

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 11, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 11, 2020 at 8:30 a.m. in Mitchell Rooms A and B at the Hilton Hotel Biltmore Park, 43 Town Square Blvd., Asheville, NC 28803.

MEMBERS PRESENT IN PERSON: Matthew C. Burrell, Chair; Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; Thomas M. Apodaca; and Britt Lovin

MEMBERS PRESENT VIA VIDEO: Susan Russo Klein

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Kevan Smith, Chief of Public Safety; Samuel Sales, Public Safety Captain; Jared Merrill, Airport Planning Manager; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA VIDEO: 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; Lisa Jump, Director of Administration and Human Resources; and Christina Madsen, Properties and Contracts Manager

ALSO PRESENT VIA TELEPHONE/VIDEO: Dan Mullinix, Gould Killian CPA Group; Brandon Rutterford, Hensel Phelps; Jon McCalmont, Parrish & Partners; James Moose, Avcon; Jason Sandford, Ashvegas; Nick Loder, RS&H; Brad Sucher, Gresham Smith; Zeke Cooper, DreamCatcher Hotels; Sandra Kilgore, Asheville City Council; Scott Shelby, Hensel Phelps

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

EMPLOYEE RECOGNITION: The Director requested a moment to recognize two members of the Public Safety Department. Lt. Kelly Smith recently received her Intermediate Law Enforcement certification and Captain Samuel Sales received his Airport Master Firefighter designation. The Director also advised the Board that Captain Sales will be the interim Chief of Public Safety upon Chief Smith's retirement. The Board congratulated the staff on their achievements.

TENANT INFORMATION: The Director reported that the Blue Ridge Tavern restaurant in the terminal had closed due to the COVID-19 diagnosis of a staff member. A thorough cleaning and sanitization of the space was taking place and the restaurant should be back open in a few days.

PRESENTATIONS: None

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of October was provided by the Director. Janet Burnette reported on the financial activity for the month of October.

CONSENT ITEMS: The Chair stated that Consent Item F, Approve the Greater Asheville Regional Airport Authority October 9, 2020 Closed Session Minutes, would be pulled for review in Closed Session.

The Chair suggested that Consent Item D, Approve Resolution for Retirement of Chief Kevan Smith, should be read aloud and Chief Smith recognized for his significant contributions to the Authority. The Chair read the following resolution:

Greater Asheville Regional Airport Authority

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority (the "Authority") was created for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, M. Kevan Smith served the Authority from April, 1991 through December, 2020, and during his tenure with the airport, held the ranks of Public Safety Officer (1991-2000), Training Officer (2000-2004), Captain (2004-2014), and Chief of Public Safety (2014-2020); and

WHEREAS, during his period of service to the Authority, M. Kevan Smith performed his duties with diligence and conscientiousness, and contributed to the positive perception of the Asheville Regional Airport and its mission of providing an exceptional airport experience for Western North Carolina; and

WHEREAS, during his tenure as Chief of Public Safety, M. Kevan Smith was responsible for numerous improvements to the Greater Asheville Regional Airport Authority's Department of Public Safety, which contributed to the reputation of

professionalism for which the department is now known for throughout Western North Carolina; and

WHEREAS, M. Kevan Smith will be retiring from the Greater Asheville Regional Airport Authority on December 31st, 2020.

NOW, THEREFORE, BE IT RESOLVED that N.C. General Statute 20-187.2 authorizes the governing body of a law enforcement agency, to award a retiring officer meeting certain criteria with their service side arm upon retiring, which is the practice of the Greater Asheville Regional Airport Authority, and that such side arm, a Glock 17, Serial No. BDBC580 has been requested, and is hereby presented to M. Kevan Smith, at no cost, as a token of the Greater Asheville Regional Airport Authority's appreciation for his service to this organization, and also, that he is authorized to purchase from the Authority his issued plain clothes side arm, a Glock 26, Serial No. BELK898, at its current used market value.

BE IT FURTHER RESOLVED, that the Greater Asheville Regional Airport Authority expresses its sincere gratitude to M. Kevan Smith for his dedication and service to the Greater Asheville Regional Airport Authority, and for his commitment to the safety and security of the travelling public throughout Western North Carolina.

Adopted this 11th day of December, 2020.

Greater Asheville Regional Airport Authority

By: _____
Matthew C. Burrell, Board Chair

- A. Approve the Greater Asheville Regional Airport Authority October 9, 2020 Regular Meeting Minutes:**
- B. Approve Agreement Amendment between The Paradies Shops, LLC., and the Greater Asheville Regional Airport Authority:**
- C. Approve Waterline Easement with City of Asheville for New Waterline:**
- D. Approve Resolution for Retirement of Chief Kevan Smith:**
- E. Authorize Donation of Surplus Property:**

Mr. Erwin moved to approve Consent Items A, B, C, D, and E. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Presentation of Annual Audited Financial Report for Fiscal Year 2019/2020: Janet Burnette stated that the annual audit for the fiscal year ended June 30, 2020 was performed by Gould Killian CPA Group, P.A. and that Dan Mullinix from Gould Killian would present the findings to the Board.

Mr. Mullinix summarized the audit by stating that an unmodified, or clean, opinion was issued with reasonable assurance that the financial statements were free from material misstatement, there were no material weaknesses in internal control, and no material noncompliance with laws and regulations. Mr. Mullinix briefly explained the requirements for GASB No. 87 Leases which becomes effective beginning fiscal year 2022. A review of the cash and investments, revenue and expense comparison, summary of balance sheet and cash flow was provided. Mr. Mullinix concluded the presentation with a summary of key comparisons over the last decade. The Board thanked Mr. Mullinix for his presentation.

Mr. Apodaca moved to accept the 2019/2020 Audit Report as presented. Mr. Galbraith seconded the motion and it carried unanimously.

B. Approve CM at Risk Contract and Pre-Construction Services Fee with Hensel Phelps Construction for the Terminal Building Phase 2 Modernization Project: Jared Merrill informed the Board that he would review New Business Agenda Items B and C before requesting approval on both agenda items as they are directly related.

Mr. Merrill reported that staff recently completed the selection process for the Construction Manager at Risk (CMR) for the terminal building modernization project and Hensel Phelps was selected as the CMR. Since October, staff has been in negotiations with Hensel Phelps for the contract and pre-construction services. Under the CMR process, the cost of the contract will not be determined until the Final Guaranteed Maximum Price is established at the end of the design process. The Pre-construction Services Fee, however, needs to be approved in order to keep the project on schedule. Mr. Merrill explained the role of the CMR and informed the Board that the negotiated fee for the pre-construction services totals \$1,088,270.00. The contract cost for construction will be established when the Final Guaranteed Maximum Price is completed and approved by the Board. Mr. Merrill stated that the pre-construction services will be paid utilizing \$656,226 in FAA grants and \$432,044 in NCDOT commercial service funds.

C. Approve Task Order No. 2 Part B with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Design Services:

Jared Merrill stated Task Order No. 2 Part B with GS&P N.C. (GS&P) is for the continuation of design services for the terminal building modernization project. The Board previously approved Part A in the amount of \$3,969,904.50 for conceptual and schematic design and the design work associated with Part A is substantially complete. The cost for Part B design services is \$8,638,889.50 which brings the total for Task Order No. 2, Parts A and B, to \$12,608,794.00. The total cost of Task Order No. 2 has been validated through an Independent Fee Estimate and also approved by the FAA. The FAA has also approved moving forward with Part B. Mr. Merrill informed the Board that \$7,603,103 of the Part B design work will be paid for utilizing FAA grants and \$1,035,786.50 with NCDOT commercial service funds.

Janet Burnette explained that the airport is allowed to use the NCDOT funds and it works as the airport's match that is required by the FAA, so between the two sources these two contracts will be covered.

The Chair affirmed that none of the airport's funds would be used for the two contracts. The Director responded that this was correct and added that the funding the state legislature put in the budget for the commercial service airports in the state has been a tremendous help. A brief discussion followed on the timing of the design work and the importance of moving forward with the design of this project. Mr. Merrill reiterated the importance of bringing Hensel Phelps on board while the design work is ongoing as Hensel Phelps will be estimating the final guaranteed maximum price throughout the next 18 months. That information will be provided to the Board as it is received.

The Board inquired about the timing for use of CARES Act funding. The Director responded that the airport has four years to spend those funds and that staff has already drawn about half of the funds.

Mr. Erwin moved to approve the contract for the Construction Manager at Risk and the Pre-Construction Services Fee with Hensel Phelps in the amount of \$1,088,270.00 and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried unanimously.

Mr. Lovin moved to approve Task Order 2 Part B with GS&P N.C. an Affiliate of Gresham Smith and Partners in the amount of \$8,638,889.50 and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried unanimously.

D. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2022-2026:

Jared Merrill reminded the Board that each year it is necessary to submit a five-year CIP to the FAA in order to be eligible for

federal project funding. The CIP is a planning tool and does not approve any contracts nor does it provide staff with any authorization to award design or construction projects. Mr. Merrill highlighted some of the projects listed on the CIP which included the terminal building modernization project, air traffic control tower construction, and an update to the Airport Master Plan.

The Director pointed out that all of the funding for the terminal building modernization project and the air traffic control tower have been segregated out under Airport Capital or Other Local Funds to make it easier to identify.

Mr. Erwin moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan. Mr. Lovin seconded the motion and it carried unanimously.

E. Approve Additional Reimbursable Agreement with the Federal Aviation Administration to Continue Necessary Airfield Work: Jared Merrill advised the Board that the FAA recently notified the Authority that additional funds were needed to complete their work on the airfield project. Mr. Merrill advised the Board that staff had received the first draft of the Reimbursable Agreement late the previous day. Mr. Merrill further stated that several factors contributed to the need for additional funding such as additional contract time required for Bid Package 4 and inflation since the estimates were completed in 2014. Mr. Merrill reviewed the remaining items to be completed by the FAA and advised the Board that the estimated additional cost to complete the work was \$528,440.00. \$148,949 of this work is AIP eligible, however the FAA has not committed to these additional funds, therefore airport funds will be needed to complete the work.

Mr. Ricker moved to approve the additional FAA Reimbursable Requirement of \$528,440.00 and authorize the Executive Director to execute the necessary documents when they become available. Mr. Apodaca seconded the motion and it carried unanimously.

F. Approval of Amendment to the FY20/21 Budget: The Director informed the Board that he had an additional item for Board consideration and that a copy of the memo was available at their seats. The Director reminded the Board that a settlement agreement was negotiated with Duke Energy and the NC Department of Environmental Quality for the close out of the coal ash areas on the airport. The Authority was required to obtain pollution liability insurance coverage as part of the agreement. Insurance was obtained through Beazley Insurance Services for a 10-year term effective December 1st and the cost of the coverage is \$135,444.27. Payment of this expense will require the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2021:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administrative Dept		\$135,444.00
Totals	<hr/> <hr/>	<hr/> <hr/> \$135,444.00

This will result in a net increase of \$135,444.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$135,444.00
Totals	<hr/> <hr/>	<hr/> <hr/> \$135,444.00

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 December, 2020.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Apodaca moved to amend the FY20/21 budget by adopting the budget ordinance amendment presented by staff. Mr. Lovin 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. Paradies Refurbishment: The original agreement with The Paradies Shops required that Paradies commit to capital improvements of the facility in order to take advantage of the first five-year option to extend the contract. Due to the effects of COVID-19, Paradies has asked to delay the renovations until the end of 2021. Staff has

agreed to the request and Paradies will submit plans for staff approval before completing the renovations by the end of 2021.

B. Golf Course Update: The Authority entered into a five-month agreement with DreamCatcher Broadmoor, LLC. for the operation of the golf course. The golf course is doing well and a land planner has been retained to provide proposals for non-aeronautical development of airport properties. Within the next couple of months staff anticipates a full presentation to the Board from the land planner. The Director stated that since the agreement with DreamCatcher Broadmoor, LLC. expires at the end of the month, staff was seeking Board approval for a six-month extension.

A brief discussion took place regarding the extension of the contract through the golf season. The Director informed the Board that while DreamCatcher has been a very good partner, DreamCatcher did not sign up for the long-term operation of the course and staff did not feel that extending the agreement for a year would be necessary. The long-term plan for the property should be completed within six months and staff did not want to have to make capital improvements to the golf course. A question was asked about the golf course remaining open in the future and the Director responded that this was correct and that the golf course was doing much better than anticipated. The Board requested that a list of the necessary capital improvements be provided to the Board.

Mr. Erwin moved to approve a six-month extension of the agreement with DreamCatcher Broadmoor, LLC. Mr. Lovin seconded the motion and it carried unanimously.

C. Extra Day Off: The Director reported that employees did not receive pay raises this year and requested Board approval for an additional day off on December 31, 2020 in appreciation of all that had been accomplished throughout the year. Those employees that need to be at the airport on December 31st will be given another day off before the end of February.

Mr. Erwin moved to approve the additional day off for employees on December 31, 2020. Mr. Lovin seconded the motion and it carried unanimously.

D. Health Accreditation: Asheville was the first airport in the state to receive health accreditation from Airports Council International. The process evaluates the airport on health and safety policies and procedures as related to the COVID-19 pandemic. This recognition will be publicized to reiterate how safe air travel is during these times.

E. PFM: The Director stated that staff has had conversations with PFM, the financial consultant that was used to secure the bonds for the parking garage. Staff has requested assistance with the bonds for the terminal building modernization project. PFM proposed \$1 per \$1,000 for any expenses up to \$75 million worth of bonds, and then .50 cents per \$1,000 for anything over \$75 million with a not to exceed amount of \$120,000 for the

whole program. The fee to PFM is not paid unless the bonds are issued. Staff plans to move forward with an engagement letter with PFM.

F. Org Chart: An updated org chart was available for the Board Members at their seats.

G. 2021 Authority Board Schedule: The Director stated that due to COVID-19, a change in the schedule for his duties with ACI may result in a change to the date of the April Authority Board meeting provided the Board is in agreement. The Director mentioned the possibility of moving the meeting to April 9th but will confirm this change in the near future.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Authority Board will be held on January 8, 2021. The Director commented that it was possible the meeting in January would not be necessary.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:17 a.m. Mr. Galbraith moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege; to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations; and to Consider Personnel Matters. Mr. Apodaca seconded the motion and it carried unanimously.

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

Open Session resumed at 12:06 p.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 11, 2020

CLOSED SESSION MINUTES: Mr. Galbraith 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 unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 9, 2020

CLOSED SESSION MINUTES: Mr. Galbraith moved to approve the minutes for the October 9, 2020 Closed Session and to seal and withhold the minutes for the October 9, 2020 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Lovin seconded the motion and it carried unanimously.

EXECUTIVE DIRECTOR EVALUATION: The Chair stated that there would be no change in the Director's compensation for 2020 due to the fiscal impacts of COVID-19, and that his next performance evaluation will be in the Spring.

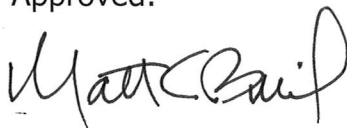
ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 12:12 p.m. Mr. Apodaca seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Matthew C. Burril
Chair