Those standards, the Uniform Guidance, the State Single Audit Implementation Act, and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, or the PFC program, occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and the passenger facility charge (PFC) program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

Opinion on Each Major Federal Program and PFC Program

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and the PFC program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and the PFC program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and the PFC program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or the PFC program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or the PFC program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the PFC program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Audit Guide. Accordingly, this report is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 5, 2019



**Report on Compliance for Each Major State Program; Report on Internal
Control over Compliance; In Accordance with Uniform Guidance
and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major State Program

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Greater Asheville Regional Airport Authority's major State program for the year ended June 30, 2019. The Greater Asheville Regional Airport Authority's major State program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

Opinion on Each Major State Program

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 5, 2019

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended 30, 2019

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Non-compliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major federal program Unmodified

- Any findings disclosed that are required to be reported in accordance with 2 CFR 500.516(a)? Yes X No

Identification of major federal program:

Name of Federal Program or Cluster

CFDA #

Airport Improvement Program

20.106

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended 30, 2019

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State program:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major state program

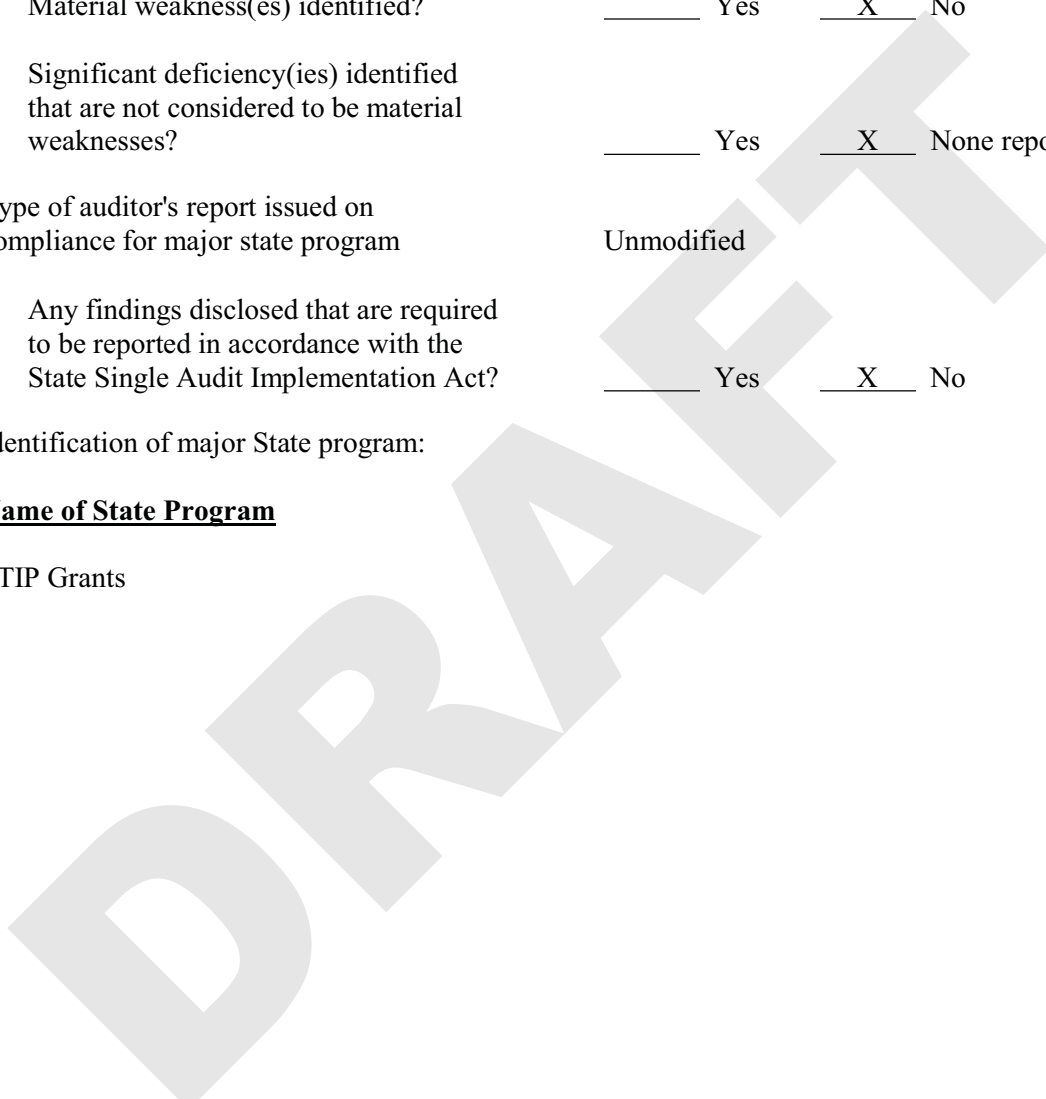
Unmodified

- Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes X No

Identification of major State program:

Name of State Program

STIP Grants



GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended 30, 2019

2. Findings Related to the Audit of the Basic Financial Statements of the Greater Asheville Regional Airport Authority

Finding 2019-001: Material Prior Period Adjustments/Grant Tracking

Material Weakness

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition and Context: Errors were detected in the current year that required the prior year financial statements to be restated by approximately \$680,000. The existence of material prior period adjustments indicates that the Authority's system of controls did not detect and prevent such errors in a timely manner.

Effect: Errors could occur in financial reporting, causing users of the financial statements to rely on inaccurate information for decision making.

Cause: Lack of reconciliation between grant tracking information and general ledger information.

Recommendation: Management should ensure that the information used for grant tracking is consistent with information reported in the general ledger, and periodically reconcile between the systems. Periodic and year end close procedures should include an evaluation of grant revenues and expenditures to ensure they are appropriately deferred or accrued as necessary and reported in the correct period in the basic financial statements and the schedule of expenditures of federal and state awards.

Views of responsible officials and planned corrective actions: The Airport Authority agrees with this finding. Please refer to the corrective action plan on page 55.

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

CORRECTIVE ACTION PLAN

Material Weakness

Finding 2019-001

Name of Contact Person:

Janet Burnette

Corrective Action:

The Finance Department will maintain a comprehensive grant schedule to include all grant revenue and receivables as well as a cumulative list of expenditures. All grant revenue received as advance payments will be credited to deferred revenue in the general ledger. Once the applicable grant expenditures are identified, the total expenditure amount will be debited from deferred revenue and credited to grant revenue. Separate files shall be maintained for each grant-related project and these files will serve as the backup documentation for a master spreadsheet outlining the revenue and expenditure for each project.

To provide additional assurance, these records will be compared to records in the Planning Department on a quarterly basis. Any discrepancies will be corrected at that time.

At fiscal yearend, final revenue and expenditures will be calculated and compared to Planning Department records and NC DOT reporting.

Proposed Completion Date:

October 31, 2019

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS

For the year ended June 30, 2019

There were no prior year audit findings.

DRAFT

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2019

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Awards:					
<u>U.S. Department of Transportation</u>					
Federal Aviation Administration					
Direct Program:					
Airport Improvement Program	20.106	N/A	\$ 9,019,120	\$ -	\$ 1,011,673
Total federal awards			<u>9,019,120</u>	<u>-</u>	<u>1,011,673</u>
State Awards:					
<u>N.C. Department of Transportation</u>					
State Aid to Airports, DOT-8		36244.15.18.1	-	510,226	-
STIP Grants - North and South Apron Expansion		48141.3.1	-	657,143	-
Total state awards			<u>-</u>	<u>1,167,369</u>	<u>-</u>
Total federal and state awards			<u>\$ 9,019,120</u>	<u>\$ 1,167,369</u>	<u>\$ 1,011,673</u>
Passenger Facility Charges:					
Capital improvements					
Application approved number					
				11-05-C-00-AVL	
Beginning balance, unliquidated Passenger Facility Charges			\$ 4,631,990		
Passenger Facility Charges collected			2,930,413		
Interest earned			193,971		
Expenditures			<u>(1,000,992)</u>		
Ending balance, unliquidated Passenger Facility Charges			<u>\$ 6,755,382</u>		

Notes to the Schedule of Expenditures of Federal Awards:

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Greater Asheville Regional Airport Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Passenger Facility Charge Audit Guide for Public Agencies; and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

The Greater Asheville Regional Airport Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E., Deputy Executive Director

DATE: November 15, 2019

ITEM DESCRIPTION – New Business Item B

Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2021-2025

BACKGROUND

The Federal Aviation Administration (FAA) requires all airports to submit a Five-Year CIP to be eligible for federal project funding. The CIP is used to update the National Plan of Integrated Airport Systems (NPIAS) and allows the FAA to update the NPIAS program based upon available funding levels.

CIP priorities through FY25 provide for the continuation of existing programs already underway or planned. This includes but is not limited to apron expansion, roadway and parking lot pavement rehabilitation, terminal apron repairs and expansion, terminal rehabilitation and expansion, and an update of the Airport Master Plan. Additionally, provisions have been added for replacement of the air traffic control tower, and a second parking garage.

ISSUES

None.

ALTERNATIVES

None.

New Business – Item B



GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
New Business Item B
Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for
FY 2021-2025

FISCAL IMPACT

The Five-Year CIP is considered a planning and administrative tool for Authority Staff, the FAA, and the NCDOT Division of Aviation. Adopting the CIP does not approve any contracts nor provide Staff with any authorization to award design or construction projects. Staff will present individual CIP projects to the Authority Board in accordance with all applicable Authority policies.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Airport Capital Improvement Program - Fiscal Years 2021-2025													Draft November 2019									
Description						Pay-As-You-Go PFC			Other Local Funds													
			Total Cost	AIP Entitlements	AIP Discretionary	State Funds	Current Approval	Future Approvals	Airport Capital	Other	CFC		Total Funding									
Current Year																						
FY 2020 (Oct 1, 2019 - Sept 30, 2020)																						
Terminal Apron Expansion (South) - Phase I and Phase II (Design & Construction)	\$	9,087,857	\$	2,937,817	\$	-	\$	-	\$	-	\$	6,150,040	\$	-	\$	-	\$	9,087,857				
Terminal Rehabilitation and Expansion - Phase I (Design)	\$	14,750,000	\$	-	\$	10,000,000	\$	4,750,000	\$	-	\$	-	\$	-	\$	-	\$	14,750,000				
Air Traffic Control Tower Site Study	\$	475,000	\$	-	\$	-	\$	-	\$	-	\$	475,000	\$	-	\$	-	\$	475,000				
Airfield Project (Continuation)	\$	44,389,767	\$	-	\$	-	\$	-	\$	-	\$	27,000,000	\$	17,389,767	\$	-	\$	-	\$	44,389,767		
Subtotal FY 2020	\$	68,702,624	\$	2,937,817	\$	10,000,000	\$	4,750,000	\$	-	\$	27,000,000	\$	24,014,807	\$	-	\$	-	\$	68,702,624		
FY 2021 (Oct 1, 2020 - Sept 30, 2021)																						
Terminal Rehabilitation and Expansion - Phase II (Construction)	\$	15,000,000	\$	3,265,917	\$	10,000,000	\$	-	\$	-	\$	1,734,083	\$	-	\$	-	\$	-	\$	15,000,000		
Air Traffic Control Tower (Design)	\$	5,000,000	\$	-	\$	-	\$	4,750,000	\$	-	\$	250,000	\$	-	\$	-	\$	-	\$	5,000,000		
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Subtotal FY 2021	\$	20,000,000	\$	3,265,917	\$	10,000,000	\$	4,750,000	\$	-	\$	-	\$	1,984,083	\$	-	\$	-	\$	-	\$	20,000,000
FY 2022 (Oct 1, 2021 - Sept 30, 2022)																						
Terminal Rehabilitation and Expansion - Phase III (Construction)	\$	80,000,000	\$	2,365,917	\$	-	\$	4,750,000	\$	-	\$	-	\$	72,884,083	\$	-	\$	-	\$	-	\$	80,000,000
Roadway Improvements & Rehab.	\$	2,275,648	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,275,648	\$	-	\$	-	\$	-	\$	2,275,648
Airport Master Plan	\$	1,000,000	\$	900,000	\$	-	\$	-	\$	-	\$	-	\$	100,000	\$	-	\$	-	\$	-	\$	1,000,000
Wright Brothers Way Extension (Phase 1 - Utilities)	\$	1,500,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,500,000	\$	-	\$	-	\$	-	\$	1,500,000
Air Traffic Control Tower (Construction)	\$	12,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	12,000,000	\$	-	\$	-	\$	-	\$	12,000,000
Subtotal FY 2022	\$	96,775,648	\$	3,265,917	\$	-	\$	4,750,000	\$	-	\$	-	\$	88,759,731	\$	-	\$	-	\$	-	\$	96,775,648
FY 2023 (Oct 1, 2022 - Sept 30, 2023)																						
Terminal Rehabilitation and Expansion - Phase IV (Construction)	\$	55,000,000	\$	-	\$	-	\$	4,750,000	\$	-	\$	-	\$	50,250,000	\$	-	\$	-	\$	-	\$	55,000,000
GA Apron / Taxilane Rehabilitation - Phase I	\$	3,275,648	\$	2,265,917	\$	-	\$	-	\$	-	\$	-	\$	1,009,731	\$	-	\$	-	\$	-	\$	3,275,648
Wright Brothers Way Extension (Phase II - Pavement)	\$	2,500,000	\$	1,000,000	\$	-	\$	-	\$	-	\$	-	\$	1,500,000	\$	-	\$	-	\$	-	\$	2,500,000
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subtotal FY 2023	\$	60,775,648	\$	3,265,917	\$	-	\$	4,750,000	\$	-	\$	-	\$	52,759,731	\$	-	\$	-	\$	-	\$	60,775,648
FY 2024 (Oct 1, 2023 - Sept 30, 2024)																						
GA Apron / Taxilane Rehabilitation - Phase II	\$	3,275,648	\$	2,365,917	\$	-	\$	-	\$	-	\$	-	\$	909,731	\$	-	\$	-	\$	-	\$	3,275,648
Terminal Apron Improvements	\$	1,000,000	\$	900,000	\$	-	\$	-	\$	-	\$	-	\$	100,000	\$	-	\$	-	\$	-	\$	1,000,000
Westside Apron and Taxiway Improvements	\$	15,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	15,000,000	\$	-	\$	-	\$	-	\$	15,000,000
Subtotal FY 2024	\$	19,275,648	\$	3,265,917	\$	-	\$	-	\$	-	\$	-	\$	16,009,731	\$	-	\$	-	\$	-	\$	19,275,648
FY 2025 (Oct 1, 2024 - Sept 30, 2025)																						
Parking Garage (Design & Construction)	\$	30,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	30,000,000	\$	-	\$	-	\$	-	\$	30,000,000
Northwest Development Site Prep	\$	8,000,000	\$	3,265,917	\$	-	\$	-	\$	-	\$	-	\$	4,734,083	\$	-	\$	-	\$	-	\$	8,000,000
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subtotal FY 2025	\$	38,000,000	\$	3,265,917	\$	-	\$	-	\$	-	\$	-	\$	34,734,083	\$	-	\$	-	\$	-	\$	38,000,000
Combined Totals - FY 2021 - FY 2025	\$	303,529,568	\$	19,267,402	\$	20,000,000	\$	19,000,000	\$	-	\$	27,000,000	\$	218,262,166	\$	-	\$	-	\$	-	\$	303,529,568



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E., Deputy Executive Director

DATE: November 15, 2019

ITEM DESCRIPTION – New Business C

Approve Award of Contract to Patton Construction Group for Terminal Building – Phase I Utility Modernization

BACKGROUND

In preparation for the upcoming terminal modernization project, and as a result of on-going capacity and condition issues, the sanitary sewer and water mainlines that serve the terminal building from NC280 must be replaced and upgraded. This project was advertised on October 1, 2019, and a pre-bid meeting was held on October 15, 2019. Bid opening was scheduled for October 25, 2019, however, no bids were received. The project was re-advertised on October 25, 2019, for the minimum period of at least seven days, and another pre-bid meeting was held on October 29, 2019. Bids were subsequently received on November 4, 2019, and three bids were received, with the low bid being provided by Patton Construction Group in the amount of \$1,868,160.00. The engineer's estimate was \$1.3M.

ISSUES

None.

ALTERNATIVES

Although this project is a pre-requisite to the terminal program and must be carried out, the Board could elect to reject bids and postpone it, requiring another bidding cycle. Staff is not confident that such a process would result in lower bids, and the time lost undertaking this process would potentially force the work to take place during a higher

New Business – Item C



peak period of travel during the upcoming year. This would cause increased burdens on the travelling public over what is already expected while this project is carried out over the winter months.

FISCAL IMPACT

The total expense of \$1,868,160.00 for this project will be funded with Airport Funds and is included within the \$25,000,000.00 included in the current FY budget for the terminal project.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve award of contract to Patton Construction Group for the Phase I Utility Modernization project in the amount of \$2,054,976.00 (\$1,868,160.00 plus \$186,816.00 allowance); and (2) authorize the Executive Director to execute the necessary documents.

Greater Asheville Regional Airport Authority - Bid Tabulation

Project Name: Terminal Building - Phase 1 Utility Modernization

Date/Time: Monday, November 4, 2019

3:00PM

	Company Name & Address	Acknowledgement of Addendum(s)	Bid Bond	Base Bid
1	Patton Construction Group PO Box 15054 Asheville, NC 28813	Yes	Yes	\$1,868,160.00
2	H&M Constructors Industrial 187 Dearview Road Asheville, NC 28806	Yes	Yes	\$2,468,000.00
3	American South General Contractors PO Drawer 10 Sanford, NC 27331	Yes	Yes	\$2,405,000.00
4				
5				

The bid summary is certified to be true and correct to the best of my knowledge.

M.A. Reisman

Michael A. Reisman, Deputy Executive Director
Greater Asheville Regional Airport Authority

Date: 11-6-19



November 5, 2019

Michael A. Reisman, A.A.E.
Greater Asheville Regional Airport Authority
Deputy Executive Director
Asheville Regional Airport

Subject: Bid Award Recommendation
Phase 1 Utility Modernization Project
Gresham Smith Project No. 43483.01

Dear Mr. Reisman, A.A.E.:

It is Gresham Smith and its consultant's recommendation that the Greater Asheville Regional Airport Authority accept the low bid submitted by Patton Construction Group, Inc. on Phase 1 Utility Modernization Project.

Feel free to contact me with any questions you may have regarding this recommendation.

Sincerely,

A handwritten signature in blue ink that reads 'Kevin W. Hopkins'.

Kevin Hopkins, AIA, NCARB, LEED AP (BD+C)
Project Architect

Genuine Ingenuity

10 South Sixth Street
Suite 100
Richmond, Virginia 23219
804.788.0710
GreshamSmith.com

AGREEMENT

TERMINAL BUILDING – PHASE 1 UTILITY MODERNIZATION

FOR THE

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

This Agreement made and entered into this ___ day of November, 2019, by and between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY (the “Authority”) at 61 Terminal Drive, Suite 1, Fletcher, NC 28732 and PATTON CONSTRUCTION GROUP, INCORPORATED (the “Company”) at 565 Long Shoals Road, Suite 101, Arden, NC28704.

WITNESSETH:

The Authority desires to allow the Company the right and obligation to construct, manufacture, sell, transfer and deliver replacement of existing water and sewer lines, demolishing the old and disposing of materials, new pavement where disturbed, and performing all other duties according to the specifications document and construction plans to the Airport (the “Product”) in the manner and frequency as specified in this Agreement.

The Company is qualified and willing to provide such Product.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained and other valuable consideration, the Authority and the Company hereby mutually undertake, promise and agree, each for themselves, their successors and assigns as follows:

I. EMPLOYMENT OF THE COMPANY

The Company agrees to provide the Product herein described, in accordance with the terms of this Agreement all at the Company’s sole expense.

II. SCOPE OF WORK

- 2.1 The Company agrees to construct, manufacture, sell, transfer and deliver in accordance with the terms set forth in the Bid Documents and subsequent Agreement Documents, the Product offered by the Company and as the Authority has described in the Specifications.
- 2.2 The Company agrees to provide all personnel, labor, supplies and equipment required for the purchase.

III. PRODUCT

- 3.1 Quantity: Items delivered and installed per the Bid Specifications.

3.2 Description: **Per bid specifications.**

IV. WARRANTY

4.1 The Company warrants to the Authority that the Product shall be free from defects in materials and workmanship, and shall conform to the requirements of the Specifications. The apparent silence of specifications as to any detail, or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only material and workmanship of the finest quality are to be used. All interpretations of specifications shall be made on the basis of this statement. The Product materials furnished under this contract shall be new and unused, of the latest product in production to commercial trade. Manufacturers furnishing Product materials shall be experienced in design and construction of such Product and shall be an established supplier of the Product.

4.2 In the event the Product is not provided in accordance with the Agreement Documents, notice shall be given to the Company to immediately provide personnel, equipment and supplies necessary to correct any deficiencies. If within two days of such notice, Company has not corrected specified deficiencies to the satisfaction of the Authority, and according to the Specifications, the Authority may, at its option, provide such personnel, equipment and supplies from its own source or by contract as required to correct the deficiencies, and the Company shall pay such costs incurred to effect such remedy. Any such amounts so charged to the Company shall be deducted from any sums due or becoming due from the Authority to the Company.

4.3 Until expiration of any stated warranties the Authority shall inspect the Product and immediately notify the Company of any issues. The Company will immediately resolve any issues relating to the Product, and will also be responsible for immediately resolving any issues involving third parties without delay to the Authority.

V. TERM

This Agreement shall be binding upon execution by both parties and the term of this Agreement shall be for a term beginning _____, 2019 and ending upon acceptance of the Product, plus any base or extended warranty periods.

VI. COMPENSATION

6.1 The Authority shall pay the Company, based on the unit pricing or lump sum amount of **\$1,868,160.00** for furnishing the Product as stated in bid documents.

6.2 Except as provided herein, no price changes, additions, or subsequent qualifications will be honored during the course of the contract without prior written consent by the Authority to the Company.

VII. INSURANCE REQUIREMENTS

- 7.1 The Company agrees to indemnify and save the Authority, its officers, agents and employees harmless from any liabilities, including, but not limited to, claims, judgments, fines, costs and attorneys' fees, to persons or property resulting from or arising out of the conduct of the Agreement or providing of services hereunder by the Company; and further agrees to carry and furnish the Authority a certificate(s) of public liability insurance and automobile liability insurance, in single limit amounts not less than \$1,000,000.00 for damage to property or injury to persons resulting from any one accident, in a company or companies acceptable to the Authority, in which policy the Authority shall be named as an additional insured, and the Company shall furnish satisfactory evidence that such insurance is in effect and shall not be cancelled on less than 30 days prior written notice of such cancellation to the Authority.
- 7.2 The Authority shall not be liable for any damage either to person or property, sustained by the Company or by other persons due to the Airport or any improvements thereon or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of an accident in or about the airport, or due to any act or neglect of any tenant or occupant of the airport, or of any other person, except to the extent caused by the sole negligence of the Authority. Without limiting the generality of the foregoing, the Authority shall not be liable for damage caused by water, steam, sewerage, gas, bursting or leaking of pipes or plumbing or electrical causes, or the negligence of contractors, employees, agents, or licensees of the Authority, unless the damage is proved to be the result of sole negligence of the Authority.

VIII. SECURITY REQUIREMENTS

- 8.1 The Authority shall maintain through the term of this Agreement the Bid Bond and Performance Bond provided by Company as part of its bid for the Product.
- 8.2 The terms of the Performance Bond and Payment Bond are subject to final Owner approval. The Performance Bond must specifically identify the options available to the Surety upon notice of Contractor's default or notice of Contractor's default and Owner's termination of the contract. The Performance Bond must specifically state that the Surety cannot, under any circumstances, arrange for the completion of the Contract by the defaulting and terminated Contractor, and the Performance Bond must specifically state that if the Surety elects to arranged for another Contractor to perform and complete the Contract or to undertake and perform and complete the Contract itself, the Surety must obtain the Owner's consent as to the completion Contractor or Contractors.

IX. INVOICE AND PAYMENT

- 9.1 Payment terms are net 30 days from Company's invoice date, which shall be no sooner than the delivery to the Greater Asheville Regional Airport Authority, and the acceptance date of the Product by the Authority.

9.2 Invoice shall be directed to:

Greater Asheville Regional Airport Authority
ATTN: Accounts Payable
61 Terminal Drive, Suite 1
Fletcher, NC 28732

9.3 The Company shall obtain and pay for all permits and licenses and shall give all notices, pay all fees, and comply with all laws, ordinances, rules and regulations, including but not limited to regulations promulgated by the Authority, and all regulations and requirements of the Federal Occupational Health and Safety Act, and any similar state or local laws, ordinances, and regulations, including regulations promulgated by the Authority, and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any manner affect the conduct of the Products to be provided (the "Applicable Law").

X. TITLE AND RISK OF LOSS

Unless otherwise specified in connection with a particular order placed pursuant to this Agreement, title and risk of loss of or damage to the Product shall pass from the Company to the Authority when delivered to the Authority as specified in the order, except for loss or damage resulting from Company's fault or negligence or failure to comply with an order. Passing of title upon such delivery shall not constitute acceptance of any Product.

XI. STATUS OF COMPANY

The status of the Company under this Contract shall be that of an independent contractor retained on a contractual basis to provide Product for a limited period of time, and it is not intended nor shall it be construed that the Company, or employees of the Company, are employees, officers or agents of the Authority for any purpose whatsoever.

XII. TERMINATION

12.1 The Authority may terminate this Contract immediately for default by written notice to the Company of such termination if the Company neglects to provide the Product properly, performs in an unsatisfactory manner, or fails to perform any provision of this Contract. In the event of termination for default, the Authority shall have against the Company all remedies provided by law and equity.

12.2 The Authority further, at its sole option and discretion, may terminate or reduce the scope of work at any time, without any default on the part of the Company, by giving a written notice to the Company at least 30 days prior to the effective date of termination or reduction in the scope of work as set forth in the notice.

12.3 In the event of full or partial termination by the Authority, the Company shall terminate all purchase of the Product under the Contract, to the extent and on the date specified in the notice of termination and until such date, to the extent stated in the notice of termination, shall provide such Product, and be compensated only for such Product, as may be necessary as determined by the Authority's

representative in his sole discretion to preserve the work in progress and to protect materials, buildings and equipment. The Authority may then proceed with provision of the Product to be provided in any lawful manner that it may elect.

- 12.4 In the event of termination or reduction in the scope of any future purchase of Product provided by the Authority, the Authority shall pay the Company for all Product satisfactorily received up to the effective date of termination or reduction in the scope of any future purchase to be provided, in accordance with the price for such Product submitted with the Proposal. The Authority and the Company shall negotiate in good faith to arrive at a revised Contract price schedule.

XIII. NOTICE OF LABOR DISPUTES

In the event that the Company is put on notice or otherwise made aware of an actual or potential labor dispute that delays or threatens to delay the delivery of the Product, the Company shall immediately and without delay, notify the Authority in writing. Such notice shall include all relevant information covering such dispute and its background. In the event a labor dispute delays the delivery of Product to an extent not acceptable to the Authority, the Authority reserves the right to cancel the Agreement, pay for any Product provided to that point in time without additional cost or penalty to the Authority. Upon such cancellation, the Authority will proceed to find a replacement to provide the Product the Company had been awarded through this Contract.

XIV. NOTICES

Notices to either party provided for herein shall be in writing and shall be sufficient if hand-delivered, sent by courier, or sent by certified or registered mail, postage prepaid, addressed as follows:

To Authority: Greater Asheville Regional Airport Authority
 Attn: Executive Director
 61 Terminal Drive, Suite 1
 Fletcher, NC 28732

To Company: Patton Construction Group, Inc.
 Attn: President
 565 Long Shoals Road
 Suite 101
 Arden, NC 28704

or to such other respective address as the parties may designate to each other in writing from time to time.

XV. COMPLIANCE WITH LAWS

Both parties agree that in performing under this Agreement, they will in all respects follow and comply with all applicable governmental laws, regulations, orders and other rules of duly constituted Authority.

XVI. NO ASSIGNMENT

The Company shall not assign, subcontract or transfer this Agreement or any part thereof, by operation of law or otherwise, or any Product to be rendered by the Company hereunder, without the prior express written consent of the Authority.

XVII. CUMULATIVE REMEDIES, WAIVER

The parties agree that any and all remedies that are provided for in this Agreement shall be cumulative and in addition to any other remedies which are provided for in law or equity. No waiver or failure to act on the part of any party to this Agreement shall prevent such party from later exercising their rights under this Agreement.

XVIII. COMPLETE UNDERSTANDING

This Agreement sets forth the entire Agreement between the parties. This Agreement may not be changed, altered or amended except by a writing signed by both parties.

XIX. NON-DISCRIMINATION

19.1 During the performance of this Agreement, the Company, for itself, its assignees and successor interest, agrees as follows:

- A. Compliance with Regulations. The Company shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereafter, the "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.
- B. Non-discrimination. The Company, with regard to the work performed by it during this Agreement, shall not discriminate on the grounds of race, color, national origin, sex or creed in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Company shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.
- C. Solicitations for Subcontractors, including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the Company for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor supplier shall be notified by the Company of the Company's obligations under

this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, national origin, sex or creed.

D. Information and Reports. The Company shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Authority or the Federal Aviation Administration (the "FAA") to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of the Company is in the exclusive possession of another who fails or refuses to furnish this information, the Company shall so certify to the Authority or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance. In the event of the Company noncompliance with the nondiscrimination provisions of this Agreement, the Authority shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- (1) Withholding of payments to the Company under the Agreement until the Company complies; and /or
- (2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

F. Incorporation of Provisions. The Company shall include the provisions of paragraphs A through E in every subcontract, including procurements or materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Company shall take such action with respect to any subcontract or procurement as the Authority or the FAA may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, however, that in the event the Company becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Company may request the Authority to enter into such litigation to protect the interests of the Authority and, in addition, the Company may request the United States to enter into such litigation to protect the interests of the United States.

19.2 The Company assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity that benefit from Federal assistance. This Section obligates the Company for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of, personal property or real property or interest therein or structures or improvements thereon. In these cases, this Section obligates the Company for the longer of the following periods: (a) the period during which the property for which Federal assistance is extended, or for another purpose involving the provision of similar Product or benefits; or (b) the period during which the Authority or any transferee retains ownership or possession of the property. In the case of

contractors this Section binds the contractors from the Proposal solicitation period through the completion of the contract. The Company shall include the provisions of this Section in every subcontract, including procurements of materials and lease of equipment, under this Agreement.

XX. INDEMNIFICATION

The Company shall, and shall cause any subcontractor to, assume responsibility for loss or damage to property or injury to persons resulting from, arising out of or associated with such subcontractor's Product rendered pursuant to this Agreement, as well as for any claims made by or on behalf of such subcontractor's agents, servants and employees arising out of their employment or work pertaining to the Product rendered pursuant to this Agreement. The Company shall, and shall cause any subcontractor at all times to indemnify and hold the Authority and its officers, agents and employees harmless from and against any and all liabilities, demands, claims, suits, losses, damages, cause of action, fines or judgments, including those reasonable and necessary costs, attorney and witness fees and expenses incidental thereto, arising out of, or in connection with the Product rendered under the terms of this Agreement, except for acts arising out of the sole negligence of the Authority. The parties hereto shall promptly report to the other any such claim or suit against either of them.

XXI. INDEPENDENT CONTRACTOR

It is agreed and understood that in performing its Product hereunder, the Company acts as an independent contractor in every respect and that the Company shall not hold itself out as, nor shall it be deemed, an agent, servant, or employee of the Authority. The selection, retention, assignment, direction and payment of the Company's employees and associates shall be the sole responsibility of the Company. The Authority shall not attempt to exercise any control over the daily performance of duties by the Company's employees. The Company agrees that its employees shall have no right to participate in any group, life, and accident or health plan maintained by the Authority for its employees. The Company shall maintain all tax records for its employees who perform Product pursuant to this Agreement, and the Company shall withhold and remit income taxes, federal insurance contribution act taxes and unemployment insurance taxes to the appropriate governmental agencies with respect to amounts paid by the Company to its employees for their Product.

XXII. SURRENDER OF POSSESSION

Upon the expiration or other termination of this Agreement, the rights of the Company to use the premises, facilities, rights, licenses, Product and privileges herein granted shall cease and the Company shall forthwith, upon such expiration or termination, surrender the same.

XXIII. HEADINGS

The paragraph headings contained herein are solely for convenience and shall have no bearing upon the construction of any of the provisions hereof.

XXIV. GOVERNING LAW

This Agreement shall be governed by the laws of the State of North Carolina.

XXV. INCORPORATION OF DOCUMENTS

This Agreement, together with the following documents, constitutes the Agreement Documents and are attached hereto and made a part hereof:

- Cover Page
- Invitation to Submit Bid
- Definition of Terms
- Instructions to Bidders
- General Conditions
- Bid Form
- Bidder’s Experience and Qualifications Questionnaire
- Agreement
- Attachment A – Federal Funding Guidelines
- Exhibits
- Insurance Certificates

The above documents are to be considered as one and whatever is called for by any one of the documents shall be as binding as if called for by all.

IN TESTIMONY WHEREOF, each of the parties has caused its duly authorized representative to execute and deliver this Agreement, effective as of the date first above written.

Authority:

Company:

Greater Asheville Regional Airport Authority

Patton Construction Group, Inc.

By: _____
Title: Executive Director

By: _____
Title: _____

Date: _____

Date: _____

This instrument has been pre-audited in the manner required by local government and fiscal control.

Finance Officer

Date



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: November 15, 2019

ITEM DESCRIPTION – New Business Item D

Approve Task Order #1 for Rental Car Facility Assessment

BACKGROUND

The Rental Car Service Center was constructed and opened in 2008. Certain maintenance has been the responsibility of the Rental Car tenants, however adequate maintenance has not historically been performed. As the Authority works towards new agreements with the Rental Car tenants it will be necessary to document details of the current conditions of the rental car facilities. This will be essential in implementing improvements and requirements for on-going maintenance.

The Authority entered into an agreement for planning services with CHA on August 17, 2018. Task order #1 provides for the conduct of a Facility Assessment of the Rental Car Service Center.

ISSUES

None.

ALTERNATIVES

Board could elect not to conduct this assessment.

FISCAL IMPACT

The total fee proposed by CHA to provide the complete building assessment is \$119,913.00. Costs will be funded utilizing CFC Funds.



RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Task Order #1 with CHA in the amount of \$119,913.00 (2) authorize the Executive Director to execute the necessary documents; and (3) amend the FY2019/2020 budget by adopting the following budget ordinance 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>
Renewal & Replacement	_____	_____ \$119,913.00
Totals	_____	_____ \$119,913.00

This will result in a net increase of \$119,913.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
CFC Funds	_____	_____ \$119,913.00
Totals	_____	_____ \$119,913.00

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 15th day of November 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



Date: October 29, 2019

Project No. _____

Task Order #1

TASK ORDER / AUTHORIZATION TO PROCEED

In accordance with the written Contract

dated

8/17/18

Between the parties designated below for:

THE

PROJECT: Rental Car Service Facility Assessment

THE CLIENT: Greater Asheville Regional Airport Authority (GARAA)

Hereby authorizes the CHA Consulting, Inc. to proceed with services as follows:

SCOPE OF SERVICES:

BACKGROUND

The project includes a building condition assessment of the existing car rental service facility at the Asheville Regional Airport (AVL) in North Carolina. The building consists of the Rental Car Service Facility.

SCOPE

- **Architectural**

- CHA will conduct an on-site review of the car rental facility at Asheville Regional Airport in Asheville, NC, to ascertain the condition of:
 - Analysis of envelope, including walls, roof, windows & doors, gutter systems, soffits, etc.
 - Review of interior rooms including floors, ceilings, walls, finishes, doors, cabinetry, & furniture.
 - Analysis of room utilization and effectiveness based on an assumed program.
 - Review of maintenance areas, including visual inspection of equipment such as lifts, tanks, fixtures, vacuum system, fluid delivery systems, wash bay equipment and physically attached equipment. Our mechanical group will thoroughly inspect all mechanical systems for performance and operations. See mechanical description
 - Review code compliance as it relates to current code and usage.
 - Graphic analysis of recommendations including life cycle.
 - Parking layout will be analyzed with the intent on maximizing the number of vehicles that the facility can hold simultaneously.
 - Roof analysis with Drone Infrared Technology to detect any leakage in the roof or loss of cooling/heating. Our drone operator is FAA certified. All Drone activities and permit will be obtained/coordinated ahead of time with Airport AT Manager and FAA.
 - A probable cost estimate will be produced of all architectural items identified above that have been found deficient and in need of repair/replace in accordance to our recommendations.
 - If necessary, recommendations for replacement shall be made based on the following timeframes:
 - Immediate replacement
 - Replacement within 1-3 years

- Replacement within 3-5 years

- **Electrical**

- CHA will conduct an on-site review of the car rental facility at AVL to ascertain the condition of: power distribution, lighting, communications, security, and fire alarm systems; and
- Provide a construction cost estimate for all electrical related recommendations.

- **Civil:**

- CHA will conduct an on-site review of the car rental facility at Asheville Regional Airport in Asheville, NC, to ascertain the condition of civil related installations;
- Prepare a site inspection report for site civil features and existing utilities that are made available for viewing, including; Pavement, curbs, review of overall grades for any drainage concerns, sidewalks, storm structures and sanitary manholes. However, all covers must be removed by the Owner.
- Show recommendations on site plan created from an aerial photo and site base map provided by Owner; and
- Complete an engineer's opinion of probable cost for site/utility recommendations.
- If necessary, recommendations for replacement shall be made based on the following timeframes:
 - Immediate replacement
 - Replacement within 1-3 years
 - Replacement within 3-5 years

- **Mechanical/Plumbing/Fire Protection**

- CHA will conduct an on-site review of the car rental facility at Asheville Regional Airport in Asheville, NC, to ascertain the condition of the mechanical, plumbing and fire protection systems. The systems to be reviewed at each facility will include: 1) heating, ventilation and cooling systems, 2) domestic water systems, 3) drainage, waste and vent systems, 4) gas systems, if applicable, 5) fire protection systems. We will walk the interior and exterior of the facilities for the assessment and document with photographs of the existing conditions. Based on the documented conditions for each of the systems, we will prepare the report identifying all major equipment as stated above, noting capacity, age, life expectancy, and any deficiencies. If necessary, recommendations for replacement shall be made based on the following timeframes:

- Immediate replacement
- Replacement within 1-3 years
- Replacement within 3-5 years

- For equipment with an unknown age, CHA will make recommendations based upon visual inspection of equipment, piping, insulation, and associated accessories.
- Assessment will include visual inspection of piping connected to, including wash equipment system.

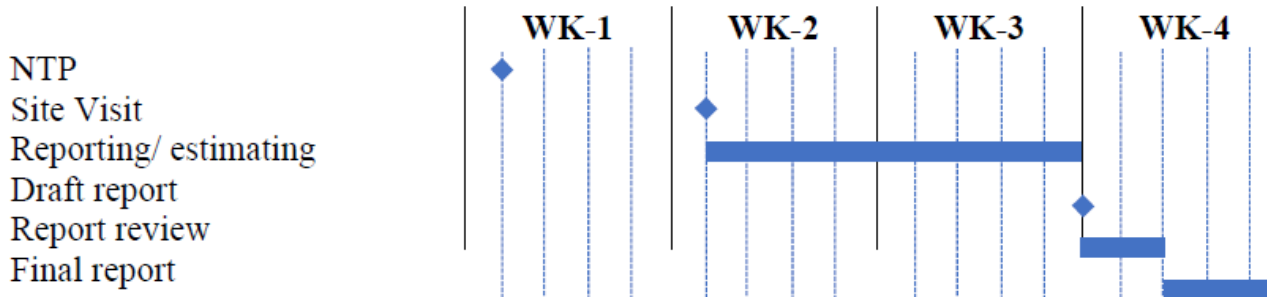
- Assessment will include visual inspection of compressors and piping connected to all equipment.
- Vehicle lifts will be assessed.
- Fueling pumps will be assessed.
- Assessment will include visual inspection of piping connected to kitchen appliances and plumbing fixtures.
- Assessment of the fuel tanks and piping are included.
- Fire suppression system in the fuel station canopy will be included in the assessment.
- Drains five feet outside of the footprint of the building will be assessed.
- All pump stations are included in the assessment.
- Probable construction cost estimate for recommended improvements are included
- **Structural**
 - CHA will conduct an on-site review of the car rental facility at AVL to ascertain the condition of the structure of the building(s), specifically, the building roof structure, building façade and support structure, building foundation and floor slab; and
 - Recommendations for improvement.
 - Report of findings.
 - Opinion of probable costs for improvement.
 - If necessary, recommendations for replacement shall be made based on the following timeframes:
 - Immediate replacement
 - Replacement within 1-3 years
 - Replacement within 3-5 years

DELIVERABLES

- PDF of draft reports and cost estimate.
- PDF of final reports and cost estimate.

SCHEDULE:

SCHEDULE



FEE

FEE SCHEDULE

	Discipline	Cost
1	Architecture	\$ 22,000.00
2	Civil	\$ 15,827.00
3	Electrical	\$ 15,244.00
4	Mechanical/Plumbing	\$ 15,265.00
5	Structure	\$ 16,333.00
6	Fuel Farm assessment	\$ 3,800.00
7	Carwash/vacuum assessment	\$ 3,138.00
8	Drone investigation for roof	\$ 5,400.00
9	Hydraulic equipment assessment	\$ 3,402.00
10	Project Management	\$ 19,504.00
Total		\$ 119,913.00

ASSUMPTIONS & EXCLUSIONS:

- Owner to provide access to all areas for inspection, including availability of ladders and lifts.
- As-built base plan drawings will be provided by client
- No Geo technical Investigation/borings required
- No Specs
- No design, bidding, or CA
- Construction documents are not included.
- “As-Built” drawing creation is not included.
- Geotechnical information is available.

Upon return of a fully-executed authorization, this Task Order shall become a part of the Agreement identified above.

APPROVED BY: CHA CONSULTING, INC.	APPROVED BY: GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
NAME:	NAME:
SIGNATURE:	SIGNATURE:
TITLE:	TITLE:
DATE:	DATE:



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E., Deputy Executive Director

DATE: November 15, 2019

ITEM DESCRIPTION – New Business Item E

Approve Award of Contract to Chatham Civil Contracting, LLC for Parking Lot Construction Project

BACKGROUND

Continued growth at the Asheville Regional Airport has resulted in the airport's existing parking facilities, including the garage, reaching near capacity on a regular basis, resulting in the need for additional surface parking. This project was previously advertised and bid during the month of August, which resulted in a re-bid due to receiving only a single bid. A single bid was also received as a result of the re-bid which was above the engineer's estimate at the time. The Board rejected the bid at its October 11, 2019 meeting due to process protocol, with the intent on the project being re-bid again.

The project documents were revised and re-packaged as a new bid. Additional information concerning state storm water requirements which was not available when the project originally bid were incorporated into the new bid documents, which subsequently adjusted the engineer's estimate. The project was publicly advertised on October 1, 2019. A pre-bid meeting was conducted on October 15, 2019, and bids were received on October 25, 2019. Two bids were received, where three are required under North Carolina purchasing rules. The bids were therefore returned unopened, and the project was re-advertised again on October 25, 2019 for the minimum required period of seven days. Bids were received again on November 4, 2019, with bids being received from two bidders. North Carolina purchasing rules permitted the opening of the two bids received, and the low bidder was Chatham Civil Contracting, LLC with a base bid of \$1,870,432.90, and \$34,898.00 additional for Add Alternate No. 1, for a total of \$1,905,330.90. The engineer's estimate in this round of bidding was 1,847,535.00, including Add Alternate No. 1.

New Business – Item E



ISSUES

None.

ALTERNATIVES

The Board could elect to reject the bid, and further postpone undertaking construction on the parking lots.

FISCAL IMPACT

The total expense of \$1,974,260.90 for this project will be funded with Airport Funds. Of this amount, \$1,905,330.90 is for construction of the project, and \$92,930.00 is for equipment and infrastructure.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve award of contract to Chatham Civil Contracting, LLC for the Parking Lot Construction Project in the amount of \$2,095,863.90 (\$1,905,330.90 plus \$190,533.00 allowance) plus equipment and infrastructure costs of \$92,930.00; (2) authorize the Executive Director to execute the necessary documents; and (3) amend the FY2019/2020 budget by adopting the following budget ordinance 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>
Capital Improvements		<u>\$2,188,793.90</u>
Totals	<u>\$0</u>	<u>\$2,188,793.90</u>

Greater Asheville Regional Airport Authority - Bid Tabulation

Project Name: **Parking Lots**

Date/Time: **Monday, November 4, 2019**

11:00AM

	Company Name & Address	Acknowledgement of Addendum(s)	Bid Bond	Base Bid	Bid Alt 1
1	Chatham Civil Contracting, LLC 811 Archie Johnson Rd Siler City, NC 27344	Yes	Yes	\$1,870,432.90	\$1,905,330.90
2	Harrison Construction Company, Division of APAC-Atlantic, Inc. PO Box 6939 Asheville, NC 28816	Yes	Yes	\$2,200,181.25	\$2,324,270.75
3					
4					
5					

The bid summary is certified to be true and correct to the best of my knowledge.



Date: 11-6-19

Michael A. Reisman, Deputy Executive Director
Greater Asheville Regional Airport Authority



November 6, 2019

Michael A. Reisman, A.A.E.
Deputy Executive Director
Greater Asheville Regional Airport Authority

**Reference: Parking Lot Project - Asheville Regional Airport
Recommendation of Award**

Dear Mr. Reisman:

Bids for the above referenced project were opened on November 4, 2019. The results of this bid opening and engineers estimate, as included in the bid tabulation, are summarized below as follows:

BID TABULATION SUMMARY					
BIDDER	PARKING LOT A	PARKING LOT A ALT 1	PARKING LOT C	PARKING LOT D	Total
CHATHAM CIVIL CONTRACTING, LLC	\$1,471,992.90		\$180,493.00	\$217,947.00	\$1,870,432.90
		\$1,506,890.90	\$180,493.00	\$217,947.00	\$1,905,330.90
HARRISON CONSTRUCTION	\$1,835,422.55		\$107,743.50	\$257,015.20	\$2,200,181.25
		\$1,959,512.05	\$107,743.50	\$257,015.20	\$2,324,270.75
ENGINEERS ESTIMATE	\$1,475,997.50		\$83,687.50	\$255,450.00	\$1,815,135.00
		\$1,508,397.50	\$83,687.50	\$255,450.00	\$1,847,535.00

The apparent low bidder was Chatham Civil Contracting, Inc. AVCON, Inc. (AVCON) has reviewed the bidder's proposal and did not find any errors in the bid schedule. All subcontractors are listed on the NCDOT prequalification list as required in the bid documents. There was no DBE/MBE/WBE goal for this project.

Based AVCONs review, AVCON recommends award of Parking Lot A Alt 1, Parking Lot C and Parking Lot D for the Parking Lot Projects at the Asheville Regional Airport to Chatham Civil Contracting, Inc. in the amount of \$1,905,330.90.

Sincerely,

James M. Moose, P.E.
Regional Manager, AVCON, Inc.

AGREEMENT

PARKING LOTS PROJECT

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

This Agreement made and entered into this ___ day of November, 2019, by and between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY (the “Authority”) at 61 Terminal Drive, Suite 1, Fletcher, NC 28732 and CHATHAM CIVIL CONTRACTING, LLC at 811 Archie Johnson Road, Siler City, NC 27344 (the “Company”).

WITNESSETH:

The Authority desires to allow the Company the right and obligation to construct, manufacture, sell, transfer and deliver Parking Lots Project to the Airport (the “Product”) in the manner and frequency as specified in this Agreement.

The Company is qualified and willing to provide such Product.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained and other valuable consideration, the Authority and the Company hereby mutually undertake, promise and agree, each for themselves, their successors and assigns as follows:

I. EMPLOYMENT OF THE COMPANY

The Company agrees to provide the Product herein described, in accordance with the terms of this Agreement all at the Company’s sole expense.

II. SCOPE OF WORK

- 2.1 The Company agrees to construct, manufacture, sell, transfer and deliver in accordance with the terms set forth in the Bid Documents and subsequent Agreement Documents, the Product offered by the Company and as the Authority has described in the Specifications.
- 2.2 The Company agrees to provide all personnel, labor, supplies and equipment required for the purchase.

III. PRODUCT

- 3.1 Quantity: Items delivered and installed per the Bid Specifications.

3.2 Description: **Per bid specifications.**

IV. WARRANTY

4.1 The Company warrants to the Authority that the Product shall be free from defects in materials and workmanship, and shall conform to the requirements of the specifications. The apparent silence of specifications as to any detail, or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only material and workmanship of the finest quality are to be used. All interpretations of specifications shall be made on the basis of this statement. The Product materials furnished under this contract shall be new and unused, of the latest product in production to commercial trade. Manufacturers furnishing Product materials shall be experienced in design and construction of such Product and shall be an established supplier of the Product.

4.2 In the event the Product is not provided in accordance with the Agreement Documents, notice shall be given to the Company to immediately provide personnel, equipment and supplies necessary to correct any deficiencies. If within two days of such notice, Company has not corrected specified deficiencies to the satisfaction of the Authority, and according to the Specifications, the Authority may, at its option, provide such personnel, equipment and supplies from its own source or by contract as required to correct the deficiencies, and the Company shall pay such costs incurred to effect such remedy. Any such amounts so charged to the Company shall be deducted from any sums due or becoming due from the Authority to the Company.

4.3 Until expiration of any stated warranties the Authority shall inspect the Product and immediately notify the Company of any issues. The Company will immediately resolve any issues relating to the Product, and will also be responsible for immediately resolving any issues involving third parties without delay to the Authority.

V. TERM

This Agreement shall be binding upon execution by both parties and the term of this Agreement shall be for a term beginning _____, 2019 and ending upon acceptance of the Product, plus any base or extended warranty periods.

VI. COMPENSATION

- 6.1 The Authority shall pay the Company the lump sum amount of \$1,905,330.90 for furnishing the Product or as stated in bid based on unit prices, which includes Alternate 1 contained in the bid documents.
- 6.2 Except as provided herein, no price changes, additions, or subsequent qualifications will be honored during the course of the contract without prior written consent by the Authority to the Company.

VII. INSURANCE REQUIREMENTS

- 7.1 The Company agrees to indemnify and save the Authority, its officers, agents and employees harmless from any liabilities, including, but not limited to, claims, judgments, fines, costs and attorneys' fees, to persons or property resulting from or arising out of the conduct of the Agreement or providing of services hereunder by the Company; and further agrees to carry and furnish the Authority a certificate(s) of public liability insurance and automobile liability insurance, in single limit amounts not less than \$1,000,000.00 for damage to property or injury to persons resulting from any one accident, in a company or companies acceptable to the Authority, in which policy the Authority shall be named as an additional insured, and the Company shall furnish satisfactory evidence that such insurance is in effect and shall not be cancelled on less than 30 days prior written notice of such cancellation to the Authority.
- 7.2 The Authority shall not be liable for any damage either to person or property, sustained by the Company or by other persons due to the Airport or any improvements thereon or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of an accident in or about the airport, or due to any act or neglect of any tenant or occupant of the airport, or of any other person, except to the extent caused by the sole negligence of the Authority. Without limiting the generality of the foregoing, the Authority shall not be liable for damage caused by water, steam, sewerage, gas, bursting or leaking of pipes or plumbing or electrical causes, or the negligence of contractors, employees, agents, or licensees of the Authority, unless the damage is proved to be the result of sole negligence of the Authority.

VIII. SECURITY REQUIREMENTS

- 8.1 The Authority shall maintain through the term of this Agreement the Bid Bond and Performance Bond provided by Company as part of its bid for the Product.

8.2 The terms of the Performance Bond and Payment Bond are subject to final Owner approval. The Performance Bond must specifically identify the options available to the Surety upon notice of Contractor's default or notice of Contractor's default and Owner's termination of the contract. The Performance Bond must specifically state that the Surety cannot, under any circumstances, arrange for the completion of the Contract by the defaulting and terminated Contractor, and the Performance Bond must specifically state that if the Surety elects to arranged for another Contractor to perform and complete the Contract or to undertake and perform and complete the Contract itself, the Surety must obtain the Owner's consent as to the completion Contractor or Contractors.

IX. INVOICE AND PAYMENT

9.1 Payment terms are net 30 days from Company's invoice date, which shall be no sooner than the delivery to the Greater Asheville Regional Airport Authority, and the acceptance date of the Product by the Authority.

9.2 Invoice shall be directed to:

Greater Asheville Regional Airport Authority
ATTN: Accounts Payable
61 Terminal Drive, Suite 1
Fletcher, NC 28732

9.3 The Company shall obtain and pay for all permits and licenses and shall give all notices, pay all fees, and comply with all laws, ordinances, rules and regulations, including but not limited to regulations promulgated by the Authority, and all regulations and requirements of the Federal Occupational Health and Safety Act, and any similar state or local laws, ordinances, and regulations, including regulations promulgated by the Authority, and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any manner affect the conduct of the Products to be provided (the "Applicable Law").

X. TITLE AND RISK OF LOSS

Unless otherwise specified in connection with a particular order placed pursuant to this Agreement, title and risk of loss of or damage to the Product shall pass from the Company to the Authority when delivered to the Authority as specified in the order, except for loss or damage resulting from Company's fault or negligence or failure to comply with an order. Passing of title upon such delivery shall not constitute acceptance of any Product.

XI. STATUS OF COMPANY

The status of the Company under this Contract shall be that of an independent contractor retained on a contractual basis to provide Product for a limited period of time, and it is not intended nor shall it be construed that the Company, or employees of the Company, are employees, officers or agents of the Authority for any purpose whatsoever.

XII. TERMINATION

- 12.1 The Authority may terminate this Contract immediately for default by written notice to the Company of such termination if the Company neglects to provide the Product properly, performs in an unsatisfactory manner, or fails to perform any provision of this Contract. In the event of termination for default, the Authority shall have against the Company all remedies provided by law and equity.
- 12.2 The Authority further, at its sole option and discretion, may terminate or reduce the scope of work at any time, without any default on the part of the Company, by giving a written notice to the Company at least 30 days prior to the effective date of termination or reduction in the scope of work as set forth in the notice.
- 12.3 In the event of full or partial termination by the Authority, the Company shall terminate all purchase of the Product under the Contract, to the extent and on the date specified in the notice of termination and until such date, to the extent stated in the notice of termination, shall provide such Product, and be compensated only for such Product, as may be necessary as determined by the Authority's representative in his sole discretion to preserve the work in progress and to protect materials, buildings and equipment. The Authority may then proceed with provision of the Product to be provided in any lawful manner that it may elect.
- 12.4 In the event of termination or reduction in the scope of any future purchase of Product provided by the Authority, the Authority shall pay the Company for all Product satisfactorily received up to the effective date of termination or reduction in the scope of any future purchase to be provided, in accordance with the price for such Product submitted with the Proposal. The Authority and the Company shall negotiate in good faith to arrive at a revised Contract price schedule.

XIII. NOTICE OF LABOR DISPUTES

In the event that the Company is put on notice or otherwise made aware of an actual or potential labor dispute that delays or threatens to delay the delivery of the Product, the Company shall immediately and without delay, notify the Authority in writing. Such notice shall include all relevant information covering such dispute and its background. In the event

a labor dispute delays the delivery of Product to an extent not acceptable to the Authority, the Authority reserves the right to cancel the Agreement, pay for any Product provided to that point in time without additional cost or penalty to the Authority. Upon such cancellation, the Authority will proceed to find a replacement to provide the Product the Company had been awarded through this Contract.

XIV. NOTICES

Notices to either party provided for herein shall be in writing and shall be sufficient if hand-delivered, sent by courier, or sent by certified or registered mail, postage prepaid, addressed as follows:

To Authority:
Greater Asheville Regional Airport Authority
Attn: Executive Director
61 Terminal Drive, Suite 1
Fletcher, NC 28732

To Company:

Chatham Civil Contracting, LLC
Attn: Stephen James
811 Archie Johnson Road
Siler City, NC 27344

or to such other respective address as the parties may designate to each other in writing from time to time.

XV. COMPLIANCE WITH LAWS

Both parties agree that in performing under this Agreement, they will in all respects follow and comply with all applicable governmental laws, regulations, orders and other rules of duly constituted Authority.

XVI. NO ASSIGNMENT

The Company shall not assign, subcontract or transfer this Agreement or any part thereof, by operation of law or otherwise, or any Product to be rendered by the Company hereunder, without the prior express written consent of the Authority.

XVII. CUMULATIVE REMEDIES, WAIVER

The parties agree that any and all remedies that are provided for in this Agreement shall be cumulative and in addition to any other remedies which are provided for in law or equity. No waiver or failure to act on the part of any party to this Agreement shall prevent such party from later exercising their rights under this Agreement.

XVIII. COMPLETE UNDERSTANDING

This Agreement sets forth the entire Agreement between the parties. This Agreement may not be changed, altered or amended except by a writing signed by both parties.

XIX. NON-DISCRIMINATION

19.1 During the performance of this Agreement, the Company, for itself, its assignees and successor interest, agrees as follows:

- A. Compliance with Regulations. The Company shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereafter, the "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.
- B. Non-discrimination. The Company, with regard to the work performed by it during this Agreement, shall not discriminate on the grounds of race, color, national origin, sex or creed in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Company shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.
- C. Solicitations for Subcontractors, including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the Company for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor supplier shall be notified by the Company of the Company's obligations under this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, national origin, sex or creed.

- D. Information and Reports. The Company shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Authority or the Federal Aviation Administration (the "FAA") to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of the Company is in the exclusive possession of another who fails or refuses to furnish this information, the Company shall so certify to the Authority or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance. In the event of the Company noncompliance with the nondiscrimination provisions of this Agreement, the Authority shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
- (1) Withholding of payments to the Company under the Agreement until the Company complies; and /or
 - (2) Cancellation, termination, or suspension of the Agreement, in whole or in part.
- F. Incorporation of Provisions. The Company shall include the provisions of paragraphs A through E in every subcontract, including procurements or materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Company shall take such action with respect to any subcontract or procurement as the Authority or the FAA may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, however, that in the event the Company becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Company may request the Authority to enter into such litigation to protect the interests of the Authority and, in addition, the Company may request the United States to enter into such litigation to protect the interests of the United States.

19.2 The Company assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity that benefit from Federal assistance. This Section obligates the Company for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of, personal property or real property or interest therein or structures or improvements thereon. In these cases, this Section obligates the Company for the longer of the following periods: (a) the period during which the property for which

Federal assistance is extended, or for another purpose involving the provision of similar Product or benefits; or (b) the period during which the Authority or any transferee retains ownership or possession of the property. In the case of contractors this Section binds the contractors from the Proposal solicitation period through the completion of the contract. The Company shall include the provisions of this Section in every subcontract, including procurements of materials and lease of equipment, under this Agreement.

XX. INDEMNIFICATION

The Company shall, and shall cause any subcontractor to, assume responsibility for loss or damage to property or injury to persons resulting from, arising out of or associated with such subcontractor's Product rendered pursuant to this Agreement, as well as for any claims made by or on behalf of such subcontractor's agents, servants and employees arising out of their employment or work pertaining to the Product rendered pursuant to this Agreement. The Company shall, and shall cause any subcontractor at all times to indemnify and hold the Authority and its officers, agents and employees harmless from and against any and all liabilities, demands, claims, suits, losses, damages, cause of action, fines or judgments, including those reasonable and necessary costs, attorney and witness fees and expenses incidental thereto, arising out of, or in connection with the Product rendered under the terms of this Agreement, except for acts arising out of the sole negligence of the Authority. The parties hereto shall promptly report to the other any such claim or suit against either of them.

XXI. INDEPENDENT CONTRACTOR

It is agreed and understood that in performing its Product hereunder, the Company acts as an independent contractor in every respect and that the Company shall not hold itself out as, nor shall it be deemed, an agent, servant, or employee of the Authority. The selection, retention, assignment, direction and payment of the Company's employees and associates shall be the sole responsibility of the Company. The Authority shall not attempt to exercise any control over the daily performance of duties by the Company's employees.

The Company agrees that its employees shall have no right to participate in any group, life, and accident or health plan maintained by the Authority for its employees. The Company shall maintain all tax records for its employees who perform Product pursuant to this Agreement, and the Company shall withhold and remit income taxes, federal insurance contribution act taxes and unemployment insurance taxes to the appropriate governmental agencies with respect to amounts paid by the Company to its employees for their Product.

XXII. SURRENDER OF POSSESSION

Upon the expiration or other termination of this Agreement, the rights of the Company to use the premises, facilities, rights, licenses, Product and privileges herein granted shall cease and the Company shall forthwith, upon such expiration or termination, surrender the same.

XXIII. HEADINGS

The paragraph headings contained herein are solely for convenience and shall have no bearing upon the construction of any of the provisions hereof.

XXIV. GOVERNING LAW

This Agreement shall be governed by the laws of the State of North Carolina.

XXV. INCORPORATION OF DOCUMENTS

This Agreement, together with the following documents, constitutes the Agreement Documents and are attached hereto and made a part hereof:

- Cover Page
- Invitation to Submit Bid
- Definition of Terms
- Instructions to Bidders
- General Conditions
- Bid Form
- Bidder's Experience and Qualifications Questionnaire
- Agreement
- Exhibits
- Insurance Certificates

The above documents are to be considered as one and whatever is called for by any one of the documents shall be as binding as if called for by all.

IN TESTIMONY WHEREOF, each of the parties has caused its duly authorized representative to execute and deliver this Agreement, effective as of the date first above written.

Authority:

Greater Asheville Regional Airport Authority

By: _____

Title: Executive Director

Date: _____

Company:

Chatham Civil Contracting, LLC

By: _____

Title: _____

Date: _____

This instrument has been pre-audited in the manner required by local government and fiscal control.

Finance Officer

Date



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: November 15, 2019

ITEM DESCRIPTION – Information Section Item A

September, 2019 Traffic Report – Asheville Regional Airport

SUMMARY

September, 2019 overall passenger traffic numbers were up 53.3% compared to the same period last year. Passenger traffic numbers reflect a 54.9% increase in passenger enplanements from September, 2018. Enplanements for Fiscal Year to Date total 229,654 which is a 46.1% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in September 2019 were up by 87.5%. There were no flight cancellations for the month.

American Airlines: American's September 2019 passenger enplanements represent a 61.6% increase over the same period last year. There were four (4) flight cancellations for the month.

Delta Airlines: Delta's September 2019 enplanements increased by 17.5% compared to September 2018. There were no flight cancellations for the month.

Elite Airways: Year over Year passenger enplanements for Elite in September 2019 were flat. There were no flight cancellations for the month.

Spirit Airlines: Spirit experienced a 96.3% increase in passenger enplanements in September 2019 compared to September 2018. There were three (3) flight cancellations for the month.

United Airlines: In September 2019, United Airlines saw an increase in enplanements by 38.9% over the same period last year. There was one (1) flight cancellation for the month.

Information Section – Item A

Monthly Traffic Report

Asheville Regional Airport

September 2019



Category	Sep 2019	Sep 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
Passenger Traffic									
Enplaned	69,344	44,766	54.9%	587,703	401,623	46.3%	754,256	536,238	40.7%
Deplaned	<u>67,812</u>	<u>44,679</u>	51.8%	<u>583,337</u>	<u>400,765</u>	45.6%	<u>748,964</u>	<u>538,627</u>	39.1%
Total	137,156	89,445	53.3%	1,171,040	802,388	45.9%	1,503,220	1,074,865	39.9%
Aircraft Operations									
Airlines	1,257	831	51.3%	9,418	6,516	44.5%	12,132	8,630	40.6%
Commuter/ Air Taxi	<u>951</u>	<u>1,007</u>	-5.6%	8,475	7,471	13.4%	11,144	10,401	7.1%
Subtotal	<u>2,208</u>	<u>1,838</u>	20.1%	<u>17,893</u>	<u>13,987</u>	27.9%	<u>23,276</u>	<u>19,031</u>	22.3%
General Aviation	4,856	2,389	103.3%	36,293	30,289	19.8%	44,735	41,623	7.5%
Military	<u>257</u>	<u>173</u>	48.6%	<u>2,253</u>	<u>2,391</u>	-5.8%	<u>3,059</u>	<u>3,557</u>	-14.0%
Subtotal	<u>5,113</u>	<u>2,562</u>	99.6%	<u>38,546</u>	<u>32,680</u>	17.9%	<u>47,794</u>	<u>45,180</u>	5.8%
Total	7,321	4,400	66.4%	56,439	46,667	20.9%	71,070	64,211	10.7%
Fuel Gallons									
100LL	16,686	16,216	2.9%	130,886	122,387	6.9%	171,946	163,682	5.0%
Jet A (GA)	147,599	155,328	-5.0%	1,028,517	1,086,888	-5.4%	1,399,576	1,436,169	-2.5%
Subtotal	<u>164,285</u>	<u>171,544</u>	-4.2%	<u>1,159,403</u>	<u>1,209,275</u>	-4.1%	<u>1,571,522</u>	<u>1,599,851</u>	-1.8%
Jet A (A/L)	<u>629,581</u>	<u>346,540</u>	81.7%	<u>4,904,289</u>	<u>3,127,485</u>	56.8%	<u>6,134,753</u>	<u>4,134,362</u>	48.4%
Total	793,866	518,084	53.2%	6,063,692	4,336,760	39.8%	7,706,275	5,734,213	34.4%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Thursday, October 24, 2019

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

September 2019



	Sep 2019	Sep 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Allegiant Air						
Enplanements	24,570	13,102	87.5%	242,371	145,669	66.4%
Seats	33,234	16,738	98.6%	316,524	172,336	83.7%
Load Factor	73.9%	78.3%	-5.6%	76.6%	84.5%	-9.4%
American Airlines						
Enplanements	16,970	10,502	61.6%	125,809	86,020	46.3%
Seats	20,108	14,105	42.6%	150,974	106,325	42.0%
Load Factor	84.4%	74.5%	13.3%	83.3%	80.9%	3.0%
Delta Air Lines						
Enplanements	14,987	12,759	17.5%	118,231	109,658	7.8%
Seats	17,007	15,590	9.1%	134,569	126,190	6.6%
Load Factor	88.1%	81.8%	7.7%	87.9%	86.9%	1.1%
Elite Airways						
Enplanements	22	22	0.0%	823	1,056	-22.1%
Seats	50	50	0.0%	1,640	2,070	-20.8%
Load Factor	44.0%	44.0%	0.0%	50.2%	51.0%	-1.6%
Spirit Airlines						
Enplanements	3,950	2,012	96.3%	38,355	2,012	1806.3%
Seats	7,192	5,664	27.0%	72,168	5,664	1174.2%
Load Factor	54.9%	35.5%	54.6%	53.1%	35.5%	49.6%
United Airlines						
Enplanements	8,845	6,369	38.9%	62,114	57,208	8.6%
Seats	10,338	8,830	17.1%	77,192	70,075	10.2%
Load Factor	85.6%	72.1%	18.6%	80.5%	81.6%	-1.4%

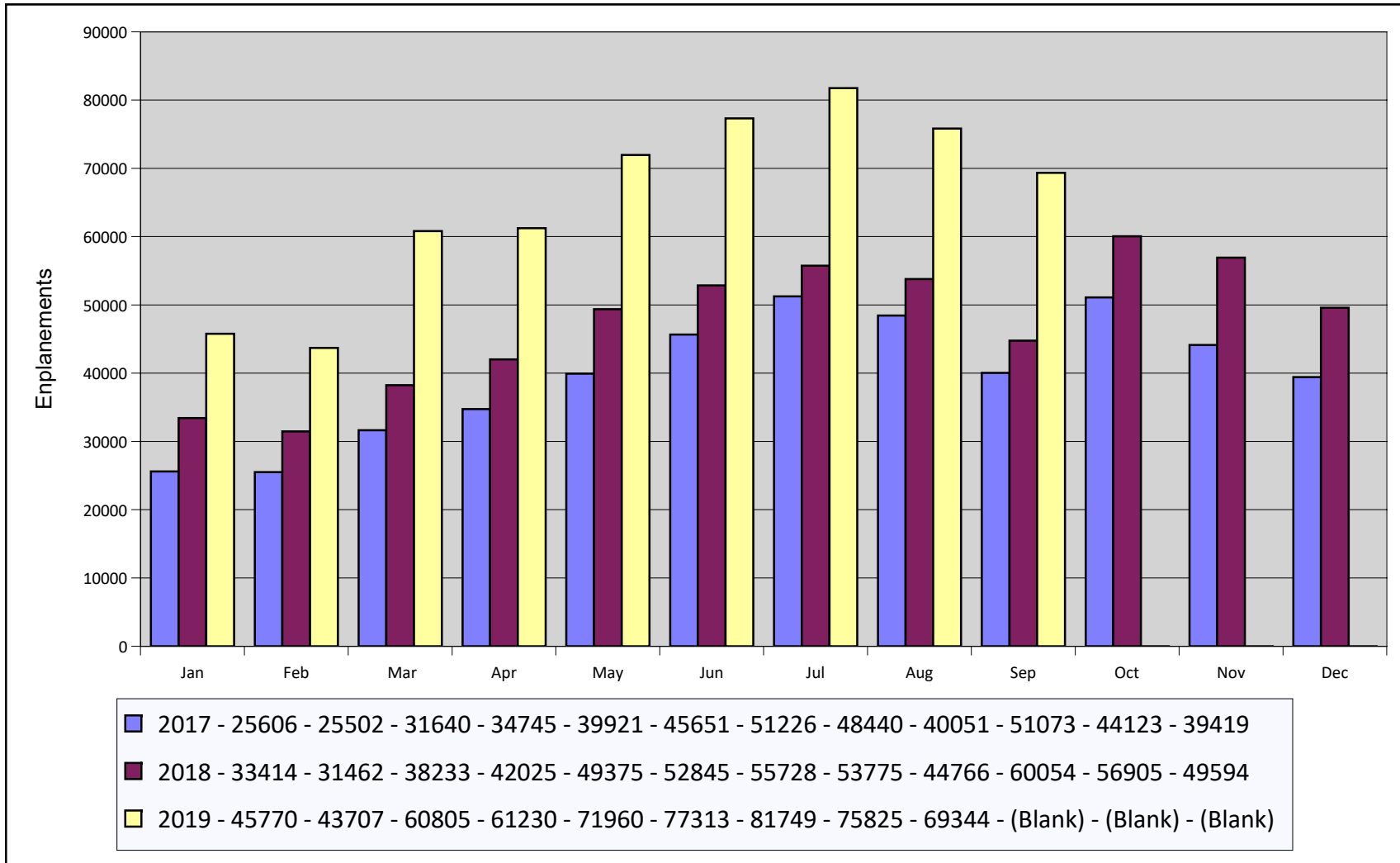
	Sep 2019	Sep 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Totals						
Enplanements	69,344	44,766	54.9%	587,703	401,623	46.3%
Seats	87,929	60,977	44.2%	753,067	482,660	56.0%
Load Factor	78.9%	73.4%	7.4%	78.0%	83.2%	-6.2%

Airline Flight Completions Asheville Regional Airport September 2019

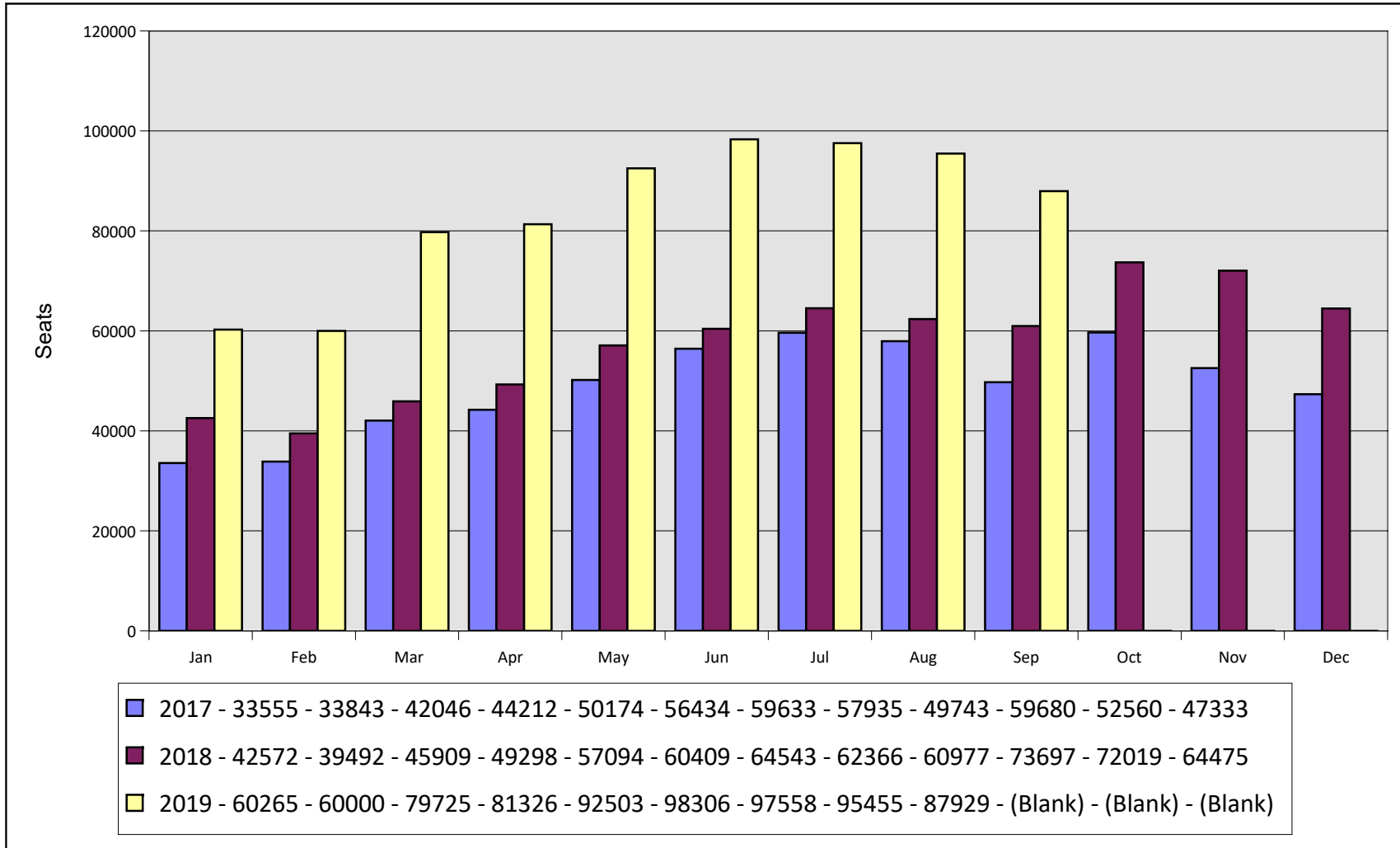


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	181	0	0	0	0	0	100.0%
American Airlines	302	0	1	3	0	4	98.7%
Delta Air Lines	188	0	0	0	0	0	100.0%
Elite Airways	1	0	0	0	0	0	100.0%
Spirit Airlines	52	0	1	2	0	3	94.2%
United Airlines	205	0	1	0	0	1	99.5%
Total	929	0	3	5	0	8	99.1%

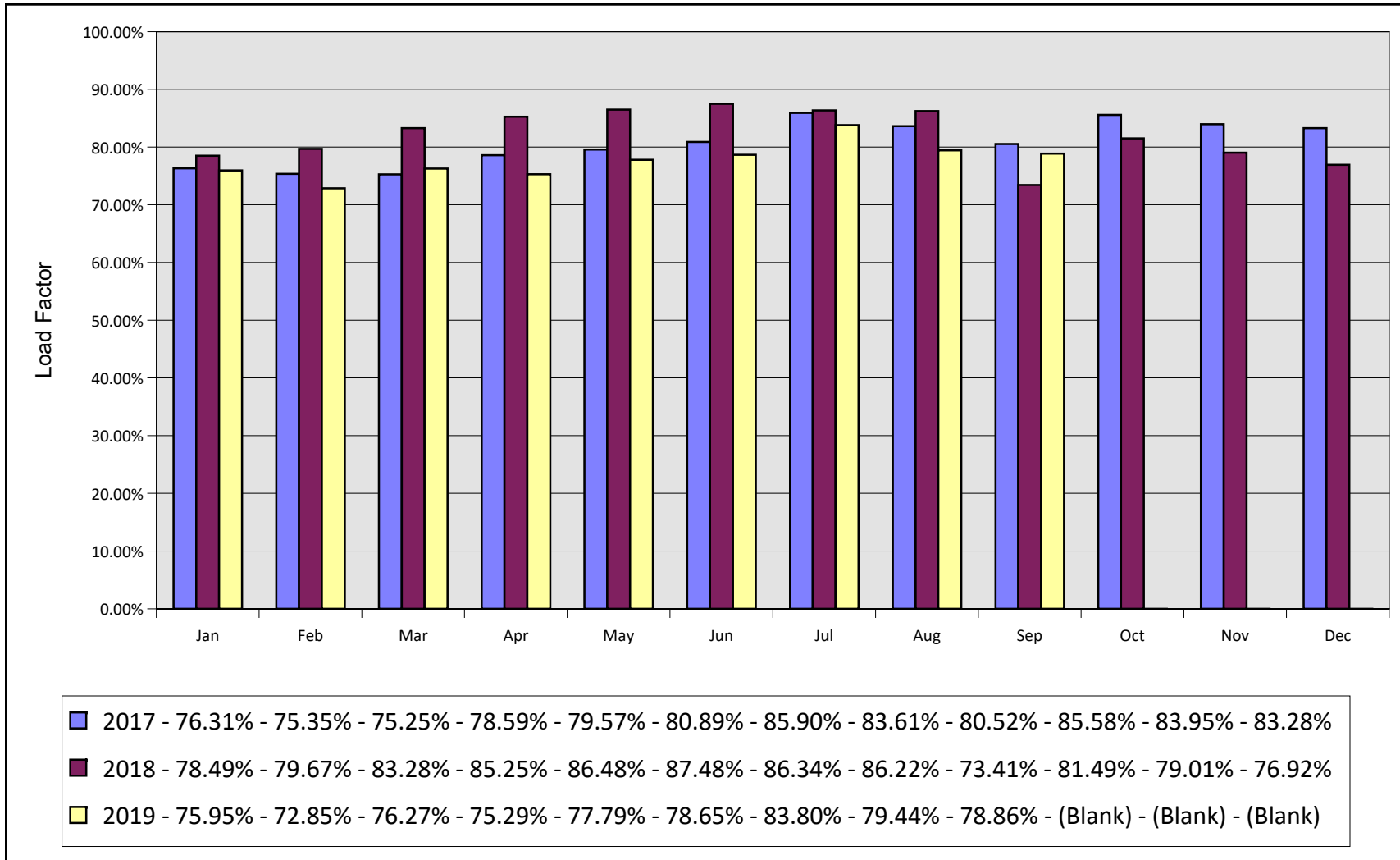
Monthly Enplanements By Year Asheville Regional Airport



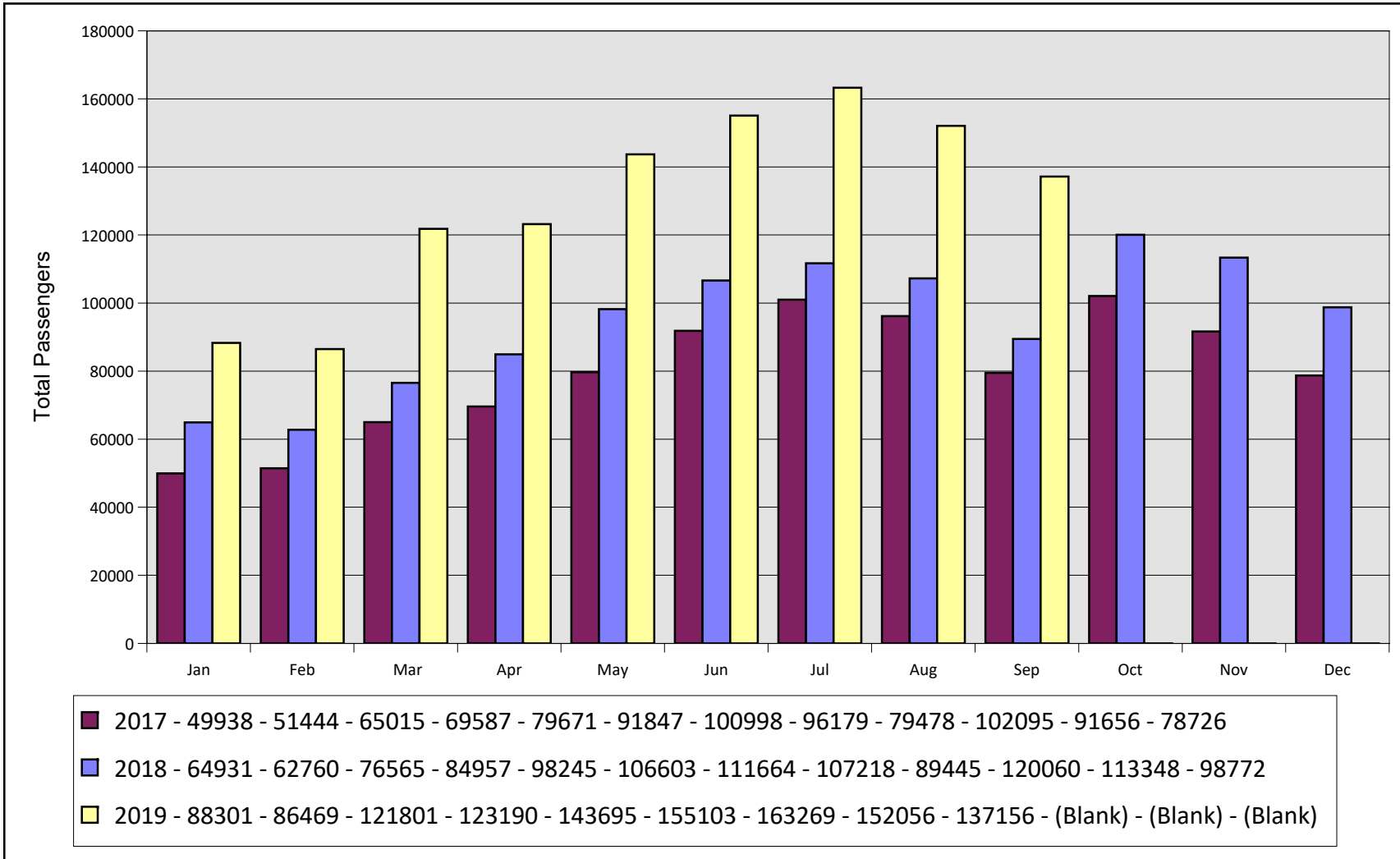
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

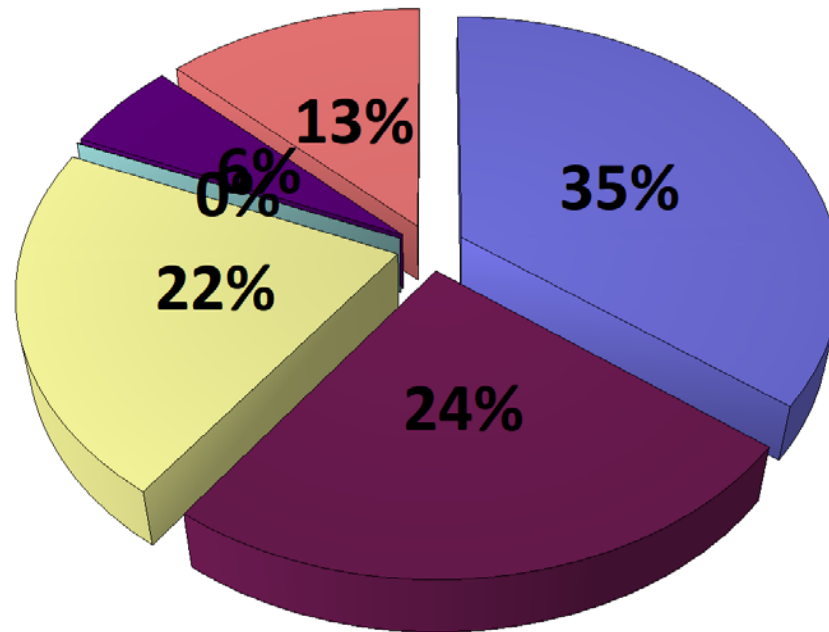


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From September 2019 Through September 2019



December 2019 vs. December 2018

Mkt AI	Travel Period		Dec-19		Dec-18		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	52	3,561	48	3,303	4	258	8.3%	7.8%
AA	AVL	AVL	52	3,561	48	3,303	4	258	8.3%	7.8%
AA	AVL	DFW	7	532	0	0	7	532		
AA	DFW	AVL	7	532	0	0	7	532		
AA	AVL	LGA	2	152	0	0	2	152		
AA	LGA	AVL	2	152	0	0	2	152		
AA	AVL	PHL	7	350	0	0	7	350		
AA	PHL	AVL	7	350	0	0	7	350		
DL	ATL	AVL	47	3,606	46	3,140	1	466	2.2%	14.8%
DL	AVL	ATL	47	3,606	46	3,140	1	466	2.2%	14.8%
G4	AVL	BWI	2	354	2	354	0	0	0.0%	0.0%
G4	BWI	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	DEN	1	177	0	0	1	177		
G4	DEN	AVL	1	177	0	0	1	177		
G4	AVL	EWR	2	354	2	354	0	0	0.0%	0.0%
G4	EWR	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	FLL	12	2,124	13	2,301	(1)	(177)	(7.7%)	(7.7%)
G4	FLL	AVL	12	2,124	13	2,301	(1)	(177)	(7.7%)	(7.7%)
G4	AVL	PBI	2	354	0	0	2	354		
G4	PBI	AVL	2	354	0	0	2	354		
G4	AVL	PGD	2	354	2	354	0	0	0.0%	0.0%
G4	PGD	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PIE	11	1,947	6	1,062	5	885	83.3%	83.3%
G4	PIE	AVL	11	1,947	6	1,062	5	885	83.3%	83.3%
G4	AVL	SFB	13	2,301	7	1,218	6	1,083	85.7%	88.9%
G4	SFB	AVL	13	2,301	7	1,218	6	1,083	85.7%	88.9%
G4	AVL	SRQ	2	354	0	0	2	354		
G4	SRQ	AVL	2	354	0	0	2	354		
NK	AVL	FLL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	AVL	MCO	7	1,274	3	546	4	728	133.3%	133.3%
NK	MCO	AVL	7	1,274	3	546	4	728	133.3%	133.3%
NK	AVL	TPA	0	0	2	364	(2)	(364)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	2	364	(2)	(364)	(100.0%)	(100.0%)
UA	AVL	EWR	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	EWR	AVL	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	AVL	IAD	14	700	0	0	14	700		
UA	IAD	AVL	14	700	0	0	14	700		
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%
Total			408	39,088	324	29,884	84	9,204	25.9%	30.8%

January 2020 vs. January 2020

Travel Period			Jan-20		Jan-19		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	54	3,358	42	2,883	12	475	28.6%	16.5%
AA	CLT	AVL	53	3,325	42	2,883	11	442	26.2%	15.3%
AA	AVL	DFW	9	684	0	0	9	684		
AA	DFW	AVL	9	652	0	0	9	652		
AA	AVL	LGA	2	152	0	0	2	152		
AA	LGA	AVL	2	152	0	0	2	152		
AA	AVL	PHL	7	521	0	0	7	521		
AA	PHL	AVL	7	521	0	0	7	521		
DL	ATL	AVL	47	2,952	46	2,834	1	118	2.2%	4.2%
DL	AVL	ATL	47	2,918	46	2,834	1	84	2.2%	3.0%
G4	AVL	BWI	1	177	0	0	1	177		
G4	BWI	AVL	1	177	0	0	1	177		
G4	AVL	EWR	2	354	2	354	0	0	0.0%	0.0%
G4	EWR	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	FLL	13	2,301	14	2,478	(1)	(177)	(7.1%)	(7.1%)
G4	FLL	AVL	13	2,301	14	2,478	(1)	(177)	(7.1%)	(7.1%)
	AVL	PBI	2	354	0	0	2	354		
	PBI	AVL	2	354	0	0	2	354		
G4	AVL	PGD	2	354	2	354	0	0	0.0%	0.0%
G4	PGD	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PIE	11	1,947	6	1,062	5	885	83.3%	83.3%
G4	PIE	AVL	11	1,947	6	1,062	5	885	83.3%	83.3%
G4	AVL	SFB	13	2,301	7	1,239	6	1,062	85.7%	85.7%
G4	SFB	AVL	13	2,301	7	1,239	6	1,062	85.7%	85.7%
G4	AVL	SRQ	2	354	0	0	2	354		
G4	SRQ	AVL	2	354	0	0	2	354		
NK	AVL	FLL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	4	728	(4)	(728)	(100.0%)	(100.0%)
NK	AVL	MCO	5	910	4	728	1	182	25.0%	25.0%
NK	MCO	AVL	5	910	4	728	1	182	25.0%	25.0%
NK	AVL	TPA	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
UA	AVL	EWR	0	0	6	300	(6)	(300)	(100.0%)	(100.0%)
UA	EWR	AVL	0	0	6	300	(6)	(300)	(100.0%)	(100.0%)
UA	AVL	IAD	14	700	0	0	14	700		
UA	IAD	AVL	14	700	0	0	14	700		
UA	AVL	ORD	14	700	14	700	0	0	0.0%	0.0%
UA	ORD	AVL	14	700	14	700	0	0	0.0%	0.0%
Total			395	36,139	300	28,412	95	7,727	31.7%	27.2%

February 2020 vs. February 2020

Mkt AI	Travel Period		Feb-20		Feb-19		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	54	3,342	42	2,883	12	459	28.6%	15.9%
AA	AVL	AVL	54	3,342	42	2,883	12	459	28.6%	15.9%
AA	AVL	DFW	7	532	0	0	7	532		
AA	DFW	AVL	7	532	0	0	7	532		
AA	AVL	LGA	2	152	0	0	2	152		
AA	LGA	AVL	2	152	0	0	2	152		
AA	AVL	PHL	7	532	0	0	7	532		
AA	PHL	AVL	7	532	0	0	7	532		
DL	ATL	AVL	47	2,952	46	2,834	1	118	2.2%	4.2%
DL	AVL	ATL	47	2,952	46	2,834	1	118	2.2%	4.2%
G4	AVL	EWR	2	354	2	354	0	0	0.0%	0.0%
G4	EWR	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	FLL	13	2,301	14	2,478	(1)	(177)	(7.1%)	(7.1%)
G4	FLL	AVL	13	2,301	14	2,478	(1)	(177)	(7.1%)	(7.1%)
G4	AVL	PBI	2	354	0	0	2	354		
G4	PBI	AVL	2	354	0	0	2	354		
G4	AVL	PGD	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)
G4	PGD	AVL	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)
G4	AVL	PIE	11	1,947	5	885	6	1,062	120.0%	120.0%
G4	PIE	AVL	11	1,947	5	885	6	1,062	120.0%	120.0%
G4	AVL	SFB	13	2,310	7	1,218	6	1,092	85.7%	89.7%
G4	SFB	AVL	13	2,310	7	1,218	6	1,092	85.7%	89.7%
G4	AVL	SRQ	2	354	0	0	2	354		
G4	SRQ	AVL	2	354	0	0	2	354		
NK	AVL	FLL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	FLL	AVL	0	0	3	546	(3)	(546)	(100.0%)	(100.0%)
NK	AVL	MCO	5	910	3	546	2	364	66.7%	66.7%
NK	MCO	AVL	5	910	3	546	2	364	66.7%	66.7%
NK	AVL	TPA	0	0	2	364	(2)	(364)	(100.0%)	(100.0%)
NK	TPA	AVL	0	0	2	364	(2)	(364)	(100.0%)	(100.0%)
UA	AVL	EWR	0	0	6	300	(6)	(300)	(100.0%)	(100.0%)
UA	EWR	AVL	0	0	6	300	(6)	(300)	(100.0%)	(100.0%)
UA	AVL	IAD	14	700	0	0	14	700		
UA	IAD	AVL	14	700	0	0	14	700		
UA	AVL	ORD	14	700	14	700	0	0	0.0%	0.0%
UA	ORD	AVL	14	700	14	700	0	0	0.0%	0.0%
Total			390	35,588	294	27,278	96	8,310	32.7%	30.5%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: November 15, 2019

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of September 2019

SUMMARY

Operating Revenues for the month of September were \$1,482,983, 39.7% over budget. Operating Expenses for the month were \$704,819, 40.4% under budget. As a result, Net Operating Revenues before Depreciation were \$778,164. Net Non-Operating Revenues were \$582,062, 70.3% over budget.

Year-to-date Operating Revenues were \$4,642,447, 45.8% over budget. Year-to-date Operating Expenses were \$2,047,628, 31.1% under budget. Year-to-date Net Operating Revenues before Depreciation were \$2,594,819. Net Non-Operating Revenues for the year were \$572,819, 44.1% under budget.

REVENUES

Significant variations to budget for September were:

Terminal rentals-airline	\$30,750	15.32%	Enplanements over budget
Landing fees	\$32,032	37.27%	Enplanements over budget
Rental car	\$104,667	73.40%	Enplanements over budget and new brands on site
Auto Parking	\$217,965	58.12%	Enplanements over budget



EXPENSES

Significant variations to budget for September were:

Professional Services	\$16,750	52.21%	Professional and legal costs paid during current month for items budgeted previous month
Contractual Services	(\$30,883)	(27.17%)	Timing of contractual services
Travel & Training	(\$12,358)	(43.15%)	Timing of travel & training
Insurance	(\$290,600)	(100.00%)	Insurance paid in previous month but budgeted in current month

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$1,321k mainly due to receipt of grant funding and collection of customer receivables.

Grants Receivable – Grants Receivable increased by \$301k due to the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$1,204k mainly due to the Airfield Redevelopment project.

Property and Equipment, Net – Property and Equipment, Net decreased by \$438k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of September 30, 2019**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 13,917,502	8,366
First Citizens - Money Market Account	0.35%	404,221	153
NC Capital Management Trust - Cash Portfolio		17,958	29
NC Capital Management Trust - Term Portfolio		9,369,368	15,700
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		425,997	
Bank of America - PFC Revenue Account	0.80%	3,482,972	1,844
NC Capital Management Trust - Term Port - PFC		10,226,149	17,136
 Total		 <u>\$ 37,844,367</u>	 <u>\$ 43,228</u>

Investment Diversification:

Banks	48%
NC Capital Management Trust	52%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended September 30, 2019**

	<u>Current Month</u>	<u>Prior Period</u>
Cash and Investments Beginning of Period	\$ 36,523,177	\$ 30,207,454
Net Income/(Loss) Before Capital Contributions	921,412	(171,487)
Depreciation	438,813	438,813
Decrease/(Increase) in Receivables	3,091	(805,405)
Increase/(Decrease) in Payables	168,936	(39,594)
Decrease/(Increase) in Prepaid Expenses	-	127,656
Decrease/(Increase) in Fixed Assets	(1,012,768)	(1,644,666)
Principal Payments of Bond Maturities	-	-
Capital Contributions	801,706	8,410,406
Increase(Decrease) in Cash	<u>1,321,190</u>	<u>6,315,723</u>
Cash and Investments End of Period	<u><u>\$ 37,844,367</u></u>	<u><u>\$ 36,523,177</u></u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of September 30, 2019**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$23,709,249	\$23,177,186
Investments	0	0
Accounts Receivable	1,097,263	1,155,994
Passenger Facility Charges Receivable	300,000	550,000
Refundable Sales Tax Receivable	16,873	12,939
Grants Receivable	4,699,454	4,397,748
Prepaid Expenses	150	150
Total Unrestricted Assets	29,822,989	29,294,017
Restricted Assets:		
Cash and Cash Equivalents	14,135,118	13,345,992
Total Restricted Assets	14,135,118	13,345,992
Total Current Assets	43,958,107	42,640,009
Noncurrent Assets:		
Construction in Progress	65,437,322	64,232,774
Net Pension Asset - LGERS	(1,178,625)	(1,178,625)
Benefit Payment - OPEB	50,329	50,329
Contributions in Current Year	951,989	951,989
Property and Equipment - Net	73,036,202	73,666,795
Total Noncurrent Assets	138,297,217	137,723,262
	\$182,255,324	\$180,363,271
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	(\$13,032)	(\$9,522)
Customer Deposits	12,785	12,785
Unearned Revenue	184,082	46,966
Unearned Revenue - Constr	2,733,674	2,733,674
Construction Contracts Payable	0	0
Construction Contract Retainages	574,507	574,507
Revenue Bond Payable - Current	1,280,000	1,280,000
Interest Payable	105,988	70,658
Total Payable from Unrestricted Assets	4,878,004	4,709,068
Total Current Liabilities	4,878,004	4,709,068
Noncurrent Liabilities:		
Pension Deferrals - OPEB	82,080	82,080
Other Postemployment Benefits	1,318,276	1,318,276
Compensated Absences	346,617	346,617
Net Pension Obligation-LEO Special Separation Allowance	453,052	453,052
Revenue Bond Payable - Noncurrent	16,305,000	16,305,000
Total Noncurrent Liabilities	18,505,025	18,505,025
Total Liabilities	23,383,029	23,214,093
Net Assets:		
Invested in Capital Assets	120,888,524	120,314,569
Restricted	14,135,118	13,345,992
Unrestricted	23,848,653	23,488,617
Total Net Assets	158,872,295	157,149,178
	\$182,255,324	\$180,363,271



Income Statement

Through 09/30/19
Summary Listing

Classification	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	252,866.00	20,780.13	62,340.39	190,525.61	25	239,292.43
Terminal space rentals - airline	2,408,240.00	231,436.50	711,211.23	1,697,028.77	30	2,362,337.76
Landing fees	1,031,246.00	117,969.74	354,527.26	676,718.74	34	1,159,610.44
Concessions	559,020.00	55,529.66	194,803.08	364,216.92	35	722,027.06
Auto parking	4,500,000.00	592,965.28	1,801,346.17	2,698,653.83	40	5,900,212.88
Rental car - car rentals	1,711,283.00	247,273.43	863,041.66	848,241.34	50	2,404,392.34
Rental car - facility rent	652,161.00	59,432.02	159,270.03	492,890.97	24	663,178.67
Commerce ground transportation	188,500.00	26,863.69	62,666.69	125,833.31	33	308,678.83
FBO's	1,056,304.00	91,757.17	275,343.45	780,960.55	26	1,072,689.31
Building leases	95,486.00	13,182.19	32,239.55	63,246.45	34	84,910.51
Land leases	82,833.00	17,727.86	27,849.77	54,983.23	34	55,587.61
Other leases and fees	196,800.00	8,065.15	97,808.20	98,991.80	50	193,011.95
<i>Operating revenues Totals</i>	\$12,734,739.00	\$1,482,982.82	\$4,642,447.48	\$8,092,291.52	36%	\$15,165,929.79
<i>Non-operating revenue and expense</i>						
Customer facility charges	1,600,000.00	196,354.25	652,353.75	947,646.25	41	1,827,347.50
Passenger facility charges	2,250,000.00	377,808.28	992,956.99	1,257,043.01	44	3,034,176.93
Interest revenue	250,000.00	43,228.38	136,663.83	113,336.17	55	510,562.20
Interest expense	.00	(35,329.29)	(105,987.87)	105,987.87	+++	(456,197.04)
Reimbursable cost expenses	.00	.00	(1,103,168.12)	1,103,168.12	+++	.00
Gain or loss on disposal of assets	.00	.00	.00	.00	+++	61,044.85
P-card rebate	.00	.00	.00	.00	+++	2,472.15
<i>Non-operating revenue and expense Totals</i>	\$4,100,000.00	\$582,061.62	\$572,818.58	\$3,527,181.42	14%	\$4,979,406.59
Capital contributions	.00	801,706.36	2,212,385.36	(2,212,385.36)	+++	10,184,989.06
<i>Operating expenses</i>						
Personnel services	6,441,644.00	438,025.02	1,260,997.96	5,180,646.04	20	5,092,704.60
Professional services	384,950.00	48,828.79	59,732.77	325,217.23	16	289,299.92
Other contractual services	1,363,903.00	82,775.88	157,161.75	1,206,741.25	12	762,669.54
Travel and training	260,850.00	9,379.00	22,156.06	238,693.94	8	194,353.75
Communications	65,590.00	3,725.69	13,189.17	52,400.83	20	81,901.61
Utility services	539,867.00	53,589.33	86,927.34	452,939.66	16	452,834.01
Rentals and leases	14,100.00	1,078.96	3,214.84	10,885.16	23	13,639.09
Insurance	290,600.00	.00	284,724.09	5,875.91	98	259,926.91
Advertising, printing and binding	19,200.00	541.45	848.40	18,351.60	4	9,893.66
Promotional activities	303,800.00	7,295.41	26,946.43	276,853.57	9	307,862.03
Other current charges and obligations	85,100.00	7,784.21	14,775.58	70,324.42	17	60,526.52
Operating supplies	464,610.00	32,179.09	62,997.38	401,612.62	14	436,073.68

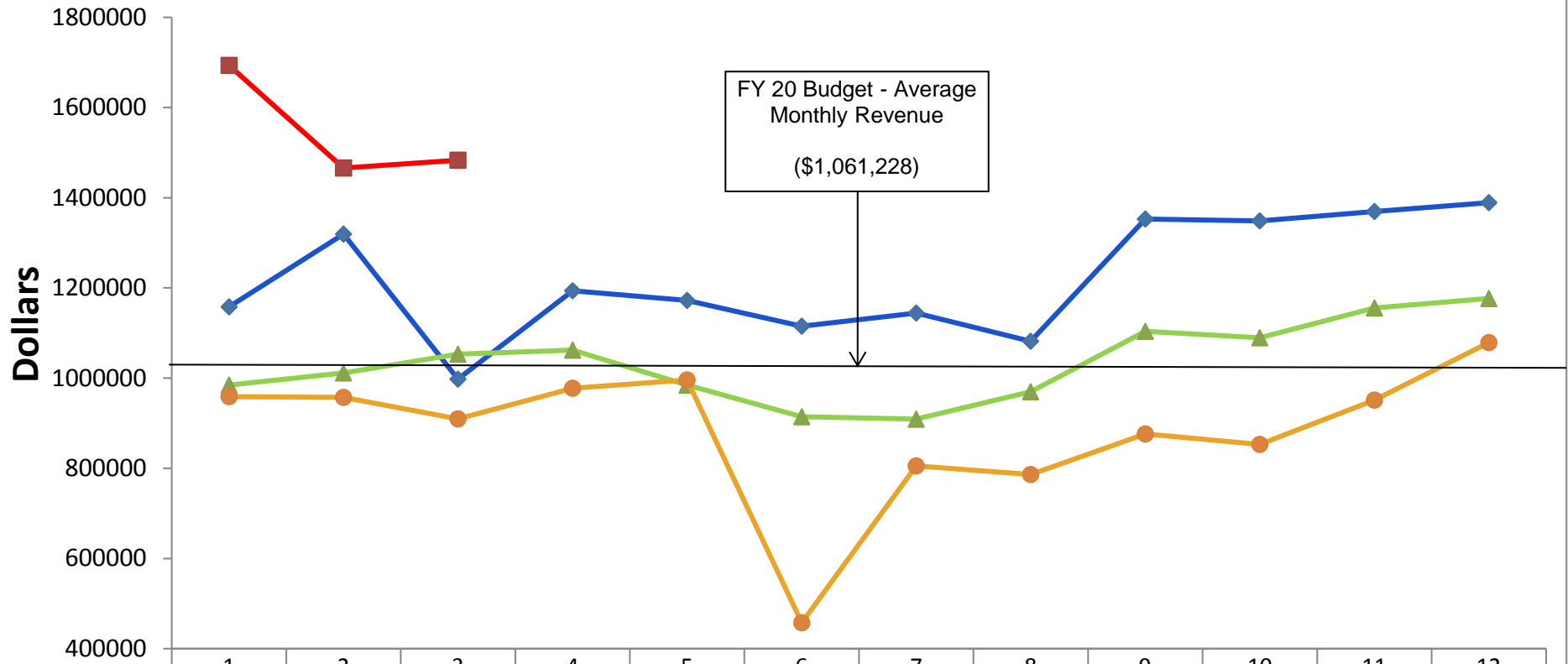


Income Statement

Through 09/30/19
Summary Listing

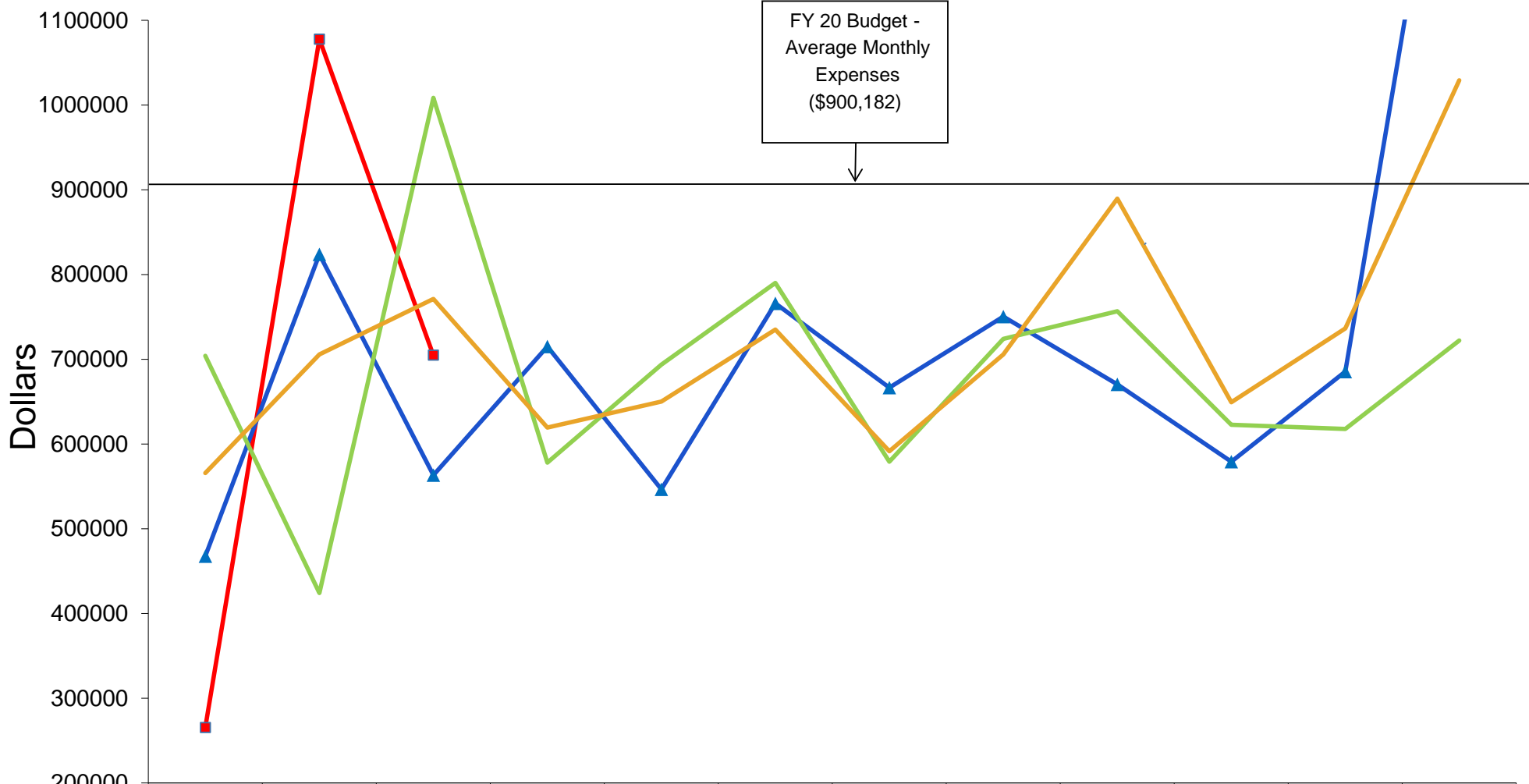
Classification	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating expenses</i>						
Publications, subscriptions, memberships, etc.	61,900.00	2,298.32	3,423.23	58,476.77	6	50,868.12
Repairs and maintenance	174,700.00	12,907.18	30,320.89	144,379.11	17	192,009.86
Small equipment	80,500.00	4,410.99	20,211.89	60,288.11	25	280,193.14
Contingency	100,000.00	.00	.00	100,000.00	0	.00
Emergency repairs	50,000.00	.00	.00	50,000.00	0	24,014.58
Business development	300,000.00	.00	.00	300,000.00	0	309,205.11
<i>Operating expenses Totals</i>	\$11,001,314.00	\$704,819.32	\$2,047,627.78	\$8,953,686.22	19%	\$8,817,976.13
<i>Depreciation</i>						
Depreciation	.00	438,813.58	1,316,440.74	(1,316,440.74)	+++	5,033,403.13
<i>Depreciation Totals</i>	\$0.00	\$438,813.58	\$1,316,440.74	(\$1,316,440.74)	+++	\$5,033,403.13
Fund 10 - General Fund Totals						
REVENUE TOTALS	16,834,739.00	2,866,750.80	7,427,651.42	9,407,087.58	44%	30,330,325.44
EXPENSE TOTALS	11,001,314.00	1,143,632.90	3,364,068.52	7,637,245.48	31%	13,851,379.26
Fund 10 - General Fund Net Gain (Loss)	\$5,833,425.00	\$1,723,117.90	\$4,063,582.90	(\$1,769,842.10)	70%	\$16,478,946.18
Fund Type General Fund Totals						
REVENUE TOTALS	16,834,739.00	2,866,750.80	7,427,651.42	9,407,087.58	44%	30,330,325.44
EXPENSE TOTALS	11,001,314.00	1,143,632.90	3,364,068.52	7,637,245.48	31%	13,851,379.26
Fund Type General Fund Net Gain (Loss)	\$5,833,425.00	\$1,723,117.90	\$4,063,582.90	(\$1,769,842.10)	70%	\$16,478,946.18
Fund Category Governmental Funds Totals						
REVENUE TOTALS	16,834,739.00	2,866,750.80	7,427,651.42	9,407,087.58	44%	30,330,325.44
EXPENSE TOTALS	11,001,314.00	1,143,632.90	3,364,068.52	7,637,245.48	31%	13,851,379.26
Fund Category Governmental Funds Net Gain (Loss)	\$5,833,425.00	\$1,723,117.90	\$4,063,582.90	(\$1,769,842.10)	70%	\$16,478,946.18
Grand Totals						
REVENUE TOTALS	16,834,739.00	2,866,750.80	7,427,651.42	9,407,087.58	44%	30,330,325.44
EXPENSE TOTALS	11,001,314.00	1,143,632.90	3,364,068.52	7,637,245.48	31%	13,851,379.26
Grand Total Net Gain (Loss)	\$5,833,425.00	\$1,723,117.90	\$4,063,582.90	(\$1,769,842.10)	70%	\$16,478,946.18

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month September 2019



	1	2	3	4	5	6	7	8	9	10	11	12
2020	1693639	1465826	1482983									
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974
2018	984749	1011431	1052878	1062064	984291	914297	909078	969671	1103476	1089449	1155693	1176670
2017	958743	957359	909258	977579	996133	457472	805436	786217	876033	852930	950921	1078756

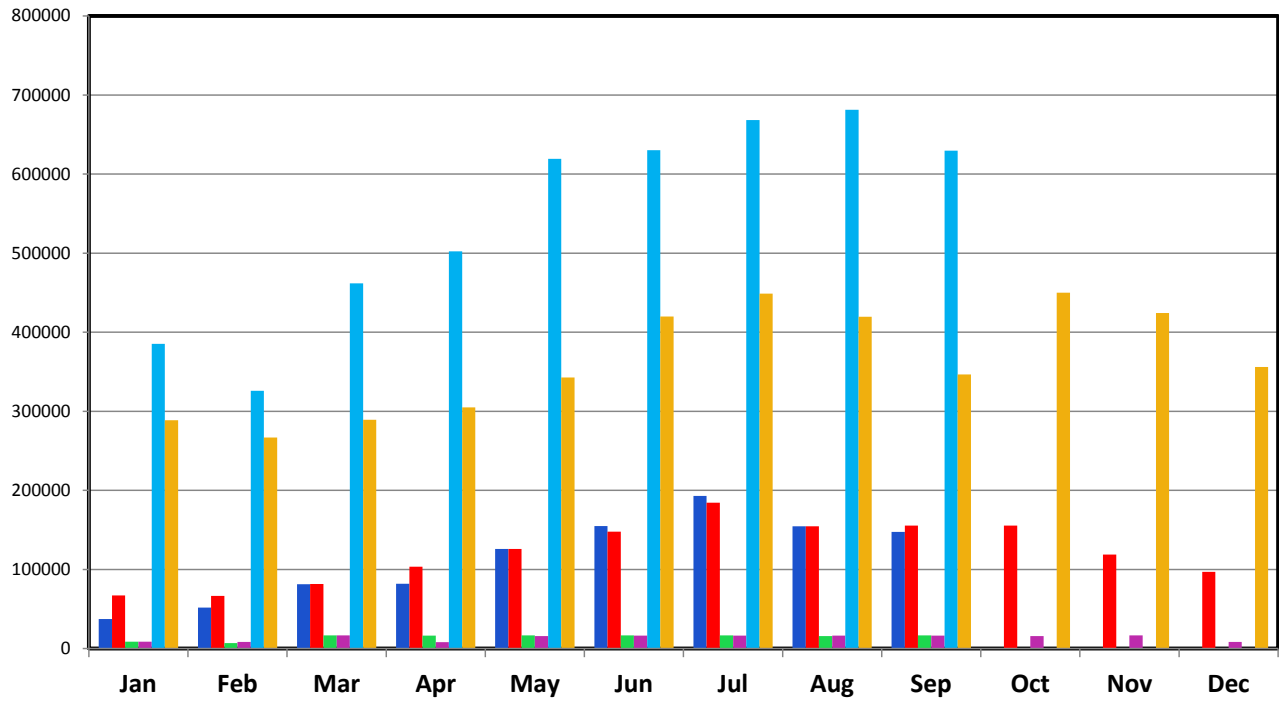
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month September 2019



	1	2	3	4	5	6	7	8	9	10	11	12
2020	265483	1077831	704819									
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804
2018	704085	424161	1008520	578153	693612	790093	579052	724027	756743	622562	617623	722128
2017	565737	705715	771249	619423	649959	734910	591499	705568	889485	649186	736270	1029219

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
September 2019**

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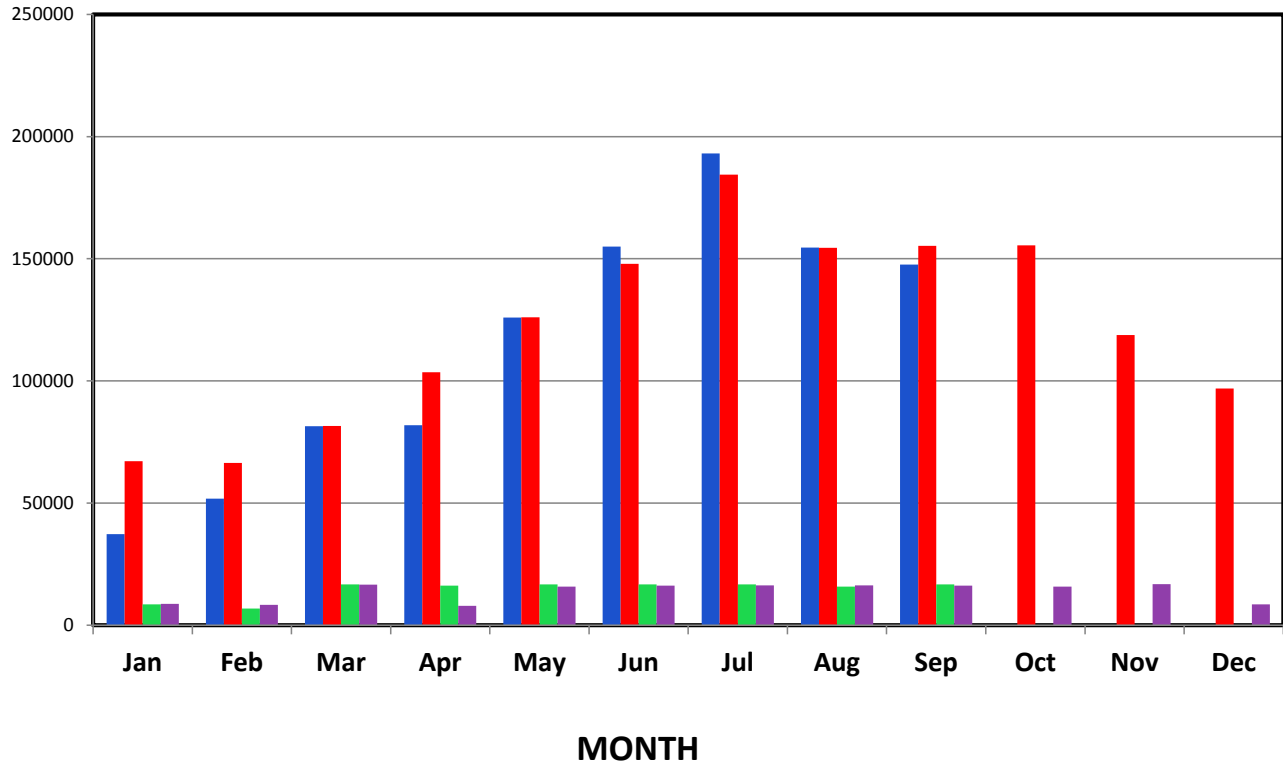
- Jet A 2019
- Jet A - 2018
- 100LL - 2019
- 100LL - 2018
- Airline 2019
- Airline - 2018

Jet A -147,599 Gallons
100LL -16,686 Gallons
Airline -629,581 Gallons

MONTH

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
September 2019**

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■ Jet A - 2019
■ Jet A - 2018
■ 100LL - 2019
■ 100LL - 2018

 Jet A - 147,599 Gallons
 100LL - 16,686 Gallons

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 11/01/2019)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 11/01/2019)	Start Date	End Date	Current Project Status (as of 11/01/2019)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$50,900,000.00		\$115,000,000.00	61%	\$70,184,691			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services <i>This portion of project is completed.</i>	RS&H											COMPLETED.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	95%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$4,417,146.00	65.90%	<i>(Overall total included in above number)</i>	34%	\$2,311,996	Dec-14	Dec-19	Phase IV Project Management continues.
1D	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 2	RS&H	\$1,460,329.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	42.8%	\$625,949	Aug-19	Dec-20	Phase IV Project Management continues.
1E	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 3	RS&H	\$1,487,205.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	0%	\$0	Aug-19	Dec-20	Phase IV Project Management continues.
1F	Airfield Re-Development Project	New Runway Design Vol2	AVCON	\$1,967,476.00	N/A	N/A	\$185,924.00	4.40%	<i>(Overall total included in above number)</i>	89.7%	\$1,932,146	Mar-13	Dec-19	Phase IV Project Management continues.
1G	Airfield Re-Development Project	New Runway Design Vol3	AVCON	\$99,271.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	2.25%	\$2,234	Aug-19	Dec-20	Phase IV Project Management continues.
1H	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.0%	<i>(Overall total included in above number)</i>	0.0%	\$4,042,174	Jan-13	Dec-19	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Airport Security and Identity Management	Security system, ID badging and CCTV camera equipment	Faith Group LLC	\$327,486.27	N/A	N/A	\$0.00	0.0%	\$327,486.27	59.6%	\$195,394.00	Aug-18	Jan-20	Project Management continues.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$158,253.00	0.0%	\$0.00	39.1%	\$383,740.00	Nov-18	Nov-19	Work scheduled to begin Nov 4.
4	Terminal Building Renovations	Phase 1 - Utility Modernization of Water and Sewer	Gresham Smith	\$168,820.00	N/A	N/A	\$0.00	0.0%	\$168,820.00	54.4%	\$91,918.00	Jan-19	Oct-19	Bid opening held Nov 4.
5	Pipe Repairs	60" Stormwater Pipe repairs in North area of property	Kimley-Horn	\$152,700.40	N/A	N/A	\$0.00	0.0%	\$170,840.40	40.2%	\$61,386.36	Apr-19	Aug-19	Work scheduled to begin mid-Nov.
6	Parking Lots	Design of additional parking areas across Highway 280	AVCON	\$189,962.00	N/A	N/A	\$103,796.00	0.0%	\$189,962.00	54.6%	\$160,594.00	May-19	May-20	Bid opening held Nov 4.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 11/01/2019)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 11/01/2019)	Start Date	End Date	Current Project Status (as of 11/01/2019)
1	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Travelers	\$42,171,424.11	\$0.00	0.0%	\$42,171,424.11	32.5%	\$13,727,064.00	Mar-17	Dec-20	Electrical work, sign pad placement, runway lighting cans and other work continue.
2	Airport Security & Identity Management System	Replace, Upgrade and Install new Security System	Faith Group	Amount in Design Fees	Johnson Control, Inc.	\$2,197,707.00	\$0.00	0.0%	\$2,605,672.28	0%	\$0.00	May-19	Feb-20	Cable work continues throughout Facilities, equipment on order.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857.00	\$0.00	0.0%	\$9,542,250.00	0.0%	\$0.00	Sep-19	Oct-20	Contractor beginning to mobilize to site.
4	60" Pipe Rehabilitation	Repairs to stormwater pipe on North GA area.	Kimley-Horn	Amount in Design Fees	Applied Polymerics	\$155,949.75	\$0.00	0.0%	\$171,544.73	0.0%	\$0.00	Oct-19	Feb-20	Contract executed with start in mid-Nov.

Airportsurvey.com



AVL

Airport Facilities Review For 3rd Quarter 2019

Welcome

- Welcome to the Airportsurvey.com Airport Facilities Review for the recent quarter, a complimentary data set provided to Airportsurvey.com participating airports
- The following slides provide non-weighted scores and ratings based on an independent survey of air travelers
- Note that passenger responses are based on perception, rather than objective assessment
- Value Added Services available from Canmark include:
 - Report analysis
 - Statistical testing
 - Air carrier responses
 - Non-facility responses
 - Tailored comparison sets
 - Passenger demographics
 - Sample size enhancement
 - Targeted and customized reporting
 - Custom survey questions and content

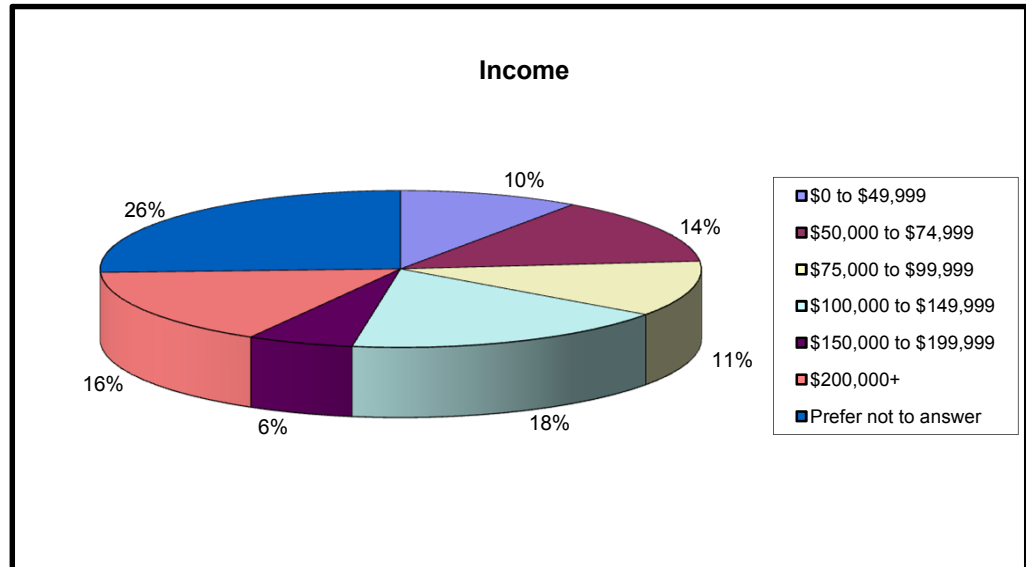
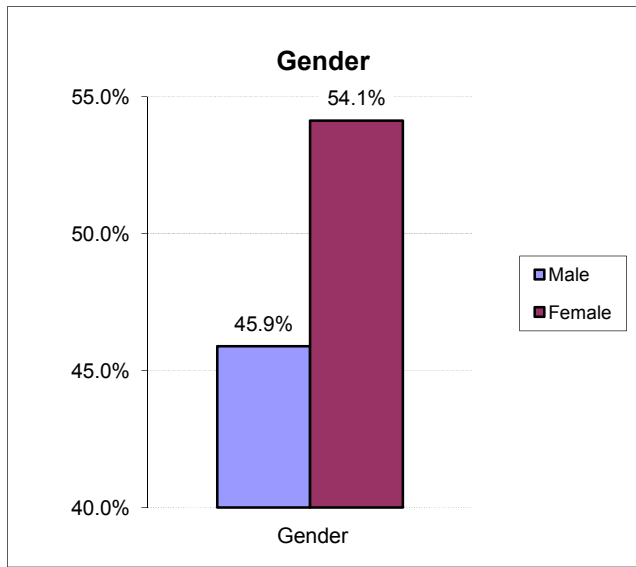
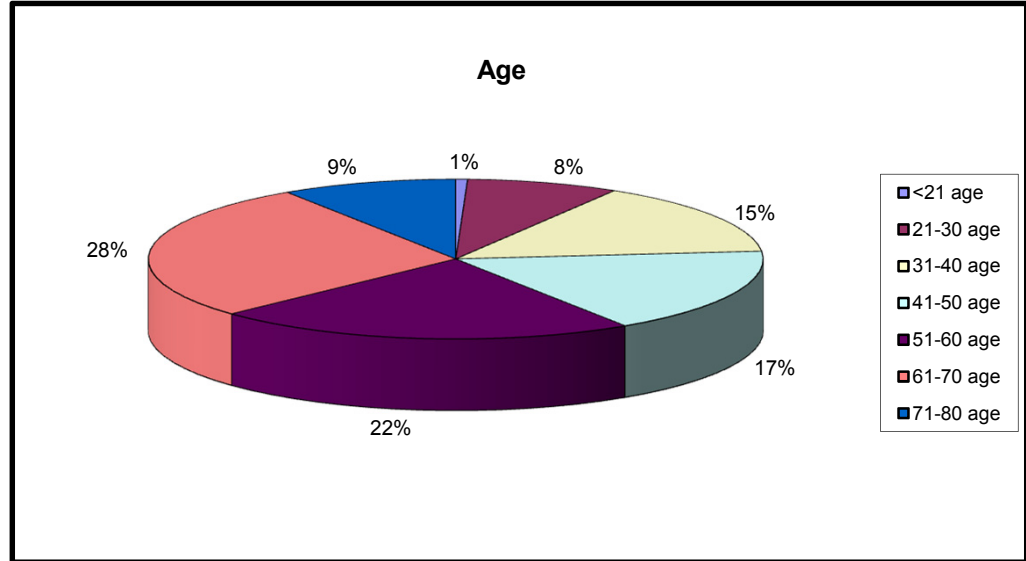
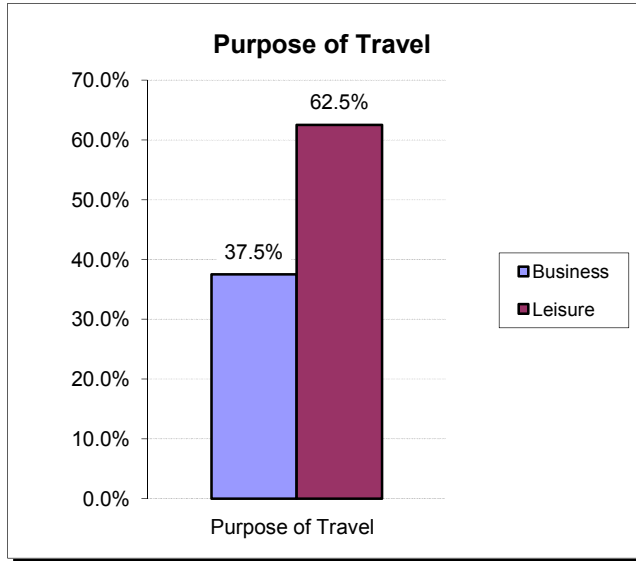
No representations are made as to the completeness or accuracy of information contained herein. Airport facility raw data is available upon request.

Proprietary and Confidential

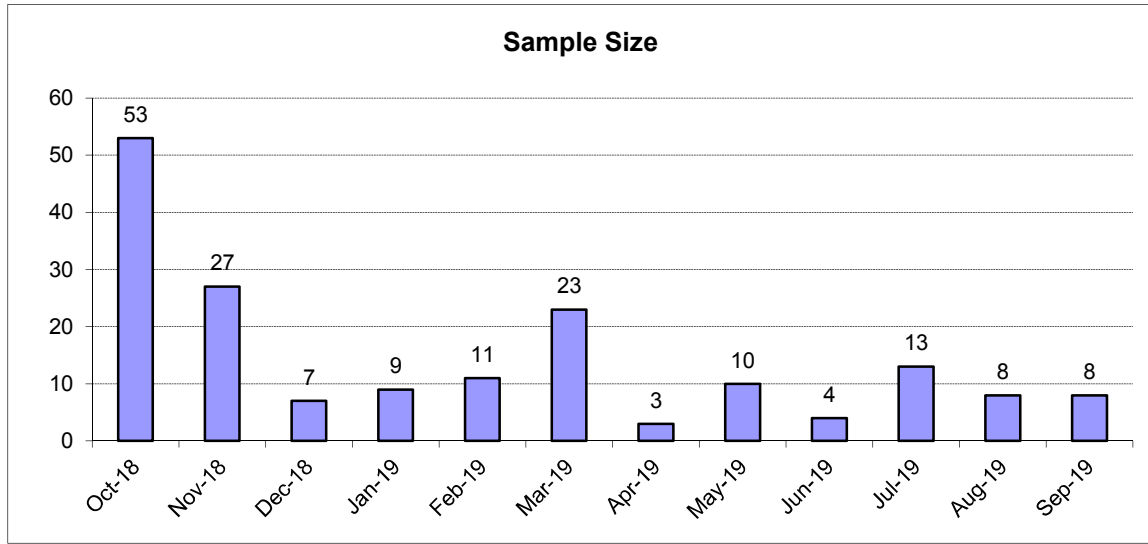
Overview

- ***Airportsurvey.com*** is an ongoing, all-inclusive online passenger satisfaction survey program from Canmark Research Center
- Invitations to take the survey are distributed at select airports across the country
- Over 30 airports participate
- Each survey invitation card is single-use, and must reference an actual flight
- Survey distribution occurs approximately three days per month
- Response scale is 1 through 5: Poor, Fair, Good, Very Good, Excellent
- Survey participants have a chance to win round-trip airline tickets
- Response rates vary from 10% to 20% based on location
- Facilities attributes are scored according to check-in airport
- Airports are grouped into three tiers according to available seats in calendar year 2018

Passenger Demographics



General Findings



Sample is clustered around airport invitation distribution dates.

Sample reflects passengers intercepted at arrival airports who rated check-in airport.

	AVL	Similar	+/-	Pct
Overall	4.25	4.28	(0.03)	-0.8%
Availability of parking	4.23	4.11	0.12	2.8%
Cost of parking	3.64	3.70	(0.06)	-1.8%
Clear, easy to follow signs	4.28	4.30	(0.01)	-0.3%
Cleanliness	4.38	4.33	0.05	1.1%
Availability of restrooms	4.42	4.33	0.09	1.9%
Cleanliness of restrooms	4.35	4.26	0.09	2.1%
Concessions / restaurants	3.48	3.84	(0.35)	-10.2%
Transportation to your gate / concourse / terminal	4.32	4.17	0.15	3.4%
Airport Wi-Fi ease of use	4.12	4.10	0.01	0.3%
Overall airport Wi-Fi	4.14	4.05	0.09	2.2%
Overall departure airport concourse	4.35	4.25	0.10	2.3%
Security: Wait time at checkpoint	4.44	4.30	0.14	3.1%
Security: Professionalism of personnel	4.48	4.41	0.06	1.4%
Security: Confidence in airport security procedures	4.43	4.33	0.10	2.3%

Statistical means testing not performed on results

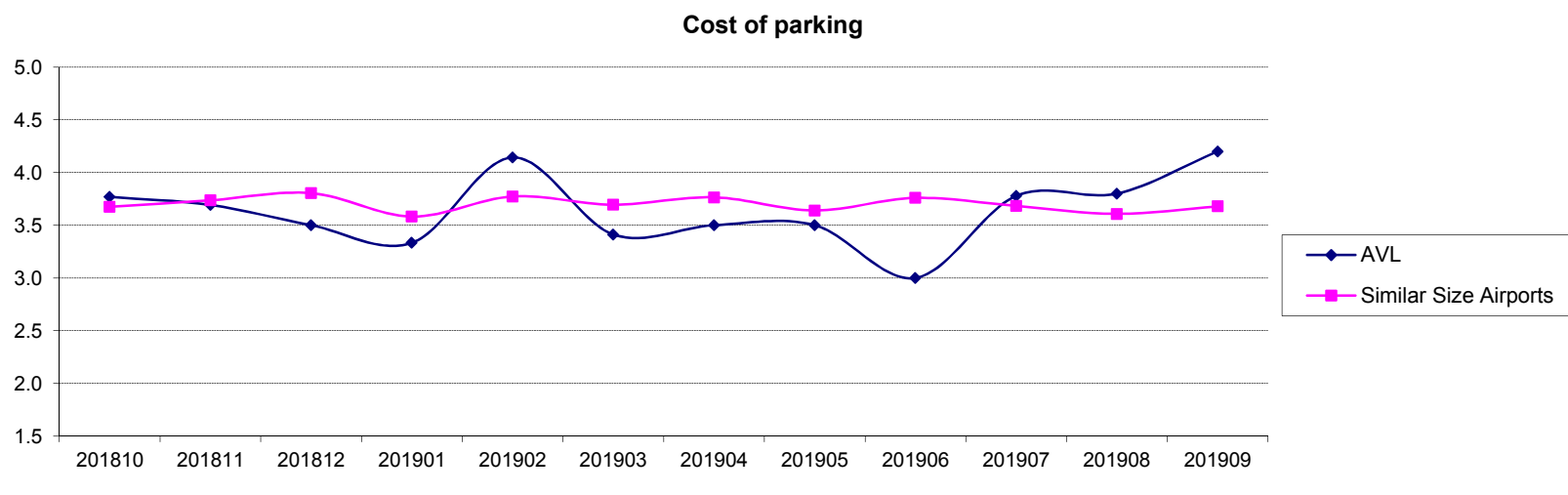
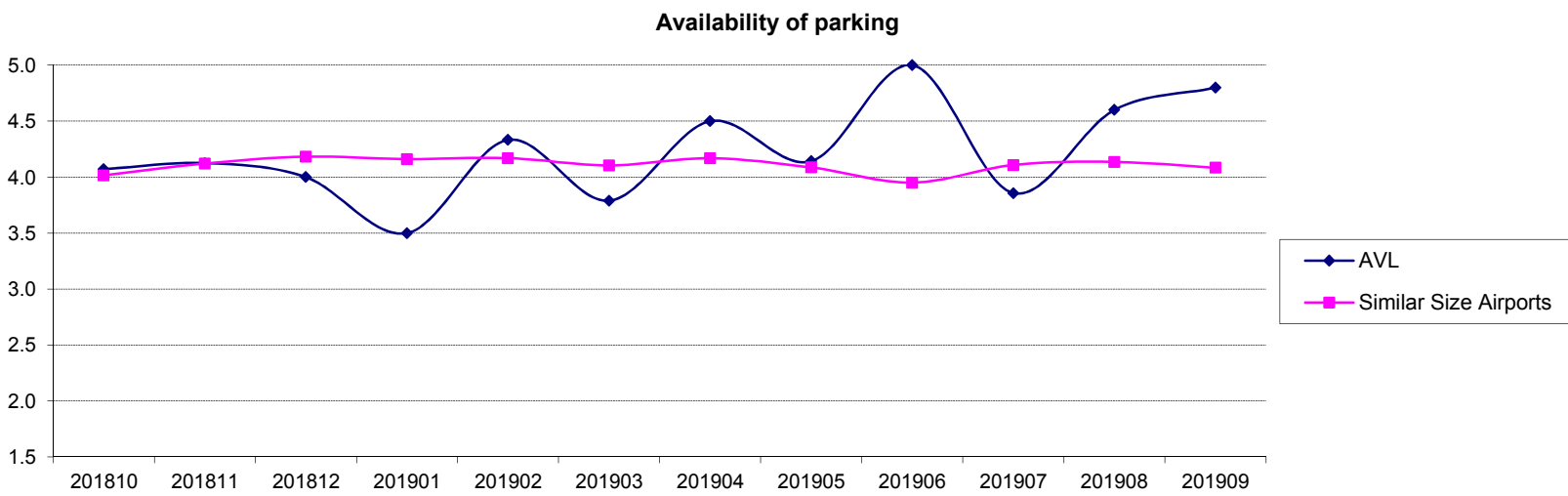
AVL	
Responses	176

Overall Satisfaction with Airport Facilities

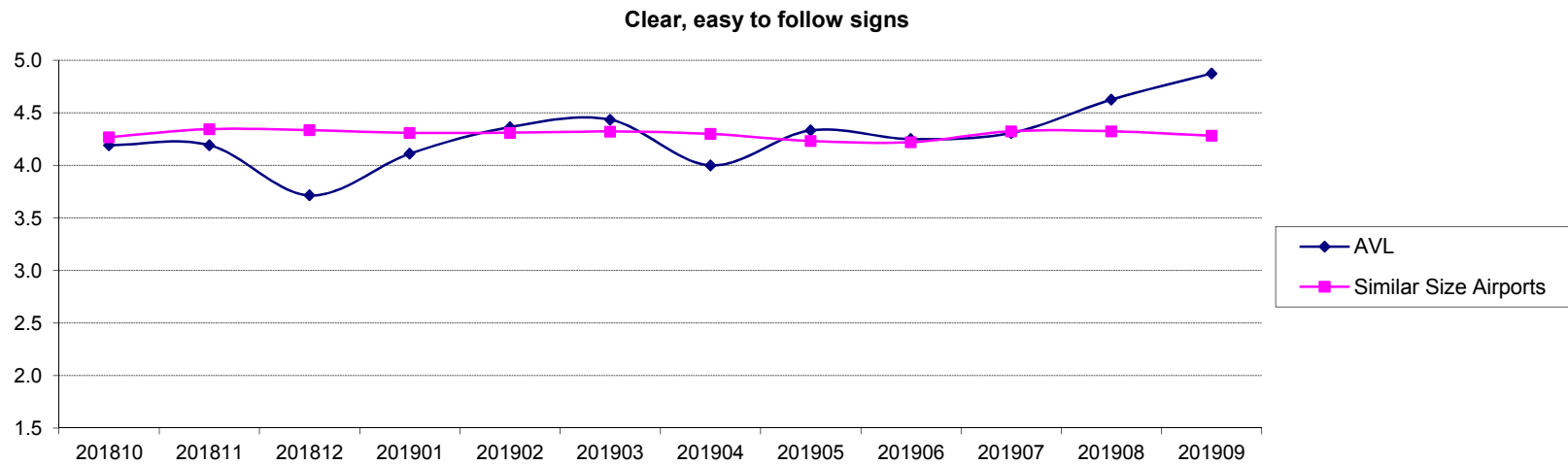
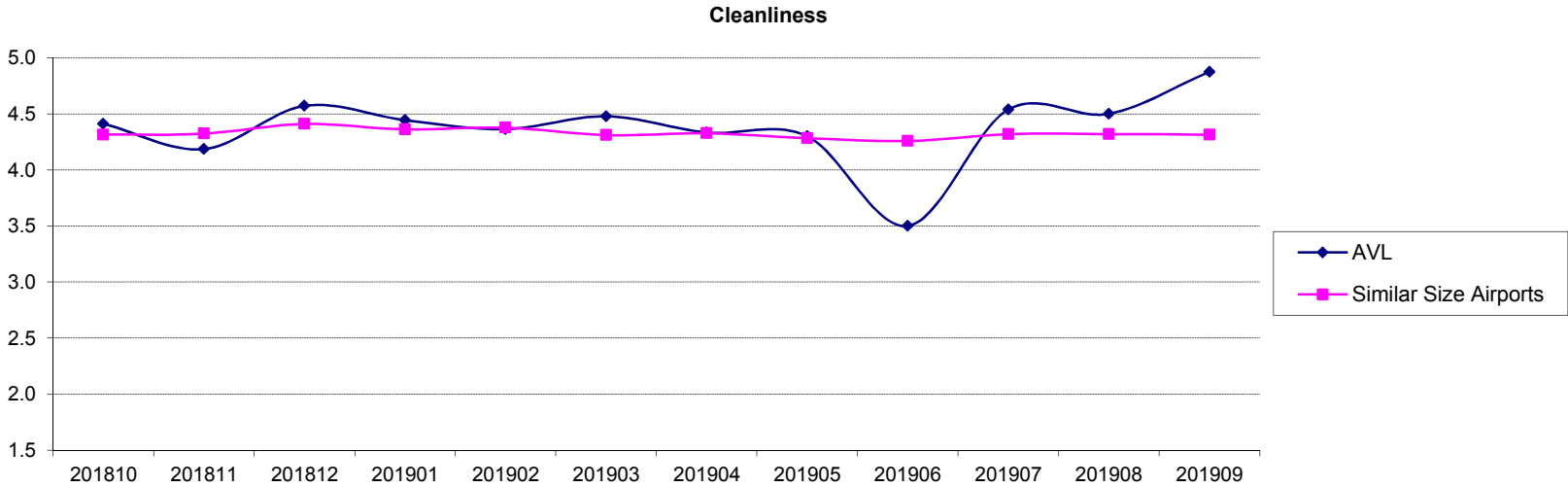


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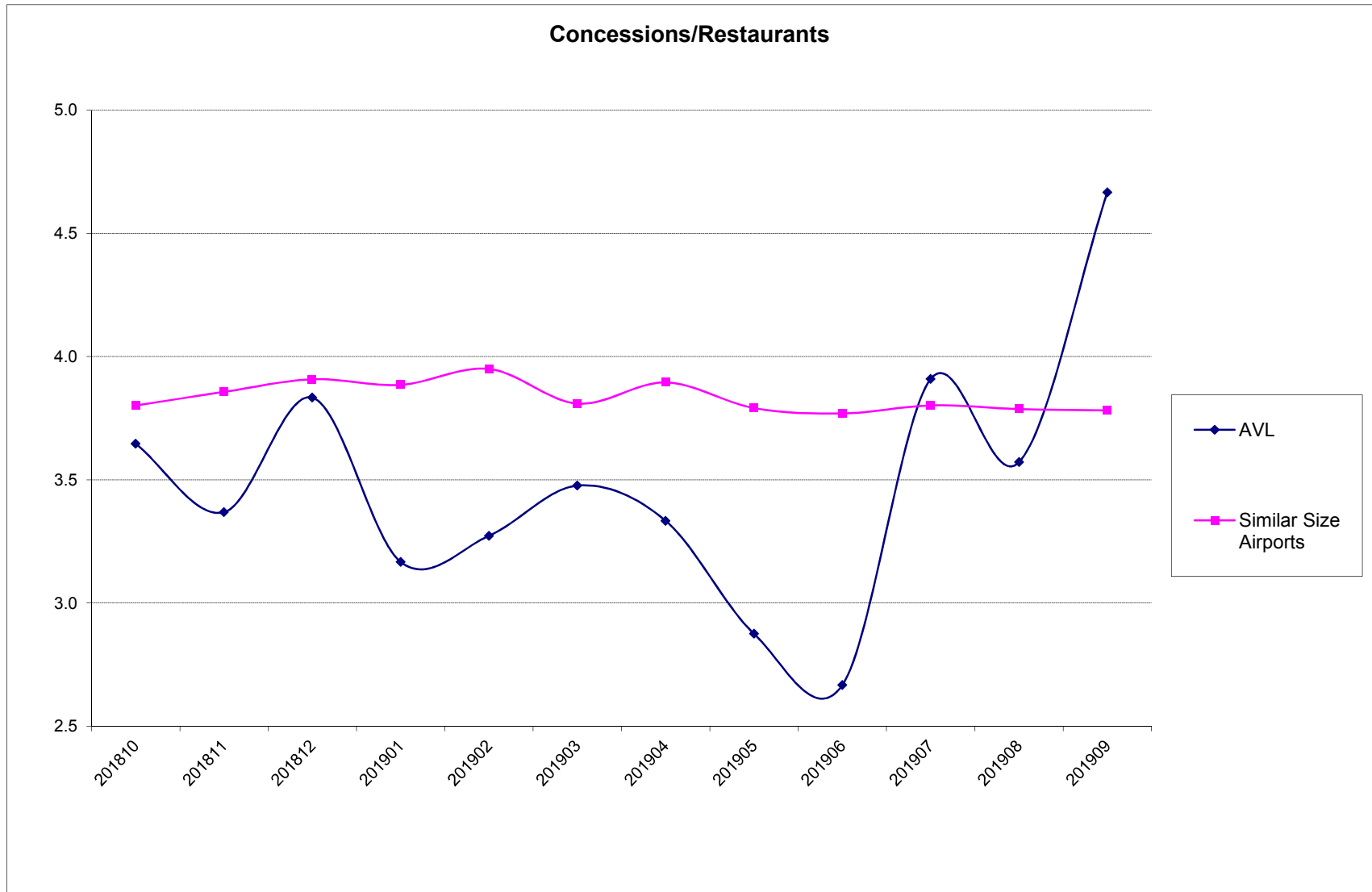
Parking Satisfaction



Cleanliness and Signage

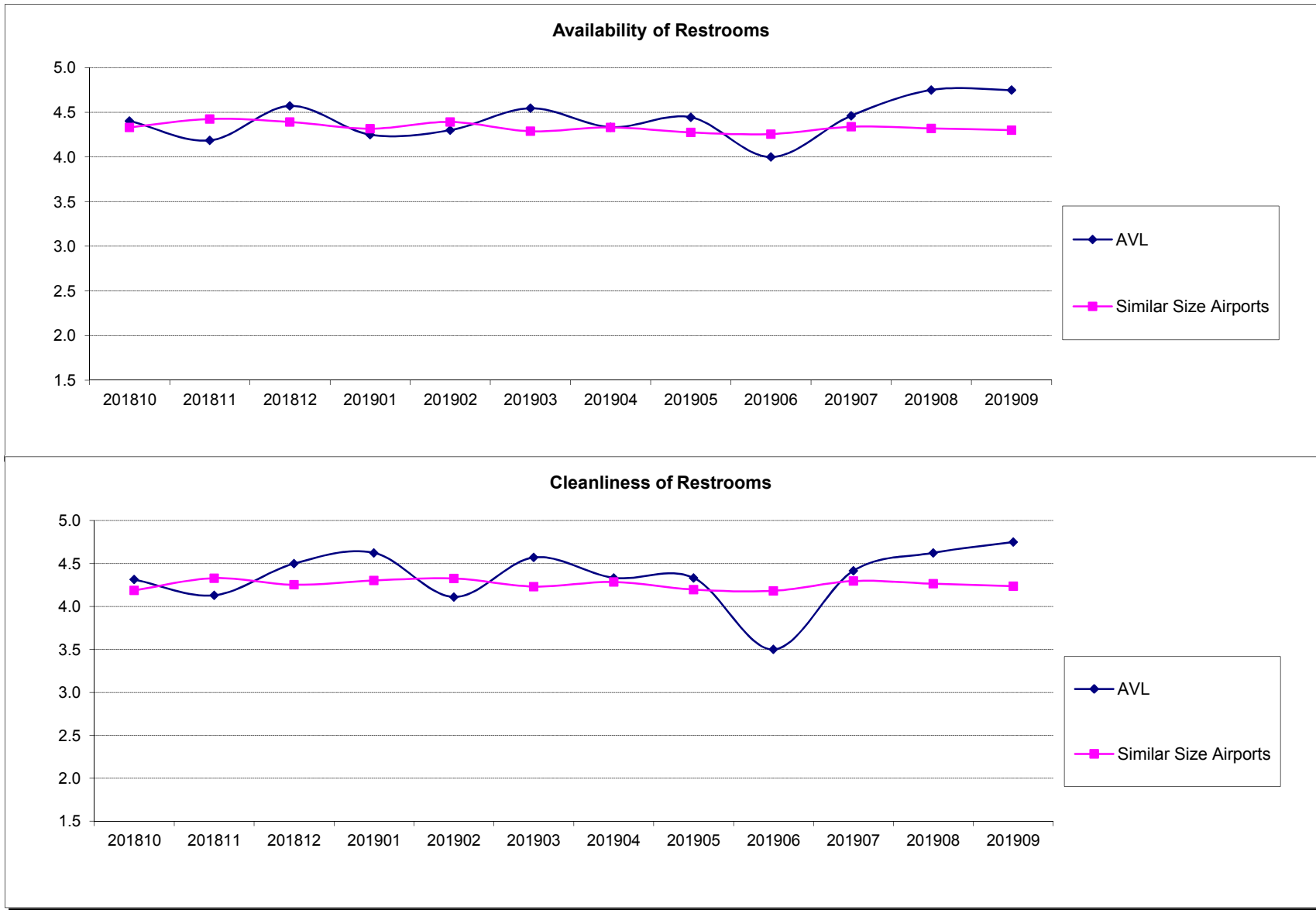


Concessions



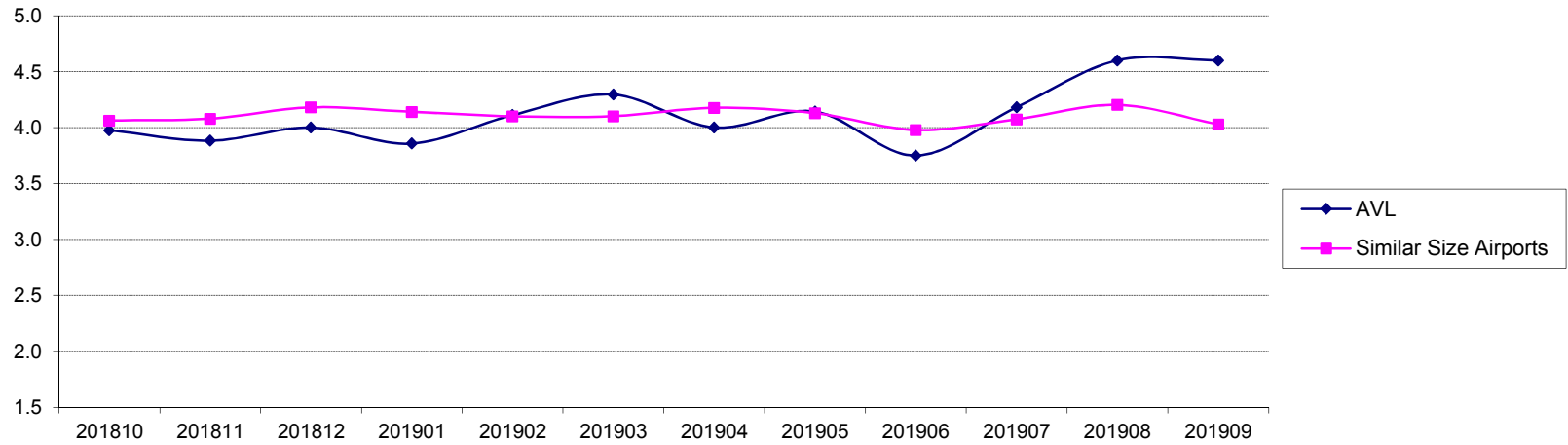
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Restrooms

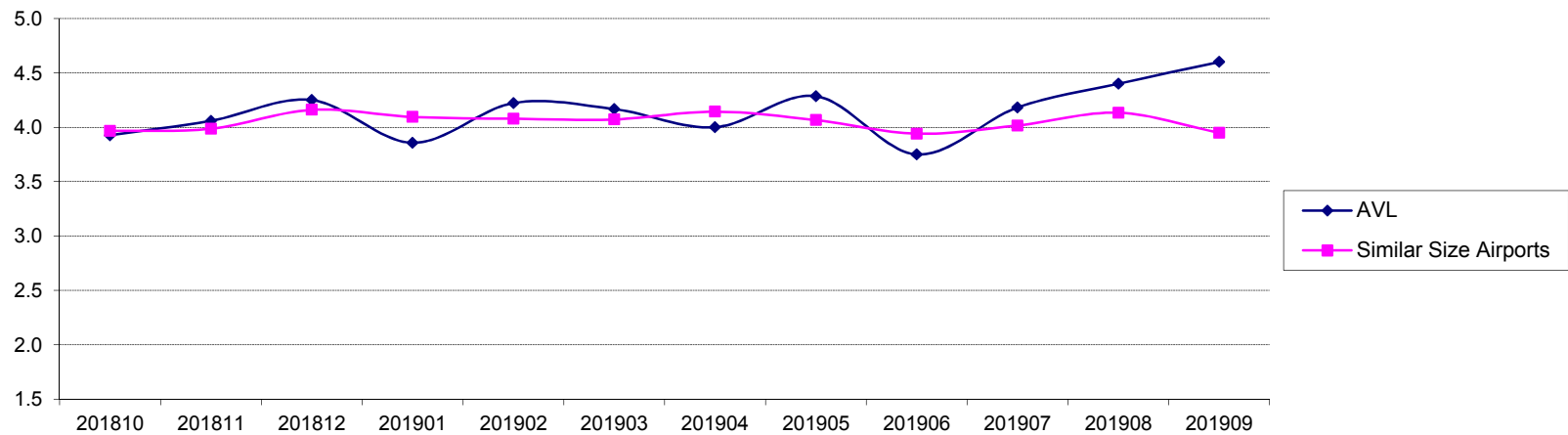


Wi-Fi

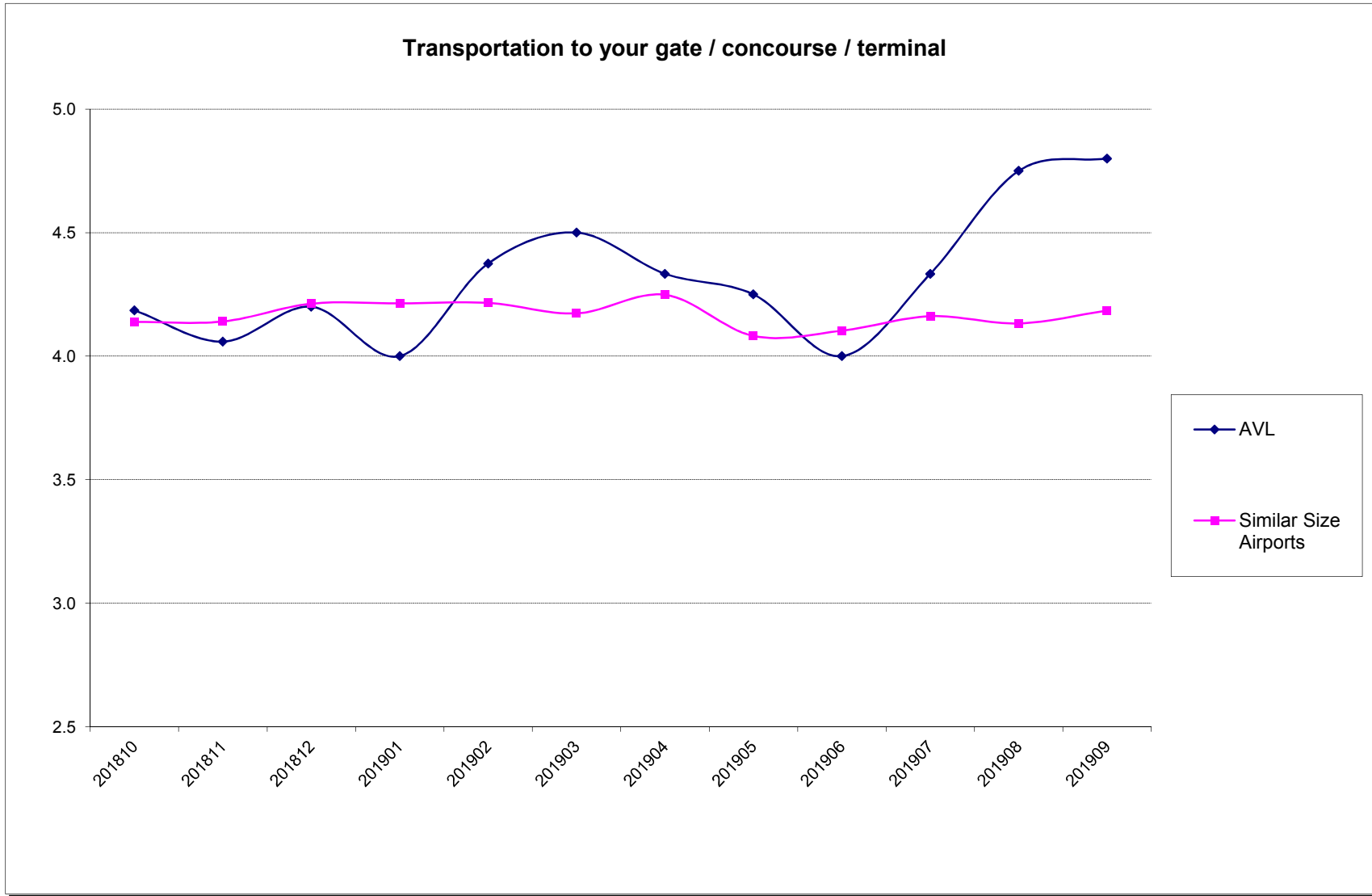
Airport Wi-Fi ease of use



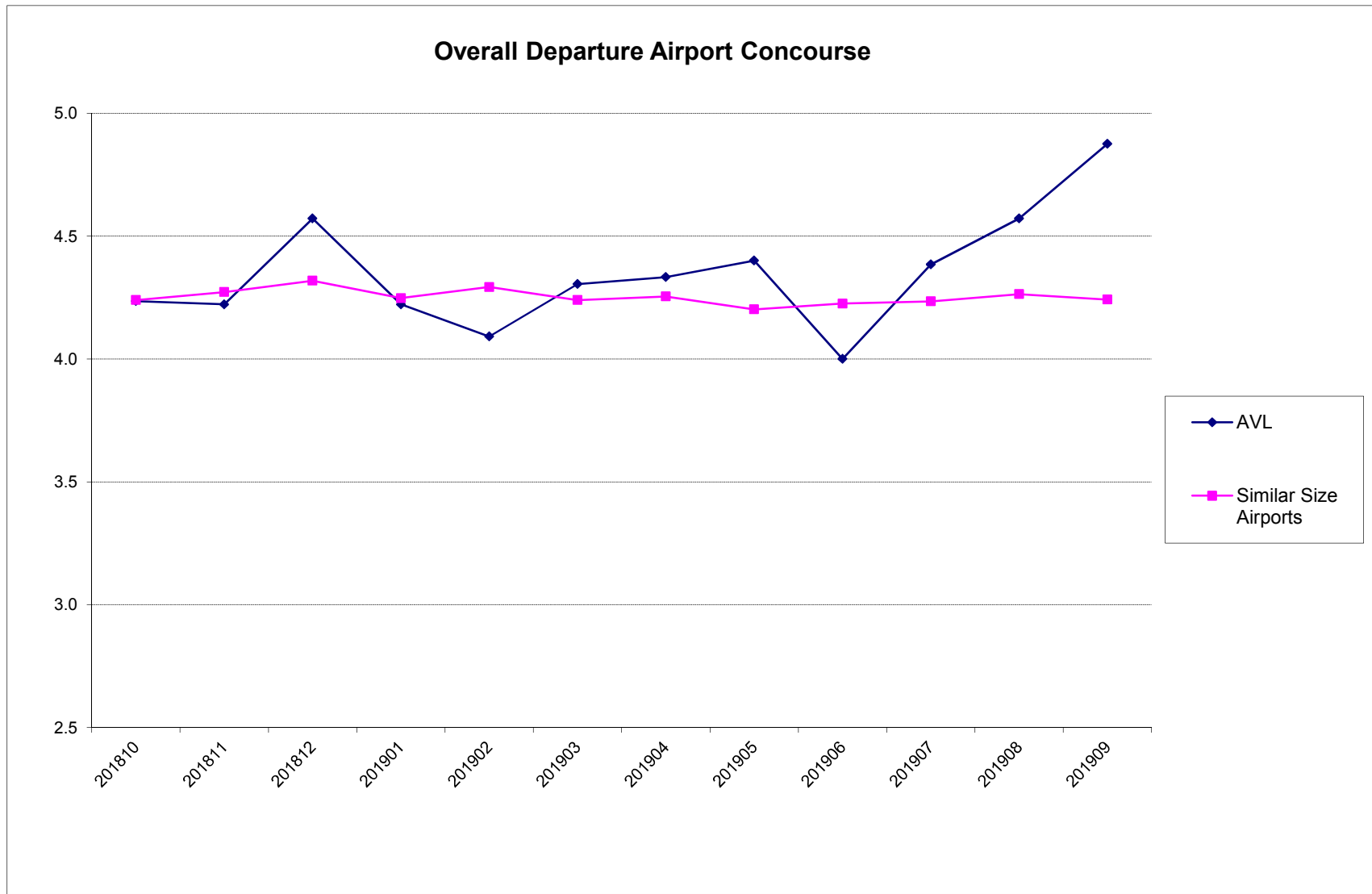
Overall satisfaction with airport Wi-Fi



Transportation to Departure Gate

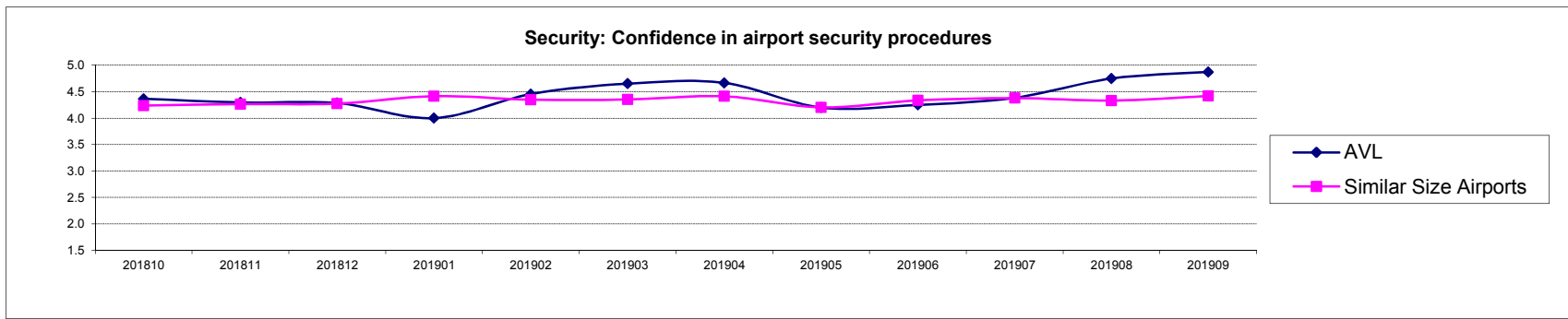
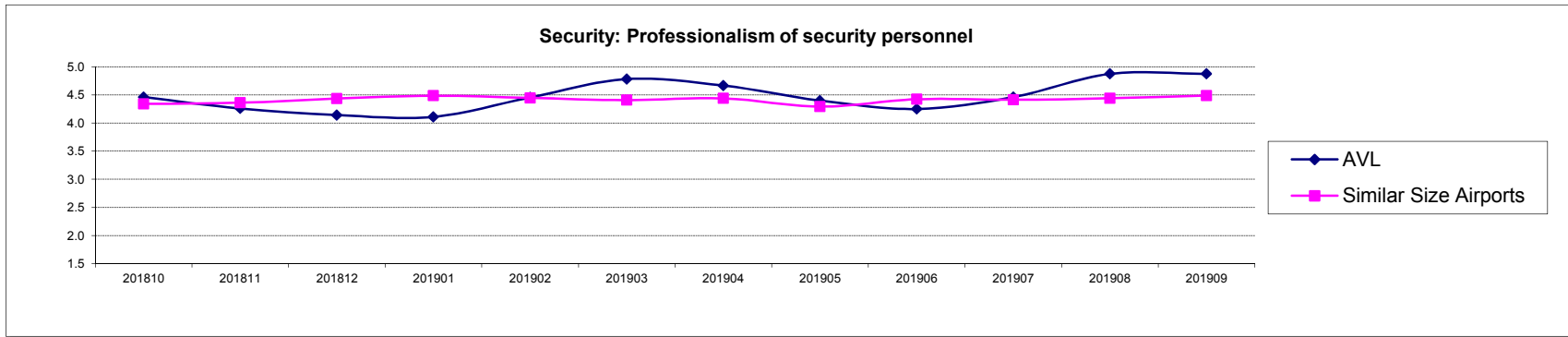
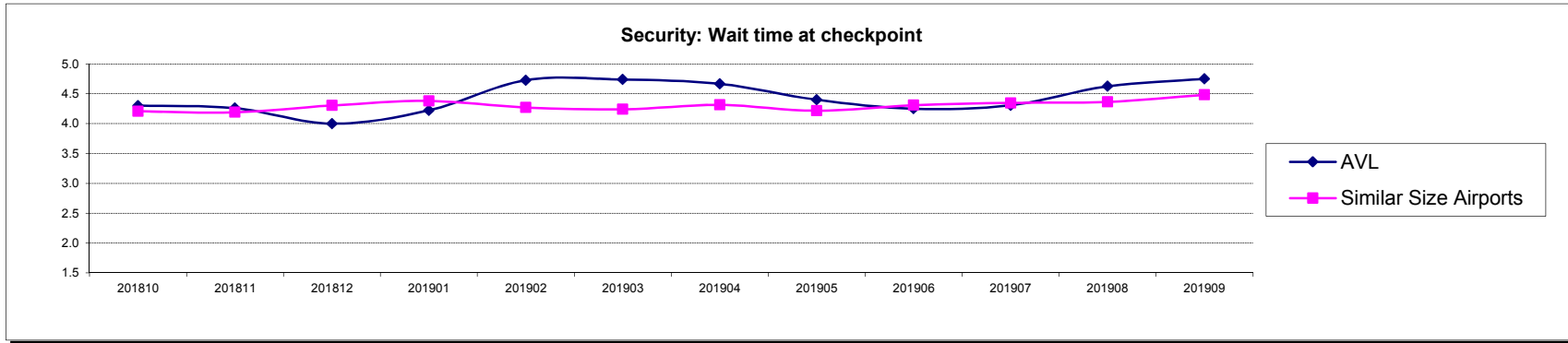


Overall Departure Airport Concourse



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Airport Security



Appendix A - Geographic Breakdown of Respondents

AL	2	CANADA	1
AZ	2	EUROPE	1
CA	6		
CT	2		
FL	16		
GA	3		
IA	4		
ID	1		
IL	3		
KY	1		
LA	1		
MI	2		
MO	3		
MT	3		
NC	86		
NY	2		
OH	1		
OR	5		
PA	1		
SC	2		
TN	3		
TX	4		
VA	5		
WA	4		
WI	2		
WY	1		

Note: Only includes passengers who indicated state of residence

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Appendix B - About Canmark

- Since 1993 Canmark Technologies has combined market research, programming, and technical expertise with thoughtful attention to client needs. Our problem-solving orientation has earned the respect of business clients and market researchers across North America.
- With an experienced staff of technical experts and project managers specializing in various fields of data capture and manipulation, programming and software development, web design and scripting, Canmark is able to leverage superior technology and know-how to support projects of all types and scope in the most cost-effective manner possible.
- Areas of expertise include survey development and delivery, project and data management services, requirements gathering, data sampling, paper and web forms management, custom lasering and printing, distribution logistics, data processing, custom programming for data cleansing, reporting and data analysis, and project consulting.
- We stand ready to meet your data needs, if you have any questions, please do not hesitate to contact us.

Appendix C - Contacts

Paul Isaacs, President
pisaacs@canmarktech.com
1-877-441-2057, ext. 11



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Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision