

**SPECIAL MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
August 21, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 21, 2015 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: Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Andrew T. Tate; William L. Moyer; Matthew C. Burrell; and Stephanie Brown

MEMBERS ABSENT: Jeffrey A. Piccirillo

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Sherman Stark, Interim Director of Operations; Cortez Johnson, Interim IT Director; Mike Miller, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Roy Lewis, Delta Airport Consultants; Mike Darcangelo, Avcon; Eric Rysdon, RS&H

CALL TO ORDER: The Chair welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

SERVICE AWARD PRESENTATION:

A. Sherman Stark: The Chair recognized Sherman Stark with a service recognition award and gift for his 10 years of service with the Authority.

FINANCIAL REPORT: The Director reported on the airport activity for June which included enplanements, aircraft operations and general aviation activity. The Director noted that the airport experienced a record fiscal year with 400,040 enplanements. Mrs. Burnette reported on the financial activity for the month of June. The Director informed the Board that when the budget was approved in the spring of 2014, staff anticipated ending the fiscal year with \$750,000 net revenue. The Director was pleased to point out

the \$2.7 million net revenue for fiscal year 2015 which was attributed to an increase in enplanements as well as a decrease in expenses.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

JUNE 12, 2015 REGULAR MEETING MINUTES: Mr. Bailey moved to approve the Greater Asheville Regional Airport Authority June 12, 2015 Regular Meeting Minutes. Mr. Tate seconded the motion and it carried unanimously.

RECEIVE AND APPROVE PURCHASE OF EQUIPMENT AND SERVICES

ASSOCIATED WITH PARKING OPERATIONS: Michael Reisman reminded the Board that construction of temporary remote parking lots was previously approved by the Board to avoid a parking shortage for passengers. The Board was informed at that time that additional expenses would be required for this project. These include the purchase of a 15 passenger transit van which will be used to shuttle airport tenant employees between the terminal and the remote employee parking lot, purchase and installation of equipment to convert the lower employee parking lot to a paid lot for use by passengers, and the extension of fiber optic systems to support the new equipment. Mr. Reisman advised the Board that staff will continue to explore options for the operation of the shuttle van and if an outside contractor provides a van, it will not be necessary to purchase one. The cost to purchase a 15 passenger transit van (\$35,915.00), if needed; parking system equipment (\$42,834.00); and fiber optic system extension (\$6,411.00) totals \$85,160.00. Mr. Reisman informed the Board that the following budget amendment will 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, 2016:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay	\$0	\$85,160
Totals	<u>\$0</u>	<u>\$85,160</u>

This will result in a net increase of \$85,160 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA		
Cash/Investments	\$0	\$85,160
Totals	<u>\$0</u>	<u>\$85,160</u>

Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Greater Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 21st day of August, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Brown asked Mr. Reisman to describe how the schedule would work for the shuttle van. Mr. Reisman responded that staff has already requested work schedules from the tenants. There will be certain times during the day where the shuttle will be running frequently, but the details of the overall schedule have not yet been worked out.

Mr. Moyer inquired if additional revenue from passengers parking in the current lower employee parking lot has been taken into consideration in the budget. Mr. Reisman responded that while there would be additional revenue, it was difficult to forecast. Moving the employees from that lower parking lot to the remote parking lot will cost \$85,000, but this will create a revenue generating parking lot for the airport. Staff anticipates recovering the expense of the remote parking lot fairly quickly. The Director stated that the direct answer was no. Staff was not aware of Allegiant's plan to increase operations at the time the budget was prepared. However, additional revenue will be incorporated into the FY17 budget once staff has a better idea of the new service Allegiant hopes to begin next spring.

Mr. Moyer moved to approve the purchase of the referenced equipment and systems at a total cost not to exceed \$85,160.00, authorize the Executive Director to execute the

necessary documents, and to amend the FY15/16 budget by adopting the budget ordinance amendment as presented by staff. Mr. Burril seconded the motion and it carried unanimously.

RECEIVE AND APPROVE AMENDMENT NO. 1 TO SCOPE OF SERVICES NO. 14 WITH AVCON ENGINEERS AND PLANNERS, INC.:

Michael Reisman reported that two years ago, the Board approved Scope of Services No. 14 with Avcon Engineers and Planners, Inc. (Avcon). Scope of Services No. 14 covered engineering design and construction related services for Area 3 of the west side fill project for a not to exceed cost of \$278,060.00. It has become apparent that the original budget amount will not cover the completion of the scope of services, primarily due to weather related delays. An amendment to increase the not to exceed amount of the scope of services is necessary. The total amount of additional funds to be added to the contract is \$62,700.00 bringing the total not-to-exceed cost of this scope of services to \$340,760.00. The agreement with Charah for this fill project specifies that Charah will reimburse the Authority for all project costs related to the west side fill project including planning, engineering, design, testing, etc. To date Charah has reimbursed the Authority for all expenses occurred through Avcon for this project. In the event Charah fails to reimburse the Authority for expenses, the Authority can suspend any further work limiting the Authority's liability. Mr. Reisman advised the Board that the following budget ordinance amendment will 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, 2016:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Reimbursable Costs	\$0	\$62,700
Totals	<u>\$0</u>	<u>\$62,700</u>

This will result in a net increase of \$62,700 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Reimbursable Costs	\$0	\$62,700
Totals	<u>\$0</u>	<u>\$62,700</u>

Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Greater Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 21st day of August, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Brown moved to approve Amendment No. 1 to Scope of Services No. 14 with Avcon Engineers and Planners, Inc., authorize the Executive Director to execute the necessary documents, and to amend the FY15/16 budget by adopting the budget ordinance amendment as presented by staff. Mr. Tate seconded the motion and it carried unanimously.

RECEIVE AND APPROVE SCOPE OF SERVICES NO. 17 WITH AVCON ENGINEERS AND PLANNERS, INC.: Michael Reisman advised the Board that in October, 2014 Avcon Engineers and Planners, Inc. (Avcon) was awarded work associated with Phases 3 and 4 of the Airfield Re-development Project which were formerly contracted with Michael Baker International. Mr. Reisman informed the Board that it has been determined that Phases 3 and 4 of the project will impact a delineated stream on the southeast corner of the airport between the fence line and NC 280. Since this was not originally planned, there were no environmental services contained within the original Baker Scope of Services. Scope of Services No. 17 with Avcon includes environmental consulting services required as a result of the impact to the stream and associated wetlands. The not-to-exceed amount for these services is \$24,800.00. This cost will be absorbed within the \$7.798 million contained in the FY15/16 budget, and the \$65 million overall budget for the Airfield Re-development Project.

Mr. Moyer moved to approve Scope of Services No. 17 with Avcon Engineers and Planners, Inc. and authorize the Executive Director to execute the necessary documents. Mr. Tate seconded the motion and it carried unanimously.

RECEIVE AND APPROVE A WORK ORDER WITH DUKE ENERGY PROGRESS: The Director reminded the Board that as a result of the North Carolina Department of Transportation's (NCDOT) re-configuration of the I-26/NC280 interchange, the Board approved an entryway improvement project last year that included construction and placement of a new entrance sign. The NCDOT did not provide Authority staff adequate design or construction drawings of the interchange project, and utility poles were installed along NC280 in front of the new entrance sign. The NCDOT has referred staff to Duke Energy Progress (Duke) and AT&T about relocation of the utility poles. The Director advised the Board that AT&T is willing to absorb their share of the expense for the relocation, however Duke is not. Staff is having discussions with the NCDOT about the state reimbursing the Authority for some or all of the cost of this relocation. The Director further stated that the cost to relocate the Duke utility pole is not to exceed \$69,505.87 and will come from the fund balance. Approval of the project 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, 2016:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Renewal and Replacement	\$0	\$69,505.87
Totals	<u>\$0</u>	<u>\$69,505.87</u>

This will result in a net increase of \$69,505.87 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA		
Cash/Investments	\$0	\$69,505.87
Totals	<u>\$0</u>	<u>\$69,505.87</u>

Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Greater Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 21st day of August, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board

Mr. Tate questioned if staff would continue working to recoup these costs. The Director responded that this was correct.

Mr. Bailey moved to approve the relocation cost of utility poles at a cost not to exceed \$69,505.87 with Duke Energy Progress, authorize the Executive Director to execute the necessary documents, and to amend the FY15/16 budget by adopting the budget ordinance amendment as presented by staff. Mr. Tate seconded the motion and it carried unanimously.

DIRECTOR'S REPORT:

FAA Reauthorization: The Director reported that the AIP bill expires September 30th and a new bill to continue airport funding for capital projects has not been approved. Congressman Bill Shuster, Chairman of the House Transportation and Infrastructure Committee, was ready to make a news release of a transformational reauthorization bill in July. However the news release was cancelled and a bill has not been approved. The bill that Congressman Shuster was set to announce would privatize air traffic control. A private corporation rather than the FAA would run air traffic control and a new method of paying for this privatization would be created. There has not been any more word on this bill. Staff is hopeful for some type of continuing resolution by October 1st. It is likely that a 3 to 6 month extension will be approved, however this stymies the flow of federal funds for airport projects. The Director stated that he and Mr. Reisman were traveling to Memphis the following week to meet with the FAA to discuss how this affects funding for the Airfield Re-development project.

Temporary Parking Lot Update: The Director stated that the Board approved \$250,000 in June for the construction contract for the remote temporary parking lots. The contract was awarded to Young and McQueen for a not to exceed amount of \$215,545.00, which is well below the budget approved by the Board.

Airline Operating Agreement: Allegiant was the first airline to sign the Airline-Airport Operating Agreement. The three legacy carriers have not signed the Agreement and will be notified that beginning September 1st, they will be charged non-signatory rates which include a 25% surcharge if the agreements are not signed.

Parking Garage Design Update: Geotechnical work has been completed on two locations identified as possible sites for the parking garage. Staff will be meeting with consultants on September 1st to discuss pros and cons of each location and finalize the location for the parking garage.

The Paradies Company: The Director advised the Board that Paradies was acquired by a company from Paris, Lagardere Travel Retail. The North American operations will remain under the Paradies name and Paradies will operate 800 stores and restaurants in 99 airports across the United States and Canada.

Transportation Network Companies (TNC) Update: The Director reported that the bill did make it out of Senate and is now in the House. The bill does allow for airports to monitor and regulate TNC's as necessary.

Flat Rock Playhouse: The Authority is sponsoring the play Fly at the Flat Rock Playhouse. The play is about the Tuskegee Airmen in World War II. Invitations will be sent to the Board Members, members of the business community, and frequent travelers for the evening of September 13th.

ACI-NA Annual Conference: The Annual Conference will be held in Long Beach, California from October 4-7. The Director requested the Board let staff know if interested in attending.

Air Service Task Force: Tina Kinsey advised the Board that the Authority's strategic plan includes an updated leakage and air service development study. The Asheville Chamber and Buncombe County Tourism Development Authority (TDA) have also included a focus on air service development in their strategic plan and a great partnership has been formed. Ailevon Pacific, a consulting firm with a background in airline strategic planning, has been hired to explore air service opportunities for the community. A kick-off meeting has been set for September 9th to present an overview of the project to key stakeholders who will be invited to this meeting. At the end of the project, Ailevon will recommend community air service opportunities, help prioritize work for the next few years, and determine advocacy measures. The Director stated that Stephanie Brown will be representing both the Authority Board and the Chamber. Henderson County Partnership for Economic Development will also be invited and if Andrew Tate

participates, there will be one open spot for another Authority member to attend. The Director requested the Board let him know if interested.

Ms. Brown stated that the TDA has been discussing air service development for the three years that she has been with the Chamber. It is a goal shared with the Authority to understand what opportunities there may or may not be, and to understand what it will take to pursue those opportunities.

Mr. Moyer inquired if the study would also include why people use other airports. Mrs. Kinsey replied that this study would not address that issue but that a market perception study would also be undertaken by Authority staff. This report should help understand the reasons for utilization of other airports by members of the community.

Website: Mrs. Kinsey reported that the new website has been launched. It is easier to navigate and is a much more responsive website as it changes no matter what device the user is utilizing. The new website also invites people to engage with the airport via the social hub section.

Retaining Wall Update: Michael Reisman informed the Board that the overall repair of the retaining wall is complete and briefly summarized the measures taken to repair the area affected after the most recent storm. Mr. Reisman also outlined what was done at the beginning of the project to overdesign for storm water control, and called the Board's attention to the map at their seats. Mr. Reisman reviewed the standards set by Department of Environmental and Natural Resources (DENR) that included the four temporary sediment ponds built into the design as well as the temporary storm drain pipes.

Mr. Moyer was of the understanding that the whole drainage system may not work until the whole airfield project was complete and asked if this was correct. Mr. Reisman responded that this was correct. Mr. Reisman reviewed the storm grade inlets along the runway, explained that the area is mostly at full elevation, and once the paving has been completed, this should alleviate much of the problem. Mr. Reisman did caution that a similar situation could occur over the next two years when construction on the new permanent runway is taking place, although all the necessary steps are being taken to avoid a similar incident. The Director stated that staff met with representatives from Mills River and Henderson County to discuss the flooding issue. Staff has advised the community leaders that although attempts are made to mitigate damage as much as possible, staff could not guarantee that something would not happen again since this is a four-year project and subject to weather events.

Mr. Tate asked if the surrounding areas could expect rain events that impact access on Ferncliff Park Drive over the next two years. Mr. Reisman responded that as much as this project has been over designed from the beginning, and staff is going even further to try to avoid these occurrences, there is no guarantee it won't happen again. The Director also commented that the south end of Ferncliff Park Drive has some drain flow issues in the state's right of way that staff has pointed out to the NCDOT. The NCDOT has looked over the area and has taken it under advisement.

Mr. Moyer questioned if the record was closed on paying for the damage to the retaining wall. The Director responded that the contractor has finished repairs and is gone. Mr. Reisman stated that the contractor submitted a claim with their insurance company. Mr. Reisman suspects their insurance company will cover the contractor's expenses for rebuilding the wall. Staff is not sure if their insurance company will try to subrogate damage on the Authority's insurance company in the future, so that record is still open, but staff has not seen anything from the insurance company.

ACI World: The Director stated that he has been asked to be a regional advisor to ACI World. ACI World is made up of five regions with North America being one of the regions. There are two regional advisors from North America; one from Los Angeles and Asheville will be the second. Asheville will be recognized on a world basis and will be asked to give input on worldwide aviation issues. The Director further stated that he appreciates the Board allowing him the opportunity to serve.

OTHER REPORTS: No comments

PUBLIC COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the September 11th meeting would not be necessary and was cancelled. The next regular meeting of the Board will be held on October 16, 2015.

AUTHORITY MEMBER REPORTS:

Key Strategic Elements: The Chair commented that his intent is to update elected officials with the Board's strategic plan at an Authority meeting before the end of the year.

CLOSED SESSION: At 9:45 a.m. Mr. Bailey moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss

Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations, and to Consider Personnel Matters. Mr. Tate seconded the motion and it carried unanimously.

The Chair indicated they would break until 9:50 a.m., at which time the Board would resume in closed session.

Open Session resumed at 10:26 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 21, 2015

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. Moyer seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 12, 2015 CLOSED

SESSION MINUTES: Mr. Bailey moved to approve the minutes for the June 12, 2015 Closed Session (Parts A and B) and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 10:30 a.m. Ms. Brown seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair