

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**February 17, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, February 17, 2017 at 8:39 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; Matthew C. Burrell, Vice-Chair; Andrew T. Tate; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and David Gantt

**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; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; Jeremy Arthur, Maintenance; Roy Whitaker, Maintenance; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Amira Trebincevic, Delta Airlines; Ken Moody, Delta Airport Consultants

**CALL TO ORDER:** The Chair called the meeting to order at 8:39 a.m.

**SERVICE AWARD PRESENTATIONS:**

**A. Jeremy Arthur:** The Chair recognized Jeremy Arthur with a service recognition award and gift for his 15 years of service with the Authority.

**B. Roy Whitaker:** The Chair recognized Roy Whitaker 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 the month of December which included enplanements, aircraft operations, and general aviation activity. The Director was pleased to note that 2016 set a record for the highest amount of passenger enplanements. Mrs. Burnette reported on the financial activity for the month of December.

Mr. Burril inquired how AVL's load factor compared to other regional airports. The Director stated that he did not typically use the load factor number to compare to other airports and briefly reviewed his reasons. The Director further stated that he could put together some trends to give to Mr. Burril.

Mr. Moyer asked for an explanation of the operating revenue number on the financial report. Mrs. Burnette explained that this was a result of the reconciliation for the airlines for the prior year. Before the end of the year, staff will go back and do a prior period adjustment on the financial statements so that it will correct the current year revenues. The Director explained the airline contract that is currently in place and the reason this type of adjustment is necessary.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority December 9, 2016 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority December 9, 2016 Regular Meeting Minutes:**

**C. Approval of Amendment to the FY16/17 Budget:**

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, 2017:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Public Safety Department	_____	\$31,596
Totals	_____	\$31,596

This will result in a net increase of \$31,596 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$31,596
Totals	_____	\$31,596

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 17th day of February, 2017.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

**D. Approval of Audit Contract with Gould Killian CPA Group, P.A. for Fiscal Year Ending June 30, 2017:**

**E. Approve Charges for Credit Card Fees:**

Mr. Tate moved to approve Consent Items A, C, D, and E. Mr. Moyer seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Approval of Ordinance Establishing Rules and Regulations of the Asheville Regional Airport:** Michael Reisman reminded the Board that the proposed Rules and Regulations of the Asheville Regional Airport were approved at the December 9, 2016 Board meeting. The Rules and Regulations have remained available for public inspection and comment since December 9, 2016 with no comments being received to date.

The Chair opened the floor to public comments at 8:53 a.m.

There being no public comments, the Chair closed the floor at 8:53 a.m.

Mr. Moyer moved to adopt Airport Ordinance No. 201701 Rules and Regulations of the Asheville Regional Airport effective February 17, 2017. Mr. Burril seconded the motion and it carried unanimously.

## **NEW BUSINESS:**

**A. Approval to Unseal Closed Session Minutes:** The Director advised the Board that the Closed Session Minutes Policy provides for the review of the preceding year's Closed Session Minutes at the first Authority Board meeting of each calendar year. The Director stated that he has reviewed the minutes and has found that one set of minutes relating to a business matter with Allegiant Airlines has come to fruition, is no longer of a confidential nature, and can be unsealed.

Mr. Moyer moved to unseal those portions of Closed Session Minutes as designated and recommended by the Executive Director. Mr. Bailey seconded the motion and it carried unanimously.

**B. Approval of Property Purchase:** The Director informed the Board that the airport's runway safety area needs to be realigned due to the airfield re-development project. The realignment requires the purchase of an additional +/-2.3 acres of property from Warrior Golf Management, LLC, owners of Broadmoor. After appraisals and negotiations with Broadmoor, the FAA is allowing staff to offer an administrative settlement of \$84,601 per acre for a total of \$194,582 plus survey and closing costs. Broadmoor has accepted this offer. The Director stated that this was a budgeted expenditure in the FY2017 budget and inclusive of the airfield re-development project budget. The acquisition also qualifies for eligibility with the FAA and will be reimbursed at the appropriate share.

Mr. Moyer inquired if Henderson County has been notified. The Director responded that an e-mail has been sent to the county manager and staff will seek Henderson County's approval of the property.

Mr. Gantt moved to approve the property purchase of 2.3 acres with Broadmoor Golf Links, LLC for a total purchase price of \$194,582.00 plus survey, closing costs and any other ancillary expenditures necessary for closing contingent upon approval by Henderson County, and authorize the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

**C. Approval of Resolution Authorizing the Submission of the Draft Airport Assignment and Assumption Agreement to the Federal Aviation Administration for Purposes of Coordinated Review:** The Director reminded the Board that this item was reviewed in the Asheville Regional Airport Authority Board meeting that was just held.

Ms. Rice informed the Board that Mr. Baldwin, the Authority's consultant, requested that an equitable indemnification clause be included in the agreement. Legal counsel for the City of Asheville and Ms. Rice were not able to agree upon an equitable clause, so the City of Asheville requested that it not be included and Ms. Rice agreed with that. Mr. Baldwin indicated to Ms. Rice that the FAA may be fine with this, but could also insist upon an equitable indemnification clause.

Mr. Moyer moved to find the draft Airport Assignment & Assumption Agreement to be accurate and appropriate; (2) authorize the Executive Director and the consultant for the GARAA to submit the draft Airport Assignment & Assumption Agreement to the FAA for review; and (3) resolve to approve the Resolution Authorizing the Submission of the Draft Airport Assignment & Assumption Agreement to the Federal Aviation Administration for the Purposes of Coordinated Review. Mr. Bailey seconded the motion and it carried unanimously.

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

**Phase IV:** Michael Reisman advised the Board that Phase IV of the project, which includes paving and lighting of the new permanent runway, installation of instrument landing systems, and conversion of the temporary runway to a permanent taxiway, was publicly advertised on December 2, 2016. Sealed bids were opened on January 27, 2017 and the responsive low bid was submitted by Cedar Peaks Enterprises, Inc. in the amount of \$32,492,332.70 plus \$32,425.00 for Bid Alternate 1 (LED runway lights), and \$1,178,338.00 for Bid Alternate 2 (Taxiway A shoulders). The total amount including the bid alternates is \$33,703,095.70. Staff is recommending an additional \$1,000,000 for miscellaneous costs and potential overages bringing the total estimated cost of construction to \$34,703,095.70. Mr. Reisman stated that none of the bids submitted were from general contractors in the Asheville area, however, several of the local businesses did bid as sub-contractors. Mr. Reisman reviewed the funding sources for this phase and advised the Board that the cost for this phase of the project is \$5,455,096 over the amount included in the 2016/2017 budget, resulting in a need for the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$5,455,096
Totals	<u>\$0</u>	<u>\$5,455,096</u>

This will result in a net increase of \$5,455,096 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal Grants – AIP Entitlement Funds		\$ _____
Federal Grants – AIP Discretionary Funds	\$2,769,347	\$ _____
NC Department of Transportation Funds		<u>\$ 300,000</u>
Transfer from GARAA Cash		<u>\$7,924,443</u>
Totals	<u>\$2,769,347</u>	<u>\$8,224,443</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 17<sup>th</sup> day of February, 2017.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Reisman further advised the Board that the expenses incurred to date on the airfield re-development project total \$41,204,056. Phase IV will bring the project total estimate to \$79.9 million. Staff anticipates receiving additional federal funds to meet the added costs.

Mr. Tate questioned what the Authority's cash position would be if additional federal funds are not received. The Director responded that \$27.2 million of the Authority's cash was restricted and \$21 million of that is for the parking garage. The airport is collecting and will continue to collect PFC money. The Authority's share of the project is approximately \$13.5 million of which \$6 million will be paid for with PFC funds. The approximately \$7 million remainder can be covered with the \$13 million unrestricted, undesignated cash. The Director further stated that \$2.7 million in entitlement funds will be allocated in next year's budget for other projects that can be delayed and the funds used to reimburse the Authority for expenses associated with the airfield re-development project.

Mr. Moyer inquired if there were any alternatives that were set aside and would need to be addressed in the next few years. Mr. Reisman replied that he did not believe that staff has recommended excluding anything from the project that needs to be done. The Director commented that once the airfield re-development project is complete, the airfield should be up to date for the next 30 years and staff is not expecting any major expansions.

Mr. Moyer moved to (1) approve an amended budget of \$79.9 million for the Airfield Re-development Project; (2) approve the Airfield Re-development construction project – bid package 4, with Cedar Peak Enterprises, Inc. in the amount of \$34,703,095.70 (\$33,703,095.70 plus \$1,000,000 allowance); (3) authorize the Executive Director to execute the necessary documents; and (4) amend the FY2016/2017 budget by adopting the budget ordinance amendment as presented by staff. Mr. Bailey seconded the motion and it carried unanimously.

**E. Approve Scope of Work and Fee for Expansion of Terminal Aircraft**

**Parking Apron:** Michael Reisman advised the Board that available space on the apron for aircraft parking has decreased with the frequency of mainline aircraft usage at AVL. The area formerly occupied by the public safety building has been identified in the Master Plan as additional apron space. Staff would like to proceed with the apron expansion into the former public safety building area. This expansion will add approximately 2,000 square yards of additional parking area and accommodate at least one additional mainline aircraft for parking. Mr. Reisman stated that staff requested a proposal from one of its general consultants for the design of this apron additional and validated the cost through another firm. The cost for the engineering design services is \$99,000.00 and would be paid from the Authority's fund balance. Staff would come to the Board at a future date for approval of construction costs. Approval of the engineering design services would require the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$99,000
Totals	<u>\$0</u>	<u>\$99,000</u>

This will result in a net increase of \$99,000.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$99,000
Totals	<u>\$</u>	<u>\$99,000</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 17<sup>th</sup> day of February, 2017.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Moyer inquired if there was space available in the general aviation area to use for aircraft parking. Mr. Reisman replied that the pavement in the general aviation area is not designed to support the weight of commercial aircraft and this area is also leased to another company. Mr. Reisman further stated that this area is not part of the security identification display area and would be difficult for the airport to provide the same level of TSA required security on a remote ramp.

The Chair asked for an estimate on the total cost of the project. Mr. Reisman responded that it was likely to be in the \$500,000 to \$600,000 range.



Mr. Moyer felt that the engineering fees were rather high for this project. Mr. Reisman stated that while this project is not a huge project, the amount of the engineering and design that will go into this is not commensurate with the overall size of the project. Storm water drainage needs to be redesigned, fiber optic and electric that runs through the middle of the site needs to be addressed, and environmental work that the FAA is requiring is all part of that fee.

Mr. Burril inquired if the design services ran through the entire project or just up front. Mr. Reisman stated that the design services will take the project through bidding for construction and to a contract award. The construction itself will not require a tremendous amount of engineering oversight and most of the daily oversight will be done in house.

Ms. Brown asked for clarification of the benefit of doing this project. Mr. Reisman replied that there is not enough space for aircraft parking and reviewed the type of aircraft that are currently utilized by the airlines. The Director informed the Board that there is a project slated in the Master Plan to expand the terminal apron on the south end in a couple of years. In the meantime, during the night hours and during the summer months, the ramp is getting close to full capacity and this expansion will provide the additional space for the aircraft.

The Chair asked how much the Authority would get reimbursed for this project. The Director responded that the airport is slated to get 90% back of next year's entitlement money from the FAA.

Mr. Gantt moved to approve the scope and fee with Delta Airport Consultants in the amount of \$99,000; to authorize the Executive Director to execute the necessary documents, and to amend the FY2016/2017 budget as presented by staff. Mr. Bailey seconded the motion and it carried unanimously.

**F. Approve Installation of Glass Panels in the Federal Aviation**

**Administration Control Tower:** John Coon reported that last year one of the glass panels in the air traffic control tower was replaced and several more are now in need of replacement. Due to the location and the weight of these panels and the fact that the panels need replacement during the night time hours, it is a very difficult project and staff is recommending replacing all the remaining glass panels at this time. Three quotes were requested from glass suppliers, however, only two companies responded. Keller Glasco, Inc. provided the lower quote in the amount of \$121,213.00. Mr. Coon advised the Board that since this project was not included in the budget, funds will need to come from the emergency repair reserve. In addition, the emergency repair reserve will require an additional \$75,000 to be added in order to cover this expenditure as well as any

unforeseen emergencies during the remainder of this fiscal year. This will require the following budget amendment for the fiscal year 2016/2017 budget:

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, 2017:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Emergency Repair Costs	_____	\$75,000
Total	=====	\$75,000

This will result in a net increase of \$75,000 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$75,000
Totals	=====	\$75,000

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 17th day of February, 2017.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Moyer asked about the probability of the FAA moving the control tower. The Director responded that the FAA has signed a 10-year lease and there has not been any talk of the FAA building a new control tower.

Mr. Bailey moved to award the work to Keller Glasco, Inc. for the amount not to exceed \$121,213.00 and approve the unbudgeted expense, authorize the Executive Director to

execute the necessary documents, and amend the FY2016/2017 budget as presented by staff. Ms. Brown seconded the motion and it carried unanimously.

**DIRECTOR'S REPORT:** The Director advised the Board that he had a few additional items to include that were not on the agenda.

**A. Contingency Transfer:** The Director reported the following contingency transfers:

- \$13,772 from contingency to small capital outlay for the guest services area build out. \$14,500 was budgeted for equipment and some new displays, however the total build out will be \$28,272.
- \$20,000 from contingency to consultants in the executive budget for a lobbyist to work on long term infrastructure funding within the state of North Carolina.

**B. North Carolina Legislative Advocacy:** The Director stated that several airports in North Carolina were working with Senator Rabin last year to find new funding mechanisms for airports in the state to help fund capital projects. This would be in addition to what the Division of Aviation already issues. The airports are bringing the issue back to this year's long session and are working with Representatives Presnell, Torbett, and Shepard, members of the appropriations for transportation committee in the state. Progress is being made and the next meeting with the representatives will be held next month.

**C. Update on Short Term Parking Rate:** Short-term parking rates had been raised to discourage long-term parking in that lot. With this increase, approximately half of the lot has been made available for short-term parking. Staff will come to the Board in August to set rates for the parking garage and will likely reduce the short-term parking rates once the garage is open.

**D. Preliminary Fiscal Year 2017/2018 Budget:** The Director stated that the budget books have been completed and will be distributed. Presentation of the budget will be done at the March 10<sup>th</sup> Board meeting.

**E. Airfield Re-development Change Order No. 2:** A change order was issued for the airfield re-development project to add a security grate on a storm drain pipe and re-grade around a MALSR tower. The change order also contained credits for unused pipes and the change order amounted to a credit back to the Authority for \$3,684.

**F. Parking Garage Change Order No. 3:** A change order for the parking garage was issued in the amount of \$51,290 for additional precast beams to support some

perforated metal panel walls that were missed in the initial design and also to relocate some electrical service to the toll plaza.

**G. Time Lapse of Garage Project:** A brief video of the construction of the parking garage was shown to the Board members.

**H. Testifying to Congress:** The Director advised the Board that he has been asked to testify before the Committee on Transportation and Infrastructure's Subcommittee on Aviation in Washington, DC in early March. The Director will represent small airports regarding infrastructure needs and finding funding mechanisms for airport projects.

**I. Signature FBO:** In January Signature FBO instituted a new lease agreement for their t-hangar tenants. The Director did not see anything in the lease that was of concern. However, some of the tenants have expressed their displeasure with some of the conditions in the new lease. There is also a 3% rent increase with the new lease, but so far there have not been any comments received about the increase. The Director stated that he wanted to make the Board aware of this in case they receive calls from any of Signature's tenants.

**J. Update on Airline Agreement:** Another meeting with the airlines was held two weeks ago, and good progress was made regarding rate methodology for a new agreement. The airlines came up with some numbers or formula they would like to see run. All four airlines have agreed to have the numbers run, so staff is in the process of engaging the consultant to run some models. The next meeting is scheduled for the end of March, but staff is working on scheduling an earlier meeting if possible.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** Amira Trebincevic of Delta Airlines gave a brief summary of the meetings that have been held between the Authority and the airlines. Ms. Trebincevic is hopeful that the model the consultant is preparing will be agreeable to all the airlines.

**CALL FOR NEXT MEETING:** The next regular meeting of the Authority Board will be on March 10, 2017.

**CLOSED SESSION:** At 10:24 a.m. Mr. Tate 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 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. Mr. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break until 10:30 a.m. at which time the Board would resume in closed session.

Open Session resumed at 11:15 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 17, 2017**

**CLOSED SESSION MINUTES:** Mr. Tate 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 DECEMBER 9, 2016**

**CLOSED SESSION MINUTES:** Mr. Tate moved to approve the minutes for the December 9, 2016 Closed Session, and to seal and withhold the minutes for the December 9, 2016 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Gantt seconded the motion and it carried unanimously.

**AUTHORITY MEMBER REPORTS:**

**A. 2016 Board Review:** Chair stated that he sent out topics for periodic review and discussion. The Chair felt a review of the previous year would be a helpful way to improve as a Board.

The Chair requested feedback on relationships between the Board and the Director as well as relationships with the community. The Board felt communication with public officials and the community was important as was being neighbor friendly. There are areas that can be improved and the Board expressed interest in hearing more from the Director on how and what the Authority is doing in each of the priority areas identified by the Chair as well as more non-operational items. Several of the Board members felt that there were occasions where too much time had passed between meetings and it would be beneficial to have more frequent meetings. This would in turn give more time to hear about non-operational items from staff members such as air service development, marketing, and social media.

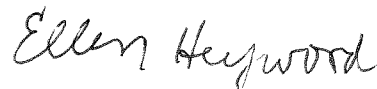
The Chair then broached the subject of administrative procedures. Comments were positive in that the agenda reviews with the Director were found to be beneficial, the Board content material was thought to be strong, and inclusion of alternative recommendations for Board consideration in the Board memos was helpful in making decisions.

The final topic that was discussed was communication and the Chair inquired if it would be helpful to conduct this type of review on a more frequent basis. The consensus was to plan for a discussion once a quarter to review goals and see how things were going, to hear a recap from staff members from all departments either during the regular meetings or at least twice a year, and to make tours of the airport available to community leaders.

The Chair stated that the conversation would be continued. The Board has an obligation to govern and not to micro manage and it's a fine line to walk. The Chair further stated that holding monthly meetings and including some of those non-operational items would be the first start.

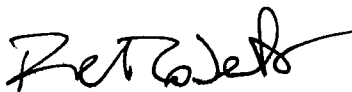
**ADJOURNMENT:** Mr. Bailey moved to adjourn the meeting at 11:42 a.m. Mr. Gantt seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair