

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
June 10, 2022**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, June 10, 2022 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Matthew C. Burrell, Chair; Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; Susan Russo Klein; and Britt Lovin

MEMBERS PRESENT VIA TELEPHONE/VIDEO: Thomas M. Apodaca

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing, Public Relations & Air Service Development; 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; Jared Merrill, Airport Planning Manager; Samuel Sales, Chief of Public Safety; Angela Wagner, Director of Administration and Human Resources; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

PRESENT IN PERSON: Vin Delnero, Parsons; Barbara Burrell

ALSO PRESENT VIA TELEPHONE/VIDEO: Sandra Kilgore, Asheville City Council; John Kasuda, Siemens; Jon McCalmont, Parrish and Partners; James Moose, Avcon; Nick Loder, RS&H

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

PRESENTATIONS: None

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

CONSENT ITEMS: The Chair stated that Consent Item C, Approval of the Greater Asheville Regional Airport Authority May 13, 2022 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority May 13, 2022 Regular Meeting Minutes: Ms. Russo Klein moved to approve the Greater Asheville Regional Airport Authority May 13, 2022 Regular Meeting Minutes. Mr. Erwin seconded the motion and it carried unanimously.

B. Approve Resolution Accepting Grants: Ms. Russo Klein moved to approve A Resolution Conferring Standby Authority to Accept Grants by the Greater Asheville Regional Airport Authority during the Fiscal Year 2022-2023. Mr. Lovin seconded the motion and it carried unanimously.

Greater Asheville Regional Airport Authority

~ Resolution ~

A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR
2022-2023

WHEREAS, the Greater Asheville Regional Airport Authority ("Authority") is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act ("Act"); and

WHEREAS, the Authority operates the Asheville Regional Airport ("Airport"); and

WHEREAS, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

WHEREAS, the Federal Aviation Administration ("FAA"), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

WHEREAS, the Airport is eligible for such grants; and

WHEREAS, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

WHEREAS, the President & CEO recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

NOW, THEREFORE, BE IT RESOLVED and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., President & CEO of the Greater Asheville Regional Airport Authority, Michael Reisman, A.A.E., Chief Operating Officer, the Chair of the Authority, and/or the Vice Chair of the Authority, or any of them or their successors in office (each an "Authorized Officer") be, and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 10th day of June, 2022

Matthew C. Burrell, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Emergency Procurement Authority: Janet Burnette reminded the Board that the unusual escalation in the cost of goods, labor shortages and supply chain issues necessitated the president to seek approval of an Emergency Procurement Authority ("EPA") from the Board in March. The EPA allows for the president to authorize purchases that are up to \$10,000.00 in excess of the amount included in the FY2021/2022 Budget for that purchase. The total scope of the president's discretion was capped at

\$50,000.00 in the aggregate. All purchases made under that policy, and pursuant to the president's discretion, were to be reported to the Board for approval, ratification and amendment to the FY2021/2022 Budget. The president was to report the purchases to the Board no later than the earlier of (1) reaching the \$50,000 aggregate limit or (2) 90 days from the date of the purchase. Mrs. Burnette stated that staff has not had to use the EPA, but since there was no end in sight of the escalation of costs, staff was requesting an extension of the authorization into the 2022/2023 fiscal year until December 31, 2022.

A conversation took place with regards to extending the EPA through the fiscal year rather than just the calendar year.

Mr. Erwin moved to extend the authorization for the president and CEO to approve purchases up to \$10,000 in excess of budgeted amounts included in the FY2022/2023 Budget, not to exceed \$50,000 in the aggregate, through June 30, 2023 which coincides with the fiscal year. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Approval of Updated Air Service Incentive Policy: Tina Kinsey informed the Board that staff has evaluated the Authority's air service incentive policy to ensure that the Authority remains competitive in the marketplace and is attractive to airlines. The updated policy is aligned with the route development needs of the Authority and outlines a more competitive approach to air service development incentives. Mrs. Kinsey reviewed the ways the airline industry has changed during the past few years and highlighted some of the changes that were made to the policy including more defined categories of incentives as well as waived fees for some service categories. Mrs. Kinsey pointed out that Board approval would still be needed for routes outside of the airport's top 25 origin & destination markets or to offer incentive funds in excess of the annual budget of \$300,000 for air service development.

A brief discussion took place concerning impact on budget with waived rent and fees as well as the revenue realized from parking, concessions, etc. if an airline were to propose five unserved routes from the airport.

Mr. Lovin moved to approve and adopt the amended Air Service Incentive policy as presented by staff. Ms. Russo Klein seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The president stated that he had a couple of additional items to address that were not included on the agenda.

A. Terminal Bond Update: The president briefed the Board on the bonds that were sold on May 19th for the Terminal Expansion and Modernization project. \$185 million in

bonds were sold at a premium, therefore, approximately \$196 million was deposited in the Authority's account on June 1st. A brief discussion took place with regards to the rate at which the bonds were sold. The president informed the Board that the next series of bonds will be sold in the fall with an intent to sell a total of \$275 million in bonds for the project.

B. JetBlue Inaugural: The president reported that Mr. Galbraith has agreed to fly to Boston for JetBlue's inaugural flight from Boston to Asheville on June 16th. A small celebration will be held for the passengers departing Asheville for Boston. Board Members are encouraged to attend the inaugural celebration in Asheville.

C. Discussion of Virtual Authority Board Meetings: The subject of bringing members of the public back to Authority Board meetings in person was discussed as well as having Board Members present in person for the meetings. The Board decided to keep the current option of allowing Board Members to attend meetings virtually if necessary, and allow members of the public to attend meetings in person. It was suggested the Board review the attendance policy and bring any suggestions concerning remote attendance to the next Board meeting for a discussion.

Mr. Erwin moved to re-open Authority Board meetings to members of the public while also continuing to allow public participation virtually. Ms. Russo Klein seconded the motion and it carried unanimously.

D. Commuter Parking: The president reminded the Board that he had mentioned at the April Board meeting that parking for commuters was being discontinued due to a lack of available parking for employees working at the airport. The president made the Board aware that a complaint has been received from one gentleman who wants to be allowed to continue parking at the airport since he has paid for parking for the year. The president has had conversations with legal counsel concerning this matter.

E. Terminal Expansion and Modernization Project: The president informed the Board that Work Package 1 is currently underway and that bids were received for Work Package 2. The bids for Work Package 2 came in significantly higher than anticipated. The project was anticipated to cost \$210 million as of August 2021. In November 2021 the project cost had risen to \$238 million. The project is now expected to cost \$250 million, a 25% increase overall.

Michael Reisman introduced Vin Delnero with Parsons Transportation who recently came onboard as the program manager. Mr. Reisman reminded the Board that a final guaranteed maximum price program was initially approved for this project, however when prices began to escalate, the Board approved a component guaranteed maximum price

structure. Mr. Reisman briefly reviewed the items included in Work Package 2 and stated that the trend log for the whole project has increased to approximately \$250 million and that Hensel Phelps is expecting even more increases. The Authority has to commit to what it would cost to complete the project or start removing substantial scope from the project to meet budget. The airside portion of the project including hold rooms, gate areas and loading bridges needs to be done, and the central energy plant, included in Work Package 2, would still need to be built, but was bid at a cost which is \$8 million more than was anticipated.

Discussions took place on original cost estimates, price increases, difficulties obtaining bids and sub-contractors, bifurcating Work Package 2 and postponing some of the work until Work Package 3, conversation with the FAA about the cost of the project, as well as cutting scope to meet the project budget. Staff anticipates receiving grant money from the federal government, but that funding is not yet available.

While the Board felt it was important to move forward with the project, staff was tasked with putting together additional economic forecasting including potential sources of revenue, and a special meeting of the Board would be called in late June to further discuss the project.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on July 8, 2022.

AUTHORITY MEMBER REPORTS:

A. Election of Board Officers – Nominating Committee Report: Mr. Lovin stated that on behalf of the Nominating Committee, comprised of the Chair, Mr. Ricker and himself, a unanimous decision was made to nominate Mr. Galbraith as Chair and Mr. Erwin as Vice-Chair.

Mr. Lovin moved to appoint Mr. Galbraith as Chair and Mr. Erwin as Vice-Chair of the Greater Asheville Regional Airport Authority. Ms. Russo Klein seconded the motion and it carried unanimously.

SERVICE RECOGNITION AWARDS:

A. Thomas M. Apodaca: The Chair recognized Mr. Apodaca for his service on the Authority Board and read him the following resolution:

Greater Asheville Regional Airport Authority

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority was created in June 2012 by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, Thomas M. Apodaca served as Member of the Greater Asheville Regional Airport Authority from July 2019 through June 2022; and

WHEREAS, during his tenure the Authority focused on significant improvements including completion of an airfield re-development project, ramp expansion, and the design of a new terminal building project; and

WHEREAS, Thomas M. Apodaca provided invaluable guidance, superior judgment, and great humor as Authority Member, as a result of which the Authority continued to be successful and experienced unprecedented growth and development and strengthened its role and image in the community; and

NOW, THEREFORE, BE IT RESOLVED, that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude for Thomas M. Apodaca's tireless and dedicated efforts in serving the needs of the Greater Asheville Regional Airport Authority and the Western North Carolina community.

Adopted this 10th day of June, 2022.

Greater Asheville Regional Airport Authority

B. Matthew C. Burril: The Vice-Chair recognized Mr. Burril for his service on the Authority Board and presented him with the following resolution:

Greater Asheville Regional Airport Authority

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority was created in June 2012 by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, Matthew C. Burril diligently served as Member of the Asheville Regional Airport Authority from January, 2015 through June, 2017 and the Greater Asheville Regional Airport Authority from January, 2015 through June, 2022; and

WHEREAS, Matthew C. Burril served as Vice-Chair of the Greater Asheville Regional Airport Authority from October, 2016 through June, 2018; and Chair of the Greater Asheville Regional Airport Authority from June, 2018 through June, 2022; and

WHEREAS, during his service to both organizations, Matthew C. Burril fulfilled his position with conscientiousness and brought highly regarded financial wisdom. He contributed to the positive perception of the Authority and its mission of being the premier airport for Western North Carolina. Under his guidance, governance and deliberations of the Authority were conducted with a sense of graciousness, fairness, and inclusiveness; and

WHEREAS, great improvements were made to the Asheville Regional Airport under the leadership of Matthew C. Burril, including completion of an airfield re-development project, ramp expansion, dedication of a new aircraft rescue firefighting facility, completion of a public parking facility, and the design of a new terminal building project;

NOW, THEREFORE, BE IT RESOLVED that the Greater Asheville Regional Airport Authority expresses its sincere gratitude to Matthew C. Burril for his dedication and service to the Asheville Regional Airport and the Western North Carolina community.

Adopted this 10th day of June, 2022.

Greater Asheville Regional Airport Authority

CLOSED SESSION: At 10:52 a.m. Mr. Lovin 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 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. Ms. Russo Klein seconded the motion and it carried unanimously.

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

Open Session resumed at 11:15 a.m.

Mr. Apodaca left the meeting during Closed Session

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 10, 2022 CLOSED SESSION MINUTES: Mr. Lovin 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 6 to 0 vote.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MAY 13, 2022 CLOSED SESSION MINUTES: Mr. Lovin moved to approve the minutes for the Greater Asheville Regional Airport Authority May 13, 2022 Closed Session Parts A and B and to seal and withhold the minutes for the May 13, 2022 Closed Session Parts A and B from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Ms. Russo Klein seconded the motion and it carried by a 6 to 0 vote.

ADJOURNMENT: Mr. Galbraith moved to adjourn the meeting at 11:20 a.m. Mr. Erwin seconded the motion and it carried by a 6 to 0 vote.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair