

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 9, 2011
8:30 a.m.

The Asheville Regional Airport Authority ("Authority") met on Friday, December 9, 2011 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: David R. Hillier, Chairman; David Gantt, Vice-Chairman; Jeffrey A. Piccirillo, Secretary-Treasurer; Brownie Newman; Martha W. Thompson; Bob Roberts and Bill Moyer

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; Michael Reisman, Deputy Airport Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director, Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Suzie Baker, Director of Administration; and Ellen Heywood, Recording Secretary

ALSO PRESENT: Mike Darcangelo, AVCON; Jeff Kirby, LPA/Michael Baker Corp.; Nate Otto, RS&H; Scott Burnette, Asheville Fire Department; and Jeff Richardson, City of Asheville

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

APPEARANCES: None

PRESENTATIONS: None

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of October. Enplanements for the month totaled 35,674 which was a decrease of 6.8% over the same period last year. Year to date enplanements totaled 304,442 which is a decrease of 2.7% from last year. The Director further noted that commercial aircraft operations, general aviation, and military

flights were down for the month. Mrs. Thomas reported on the financial results stating that operating revenue for the month was \$785,000 which was 3.2% above budget for the month and operating expenses for the month totaled \$535,000 which was 23.0% below budget. Mrs. Thomas also reviewed the cash position for the month.

CONSENT AGENDA: The Chairman advised the Board that Consent Agenda Item B, Approval of the Asheville Regional Airport Authority October 14, 2011 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Asheville Regional Airport Authority October 14, 2011 Regular Meeting Minutes:

C. Ratify Award to Purchase a John Deere 7130 Cab Tractor with 30' Alamo Maverick Boom Mower Attachments (Without Bidding):

D. Approval of Revised Records Retention and Disposition Schedule:

E. Ratification of Payment to the North Carolina Department of Revenue:

Mr. Gantt moved to approve Consent Agenda Items A, C, D and E. Mr. Newman seconded the motion and it carried unanimously.

OLD BUSINESS:

A. Update of Joint Fire House Discussion: The Director updated the Board on the progress made on the joint fire house stating that the project had been put on hold for two reasons, the NC280/Aviation Way left-hand turn situation and the Board's decision at the October Board meeting to move forward with obtaining pricing for Passenger Boarding Bridges (PBB's). Staff will be sending out the bid documents for the PBB's soon and expects to bring the contract to purchase to the Board in February or March for approval. The Board will also need to decide at that time how to fund the purchase of the PBB's. The Director then summarized the steps taken by Authority and City staff since the October Board meeting. Authority staff sent a letter to the LPA Group suspending the project for the time being. On November 1st, the NCDOT issued a Request for Proposals (RFP's) for design engineering firms to redesign the I26/NC280 intersection possibly with a diverging diamond. Staff does not know what will transpire and is awaiting more information on this. In early November, the City sent a letter to the state requesting a traffic light pre-emption and the state acknowledged the request and informed the City that an engineering study would need to be conducted. A letter was received from the LPA Group which answered some of the City's questions and that was forwarded to the City for their review. In mid-November, the Director had a

conversation with Mr. Chad Bandy from the NCDOT. Mr. Bandy informed the Director that the City was responsible for conducting an engineering study on the Aviation Way/NC280 intersection. Following this, Airport staff sent a letter to the City informing them that staff would hold off setting up a meeting with The LPA Group and taking a trip to the Charlotte Douglas Airport until more information was known about the NC280/Aviation Way left-hand turn issue. The Director then reviewed maps included in a study performed by W.K. Dickson in 2008 which outlined different concepts for traffic routes into the airport area. The Director noted that the state had never seen these maps. There was a brief discussion on some of the traffic concepts that were shown. The Director advised the Board that he believed the state was looking to begin the I26/NC280 design phase early in 2012 with construction starting in 2013.

Jeff Richardson appeared before the Board and thanked them for the opportunity to be a part of the discussion. Mr. Richardson informed the Board that the City was committed to working with the NCDOT to better understand how far down NC280 their plans will affect the traffic flow, Aviation Way, and the ability for emergency vehicles to exit left from Aviation Way. The Chairman inquired if the City had asked for the engineering study. Mr. Richardson responded that the City had not because at the onset of these discussions, the City had done their own engineering study that was sent to the local DOT representatives. City staff has not met with the DOT to see what else needed to be done, talk about the initial engineering study that was done, or get a timeframe from the DOT as to when they will be able to make a final decision of what it will look like from the I26 exit down to the airport. Mr. Richardson stated he was confident that in the next 30 to 45 days the City could talk with the NCDOT about their plans for the interchange and be a part of that discussion.

Mr. Newman asked for the City's understanding of what the NCDOT wanted for an engineering study. Chief Burnette responded that he had talked with Mr. Bandy of the NCDOT. Mr. Bandy did not have too much information on the City's request as the letter had been sent to the division level of the DOT so Mr. Bandy was not privy to the initial traffic engineering study. Chief Burnette felt that the Aviation Way/NC 280 intersection was a relatively safe intersection and would be ranked 8th out of the City's 12 existing fire station intersections based on history of traffic collisions. Chief Burnette further stated that whatever solution was developed to serve the general aviation area, emergency vehicles would be better able to navigate the area. Chief Burnette has been told by the DOT that when intersections are created, there is precedent to allow for emergency vehicle access.

Mr. Newman asked when the contract for the purchase of the PBB's would come to the Board for approval, and affirmed that if the Authority had to use airport funding for the

PBB's, this could affect the timing for construction of the fire house. The Director responded that staff hoped to have the information on the modifications to the terminal building needed for the PBB's and the contract for the PBB's to the Board for approval in February or March. The Director further stated that Mr. Newman was correct that the construction of the fire house could be delayed if the Authority used airport funding for the purchase of the PBB's.

Mr. Newman commented that he hoped that by the February or March Authority Board meeting there would be some more clarity on the airport's timing for construction of the ARFF facility and that some of the transportation issues would be resolved. The Director responded that he hoped the state would have identified the engineering firm selected for the redesign of the I26/NC280 interchange and that the City and airport would have had an opportunity to meet with them to talk about designs and incorporate entrances and exits coming off the ramps. The Director further stated that he hoped staff would know the costs associated with the PBB's by that time as well so that the Board can make a determination on how to fund the PBB project.

NEW BUSINESS:

A. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2013-2017: Mr. Reisman informed the Board that the adoption of the five-year CIP for FY2013-2017 was required by the FAA to determine projects eligible for FAA funding. It is a planning and administrative tool only and does not approve any projects or contracts. The proposed CIP is based upon capital projects that were identified in the 2005 Terminal Area Plan study. However, as priorities change the CIP changes and is reviewed each year. Mr. Reisman further advised the Board that the new Master Plan would be the document to identify capital projects needed and would be used in the future to establish the five-year CIP each year. Mr. Reisman briefly reviewed some of the projects listed on the CIP including the PBB project that was moved up to 2012. Staff anticipates that funding will likely come from AIP Entitlements in lieu of construction of the ARFF facility which has been moved down to 2013. Also reviewed was the Airport Improvement Program which is listed beginning in 2013. The CIP takes into account construction over a four year period rather than 7 years as previously documented in the Letter of Intent (LOI) to the FAA due to the fact that the FAA prefers a shorter pay as you go program. Mr. Reisman also reviewed the design of a parking garage beginning in FY2016 and commented that staff was not entirely sure that the Authority would fund the project through the CIP in the way it was programmed. Staff included the project on the CIP to show the significance of the project to the FAA. Mr. Reisman also advised the Board that at the bottom of the CIP was a note regarding funding. Mr. Reisman explained that all of the items that are

Entitlement funded receive 95% federal funds and 5% local funds. With all of the items listed in the Airfield Improvement Program, staff is proposing 85% come from federal funds and 15% come from airport funds. This is consistent with information in the LOI submitted to the FAA. Mr. Reisman also briefly reviewed the carry-over funds.

Mr. Roberts questioned if the FAA would fund the parking garage. The Director responded that the FAA would not fund a parking garage. Mr. Roberts asked what the plan was for funding. Mr. Reisman replied that even though staff would not be asking the FAA to fund the parking garage, the FAA looks at a CIP to see what projects are worthy of funding. The FAA likes to see airports being responsible in terms of where the airport is putting their money and it also helps the FAA understand what projects the airport needs help funding. Mr. Reisman further stated that there are several options for funding the parking garage such as using airport funds, bonds, borrowing, or by agreement with a parking system such as Standard Parking where they would fund construction in return for a long-term agreement to operate the garage.

The Chairman inquired about the Wright Brother's Way extension listed in FY2016 and Mr. Reisman responded that this was an extension of the existing road into the north GA area but was dependent upon what the state does with the I26/NC280 interchange.

Mr. Moyer moved to adopt the Five-Year Capital Improvement Plan for FY2013-2017 as presented for submission to the FAA. Mr. Roberts seconded the motion and it carried unanimously.

B. Approve Scope of Services and Fee with RS&H Architects-Engineers-Planners, Inc. for Passenger Boarding Bridge Replacement Project – Phase 2:

Mr. Reisman advised the Board that staff has moved forward with the design and bidding of the PBB's. The first phase of the project is the package to bid the PBB's. Phase 2 of the project is for the design and bidding services associated with the improvements that need to be made to the existing building structure. The bridges will be bid separately and installed by a different contractor, however, modifications will be needed to connect the bridges to the building. Modifications are significant enough to require the use of an architect. The alternative would be to continue to ground board passengers for gate 4 and staff anticipates this happening for gates 5-6. Staff is leaning towards utilizing AIP funds for this project. It is necessary to incur the design fees up front in order to be able to bid this phase of work and obtain the total project cost to bring back to the Board at the February or March meeting for approval. Staff is taking measures to ensure that all costs incurred on this project remain eligible for reimbursement of FAA entitlement funding if that is the direction the Board decides to

take. Mr. Reisman requested the Board approve the Scope of Services with RS&H and amend the FY11/12 Budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	\$0	\$110,079
Totals	<u>\$0</u>	<u>\$110,079</u>

This will result in a net increase of \$110,079 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 ARAA		
Cash/Investments	\$0	\$110,079
Totals	<u>\$0</u>	<u>\$110,079</u>

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

Adopted this 9th day of December, 2011.

David Hillier, Chairman

Attested by:

Jeffrey A. Piccirillo, Secretary-Treasurer

Mr. Gantt moved to approve Scope of Services 11 with RS&H in the amount of \$110,079.00, authorize the Airport Director to execute any necessary documents, and amend the FY11/12 budget as presented by staff. Mr. Moyer seconded the motion and it carried unanimously.

C. Resolution Designating Branch Banking and Trust Company and First Citizens Bank and Trust Company as Official Depositories: Mr. Roberts requested to be recused due to a conflict of interest. Mr. Newman moved to recuse Mr. Roberts from the deliberation and participation in any vote thereon. Ms. Thompson seconded the motion and it carried unanimously.

Mr. Roberts left the Board Room.

Mrs. Thomas advised the Board that NC General Statutes requires that all Authority funds be deposited only in banks that the Authority Board has designated as "official depositories." The Authority's current depositories are Bank of America and Wells Fargo but both banks have an excess of cash and are not offering high returns on the Authority's funds. Staff has looked at other qualified banks that have financial stability and recommends BB&T and First Citizens. In order to conduct business with these banks, the Board has to designate them as official depositories. This will allow the Authority to better diversify the investments. Mrs. Thomas requested the Board approve the following Corporate Resolution:

WHEREAS, it is the desire of the Authority Board that all public funds of the Asheville Regional Airport Authority (hereafter the "Authority") be deposited in a secure, efficient and effective manner;

WHEREAS, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the Authority Board, to supervise the receipt, custody and disbursement of the public funds of the Authority;

WHEREAS, Branch Banking and Trust Company and First-Citizens Bank & Trust Company are qualified to be official depositories for the Authority pursuant to G.S. 159-31 and have selected to secure their uninsured public deposits under the "Pooling Method", which is a collateral pool under which each public depositor's uninsured deposits are secured with securities held by the State Treasurer's agent in the name of the State Treasurer.

NOW, THEREFORE, BE IT RESOLVED, by the Authority Board of the Asheville Regional Airport Authority that:

Section 1. Branch Banking and Trust Company and First-Citizens Bank & Trust Company (hereafter the "Official Depositories") are hereby designated as official

depositories of the Authority. The Finance Officer of the Authority shall be and is hereby authorized and directed to deposit funds of the Authority in the Official Depositories in the name and to the credit of the Asheville Regional Airport Authority.

Section 2. As required by G.S. 159-25(b), all checks, drafts, or orders of the Authority drawn against said funds shall be authorized and signed as appropriate by the following (hereinafter the "Authorized Signers"):

- a. One of the following officers:
Finance Officer or
Deputy Finance Officer;
and countersigned by
- b. One of the following:
Airport Director, or
Director designated by the Airport Director

The names and signatures of the Authorized Signers shall be duly certified by the Clerk to the Authority Board to the Official Depositories as from time to time may be necessary and no check, draft, or order drawn against the Official Depositories shall be valid unless so signed or authorized.

Section 3. Upon opening accounts with the Official Depositories, the Finance Officer must:

- a. Give written instructions that the proceeds from all checks payable to the order of the Authority shall be deposited to the credit of the Asheville Regional Airport Authority and that under no circumstance may such an item be converted into cash.
- b. Verify the method currently used by the depository to collateralize the public deposits and stay informed of any change in methods as the result of conversions to a different method or as the result of merger of depositories;
- c. Notify the depositories at the time any new deposit accounts are opened or a certificate of deposit is purchased that the accounts are public deposit accounts subject to the collateralization requirements;
- d. File a "Notification of Public Deposit" (Form INV-91) with each depository and provide a copy to the State Treasurer as of June 30 of each year;

- e. Execute such other forms and documentation with provisions consistent with this resolution as may be reasonably required by the Official Depositories to establish the accounts;
- f. Report the amount of deposits and investments and such other information as may be required on the semi-annual reports on Form LGC 203 required to be filed with the Local Government Commission pursuant to G.S. 159-33; and
- g. Comply with other requirements of law, regulation or sound banking practice and with any requirements described in the State Treasurer's publication, The Collateralization of Public Deposits in North Carolina.

Section 4. Certified copies of this resolution shall be provided to the Official Depositories herein designated.

Adopted this 9th day of December, 2011.

David Hillier, Chairman

Attested by:

Jeffrey A. Piccirillo, Secretary-Treasurer

Mr. Moyer moved to approve the Corporate Resolution as presented by staff. Ms. Thompson seconded the motion and it carried by a 6 to 0 vote.

Mr. Roberts returned to the Board Room

D. Approval of Amended Purchasing/Procurement Policy: The Director informed the Board that the current Purchasing/Procurement Policy is being amended to address the approval authority of the Airport Director. The current policy provides authorization for the Director to approve any type of procurement, not to exceed the actual or estimated amount of \$50,000. The current policy limits the Airport Director to transferring no more than \$10,000 between budget ordinance line items, and no more than three times in between Board meetings.

The amended policy will do three things. First, it will keep authorization for purchasing at \$50,000 but adjust it annually by the CPI. It would allow the Airport Director to procure capital budget items that have been approved in the Budget by the Board with the exclusion of capital improvements. It would also allow the Airport Director to transfer money between budget line items in the Ordinance up to the spending limit of \$50,000. This amended policy helps the Airport Director manage the budget more effectively. There is no fiscal impact because the budget is already approved by the Board.

Mr. Newman stated that the policy allows the Airport Director to procure capital budget items but excluding capital improvements and asked for clarification. The Director responded that when staff prepares the budget, there is a section for the Capital budget, and it is broken down into capital improvements, capital outlays, and small repairs and replacement capital outlays. Capital improvements or construction can range up to millions of dollars and the Director is not looking for those kinds of decisions to be made without Board approval.

Mr. Roberts commented that the CPI is a commonly used index, however it has been near zero the past few years. Mr. Roberts questioned if it would be better to consider a percentage of the budget rather than following the CPI, so that as the budget grows, the dollar amount grows. The Chairman stated that he had similar thought. He felt that adjusting the number to a formula means the number is always moving and he thought it would be better to delete the CPI, keep the number at a set number such as \$50,000, and the Board can change that number in the future.

Mr. Roberts asked what the policy was at other airports. The Director responded that there was no standard but that he had checked with the City and the County and found that the City Manager has a \$90,000 purchasing authority within the constraints of the budget, and the County Manager has no limit as long as it is within the budget or follows state statutes.

Mr. Moyer commented that he believed there should be a limitation on the ability to move money between budgeted line items without the approval of the Board. The Chairman asked if any movement between line items would be subject to Board approval or rejection at the next meeting. The Director responded that this was correct and that this was mainly for the contingency line item. Contingency has to be separated out on the Budget Ordinance so if there are unplanned repairs this would give staff the ability to move money out of contingency. Staff does not usually move money from one department line item to another, it is really the contingency line item.

Mr. Moyer stated that the language makes it sound like you can. Ms. Thomas stated that the language can be changed so that it just says between contingency rather than all line items. Ms. Thomas also clarified for the Chairman that the law does not require staff to get approval of money moved between line items at the next meeting but that staff must just notify the Board of the move at the next meeting.

The Chairman commented that maybe the consensus of the Board was to limit the line item movement to contingency items and to remove the CPI language and asked if there was a motion to approve the policy with these two changes.

Mr. Roberts felt that as the budget grew, the approval amount should grow and that the Board needs to look at this periodically and review. The Chairman noted that the Director suggested \$50,000 and that if the Director felt the number needed to be higher he should speak up. The Director stated that if the CPI language were to be removed and the Board was willing to increase the amount to \$60,000, he would like to move forward with that and have the Board review it over the years.

Mr. Moyer moved to approve the amended Purchasing/Procurement Policy with the Director's authorized amount changed from \$50,000 to \$60,000, the removal of the reference to the CPI, and limitations on line item changes to only contingency up to the Director's authorized spending limit, and authorize the Airport Director to implement the changes effective December 9, 2011. Mr. Roberts seconded the motion and it carried unanimously.

DIRECTOR'S REPORT:

The Director advised the Board that he had a few items to report that were not on the agenda.

A. February Board Meeting Date Change: The Director stated that there was a proposal on the table to change the February Board meeting to February 3 or combine it with the Budget Workshop/Retreat on February 24. The Director asked for the Board's opinion on this matter. There was a brief discussion of the February Board meeting dates as well as the January Board meeting not being necessary at that time. The consensus of the Board was to pencil in the meeting for February 3 and decide in mid-January if the meeting could be combined with the Budget Workshop/Retreat on February 24.

B. Banking Status Quo: The Director advised the Board that last spring staff had approved a resolution to move the banking from Bank of America to Wells Fargo. Since that time, Wells Fargo raised their banking fees and lowered interest so staff did not move forward with this. Staff will keep the daily banking accounts at Bank of America and the banking resolution approved in New Business Item C will allow staff to move some investment banking to the other banks.

C. ARN Nominations: The Director reported that Airport Revenue News has a conference each year, and companies and airports are nominated for their concession programs. Asheville Regional Airport and Paradies have been nominated for four awards: Airport with Best Concession Program Design; Airports with the Best Customer Service; Best New Food and Beverage Concept with a Large Food and Beverage Operator; and Best Restaurant Design with a Large Food and Beverage Operator. The winners will be announced in February.

D. 401/404 Approval and Mitigation Credits Paid: The Director advised the Board that as part of the westside fill project and potential taxiway expansion, staff worked with the Army Corps of Engineers and the state for permits. The 401/404 permits have been issued. The project required that some of the wetlands be mitigated elsewhere in the community and the total cost for this was \$427,525, all of which was paid by Charah. There are still wetlands to mitigate if we move forward with construction of a parallel taxiway and the Authority would pay for those permits.

E. NC Tax Audit and Implications: Consent Agenda Item E, which was approved earlier by the Board, authorized payment to the state for errors in sales tax reporting for out of state vendors and some contractors. These reporting errors were found as a result of a tax audit and have been corrected with internal corrections in place on our purchasing forms for future purchases.

F. Employee Raises: The Director reported that employees were given only 70% of their salary adjustments in July due to uncertainties with regard to revenue and enplanements. On November 12th, employees received the remaining 30% of their adjustments.

G. Parking Lot Fee Increase: The Director informed the Board that in the FY11/12 budget which was approved by the Board, staff included the ability to institute an increase in parking lot fees. Staff did not move forward with the increase but did stop the 20 minutes of free parking and added the cell phone lot. Staff is proposing moving forward with budget approved increases in parking lot. If implemented, there

will also be one day free if paying for six days. Standard Parking estimates that if an increase in rates is implemented on January 1st, an estimated \$125,000-\$129,000 in additional revenue will be generated for the remainder of the fiscal year, or between \$250,000-\$260,000 annually. Staff is now ready to implement the increase with acknowledgement by the Board of the increase. Staff does not believe this slight increase will be detrimental to passengers but could always recant in the future.

H. B Gates Renovation: Renovations to the B Gates are finished for the most part and the Director offered to take the Board members on a tour after the meeting. There are a few punch list items remaining, including the PA system and installing the LCD screens. The project also came in under budget.

I. American Airlines Bankruptcy: The Director informed the Board that American Airlines had declared bankruptcy and may not return to Asheville for seasonal service in the summer. They are current with the rent for their office space. The airport periodically receives PFC money, which is slightly past due at the present.

J. Leigh Fisher Article: An article was available at the Board members' seats for their information entitled New Drivers of Airline Profitability.

K. New Concession: The Director mentioned a new chair massage company called Massage on the Run that will operate, under a trial basis, at the airport during peak times on certain days of the week. The chair massage will cost \$1.00 per minute and will be located on the secure side.

L. Cart Rentals: As mentioned at a previous Board meeting, Smarte Carte left the Asheville Regional Airport due to a lack of profitability. David King, Guest Services Supervisor, put together a proposal to buy carts and have Guest Services manage the program. Ten carts were purchased for a total cost of \$750.00 and will rent for \$5.00 each, however if the customer returns the cart, they receive \$4.00 back. If someone other than the customer returns the cart, that person shall receive \$2.00.

M. Allegiant Air: Allegiant had a great turnout for their inaugural flight. The first inbound flight from Orlando was one of the most successful Allegiant has ever had. Allegiant also commented that Asheville was one of their easiest start-ups and the Director thanked staff for all the work that was done.

N. Paradies Landside: The Director informed the Board that Paradies would be taking some of their storage space near their lobby kiosk to build 3 walls into that

storage area to take the tables from the lobby floor and use this new area for seating. They will have pre-made Boars Head sandwiches to sell landside as well. They have also agreed to install vending machines near Guest Services to sell refreshments when the concession area is closed. Staff is hoping to see these improvements within the next few months.

INFORMATION SECTION: Mr. Roberts commented that AirTran did well for enplanements in October and asked if there was any hope for them staying on in Asheville. The Director responded that four more cities were named to lose AirTran/Southwest service so he did not believe it was possible that they would stay in Asheville.

AUTHORITY MEMBERS' REPORTS: The Chairman reported that without the authority of the rest of the Board, he spoke with Mayor Bellamy when he saw her at the event when President Obama was in Asheville. The Chairman asked about retaining Mr. Newman on the Authority Board even though he would no longer be on City Council, all in the context of the pending legislation. At that time, the Mayor advised the Chairman that this was a matter for City Council to determine. Mr. Newman confirmed that a position on the Authority Board was a highly coveted position but did not know at which meeting the City Council would discuss this. Mr. Newman did send an e-mail to City Council letting them know that there were a couple of issues under discussion by the Authority Board and that he was willing to keep serving until the end of his term. Mr. Newman did not know what City Council would decide.

PUBLIC AND TENANTS' COMMENTS: None

The Chairman called for a break at 10:00 a.m.

The Board reconvened at 10:08 a.m.

CLOSED SESSION: At 10:08 a.m. Mr. Piccirillo 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 Asheville Regional Airport Authority, including agreement on a tentative list of economic development incentives that may be offered by the Asheville Regional Airport Authority in negotiations. Mr. Gantt seconded the motion and it carried unanimously.

Mr. Gantt left the meeting at 10:18 a.m.

Open Session resumed at 10:22 a.m.

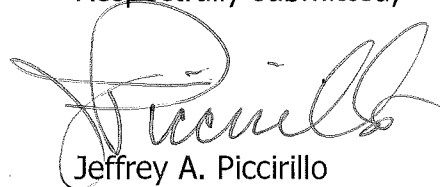
APPROVAL OF ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 14, 2011 CLOSED SESSION MINUTES: Mr. Piccirillo moved to approve the Asheville Regional Airport Authority October 14, 2011 Closed Session Minutes, and to seal and withhold the minutes for such closed session from public inspection so long as public inspection would frustrate its purpose or purposes. Mr. Moyer seconded the motion and it carried by a 6 to 0 vote.

CALL FOR NEXT MEETING:

The Chairman advised the Board that the January 20, 2012 Authority Board meeting would not be necessary at this time. The next regular meeting of the Authority Board will be on Friday, February 3, 2011 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

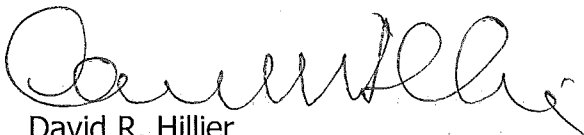
ADJOURNMENT: Mr. Newman moved to adjourn the meeting at 10:23 a.m. Mr. Moyer seconded the motion and it carried by a 6 to 0 vote.

Respectfully submitted,



Jeffrey A. Piccirillo
Secretary-Treasurer

Approved:



David R. Hillier
Chairman