

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
February 13, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, February 13, 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; Jeffrey A. Piccirillo; Andrew T. Tate; K. Ray Bailey; William L. Moyer; Matthew C. Burril; and Stephanie Brown

MEMBERS ABSENT: None

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; David Nantz, Director of Operations; Royce Holden, IT Director; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: James Moose, Avcon; Eva Ritchey, The Trolley Company; Jim Anderson; El Mustapha Aitlhossann; Mike Cronin, Asheville Citizen Times; Marc Hunt, City of Asheville, Jason Walls, Duke Energy

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

The Chair welcomed new Board Members Matthew Burril and Stephanie Brown. Mr. Burril and Ms. Brown provided brief backgrounds and stated they were happy to be serving on the Board.

PRESENTATIONS: None

FINANCIAL REPORT: The Director reported on the airport activity for December which included enplanements, aircraft operations and general aviation activity. The Director was happy to announce that 2014 has been the airport's busiest year for enplanements since the airport's inception. Mrs. Burnette reported on the financial activity for the month of December.

the ground transportation providers in Asheville are not out of line with the fees charged by the four surrounding airports. The Director further reviewed some of the other ground transportation programs of these four airports. The Director stated that the airport is required by the FAA to run in a self-sufficient manner. The Director believes the fee charged is appropriate and brings in the revenue necessary to operate the ground transportation program. The Director informed the Board that more defined age limit requirements have been proposed and staff used the State's definitions as to how vehicles are classified. These new requirements will remove the subjectivity for staff to make determinations on which vehicles are approved for use at the airport. This information will be shared with ground transportation operators. The mileage restriction is applicable only to taxis, and staff has not received any complaints on this from the taxi providers. The vehicle age requirement provides for the safety of passengers and the Director believes staff manages the ground transportation well. The Director also shared information regarding the number of ground transportation providers that were previously permitted at the airport before the fees were increased, as well as the number of current providers. The Director stated that the airport does not have the capacity to support a large amount of operators, and that the airport is not in the business to subsidize or support ground transportation operators.

Mr. Moyer commented that the age limitation was of concern to him and felt that the proposed defined age limit requirement is moving in the wrong direction. Mr. Moyer stated that the new requirement basically does away with exemption procedures and that a vehicle over 9 years is considered unsafe, however a vehicle over 35 years is safe. The Director responded that the requirements do not signify that vehicles over age 35 are safe. The state classifies an antique vehicle as over age 35. If providers have an antique vehicle that is retrofitted to be in showroom condition and have the documentation to prove the vehicle is in safe condition, the effort and expense has been put into that vehicle to make it like new condition. Staff would then consider that a safe vehicle for passengers.

The Chair affirmed that there are no exemptions for vehicles between the ages of 9 and 35. The Director replied that this was correct. The requirements take out the subjectivity.

Mr. Tate remarked that he felt the airport was moving in the wrong direction with the vehicle age requirements. Mr. Tate asked how the airport's process differed from the City's process. The Director responded that the City has a limited inspection process and staff was unsure how thorough it was. Mr. Moyer felt the City required all vehicles to pass the state inspection and that the City inspected the mechanical part of the vehicles including brakes and horn.

Mr. Bailey stated that vehicle safety should be the concern and that passengers are entitled to the safest possible vehicles. Mr. Bailey further stated that the airport needs to consider revenue sources and the finances of operating the airport. Mr. Bailey suggested airport staff meet with the ground transportation providers before anything is finalized.

The consensus of the Board was for staff to meet with the ground transportation providers to discuss the age requirement exemption process before July 1st, obtain feedback, and then make recommendations for any changes.

NEW BUSINESS:

A. Approve Contract for Construction of Airfield Re-development Project –

Phase II: Michael Reisman reviewed the components of Phase II of the Airfield Re-development project and informed the Board that upon completion of this phase of construction, the temporary runway will be operational. The sealed bids were received and opened on January 30, 2015. The responsive low bid was received from Harrison Construction Company, a division of APAC Atlantic, Inc., in the amount of \$12,204,519 plus \$71,365 for Bid Alternate 2, as well as the addition of a \$160,000.00 allowance for the relocation of the wind shear tower for a total of \$12,435,884. Staff is recommending an additional 5 percent allowance of \$621,794.00 for miscellaneous costs and potential overages for a project total of \$13,057,678. Mr. Reisman informed the Board that Phase II will be funded with AIP Entitlement Funds of \$2,560,480.00, AIP Discretionary Funds in the amount of \$6.5 million, PFC Funds in the amount of \$2,550,123.00 and \$1,447,075.00 in Airport funds. The total amount of Phase II is \$307,555.00 over the amount included in the FY 2014/2015 budget. Mr. Reisman advised the Board that the following budget amendment is 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, 2015:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$307,555
Totals	\$0	\$307,555

This will result in a net increase of \$307,555 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$307,555
Totals	<u>\$0</u>	<u>\$307,555</u>

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 13th day of February, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Bailey asked what Bid Alternate 1 was. Mr. Reisman responded that Bid Alternate 1 was a deduction for the exclusion of underground pipe that needs to be constructed along with this project. Staff considered having Charah do the work if the price was less than the contractor bid. However, Charah's price was higher, so staff kept the work as part of the project and excluded alternate 1.

Mr. Tate commented that the 5 percent allowance brings the lowest bid to above the threshold of the highest bid amount, and asked if the 5 percent allowance was a standard operating procedure that would have been included on any agreement. Mr. Reisman stated that allowances are included with construction projects and that the standard allowance is 10 percent, however, 10 percent seemed overly excessive given the amount of this project. Staff has discussed this with the engineering team to determine if a 5 percent allowance would be adequate. It was decided that 5 percent would marginally be enough.

Mr. Moyer moved to approve the Airfield Re-Development Construction Project – Bid Package II with Harrison Construction Company, a division of APAC Atlantic, Inc. in the amount of \$12,435,884.00 plus 5 percent allowance in the amount of \$621,794.00 for a total of \$13,057,678.00; authorize the Executive Director to execute the necessary documents, and amend the FY2014/2015 budget by adopting the budget ordinance

amendment presented by staff. Mr. Tate seconded the motion and it carried unanimously.

B. Extending and Updating the Passenger Processing System: Royce Holden informed the Board that in 2009 the Authority implemented AirIT's Extended Airline System Environment (EASE) at the ticket counters and gates. This system enables airlines to process passengers at any ticket counter or gate. The current equipment is nearing end-of-life (EOL) and the existing software is already EOL. Staff initially budgeted \$30,300.00 as a capital project in the FY15 budget to replace some of the equipment in a phased approach. However, a phased approach will no longer work due to existing technology limitations at gate space required by Allegiant Airlines. Mr. Holden informed the Board that the server hardware structure will be improved to support anticipated additional airlines on the system. This includes moving from one server with one point of failure, to a clustered virtualized server environment where if one fails, the other one will continue to run as normal with little to no disruption of service. The upgrade to EASE V3 will provide for seven additional workstations at the gates. Mr. Holden reviewed the cost of the upgrade which includes all hardware, software, installation, as well as configuration labor and travel for a total of \$97,857.86. Since \$30,300.00 is currently budgeted in this year's capital budget, the remaining \$67,557.86 will be taken from fund balance requiring 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, 2015:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Renewal and Replacement	\$0	\$67,558
Totals	\$0	\$67,558

This will result in a net increase of \$67,558 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	\$67,558
Totals	\$0	\$67,558

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 13th day of February, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board

Mr. Tate moved to approve the upgrade to EASE 3, including all hardware, software, and labor for a cost not to exceed \$97,857.86; authorize the Executive Director to execute the necessary documents, and amend the FY14/15 Budget by adopting the budget ordinance amendment presented by staff. Mr. Piccirillo seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had an additional item to include that was not on the agenda.

A. Standard Parking Amendment: The Director informed the Board that in 2008 the Board approved a parking management agreement with Standard Parking. The bid included a five-year contract with a five-year option. When the Agreement was prepared, the five-year option was inadvertently left out. In 2013, the Board approved an amendment to the Agreement putting in a 5-year option comprised of a 2-year firm term with three 1-year options. The end of the 2-year firm term is nearing so staff is moving forward with the first one-year option of the Agreement. Staff believes it is beneficial to move forward with the one-year option as it gives staff the flexibility as it relates to the future parking expansion.

B. Contract Change Orders: The Director advised the Board of three contract change orders that were approved since they were within his spending authority:

1. \$5,300 for an amendment to the FAA reimbursable agreement. Vertical guidance to runway 34 had been removed due to the runway project, however, Allegiant has concerns with the lack of vertical guidance and may limit night-time flights. Staff went

ahead and re-installed instrumentation that was removed for the project. The \$5,300 is for the FAA to complete a flight check to ensure the instrument approach is working.

2. A \$36,000 change order with Thalle Construction for grading and drainage work on the runway project. Part of the cost is for the anti-climbing system on the retaining wall along Ferncliff Park Drive. TSA made some changes to the specifications after the bid was sent out. Some of the other work included in that change order was for clearing a clogged 42" drainage pipe under Ferncliff Park Drive.

3. A deduction fee in the amount of \$4,486 for the terminal roofing project. The Authority will receive this money back.

C. Contingency Transfers: The Director reported that \$44,000 was moved from contingency to four line items in the Executive budget:

1. \$15,000 for professional consultant services relating to new rates and charges model for the airlines, and for strategic development consultant.

2. \$10,000 for legal services related to the transfer of the rental car bond from the Asheville Regional Airport Authority to the Greater Asheville Regional Airport Authority.

3. \$4,000 to cover a one-year membership in a small airports consortium to improve air service development at small airports.

4. \$15,000 to increase travel for the Executive budget. The Director stated that additional travel has been necessary with his appointment as Chair of the US Policy Board within ACI-NA as well as unexpected travel for business development.

D. Construction Update: Mr. Reisman briefed the Board on a few of the ongoing construction projects including continued repairs on the retaining wall along Ferncliff Park Drive, the airport entryway project which is expected to be completed in late March, and the gas station project which has started to pick back up after delays due to water issues with the City of Asheville and relocation of an AT&T cable.

INFORMATION SECTION: No comments

AUTHORITY MEMBER REPORTS:

A. Strategic Working Meeting: The Chair advised the Board that he would like to hold a strategic working session at the March 13th regular Board meeting. A tour of

the fill projects for new Board Members will also be available. The Chair requested the Board Members block time that day until the early afternoon.

B. Formation of a Nominating Committee: The Chair appointed Jeffrey Piccirillo and Andrew Tate to serve with him on a Nominating Committee for the election of the Vice-Chair position on the Board.

C. Conference Schedule: The Chair suggested that it may be the time for Board Members to express interest in attending industry conferences. The Director stated that Mr. Moyer had expressed interest in attending the ACI-NA Commissioners Conference in April. The Chair stated that he had interest in attending that as well.

D. Tryon Equestrian Center: Mr. Moyer noted that he was pleased to hear staff getting involved in the Tryon Equestrian Center as he thought there was a possibility that the airport could benefit from that. The Director stated that staff has met with the owners of the equestrian center and that the plans for the center are phenomenal. The airport had an opportunity to sponsor a horse event in Palm Beach recently. While attending the Palm Beach event, the Director spoke to the equestrian folks about quarantine accommodations at the Ag Center for horses arriving from other countries. The opportunities for general aviation in Asheville could be tremendous.

E. Passenger Facility Charges (PFCs): Mr. Piccirillo stated that he had read an article about PFC's recently and asked if the Director had an update. The Director stated that the aviation industry is pursuing an increase in PFCs as they have not been increased since 2000. The current PFC is \$4.50 and this has not kept up with inflation so the industry is looking for an increase to \$8.50 for PFCs. The Director gave an overview of PFCs for the new Board Members.

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting will be held on March 13, 2015.

The Chair called for a break at 9:50 a.m.

The Board reconvened at 9:55 a.m.

CLOSED SESSION: At 9:55 a.m. Mr. Piccirillo 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. Bailey seconded the motion and it carried unanimously.

Open Session resumed at 10:45 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 13, 2015

CLOSED SESSION MINUTES: Mr. Piccirillo 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.

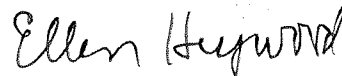
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JANUARY 9, 2015

CLOSED SESSION MINUTES: Mr. Piccirillo moved to approve the minutes for the January 9, 2015 Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

The Director advised the Board that in a recent conference he attended, information was learned about security issues for photos posted on websites. The Director stated that all Board and staff photos were being removed from the website.

ADJOURNMENT: Mr. Moyer moved to adjourn the meeting at 10:50 a.m. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair