

**SPECIAL MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 3, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 3, 2020 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 IN PERSON: Matthew C. Burril, Chair

MEMBERS PRESENT VIA TELEPHONE/VIDEO: K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; Brad Galbraith; Carl H. Ricker, Jr.; and Thomas M. Apodaca

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA TELEPHONE: Tina Kinsey, Director of Marketing and Public Relations; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager

ALSO PRESENT VIA TELEPHONE: Jon McCalmont, Parrish & Partners; Seth Chambers, American South General Contractors; Bobby McKinsey

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

PRESENTATIONS: None

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

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority March 13, 2020 Regular Meeting Minutes: Ms. Rice requested a change to the language in the Unsealing of Closed Session Minutes paragraph to note that Mr. Apodaca was excused from voting by the Board.

Mr. Bailey moved to approve the Greater Asheville Regional Airport Authority March 13, 2020 Regular Meeting Minutes with the change in language to the Unsealing of Closed Session Minutes paragraph requested by Ms. Rice. Mr. Erwin seconded the motion and it carried by a 6 to 0 vote with Mr. Apodaca abstaining from the vote.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-6 for Airline Rates, Fees and Charges for the Asheville Regional Airport:

The Director stated that with the Board's agreement this item was being pulled from the agenda. Due to the state of the aviation industry as a result of COVID-19, the airlines have requested that the airport keep the rates and charges the same as the current fiscal year with no increases. The Director commented that Janet Burnette determined that keeping the rates and charges as is would cost the Authority approximately \$180,000 in lost revenue based on the 1.8 million passengers staff anticipated when the FY21 Budget was compiled. However, with the enplanements dropping significantly that dollar amount will likely be lower. In the spirit of cooperation with the airlines, staff was willing to keep the rates and charges the same as the current fiscal year provided the Board did not disagree. The Board was in agreement with staff's decision to keep the airline rates and charges the same as the current fiscal year.

B. Public Hearing and Final Adoption of the Authority's Fiscal Year 2020/2021 Budget:

Janet Burnette reminded the Board that a proposed preliminary Fiscal Year 2020/2021 Budget was presented to and approved by the Board at the March 13, 2020 meeting. Mrs. Burnette stated that the budget has been available for public inspection and comment since that time and no comments have been received.

The Chair opened the floor to public comments at 8:47 a.m. There being no public comments, Mr. Bailey moved to close the floor at 8:47 a.m. Mr. Apodaca seconded the motion and it carried unanimously.

The Director informed the Board that staff made a decision to keep the FY21 Budget as it was presented to the Board at the March 13 meeting. Staff acknowledges that revenue will not be what was expected and has created a working budget. In the FY21 working budget, \$2.3 million has been eliminated including the twelve additional staff positions as well as some other expenses. Staff intends to operate from this working budget and if improvements are seen and revenue increases, staff could seek Board approval to move forward with some of the items cut from the FY21 Budget. Likewise, if additional cuts are needed, staff would come back to the Board with those recommendations.

The Board requested a summary of the items staff decided to remove from the budget. The Director responded that staff would provide that information and would also keep the Board updated with revenue and expenses at each Board meeting. A discussion

ensued regarding cash flow analysis, the projections made, and the revenue not tied to enplanements that was expected to bring approximately \$2.6 million in fixed rent. The Director further spoke about assistance anticipated from the CARES Act and the steps staff was taking with tenants to help alleviate their financial burden.

Mr. Bailey moved to adopt the following Fiscal Year 2020/2021 Budget Ordinance. Mr. Galbraith seconded the motion and it carried unanimously:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2020-2021
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2020-2021 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2020 and ending June 30, 2021 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 911,513
Planning Department	456,536
Executive Department	1,004,505
Finance Department	507,723
Guest Services Department	256,799
Information Technology Department	1,271,612
Marketing Department	834,728
Operations Department	5,276,056
Properties & Contracts	236,526
Public Safety Department	2,037,168
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	48,664,537
Capital Improvement	5,925,000
Equipment and Small Capital Outlay	-
Renewal and Replacement	648,076
Business Development	300,000
Debt Service	1,687,376
Contingency	100,000
Total Expenditures	<u><u>\$70,168,155</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

REVENUES

Administration (Interest Income)	\$ 200,000
Terminal	6,971,446
Airfield	1,724,421
General Aviation	1,060,234
Parking Lot	6,500,000
Other	264,532
Passenger Facility Charges	3,000,000
Customer Facility Charges	2,000,000
Federal Grants – AIP Entitlements	0
Federal Grants – AIP Discretionary Funds	18,883,285
NC Department of Transportation Grants	4,900,000
Transfer from GARAA Cash/Investments	24,664,237
Total Revenues	<u><u>\$70,168,155</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$60,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2020.

Adopted this ____ day of April, 2020

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

NEW BUSINESS: The Chair stated that New Business Items A and B would be moved following the closed session.

A. Discussion and Possible Approval of Second Amendment to Takeover Agreement with Travelers Casualty & Surety Company of America in Connection with the Airfield Re-Development Project:

B. Discussion and Possible Approval of Partial Tender Agreement with Travelers Casualty & Surety Company of America and APAC-Atlantic Inc., d/b/a Harrison Construction Company – Asheville Division in Connection with the Airfield Re-Development Project:

C. Discussion and Approval of Alternate Board Operating Measures During Emergency Situations: The Director reported that the Authority Bylaws do not allow for video or telephone participation in regular Authority Board meetings. Due to the limitations mandated by the state for COVID-19, the issue needs to be addressed and emergency-situation procedures established. Staff created an on-line form for public comments and posted a telephone number for the public to call for the public hearing on the FY21 Budget.

Ms. Rice stated that as long as the Authority allows the public to join the meetings in some manner, it is up to the Board when to allow electronic participation and in what format. Because the current Bylaws are restrictive on that topic, as long as this is a temporary measure it is appropriate. Ms. Rice further stated that the Board can adopt a temporary measure due to COVID-19 stay at home mandates issued by both the state and local government and suggested appropriate wording for the motion. Ms. Rice further stated that the Board can remove this temporary measure when it is no longer needed.

Mr. Apodaca moved to temporarily allow the Greater Asheville Regional Airport Authority Board to hold its regular meetings with electronic participation from its members and allow public comment as part of that meeting. Mr. Ricker seconded the motion and it carried unanimously.

DIRECTOR'S REPORT:

A. COVID-19 Update: The Director gave an update on the car count in the parking lot over the last few weeks, the number of passengers screened by TSA in recent days, as well as the closure of most of the food concessions by Paradies Lagardere. Staff has offered to waive the minimum annual guarantee for the concession companies. Enterprise Leasing has moved some of their rental cars into the lower parking lot for storage and Hertz has also expressed interest in that storage option. The Director spoke about how the CARES Act will provide funding at 100% for any 2020 grant the airport received or expects to receive eliminating the requirement the airport contribute their 10% match. The Director also advised the Board that funds are coming from the federal

government and/or the state for the south apron and the water and sewer projects so work continues on both of those projects. Construction of the parking lots across NC 280 is being paid for with airport funds and staff is contemplating the closure of that project or a hold on portions of the project. A few items on the terminal expansion project are being completed and then that project will be put on hold for about a month to make a determination on whether or not to proceed.

B. Contingency Transfer: The Director reported that \$30,000 was moved from contingency to the Executive budget to cover legal fees for Patla, Straus, Robinson & Moore as well as the firm hired for the runway project.

C. Update to Agreement with Paradies Lagardere for Vino Volo: Paradies Lagardere has asked to defer construction of the wine and craft beer concession space until January to prepare for an opening in April, 2021. Staff has agreed with this request, however, with the delayed opening of Vino Volo, staff reduced the amount of the airport's liability from \$150,000 to \$117,000 should staff close the concession space early for construction of the expanded terminal.

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 May 8, 2020.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:23 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.

Open Session resumed at 10:11 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 3, 2020

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. Ms. Brown seconded the motion and it carried unanimously.

NEW BUSINESS:

A. Discussion and Approval of Second Amendment to Takeover Agreement with Travelers Casualty & Surety Company of America in Connection with the Airfield Re-Development Project:

Mr. Erwin moved to approve the Second Amendment to Takeover Agreement between the Greater Asheville Regional Airport Authority and Travelers Casualty and Surety Company of America, which Second Amendment will further amend that Takeover Agreement dated April 3, 2018 between the Greater Asheville Regional Airport Authority and Travelers Casualty and Surety Company of America; to authorize the Board Chair in conjunction with Legal Counsel and the Executive Director to negotiate the final form of the Second Amendment, including all exhibits and to make any technical or minor revisions required; and to authorize the Executive Director or Board Chair to execute the Second Amendment to Takeover Agreement. Mr. Apodaca seconded the motion and it carried unanimously.

B. Discussion and Approval of Partial Tender Agreement with Travelers Casualty & Surety Company of America and APAC-Atlantic Inc., d/b/a Harrison Construction Company – Asheville Division in Connection with the Airfield Re-Development Project:

Ms. Brown moved to approve the Partial Tender Agreement between the Greater Asheville Regional Airport Authority, Travelers Casualty and Surety Company of America, and APAC Atlantic, Inc. d/b/a Harrison Construction Company – Asheville Division; to authorize the Board Chair in conjunction with Legal Counsel and the Executive Director to negotiate the final form of the Partial Tender Agreement, including all exhibits and to make any technical or minor revisions required; and to authorize the Executive Director or Board Chair to execute the Partial Tender Agreement. Mr. Galbraith seconded the motion and it carried unanimously.

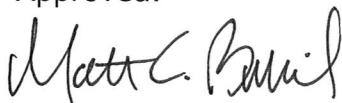
ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 10:22 a.m. Ms. Brown seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Matthew C. Burril
Chair