



## **AGENDA**

Greater Asheville Regional Airport Authority Regular Meeting  
Friday, December 12, 2014, 8:30 a.m.  
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. SERVICE AWARD PRESENTATION:
  - A. Wendi Sparks – 10 Years
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority October 10, 2014 Regular Meeting Minutes ([document](#))
  - B. Approval of the Greater Asheville Regional Airport Authority October 10, 2014 Closed Session Minutes
  - C. Approval of Appointment for Finance and Deputy Finance Officers ([document](#))
- VI. OLD BUSINESS: None
  - A. Ground Transportation Discussion



VII. NEW BUSINESS:

- A. Presentation of the Annual Audited Financial Report for Fiscal Year 2013/2014 ([document](#))
- B. Approve Scope of Services No. 1 with Avcon Engineers and Planners, Inc. for Area 2 Structural Fill Project ([document](#))
- C. Approve Amendment No. 3 to Agreement with Charah, Inc. for Area 2 Fill Project ([document](#))
- D. Approve Scope of Services No. 14 with RS&H Architects, Engineers and Planners, Inc. ([document](#))
- E. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) For FY 2016-2020 ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Entryway Improvements Project Contract ([document](#))
- B. Washington, DC Trip Update
- C. Status of Airport Property
- D. NCDOT Grant

IX. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. October 2014 Traffic Report ([document](#))
- B. September 2014 Monthly Financial Report ([document](#))
- C. December 2014 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
  - Award of Contract for Bid Package 2 for Airfield Re-development Project



X. AUTHORITY MEMBER REPORTS

A. 2015 Goals

XI. PUBLIC AND TENANTS' COMMENTS

XII. CALL FOR NEXT MEETING

XIII. 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 Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XIV. ADJOURNMENT

*This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.*

**Asheville Regional Airport  
Executive Summary  
September-14**

**AIRPORT ACTIVITY**

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
<b>Passenger Enplanements</b>	33,939	11.7%	278,252	12.1%
<b>Aircraft Operations</b>				
Commercial	1,418	0.1%	12,070	(6.7%)
Scheduled Flights	577	10.3%		
Flight Cancellations	2			
Seats	39,681	7.7%	338,886	0.4%
Load Factor	85.5%	3.7%	82.1%	11.7%
General Aviation	4,013	(14.7%)	35,769	17.2%
Military	944	26.7%	5,142	42.7%

**FINANCIAL RESULTS**

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
<b>Operating Revenues</b>	\$ 801,872	11.9%	\$ 2,449,509	11.0%
<b>Operating Expenses</b>	612,238	0.8%	1,724,080	(9.4%)
<b>Net Operating Revenues before Depreciation</b>	<u>\$ 189,634</u>	73.8%	<u>\$ 725,429</u>	138.8%
<b>Net Non-Operating Revenues</b>	<u>\$ 304,981</u>	19.1%	<u>\$ 850,869</u>	31.7%
<b>Grants:</b>				
FAA AIP Grants	\$ 1,464,543		\$ 3,731,912	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 1,464,543</u>		<u>\$ 3,731,912</u>	

**CASH**

Restricted	\$ 2,898,330
Designated for O&M Reserve	3,881,467
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	10,660,305
Total	<u>\$ 18,090,102</u>

**RECEIVABLES PAST DUE**

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	3,050	2,310		740
Allegiant Air	166		166	
Delta Airlines	1,867	884	983	
Landmark Aviation	125			125
RS&H	-			
US Airways	490	74	346	70
Miscellaneous	12,252	37	108	12,107
Total	<u>\$ 17,950</u>	<u>\$ 3,305</u>	<u>\$ 1,603</u>	<u>\$ 13,042</u>
% of Total Receivables	<u>4.17%</u>			

Note: Excludes balances paid subsequent to month-end.

**REVENUE BONDS PAYABLE**

Rental Car Facilities Taxable Revenue Bond, Series 2007	
Original Amount	\$ 4,750,000
Current Balance	\$ 1,981,560

**CAPITAL EXPENDITURES**

Annual Budget	\$ 25,676,196
Year-to-Date Spending	\$ 4,104,407

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
October 10, 2014**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 10, 2014 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; Douglas J. Tate, Vice-Chair; Andrew T. Tate; K. Ray Bailey; and William L. Moyer

**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; David Nantz, Director of Operations; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Royce Holden, IT Director; Michael Miller, Public Safety Captain; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Ken Moody, Delta Airport Consultants; Jeff Kirby, Parrish and Partners; Mike Darcangelo, Avcon, Inc.; Eva Ritchey, The Trolley Company

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

**APPEARANCES:**

**A. Painting Donation:** Mr. David Morgan appeared before the Board to present a painting of the Memphis Belle's Asheville Departure. The Memphis Belle was flown by his uncle Col. Robert Morgan. The Chair thanked Mr. Morgan for the painting.

**PRESENTATIONS:**

**A. Project Soar Video:** Tina Kinsey played the Project Soar video for the Board. Mrs. Kinsey stated that the video was available for viewing on the airport's website, would be used in presentations when given throughout the business community, and it was possible that a silent version may be played throughout the terminal.

**B. Ground Transportation:** David Nantz gave a brief overview of the ground transportation program at the airport. Mr. Nantz informed the Board that in 2005 the airport joined the Airport Ground Transportation Association (AGTA) and in 2007 implemented best practices gathered through membership in AGTA. The airport uses an open system through which any company can apply to provide ground transportation services. An airport permit is necessary and requires a City of Asheville operating permit, proof of insurance, and a vehicle inspection performed by airport staff. Mr. Nantz further reviewed the policies the airport has implemented which include vehicle age and mileage limits, driver dress and conduct codes, as well as permit fees the airport charges based on a survey compiled by staff of rates charged by airports in the region.

Mr. Moyer stated that he was supportive of the airport's policy, however, some providers have issues with respect to fees and age of vehicles. Mr. Moyer also noted that Greenville and Charlotte airports were not listed on the survey of fees charged and felt that Asheville needed to remain competitive with both of those airports. Mr. Nantz responded that the airport has used Greenville and Charlotte airports on surveys in the past and noted that fees change often at airports, so staff tries to remain somewhere near the middle. Mr. Nantz further stated that Asheville uses the recommendations of AGTA for the age of the vehicles.

The Chair advised the Board that a member of the public wished to address the Board on this subject. Ms. Eva Ritchey appeared before the Board and stated that she was the owner of The Trolley Company in Hendersonville and was speaking on behalf of the Emma Bus Line, Carolina Limousine, Special Occasions Limousine, and Mercury Transportation. Ms. Ritchey felt improvements could be made to the airport's program including the restrictions on age of the vehicles, and stated the North Carolina Limousine Association (NCLA) had concerns with the strict rules and regulations at the airport. Ms. Ritchey provided a survey completed by NCLA of vehicle age and mileage guidelines at airports nationwide. Ms. Ritchey stated that the restrictions on the age of vehicles as well as the permit fees make it difficult for small companies to operate at the airport. Ms. Ritchey further stated that all the transportation providers she was representing would like an opportunity to appear before the Board to state their reasons why the policies were not reasonable. The Chair thanked Ms. Ritchey for her comments.

**TRAFFIC REPORT:** The Director reported on the airport activity for August which included enplanements, aircraft operations, and general aviation activity.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority August 8, 2014 Closed Session Minutes would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority August 8, 2014 Regular Meeting Minutes:**

**C. Approval of the Greater Asheville Regional Airport Authority Board 2015 Schedule:**

Mr. Douglas Tate moved to approve Consent Items A and C. Mr. Bailey seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Approval of Amended Human Resources Policies and Procedures:** Suzie Baker advised the Board that the Human Resources Policies and Procedures have been amended to ensure compliance with all federal and state laws, to incorporate title and name changes, and to update various policies. Mrs. Baker highlighted a few of the policies that were revised or added.

The Director informed the Board that legal counsel has reviewed the policies and the Authority is in compliance with all regulations.

Ms. Rice stated that she did not do a comprehensive overhaul of the policies and procedures, rather she worked on specific policies for which staff had questions or concerns. Ms. Rice further stated that if the Board Members had questions on any of the policies, she would be happy to review the policies in question.

Mr. Bailey questioned how the policies would be presented to employees and if the effective date would be when the policies are adopted by the Board. Mrs. Baker stated that meetings would be set up with employees to highlight the changes. Ms. Rice stated that it was up to the Board to determine if a different effective date was desired. Mr. Bailey was concerned that there were major changes and wanted employees to be made aware of the changes. The Director stated that the policies could be effective November 1<sup>st</sup> and that would allow plenty of time for Mrs. Baker to review the policies with the employees. Mr. Bailey asked if there were any substantial changes other than the medical reimbursement policy. Ms. Rice responded that the school leave policy was a new policy, the military policy was expanded, and a number of places where things have been altered slightly, but the major highlights of the revisions were reviewed by

Mrs. Baker. Mrs. Baker stated that the policies have been improved, are easier to read and understand, and did not foresee any problems from an employee standpoint.

The Director informed the Board that the certification pay policy does affect public safety personnel and reviewed the history behind the certification pay policy. The Director advised the Board that most public safety personnel are now hired with an EMT certification already in place and are also being hired at a higher rate of pay. The Director further stated that the new policy allows all employees to become eligible for the certification bonus rather than just Public Safety employees. The Director also advised the Board that Mrs. Baker was in the process of conducting another salary survey, and salaries will be reviewed when that survey is completed.

Mr. Douglas Tate inquired when employees go through the process of getting the certification bonuses or pay adjustments. The Director stated that salary adjustments are made during performance evaluations the beginning of each fiscal year, and certification bonuses are typically received in December after employers submit certification paperwork by October 1st.

Mr. Bailey commented that it may be prudent to make the effective date in January. Ms. Rice stated that she did not believe that would have an impact on the certification policy.

Mr. Bailey moved to approve the amended and new Human Resources Policies and Procedures effective November 1, 2014 and authorize the Executive Director to execute the necessary documents. Mr. Moyer seconded the motion and it carried unanimously.

**B. Terminate Agreement for Professional Services with Michael Baker Engineering, Inc. and Approve Scope of Services Number 16 with Avcon Engineers and Planners, Inc.:**

Michael Reisman advised the Board that an amendment to the professional consulting services agreement with Michael Baker Engineering, Inc. was approved by the Board in 2013 to extend the term of the agreement in order for the firm to continue their work on the design of the new permanent runway. Thus far only preliminary engineering services have been performed on this portion of the project. Mr. Reisman informed the Board that Michael Baker Engineering, Inc. also completed design and construction inspection services for the Aircraft Rescue Firefighting Facility (ARFF). However, during construction of the ARFF project, several significant design issues arose that were determined to be the direct result of mistakes on the part of Baker, causing the Authority to submit two claims against Baker. Mr. Reisman further noted that approximately \$150,000 in change orders occurred during construction of the ARFF building that staff felt were due to oversights during the design phase. Mr. Reisman advised the Board that staff has



lost confidence in the ability of Baker to perform satisfactorily on the runway project and have determined to terminate the professional services contract with Baker.

Mr. Reisman stated that the most appropriate course of action is to assign the completion of the design package for the runway to Avcon Engineers and Planners, Inc. Avcon is already under contract for the design of the taxiway/temporary runway, and their existing contract includes work on the Airfield Redevelopment Project within the current scope of work. Mr. Reisman further informed the Board that the FAA was consulted and approval was received provided Avcon could complete the work within the original scope of work, and within the remaining balance of the fee negotiated with Baker. Avcon has agreed to assume and complete the current scope of work within the remaining balance of the unspent portion of the Baker contract.

Mr. Bailey requested further information regarding the change orders for the ARFF building. Mr. Reisman stated that of the \$150,000 in change orders, Baker reimbursed the Authority approximately \$88,000 for the damages the Authority claimed against Baker. The Authority was out of pocket for the remainder, but Mr. Reisman explained that these costs should have been included in the total cost of the project at the beginning, but were oversights left out of the original design.

Mr. Douglas Tate questioned if staff considered releasing Baker from any problems or if something is found in the design work even after Avcon takes over. The Director responded that there were really no issues as the 30% design was done to necessitate moving forward with the design of the taxiway. Avcon is already moving forward with the design of the taxiway so there really are no issues with the 30% work completed by Baker.

Mr. Moyer moved to terminate the Agreement for Professional Consulting Services with Michael Baker Engineering, Inc., Approve Scope of Work 16 with Avcon Engineers and Planners, Inc. at a not to exceed cost of \$1,902,676.06, and authorize the Executive Director to execute the necessary documents. Mr. Douglas Tate seconded the motion and it carried unanimously.

**C. Authorize Award of Construction Contract for Entryway Improvements:**

Michael Reisman reminded the Board that at the June 6, 2014 Board meeting, a scope of work and fees with Delta Airport Consultants was approved for design work to replace the light poles, way finding signage, and parking areas that were lost due to the North Carolina Department of Transportation (NCDOT) I26/NC280 interchange project. The airport was compensated by the NCDOT for the lost items. Mr. Reisman informed the Board that the project is currently out for public bid and also includes replacement of the existing main entrance sign. As an additive alternate to this project, staff has

included the provision of two outdoor color display monitors on the new entrance sign. The bid opening date is set for October 23, 2014. Mr. Reisman advised the Board that the expenses for the basic project will be paid from those funds already received from the NCDOT for the lost items for a total of \$465,000.00 and includes the design services. Inclusion of the additive alternate for the two outdoor display monitors would add \$55,000.00 to the cost and would come from the Authority's fund balance. A budget amendment would be necessary.

Mr. Moyer commented that the Board was being asked to approve a document that was not yet seen and questioned how the document could become an official part of the minutes. The Director responded that this came up in a recent conversation and in the future staff will include a copy of any contracts that are approved at the next Board meeting for the Board's review and discussion if necessary. Mr. Reisman further noted that the contract documents that are put out for bid are highly standardized and cover all the same basic principles, terms, and conditions the Board generally approves.

Mr. Andrew Tate asked if a dispute were to arise, would the Board have the capacity to address it properly. The Director responded affirmatively and stated that staff would not move forward in executing a contract if a protest or contest were to arise and would most likely be taken up at the next Board meeting. The Director further stated that the Board does not have a formal protest process so it starts with staff, then elevates to the Executive Director, and then to the Board if necessary. The Director also informed the Board that all contracts allow for staff to terminate the contract and pay for any work completed to that point. Mr. Reisman stated that approval by the Board at this meeting would allow staff to award the contract up to the project funding balance that was included in the agenda package memo. If the low bid turns out to be in excess of that amount, staff would come back to the Board before executing a contract. Staff brought this to the Board before the bid opening in order to move quickly on the project before the weather won't allow for the work to be completed.

Mr. Roberts questioned if it would be prudent to put a dollar amount for a potential dispute. The Director responded that this was difficult because staff would not have information concerning the cause for a dispute. The Director further stated that this was a small project and that the larger projects that involve federal funds have to comply with a whole checklist of items. The Director advised the Board that staff would do a better job of timing the bids to ensure this does not happen often.

Mr. Moyer moved to approve the award of contract for the Entryway Improvements Project to the responsive best bidder, not to exceed \$414,725.00, plus \$20,000.00 in allowances, for a total of \$434,725.00 including outdoor display monitors; and authorize

the Executive Director to execute the necessary documents and to amend the FY14/15 budget by adopting the following budget ordinance amendment. Mr. Andrew Tate seconded the motion and it carried unanimously.

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	\$434,725
Totals	<u>\$0</u>	<u>\$434,725</u>

This will result in a net increase of \$434,725 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	\$434,725
Totals	<u>\$0</u>	<u>\$434,725</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 10<sup>th</sup> day of October, 2014.

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

Attested by:

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

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

**A. Update on Advantage West Lease:** The Director advised the Board that Advantage West is unsure of its future and has asked to reduce their leased space by approximately two thirds. The reduction will decrease their rent by approximately \$50,000. A three-month lease has been signed as they will have a better idea in January of where things stand. In the meantime, the Director will be looking for other tenants either for part of the building or the whole building.

**B. Update on Independent Authority:** The Director informed the Board that the City of Asheville signed a resolution to comply with the state and move forward with requesting the FAA for the transfer of the remaining airport property from the City to the Authority. They will also support moving forward with the Greater Asheville Regional Airport Authority (GARAA) as the operator of the airport and will have the sponsorship changed. The Director is gathering documentation and working with legal counsel to draft a letter for the initial request to the FAA.

The Chair asked if a timeline was known. The Director replied that the FAA region offices used to approve property transfers and recognition of airport sponsorships. However, the issues that Charlotte had with their independent authority request have caused for these approval processes to be sent to FAA headquarters in Washington, DC. Staff is also working with legal counsel on the bonds for the rental car facility to be issued to the GARAA. There are currently no provisions in the bond agreement to assign them to a new entity. Staff will be taking the bond documentation to the Local Government Commission to get approval for the bonds to be issued to the GARAA and is also working with Wells Fargo, the owner of the bonds. Once this is completed, everything can move forward with the FAA.

**C. Industry Conference Schedule:** The industry conference schedule for 2015-2016 was available at the Board Members' seats for their review. The Director requested the Board Members advise staff at the next Board meeting of interest in any of the conferences so staff can plan when going through the budget process.

**D. Airports United Website:** The Director called the Board's attention to a new website entitled Airportsunited.com, which is a collaborative effort of ACI and AAAE to address industry issues, economics, etc.

**E. Holiday Tenant Appreciation Reception:** The holiday cocktail party will be held on Thursday, December 11<sup>th</sup> from 5:30 to 7:30 p.m. Invitations will be sent out in the near future.

**F. Conservation Easement:** The City of Asheville did approve the conservation easement for the land along the French Broad River and agreed to work with Carolina Mountain Land Conservancy (CMLC) to move that forward. CMLC is having appraisals done so the fair market value can be determined.

**G. Nightly Closures:** The Director advised the Board that the airport is closing at night between 11:45 p.m. and 5:30 a.m. and the airlines have been made aware of this. This has been planned for the last two years and is due to construction work being done close to the existing runway. The Director further stated that the instrument lighting system (ILS) on runway 34 is going out of service the following week due to grading issues for the airfield redevelopment project. The instrumentation will be down for about a year. This means there will only be one ILS approach, runway 16, and weather may cause flights to cancel from this approach. Staff has worked with the FAA on this issue, and has looked at every possible way to keep this system operating. However, it is physically impossible to do this with the work that needs to be done on the runway project. The airport will have some cancellations over the next year due to this, but it is not possible to avoid this.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS REPORTS:**

**A. ACI Annual Conference:** Mr. Douglas Tate reported on the ACI Annual Conference he attended in September. Mr. Tate highlighted several issues that were discussed at the conference including TSA and the exit lane issue, mid-term elections and how that affects the aviation industry, the modernization of PFC's, and strategic planning especially related to parking as a revenue generator. Mr. Tate felt the conference to be very educational and appreciated the opportunity to attend.

The Chair also spoke briefly on the ACI Annual Conference and stated that the topics of interest to him were the three issues most airports deal with which are cost containment, risk mitigation, and revenue generation.

**B. Other Items:**

The Chair requested the Board Members reflect on the information received at the meeting regarding ground transportation and decide at the next meeting if the Board needs to discuss further. The Director stated that staff will look at the material that was provided by Ms. Ritchey and will speak with the ground transportation providers and will provide information to the Board.

The Chair also stated that the Board could discuss participating in Board meetings via telephone at a future meeting.

The Chair congratulated the Executive Director on his recent appointment as Chair of the US Policy Board for Airports Council International.

Mr. Moyer spoke about the equestrian center being constructed in Polk County and mentioned that he had heard that the center is looking into airport arrangements. Mr. Moyer felt this was an opportunity the airport staff should look into. The Director stated that he has been advised by Buncombe County officials of what has been transpiring in the Tryon area. Staff is in the process of trying to connect and set up a meeting at the airport. The Director will let the Board know if anything transpires.

**PUBLIC AND TENANTS' COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the regular meeting on November 14, 2014 was not necessary. The next regular meeting will be held on December 12, 2014.

**CLOSED SESSION:** At 10:30 a.m. Mr. Douglas Tate 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 Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 11:21 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 10, 2014**

**CLOSED SESSION MINUTES:** Mr. Douglas 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 AUGUST 8, 2014**

**CLOSED SESSION MINUTES:** Mr. Douglas Tate moved to approve the minutes for the August 8, 2014 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. Moyer seconded the motion and it carried unanimously.

**ADJOURNMENT**: Mr. Andrew Tate moved to adjourn the meeting at 11:23 a.m. Mr. Moyer seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

Robert C. Roberts  
Chair



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: December 12, 2014

### **ITEM DESCRIPTION – Consent Item C**

Approval of the Appointment for Finance & Deputy Finance Officers

### **BACKGROUND**

Current Local Government Commission policy calls for the entity's governing board to appoint the Finance Officer and Deputy Finance Officer. The Executive Director currently holds the Finance Officer position due to the recent vacancy of the Director of Finance and Accounting position.

Ms. Janet Burnette was recently hired to fill this vacancy.

Staff is requesting the Board appoint Ms. Burnette as the Authority's Finance Officer so she is able to carry out the functions of her position.

Staff is also requesting the Board re-appoint Mr. Lew Bleiweis, Executive Director, as the Deputy Finance Officer. The position he held prior to the vacancy of the Director of Finance and Accounting position.

### **ISSUES**

None

### **ALTERNATIVES**

The Board could select other individuals to serve as both Finance and Deputy Finance Officers.

Consent – Item C





## **FISCAL IMPACT**

None

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the appointment of a Finance Officer as listed above, (2) approve the appointment of the Deputy Finance Officer as listed above, and (3) authorize the Executive Director to execute any necessary documents.



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: December 12, 2014

### **ITEM DESCRIPTION – New Business Item A**

Presentation of the Annual Audited Financial Report for Fiscal Year 2013/2014

### **BACKGROUND**

The annual audit for the fiscal year ended June 30, 2014 was performed by the auditing firm, Martin Starnes & Associates, CPAs, P.A., and the findings are hereby submitted for the Board's review and acceptance. The audited financial statements being provided to you have been submitted to the Local Government Commission ("LGC") for approval.

### **ISSUES**

None. An unmodified opinion was issued by the auditors.

### **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to accept the 2013/2014 Audit Report as presented.

Attachment

**MARTIN · STARNES**  

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**& ASSOCIATES, CPAs, P.A.**

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**Greater Asheville Regional Airport Authority**  
**Annual Financial Report**  
**Fiscal Year Ended June 30, 2014**

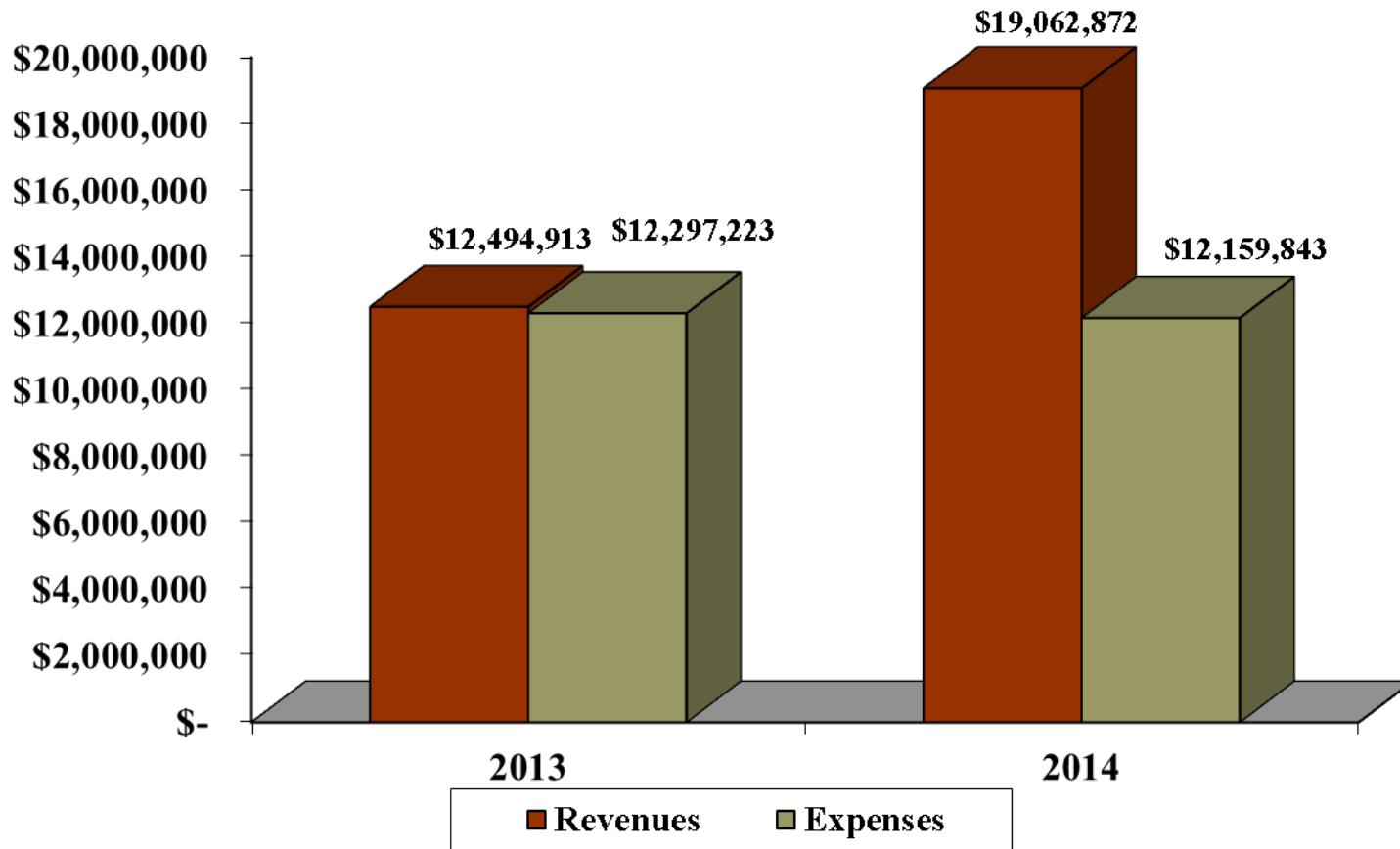


# Audit Highlights

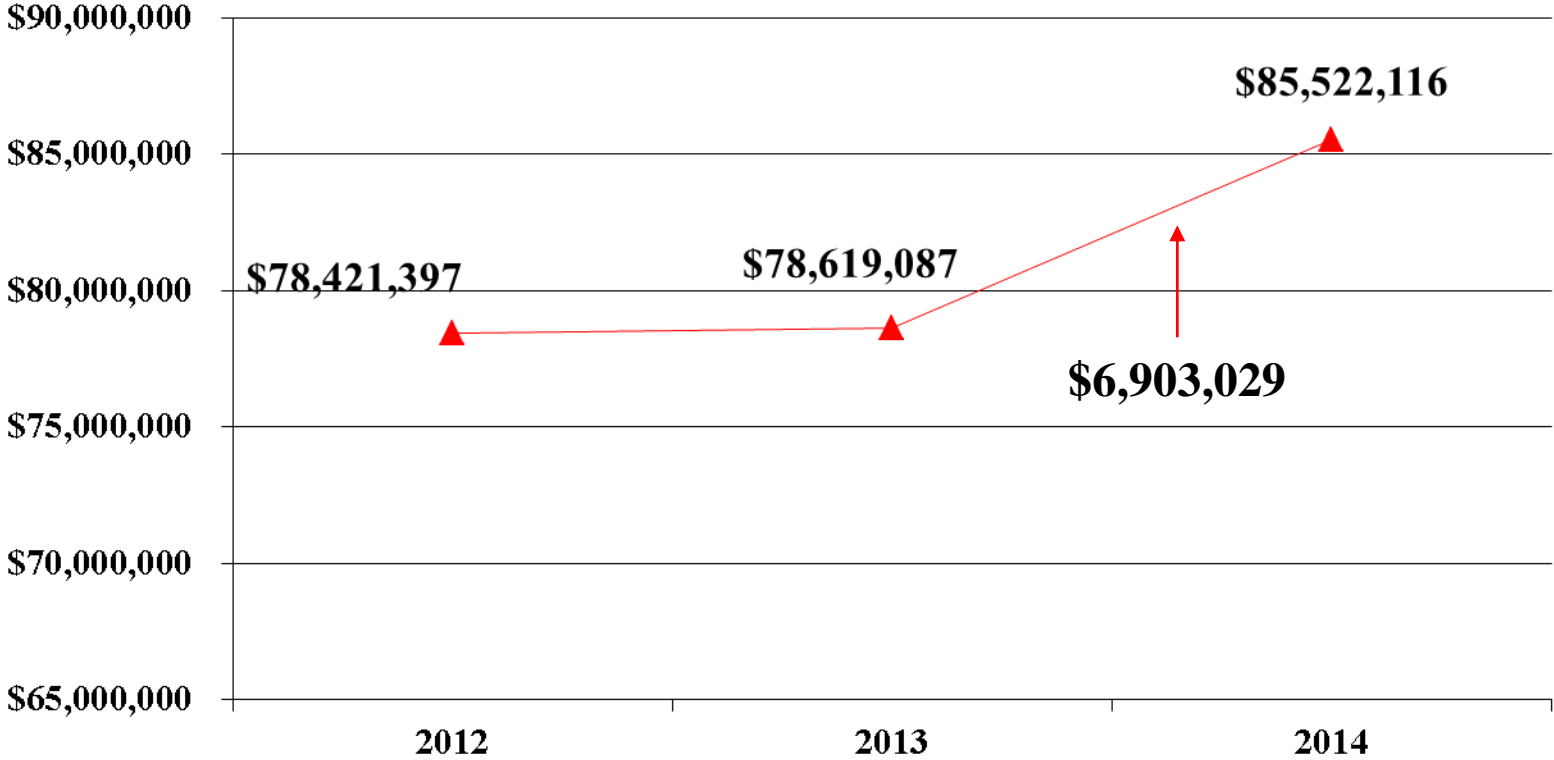
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- Unmodified opinion**
- Cooperative staff**
- Cash and investments totaled \$19,411,456 at 6/30/14**

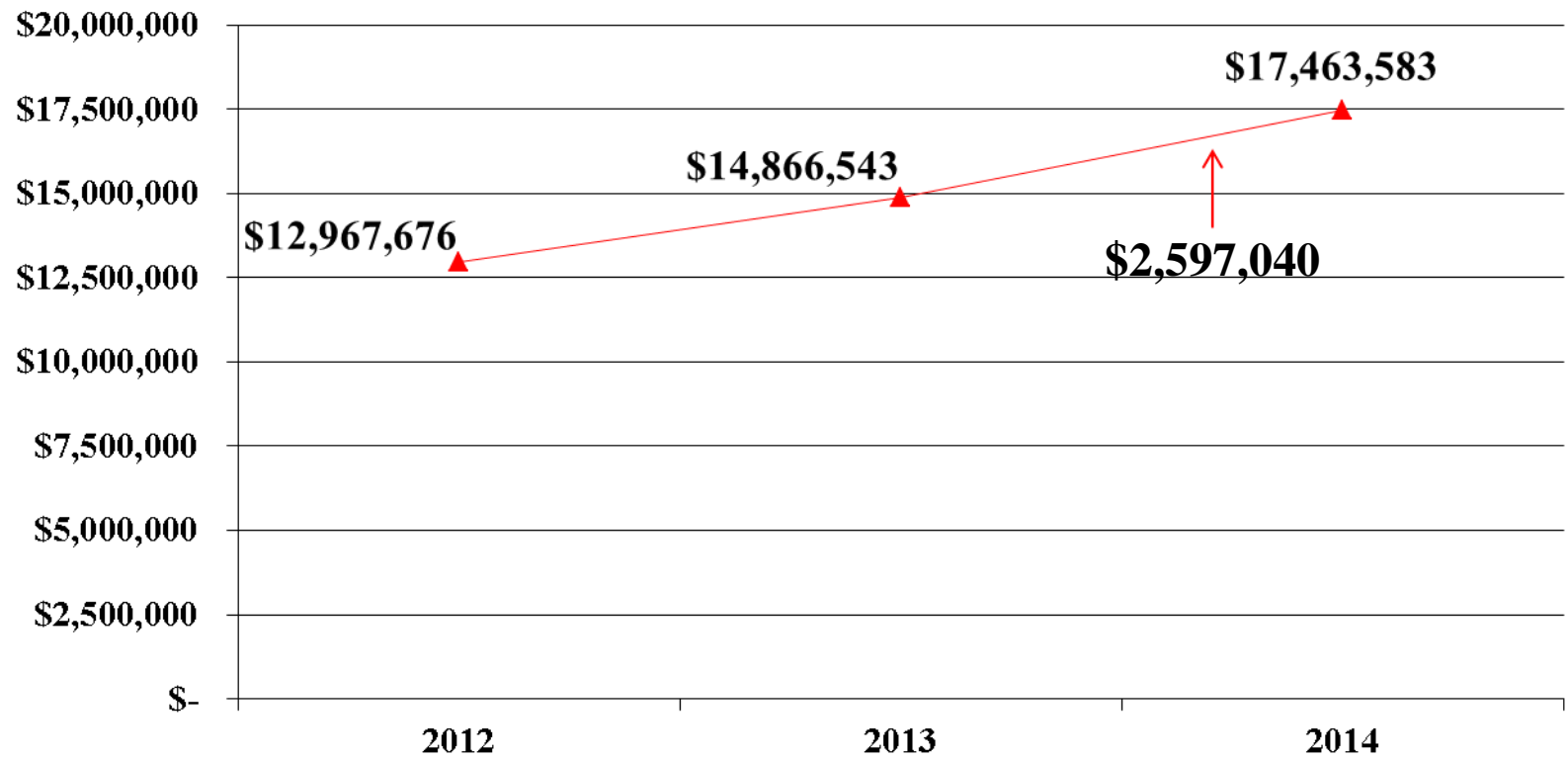
# Total Revenues and Expenses



# Total Net Position



# Total Unrestricted Net Assets





# Other Items of Note

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<input type="checkbox"/> Debt Service for 2014	\$ 626,823
<input type="checkbox"/> Depreciation expense	4,836,529
<input type="checkbox"/> Operating Income (loss)	(2,919,629)
<input type="checkbox"/> Non-operating Revenues, gross	2,650,082
<input type="checkbox"/> Cash Flow Provided By Operations	791,360





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# **Discussion & Questions**



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MARTIN · STARNES  
& ASSOCIATES, CPAs, P.A.

**GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**MARTIN ♦ STARNES  
& ASSOCIATES, CPAs, P.A.**

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*"A Professional Association of Certified Public Accountants and Management Consultants"*



# **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

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# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greater Asheville Regional Airport Authority  
Fletcher, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Greater Asheville Regional Airport Authority as of, and for the years ended, June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Asheville Regional Airport Authority as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements. The budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office and Management and Budget Circular A-133, the Passenger Facility Charge Audit Guide for Public Agencies, *Audits of State and Local Governments*, and *Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014 on our consideration of the Greater Asheville Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Asheville Regional Airport Authority's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 3, 2014

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# **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis (the "MD&A") of the Greater Asheville Regional Airport's activities and financial performance provides the reader with an overview to the financial statements of the Greater Asheville Regional Airport Authority for the fiscal year ended June 30, 2014. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

### **THE REPORTING ENTITY**

The Asheville Regional Airport Authority was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (the "County") and the City of Asheville (the "City"). It was organized for and has as its sole purpose the management, operation, and maintenance of the Asheville Regional Airport (the "Airport"). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 which changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the "Authority"). Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

The Authority operates as an Enterprise Fund and is governed by seven members: two registered voters of the County, appointed by the Board of Commissioners of Buncombe County; two registered voters of the City, appointed by the Asheville City Council; two registered voters of the County of Henderson, appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority. Members of the Authority serve four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment.

The Authority employs a Managing Director (the "Executive Director"), who is the chief administrator and executive officer of the Authority. The Executive Director manages the Airport under the Authority's control with a staff of 56 full-time employees. The staff is responsible for the day-to-day financial, administration, and operational matters pertaining to the Airport and for the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a non-hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 140th largest airport in the United States based on the number of passenger boardings during calendar year 2013<sup>1</sup>.

As of June 30, 2014, Asheville Regional Airport had twenty-four daily, non-stop commercial flights to eleven cities (Atlanta, Charlotte, Chicago, Detroit, Fort Lauderdale, New York, Newark, Orlando, Palm Beach, Punta Gorda, and St. Petersburg/Clearwater). The commercial airline carriers included Allegiant Air, Delta Air Lines, United Airlines, and US Airways.

The mission of the Asheville Regional Airport is to be the premier airport of choice for Western North Carolina travelers by providing an array of choices and amenities, distinctive customer service, value, and convenience.

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<sup>1</sup> Federal Aviation Administration, passenger boardings calendar year 2013.

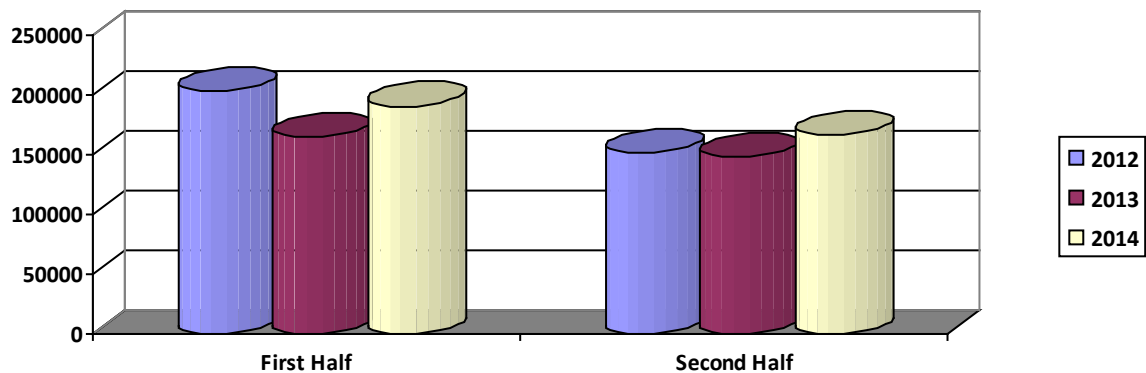
## AIRPORT ACTIVITIES AND HIGHLIGHTS

<u>For Year Ended June 30</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Enplanements	<u>357,715</u>	<u>313,353</u>	<u>356,098</u>
Revenues per enplanement:			
Airlines	\$ 6.12	\$ 6.66	\$ 5.99
Rental cars	5.65	6.49	5.60
Parking facility	8.02	8.13	7.46
Concessionaires	0.77	0.77	0.62

Enplanements increased by 14.2% in fiscal year 2014.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Aircraft Movements (Land or Takeoff):</i>			
Airline	16,231	17,262	19,690
General aviation	45,806	37,754	38,757
Military	<u>5,594</u>	<u>4,468</u>	<u>4,266</u>
Total	<u>67,631</u>	<u>59,484</u>	<u>62,713</u>

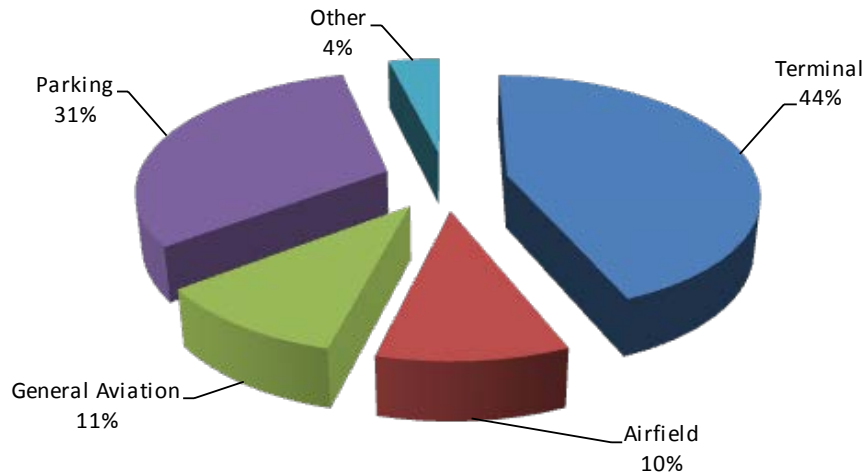
### Passenger Enplanements for Fiscal Year



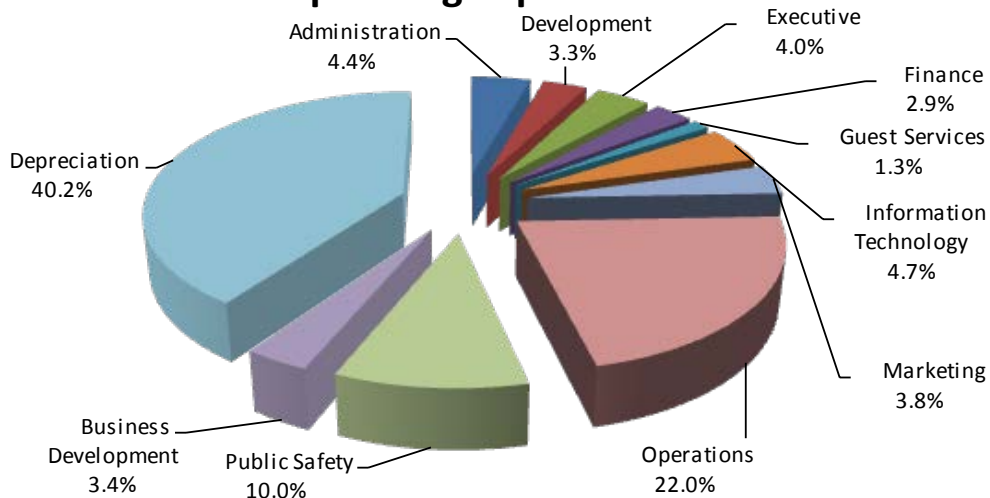
## SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

<u>For Year Ended June 30</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 9,096,957	\$ 8,609,158	\$ 8,706,119
Operating expenses	<u>12,016,586</u>	<u>11,610,851</u>	<u>11,469,272</u>
Operating loss before non-operating revenues and expenses	(2,919,629)	(3,001,693)	(2,763,153)
Non-operating revenues and expenses, net	<u>2,506,825</u>	<u>1,628,275</u>	<u>2,268,619</u>
Income (loss) before capital contributions	(412,804)	(1,373,418)	(494,534)
Capital contributions	<u>7,315,833</u>	<u>1,571,108</u>	<u>1,724,196</u>
Increase in net position	<u>\$ 6,903,029</u>	<u>\$ 197,690</u>	<u>\$ 1,229,662</u>

### Operating Revenues



### Operating Expenses



## FINANCIAL POSITION SUMMARY

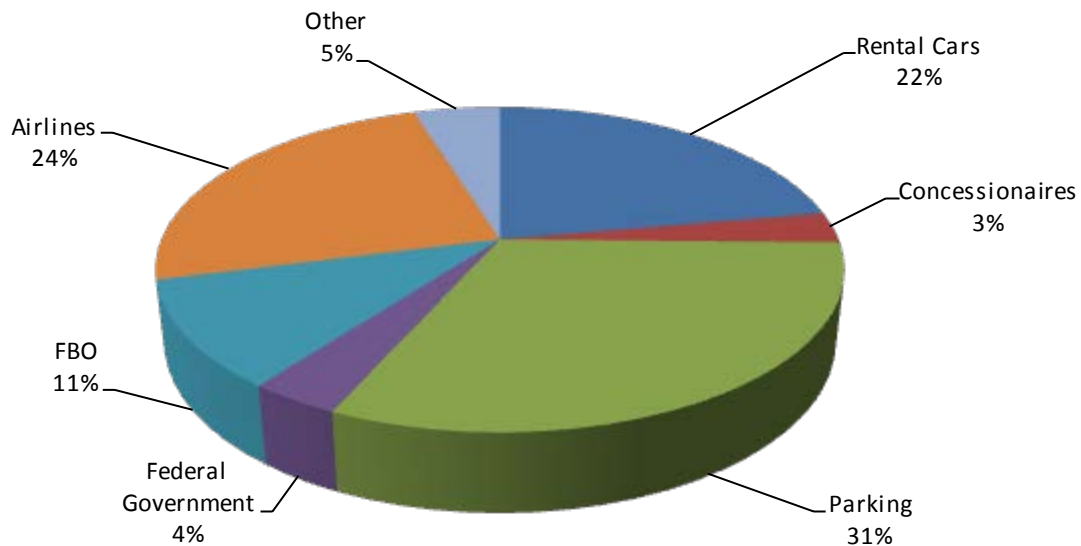
Net position may serve, over time, as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by \$85,522,116 at June 30, 2014, roughly a \$6.9 million increase from June 30, 2013, and roughly a \$7.1 million increase from June 30, 2012.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Assets:</b>			
Current assets	\$ 24,046,230	\$ 18,092,774	\$ 15,858,797
Capital assets	68,424,525	65,538,565	68,158,888
Other assets	<u>28,163</u>	<u>37,547</u>	<u>43,831</u>
Total assets	<u>92,498,918</u>	<u>83,668,886</u>	<u>84,061,516</u>
<b>Liabilities:</b>			
Total liabilities	<u>6,976,802</u>	<u>5,049,799</u>	<u>5,640,119</u>
<b>Net Position:</b>			
Net investment in capital assets	66,316,168	62,940,939	65,099,453
Restricted	1,742,365	811,605	354,268
Unrestricted	<u>17,463,583</u>	<u>14,866,543</u>	<u>12,967,676</u>
Total net position	<u>\$ 85,522,116</u>	<u>\$ 78,619,087</u>	<u>\$ 78,421,397</u>

## REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as parking receipts, rental car privilege fees, landing fees, space rental, and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2014.





## SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits, and highly liquid investments with an original maturity of three months or less.

<b>For Year Ended June 30</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Cash flows from operating activities	\$ 791,360	\$ 2,344,089	\$ 2,148,458
Cash flows from investing activities	23,493	32,193	24,230
Cash flows from capital and related financing activities	1,587,407	512,996	831,656
Net increase (decrease) in cash and cash equivalents	2,402,260	2,889,278	3,004,344
<b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	17,009,196	14,119,918	11,115,574
End of year - June 30	\$ 19,411,456	\$ 17,009,196	\$ 14,119,918

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

During fiscal year 2014, the Authority expended \$7.7 million on capital activities. This included approximately \$7.3 million for major projects, which includes the following:

- ARFF Facility Design and Construction
- Airfield Improvements
- Airfield Redevelopment

Acquisitions are funded using a variety of sources, including Federal and State grants, passenger facility charges, operating revenues, and net position appropriations.

### **CAPITAL ASSETS (net of accumulated depreciation)**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Land	\$ 7,217,951	\$ 7,133,951	\$ 7,133,951
Construction in progress	9,020,578	2,487,035	2,192,545
Leasehold improvements	50,078,573	53,502,655	56,210,337
Equipment	1,134,599	1,328,904	1,410,751
Furniture	58,405	62,931	79,183
Vehicles	914,419	1,023,089	1,132,121
Capital assets, net of accumulated depreciation	\$ 68,424,525	\$ 65,538,565	\$ 68,158,888

## Long-Term Debt

As of June 30, 2014, the Authority had total bond debt outstanding of \$2,108,357.

## Rental Car Facilities Taxable Revenue Bond, Series 2007

<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance</u> <u>June 30, 2014</u>
\$ 2,597,626	\$ -	\$ 489,269	\$ 2,108,357

## **RECENT DEVELOPMENTS**

Commercial aviation proved to have solid growth in 2013. The economy continued to expand and jet fuel prices remained constant thereby providing net profits for the airlines. U.S. commercial air carriers made a net profit of \$12.7 billion in 2013. As part of the \$12.7 billion, the airlines collected \$3.3 billion in checked bag fees. In 2013, commercial air carrier domestic enplanements increased .5%, and total airline enplanements increased 1.3%.

Air carriers continue to focus on increasing shareholder return. The carriers are now adjusting capacity to seize opportunities and contracting in response to economic distress. These changes have resulted in profitability for the fourth year in a row, and industry optimism that the airline industry will become more stable with sustainable profits.

For the first half of 2014, U.S. commercial carriers have reported net profits of \$4.6 billion over the \$1.6 billion for the first half of 2013. Net profits for 2014 are estimated to be approximately \$19 billion. Jet fuel prices are expected to hold steady for 2014.

## **THE FUTURE**

The Authority management will continue to seek additional non-stop air service to the top 25 origin and destination markets at the Airport, focus attention on airline schedule improvements, and continue to foster positive working relationships and communication with all airline partners. Allegiant Travel Company continues to grow its presence at the Airport, serving additional Florida leisure destinations. Coming up on the third anniversary, Allegiant has captured approximately 25% of the region's passenger market share. The Authority management will continue to advocate for additional routes and work to support long-term sustainability and explore future growth opportunities with this strategic partner. In addition, the merger of US Airways and American Airlines will be monitored and opportunities explored in the coming year.

The Airport management is striving to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. Sierra Nevada Brewing Company has opened its east coast brewery adjacent to the airport, and potential opportunities exist for non-aeronautical airport land development.

The Authority will implement its capital program as directed by a new twenty-year Master Plan. The Authority has begun its airfield redevelopment project, which includes the rehabilitation of its runway and the construction of a new parallel taxiway. Capital funding continues to be a challenge for airports nationwide. FAA Funding Reauthorization expires in 2015. Airports and their trade associations are already laying the ground work for the next long-term funding bill. A key focus will be increasing the Passenger Facility Charge (PFC), a user fee that supports local capital development, to \$8.50 from the current \$4.50. This fee has not been increased since 2000 when Congress capped the fee at \$4.50.

Management will continue to improve the Airport and its facilities in a financially prudent manner, maximizing Federal, State, and other revenues to minimize the Authority's funding required, thereby maximizing the Authority's return on its investments.

## **REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732. You may also call (828)-684-2226, visit our website [www.flyavl.com](http://www.flyavl.com), or send an email to [pr@flyavl.com](mailto:pr@flyavl.com) for more information.

*The mission of the Greater Asheville Regional Airport Authority is to be the premier airport of choice for Western North Carolina travelers by providing an array of choices and amenities, distinctive customer service, value, and convenience.*

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**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**STATEMENTS OF NET POSITION**  
**JUNE 30, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets:</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 17,669,091	\$ 16,197,591
Accounts receivable, net	667,376	589,181
Grants receivable	3,773,768	255,288
Passenger facility charges receivables	192,000	228,600
Prepaid expenses	1,630	10,509
Total unrestricted assets	22,303,865	17,281,169
Restricted assets:		
Cash and cash equivalents	1,742,365	811,605
Total restricted assets	1,742,365	811,605
Total current assets	24,046,230	18,092,774
Non-current assets:		
Non-depreciable capital assets	16,238,529	9,620,986
Capital assets, net	52,185,996	55,917,579
Net pension asset	28,163	37,547
Total non-current assets	68,452,688	65,576,112
Total assets	92,498,918	83,668,886
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$ 683,357	\$ 444,818
Construction contracts payable	2,375,389	542,485
Construction contract retainages	211,456	11,356
Compensated absences	205,514	216,532
Accrued liabilities	102,772	85,630
Prepaid fees	166,511	136,204
Total payable from unrestricted assets	3,744,999	1,437,025

*The accompanying notes are an integral part of the financial statements.*

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**STATEMENTS OF NET POSITION**  
**JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Payable from restricted assets:		
Revenue bond payable, current	518,361	489,269
Total payable from restricted assets	<u>518,361</u>	<u>489,269</u>
 Total current liabilities	 <u>4,263,360</u>	 <u>1,926,294</u>
 Non-current liabilities:		
Other post-employment benefits	927,340	852,101
Compensated absences	196,106	163,047
Revenue bond payable, non-current	1,589,996	2,108,357
Total non-current liabilities	<u>2,713,442</u>	<u>3,123,505</u>
 Total liabilities	 <u>6,976,802</u>	 <u>5,049,799</u>
 <b>Net Position:</b>		
Net investment in capital assets	66,316,168	62,940,939
Restricted	1,742,365	811,605
Unrestricted	<u>17,463,583</u>	<u>14,866,543</u>
 Total net position	 <u>\$ 85,522,116</u>	 <u>\$ 78,619,087</u>

*The accompanying notes are an integral part of the financial statements.*

## GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

### STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Operating Revenues:</b>		
Terminal	\$ 3,975,687	\$ 3,853,426
Airfield	930,492	913,184
General aviation	969,684	969,942
Parking lot	2,867,755	2,546,919
Other	<u>353,339</u>	<u>325,687</u>
Total operating revenues	<u>9,096,957</u>	<u>8,609,158</u>
<b>Operating Expenses:</b>		
Administration	526,407	507,681
Development	394,390	376,075
Executive	483,723	475,511
Finance	346,006	315,442
Guest services	151,486	125,894
Information technology	568,963	569,595
Marketing	459,746	452,153
Operations	2,640,808	2,654,909
Public safety	1,197,348	1,273,932
Business development	411,180	46,951
Depreciation	<u>4,836,529</u>	<u>4,812,708</u>
Total operating expenses	<u>12,016,586</u>	<u>11,610,851</u>
Operating income (loss)	<u>(2,919,629)</u>	<u>(3,001,693)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Passenger facility charges	1,462,951	1,237,175
Customer facility charges	1,163,638	1,045,279
Interest revenue	23,493	32,193
Gain/(loss) on sale of capital assets	(5,703)	(521,358)
Interest expense	<u>(137,554)</u>	<u>(165,014)</u>
Total non-operating revenues, net	<u>2,506,825</u>	<u>1,628,275</u>
Income (loss) before capital contributions	(412,804)	(1,373,418)
Capital contributions	<u>7,315,833</u>	<u>1,571,108</u>
Change in net position	6,903,029	197,690
<b>Net Position:</b>		
Beginning of year - July 1	<u>78,619,087</u>	<u>78,421,397</u>
Ending of year - June 30	<u>\$ 85,522,116</u>	<u>\$ 78,619,087</u>

*The accompanying notes are an integral part of the financial statements.*

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from providing services	\$ 5,536,882	\$ 9,266,394
Cash paid for goods and services	(2,055,500)	(4,276,557)
Cash paid to, or on behalf of, employees for services	<u>(2,690,022)</u>	<u>(2,645,748)</u>
Net cash provided (used) by operating activities	<u>791,360</u>	<u>2,344,089</u>
 <b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(7,728,192)	(2,741,955)
Passenger facility charges	1,462,951	1,237,175
Customer facility charges	1,163,638	1,045,279
Principal payments of bond maturities	(489,269)	(461,809)
Proceeds from sale of assets	-	28,212
Interest paid on bond maturities	(137,554)	(165,014)
Capital contributions	<u>7,315,833</u>	<u>1,571,108</u>
Net cash provided (used) by capital and related financing activities	<u>1,587,407</u>	<u>512,996</u>
 <b>Cash Flows from Investing Activities:</b>		
Interest income	<u>23,493</u>	<u>32,193</u>
Net cash provided (used) by investing activities	<u>23,493</u>	<u>32,193</u>
 Net increase (decrease) in cash and cash equivalents	2,402,260	2,889,278
 <b>Cash and Cash Equivalents:</b>		
Beginning of year - July 1	<u>17,009,196</u>	<u>14,119,918</u>
 End of year - June 30	<u>\$ 19,411,456</u>	<u>\$ 17,009,196</u>

*The accompanying notes are an integral part of the financial statements.*



**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	<u>\$ (2,919,629)</u>	<u>\$ (3,001,693)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	4,836,529	4,812,708
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(78,195)	1,218
(Increase) decrease in other receivables	(3,481,880)	656,018
(Increase) decrease in prepaid items	8,879	(1,935)
Increase (decrease) in accounts payable and accrued liabilities	255,681	(40,112)
(Increase) decrease in other assets	9,384	6,284
Increase (decrease) in contract payables	2,033,004	(183,136)
Increase (decrease) in unearned revenue	30,307	(20,272)
Increase (decrease) in compensated absences	22,041	32,783
Increase (decrease) in other post-employment benefits	<u>75,239</u>	<u>82,226</u>
Total adjustments	<u>3,710,989</u>	<u>5,345,782</u>
Net cash provided (used) by operating activities:	<u>\$ 791,360</u>	<u>\$ 2,344,089</u>
<b>Non-Cash Capital and Related Financing Activities:</b>		
Non-cash disposal of asset	<u>\$ 5,703</u>	<u>\$ 549,570</u>

*The accompanying notes are an integral part of the financial statements.*

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# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### **Note A – Organization and Summary of Significant Accounting Policies**

The accounting policies of the Greater Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

#### **Reporting Entity**

The Asheville Regional Airport Authority (the “Authority”) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five-year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year-to-year extension after the term has been reached. Under the agreement, Buncombe County was responsible for funding any operating deficits of the Authority during the term of the agreement. On June 28, 2012, the General Assembly of North Carolina enacted the Greater Asheville Regional Airport Authority Act in Session Law 2012-121, making the Authority an independent airport authority and changing the official name to Greater Asheville Regional Airport Authority. Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

#### **Basis of Presentation**

Fund financial statements provide information about the Authority’s funds. Statements for the proprietary fund category are presented.

Proprietary funds include the following fund type:

*Enterprise Funds.* Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one enterprise fund for airport operation.

#### **Measurement Focus and Basis of Accounting**

The proprietary fund financial statements are reported using the economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's Enterprise Fund are charges to customers for services.

Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **Budgetary Data**

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer may transfer amounts between line item expenditures, within a budget ordinance line item/cost center, without limitation and without a report being required. These changes should not result in increased recurring obligations. The Budget Officer may transfer amounts up to \$60,000 from contingency to other line items within the same fund. An official report on such transfers must be made at the next regular meeting of the Board. Any other amendments must be approved by the governing board. During the year, several amendments to the original budget were made. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Reclassifications**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

### **Assets, Liabilities, and Fund Equity**

#### **Deposits and Investments**

All deposits of the Authority are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed, both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The Authority's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

### **Cash and Cash Equivalents**

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

### **Restricted Assets**

Restricted assets consist of monies and other resources which are legally restricted as described below:

*Cash.* The revenue bond agreement requires that the Authority maintain restricted cash reserves equal to fifty percent of the outstanding principal balance of the revenue bonds. The revenue bond agreement also states that if the Authority has maintained rates, rentals, fees, and charges related to the Rental Car Facilities so that net revenues are equal to at least 165% of the principal and interest requirements on the bonds for two consecutive fiscal years, the Authority will not be required to maintain the fifty percent of the outstanding principal balance of the revenue bonds. In the current fiscal year, this criteria was met and no amounts were restricted for the bond. The agreement also requires that net revenues generated from the Rental Car Facilities be maintained in a revenue cash fund to service the operating expenses and debt service of the facility. Restricted cash for Rental Car Facilities amounted to \$298,716 and \$320,443 at June 30, 2014 and 2013, respectively.

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Passenger facility charge collections that have been collected, but not yet disbursed on eligible projects, are restricted. Restricted cash for Passenger Facility Charges amounted to \$1,443,649 and \$491,162 at June 30, 2014 and 2013, respectively.

### **Allowance for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Allowance for Doubtful Accounts totaled \$0 and \$1,166 at June 30, 2014 and 2013, respectively.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	5-40 years
Public safety and maintenance equipment	3-20 years
Vehicles	3-20 years
Furniture	5-10 years
Computer software	5 years
Computer equipment	5 years

### Compensated Absences

Airport personnel policies permit an employee to earn vacation based on his years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31, unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Executive Director. Employees who resign, are laid off, or otherwise separated from the Authority shall be entitled to be paid for any unused annual leave earned by them as of the date of termination, not to exceed 60 days. Accrued vacation pay amounted to \$249,394 and \$232,728 at June 30, 2014 and 2013, respectively.

A specific number of professional leave hours are available to exempt employees. Employees must be employed for 180 days of the calendar year to be eligible for professional leave for that year. The professional leave does not accrue from year to year. Unused professional leave as of December 31 will be paid out to the employee on the first payroll of the new calendar at a rate of 50% of its value. Unused professional leave is not paid upon termination, thus no accrual has been made.

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is earned by regular, full-time employees at a rate of 12 days per year. All employees who properly resign, are laid off, or otherwise separated from the Authority in good standing shall be entitled to be paid for 33% of any unused sick leave balance earned by them, not to exceed 240 hours. Accrued sick pay amounted to \$152,226 and \$146,851 at June 30, 2014 and 2013, respectively.

The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Net Position

Net position in proprietary fund financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

### Note B – Detailed Notes On All Funds

#### Assets

##### Deposits

All the deposits of the Authority are either insured or collateralized by the Pooling Method as required by State law [G.S. 159-31]. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows; however, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority does not have a deposit policy for custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2014, the Authority's deposits had a carrying amount of \$16,383,719 and a bank balance of \$16,535,785. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$15,785,785 was covered under the Pooling Method.

The Authority maintains petty cash of \$200.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**Investments**

At June 30, 2014, the Authority's investments and maturities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>
North Carolina Capital Management Trust Cash Portfolio	\$ 17,172	N/A
North Carolina Capital Management Trust Term Portfolio	<u>3,010,365</u>	<u>\$ 3,010,365</u>
	<u>\$ 3,027,537</u>	<u>\$ 3,010,365</u>

Because the North Carolina Management Trust Term Portfolio had a duration of .23 years, it was presented as an investment with a maturity of less than 6 months.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

*Credit Risk.* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2014, the Authority's investment in the North Carolina Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's. The Authority's investment in North Carolina Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended.

**Accounts Receivable**

The balance of accounts receivable at June 30, 2014 consisted of the following:

Trade	\$ 513,881
Other	<u>153,495</u>
	<u>\$ 667,376</u>



# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Capital Assets

The capital assets of the Authority at June 30, 2014 are as follows:

	<u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2014</u>
<b>Business-Type Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 7,133,951	\$ -	\$ -	\$ 84,000	\$ 7,217,951
Construction in progress	<u>2,487,035</u>	<u>7,728,192</u>	<u>-</u>	<u>(1,194,649)</u>	<u>9,020,578</u>
Total non-depreciable capital assets	<u>9,620,986</u>	<u>7,728,192</u>	<u>-</u>	<u>(1,110,649)</u>	<u>16,238,529</u>
 <b>Depreciable Capital Assets:</b>					
Leasehold improvements	93,782,496	-	-	841,337	94,623,833
Equipment	4,851,713	-	(277,990)	232,525	4,806,248
Furniture	156,182	-	-	10,392	166,574
Vehicles	<u>2,928,159</u>	<u>-</u>	<u>(93,599)</u>	<u>26,395</u>	<u>2,860,955</u>
Total depreciable capital assets	<u>101,718,550</u>	<u>-</u>	<u>(371,589)</u>	<u>1,110,649</u>	<u>102,457,610</u>
 <b>Less Accumulated Depreciation:</b>					
Leasehold improvements	40,279,841	4,265,419	-	-	44,545,260
Equipment	3,522,809	421,127	(272,287)	-	3,671,649
Furniture	93,251	14,918	-	-	108,169
Vehicles	<u>1,905,070</u>	<u>135,065</u>	<u>(93,599)</u>	<u>-</u>	<u>1,946,536</u>
Total accumulated depreciation	<u>45,800,971</u>	<u>4,836,529</u>	<u>(365,886)</u>	<u>-</u>	<u>50,271,614</u>
 Total depreciable capital assets, net	 <u>55,917,579</u>	 <u>(4,836,529)</u>	 <u>(5,703)</u>	 <u>1,110,649</u>	 <u>52,185,996</u>
 Business-type activities capital assets, net	 <u>\$ 65,538,565</u>	 <u>\$ 2,891,663</u>	 <u>\$ (5,703)</u>	 <u>\$ -</u>	 <u>\$ 68,424,525</u>

Pursuant to the State statute enacted June 28, 2012 which made the Authority an independent airport authority, the City of Asheville was required to transfer to the Authority, within 90 days of approval by the FAA, all of its rights, title, and interest to the property known as the Asheville Regional Airport. The FAA has not yet granted that approval, the City of Asheville has not yet transferred title to the property to the Authority, and the property is not included in the above balances as of June 30, 2014.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Liabilities

#### Payables

Payables at June 30, 2014 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Security Deposits</u>	<u>Total</u>
Accounts payable	\$ 666,579	\$ 6,353	\$ 10,425	\$ 683,357
Accrued liabilities	-	102,772	-	102,772
Total	<u>\$ 666,579</u>	<u>\$ 109,125</u>	<u>\$ 10,425</u>	<u>\$ 786,129</u>

### Pension Plan Obligations

#### Local Governmental Employees' Retirement System

*Plan Description.* The Authority contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries.

Article 3 of G.S. 12 Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute 6% of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. For the Authority, the rate for the fiscal year ended June 30, 2014 for employees not engaged in law enforcement is 7.07% and for law enforcement officers is 7.28% of annual covered payroll. The contribution requirements of members and of the Authority are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$192,190, \$177,524, and \$185,389, respectively. The contributions made by the Authority equaled the required contributions for each year.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Law Enforcement Officers' Special Separation Allowance

*Plan Description.* The Authority administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>13</u>
Total	<u><u>14</u></u>

A separate report was not issued for the plan.

### *Summary of Significant Accounting Policies:*

*Basis of Accounting.* The Authority has chosen to fund the Separation Allowance on a pay-as-you-go basis.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Contributions.* The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the Enterprise Fund operating budget. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% – 7.85% per year.

Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement benefit increases.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

*Annual Pension Cost and Net Pension Obligation.* The Authority’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 33,343
Interest on net pension obligation	(1,877)
Adjustment to annual required contribution	<u>3,059</u>
Annual pension cost	34,525
Contributions made	<u>(25,141)</u>
Increase (decrease) in net pension obligation (asset)	9,384
Net pension asset:	
Beginning of year - July 1	<u>(37,547)</u>
End of year - June 30	<u><u>\$ (28,163)</u></u>

**Three-Year Trend Information**

<b>Year Ended June 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Asset</b>
2012	\$ 26,344	154.81%	\$ (43,831)
2013	26,752	76.51%	(37,547)
2014	34,525	72.82%	(28,163)

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$303,432, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$303,432. The covered payroll (annual payroll of active employees covered by the plan) was \$571,094, and the ratio of the UAAL to the covered payroll was 53.13%. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 2013 was 17 years.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

**Supplemental Retirement Income Plan**

*Plan Description.* The Authority contributes to the Supplemental Retirement Income Plan (the “Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (the "CAFR") for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5% of each officer's salary. In addition to the required contribution for law enforcement officers, the Authority makes a monthly contribution equal to 5% of non-law enforcement officer's salary. Also, law enforcement officers and non-law enforcement officers of the Authority may make voluntary contributions to the Plan.

The Authority contribution for law enforcement officers for the year ended June 30, 2014 was \$31,126, and the officers' voluntary contributions were \$13,677. The Authority's contribution for non-law enforcement officers was \$103,870, with voluntary contributions of \$26,980.

### **Firefighter's and Rescue Squad Workers' Pension Fund**

*Plan Description.* The State of North Carolina contributes, on behalf of the Greater Asheville Regional Airport Authority, to the Firefighter's and Rescue Squad Workers' Pension Fund (the "Fund"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible firemen and rescue squad workers that have elected to become members of the Fund. Article 86 of G.S. Chapter 58 assigns the Authority to establish and amend benefit provisions to the North Carolina General Assembly. The Fund is included in the Comprehensive Annual Financial Report (the "CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute \$10 per month to the Fund for up to twenty years. The State, a non-employer contributor, funds the plan through appropriations. The State's annual contribution per fireman to the Fund for the fiscal years ended June 30, 2014 and 2013 was \$358 and \$369, respectively. The State's on-behalf contributions are required to be recorded as revenues and expenditures. The Authority does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

### **Other Employment Benefits**

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan, the Authority does not determine the number of eligible participants. The Authority has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based on rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Authority considers these contributions to be immaterial.

For the fiscal year ended June 30, 2014, the Authority made contributions to the State for death benefits of \$-0-. The Authority's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed, as of December 31, 2010, was established.

The period of reprieve is determined separately for law enforcement officers. The Greater Asheville Regional Airport Authority will have a three-year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

The Authority provides health, dental, short-term and long-term disability, life insurance, and a 457 deferred compensation plan to its regular full-time employees. Regular part-time employees, working at least 1,000 hours annually, qualify for these benefits.

### **Other Post-Employment Benefits (OPEB)**

#### **Healthcare Benefits**

*Plan Description.* Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the North Carolina Local Governmental Employees' Retirement System, were hired prior to July 1, 2011, and were covered by the Authority's group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. Employees hired on or after July 1, 2011 are not eligible for the Authority's post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority. The Authority Board may amend the benefit provisions. A separate report was not issued for the Plan.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Membership of the Retiree Health Plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	<b>General</b>		<b>Law</b>
	<b>Employees</b>	<b>Firefighters</b>	<b>Enforcement</b>
	<u>          </u>	<u>          </u>	<u>Officers</u>
Retirees and dependents receiving benefits	1	-	5
Terminated plan members entitled to, but not yet receiving, benefits	-	-	-
Active plan members	<u>35</u>	<u>4</u>	<u>11</u>
Total	<u><u>36</u></u>	<u><u>4</u></u>	<u><u>16</u></u>

*Funding Policy.* By Authority resolution, the Authority pays the full cost of coverage for the healthcare benefits paid for qualified retirees. The Authority’s retirees pay the full cost for any dependent coverage. The Authority has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 6.0% of annual covered payroll. For the current year, the Authority contributed \$56,392, or 2.3%, of annual covered payroll. The Authority obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$7,579. The Authority’s obligation to contribute to the Retiree Health Plan is established and may be amended by the Authority Board.

*Summary of Significant Accounting Policies.* Post-employment expenditures are made from the proprietary fund, which is maintained on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The Authority’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The following table shows the components of the Authority's annual OPEB cost for the current year, the amount actually contributed to the Plan, and changes in the Authority's net OPEB obligation for the post-employment healthcare benefits:

Annual required contribution	\$	144,929
Interest on net OPEB obligation		34,084
Adjustment to annual required contribution		<u>(47,382)</u>
Annual OPEB cost (expense)		131,631
Contributions made		<u>(56,392)</u>
Increase (decrease) in net OPEB obligation		75,239
Net OPEB obligation:		
Beginning of year - July 1		<u>852,101</u>
End of year - June 30	\$	<u><u>927,340</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the preceding two years are as follows:

<b>Three-Year Trend Information</b>			
<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2012	\$ 149,446	36.7%	\$ 769,875
2013	132,914	38.1%	852,101
2014	131,631	42.8%	927,340

*Funding Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$1,016,647. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,413,329, and the ratio of the UAAL to the covered payroll was 42.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.



# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 8.50% to 5.00% annually. The investment rate included a 3.00% inflation assumption.

The actuarial value of assets was calculated based on the assumption that there were no assets set aside with the Authority that are legally held exclusively for retiree health benefits. If a trust or equivalent arrangement was set up for this purpose, the investment rate of return can be increased. The UAAL is being amortized as a level dollar amount closed. The remaining amortization period at December 31, 2012 was 30 years.

### **Prepaid Fees**

Prepaid fees represent customer prepayments of revenues of \$166,511 and \$136,204 at June 30, 2014 and 2013, respectively.

### **Long-Term Debt**

On October 15, 2007, the Authority issued \$4,750,000 of bonds entitled Rental Car Facilities Taxable Revenue Bond, Series 2007. These bonds provided financing for the Rental Car Facilities. Interest only was payable until April 2008, at which time payments of principal and interest began in the amount of \$52,235 monthly. The bonds bear interest at 5.79% and will mature in March 2018. The future payment of the bonds are as follows:

<b>Year Ending</b>		
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 518,361	\$ 108,461
2016	549,184	77,639
2017	581,839	44,983
2018	458,973	11,144
Total	<u>\$ 2,108,357</u>	<u>\$ 242,227</u>

The Authority has pledged future net revenues derived from the Rental Car Facilities to repay these revenue bonds. The total principal and interest remaining to be paid on the bonds is \$2,350,584. Principal and interest paid for the current year and total customer net Rental Car Facilities' revenues were \$626,823 and \$1,410,947, respectively.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The Authority covenants and agrees that it will fix rates, rentals, fees, and charges related to the Rental Car Facilities, including the common area maintenance fee, the customer facility charge, and the rental fees; and from time to time, it will revise such rates, rentals, fees, and charges in such a manner that the net revenues for each fiscal year, beginning with the first full fiscal year following the fiscal year during which the Rental Car Facilities are first put into use for its intended purpose and, thereafter, shall not be less than the sum of 120% of the principal and interest requirements on the bonds for such fiscal year.

The Authority is in compliance with the covenants of the bond order. The debt service coverage ratio calculation for the year ended June 30, 2014 is as follows:

Revenues for "Rental Car Facilities"	\$ 1,461,734
Operating expenses for "Rental Car Facilities"	<u>50,787</u>
Net revenues from "Rental Car Facilities"	<u>\$ 1,410,947</u>
Debt service, principal, and interest paid	<u>\$ 626,823</u>
Debt service coverage ratio	<u>225.09%</u>

### **Changes in Long-Term Liabilities**

Changes in long-term liabilities are as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2014</u>	<u>Current</u>
Revenue bonds	\$ 2,597,626	\$ -	\$ 489,269	\$ 2,108,357	\$ 518,361
Compensated absences	379,579	214,572	192,531	401,620	205,514
Other post-employment benefits:					
Healthcare benefits	<u>852,101</u>	<u>131,631</u>	<u>56,392</u>	<u>927,340</u>	<u>-</u>
Total	<u>\$ 3,829,306</u>	<u>\$ 346,203</u>	<u>\$ 738,192</u>	<u>\$ 3,437,317</u>	<u>\$ 723,875</u>

### **Construction Contract Commitments**

The Authority has commitments of approximately \$13.3 million for the construction/renovation of facilities. These projects are to be funded through Federal grants, State grants, and passenger facility charges.

The underlying contracts have termination provisions. The contracts with architectural/engineering consulting firms representing approximately \$4.2 million of the commitment amount allow either party to terminate the agreement with a seven-day written notice, as long as the terminating party is not in default of the agreement. In the event that the Authority terminates the contract, the consulting firm shall be paid for the portion of the fee earned and costs incurred as of the date of the termination, but shall not be

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

eligible for payment of any lost anticipated profits from the portion of the project following the termination date. Contracts with two construction firms representing approximately \$9 million of the commitment amount allows the Authority to either terminate the agreement “for cause” due to failure by the contractor to fulfill contract obligations, or “for the convenience” of the Authority, at any time. On one contract with a commitment of nearly \$0.5 million, if the termination is for the convenience of the Authority, the construction firm shall be entitled to receive payment for work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed. On the other contract with a remaining commitment of approximately \$8.6 million, termination for the convenience of the Authority will provide for an equitable adjustment in the contract price, but no amount will be allowed for anticipated profit on unperformed services.

### **Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property, general liability, flood, automobile, workers’ compensation, crime, public officials, law enforcement, and employment practices coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Authority carries flood insurance through Alliant Insurance Services, Inc. in the amount of \$10,000,000.

The Authority’s crime insurance covers all employees, including the Finance Officer, with a limit of \$250,000 per loss.

### **Net Position**

The Authority Board has established an operations and maintenance designation equal to six months of the Airport’s subsequent year’s operations and maintenance budget. The Board has also designated \$650,000 for emergency repairs.

Unrestricted net position consists of the following:

<b>Designations of Unrestricted Net Position:</b>	
Operating and maintenance designation	\$ 3,881,467
Emergency repair designation	650,000
Undesignated, unrestricted net position	<u>12,932,116</u>
Total unrestricted net position	<u>\$ 17,463,583</u>

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### Revenue and Expenses

#### Leases and Other Non-Cancelable Agreements

The Authority leases land and facilities to tenants under various cancelable and non-cancelable agreements. Some agreements require a fixed monthly rent and others require a fee that is the greater of a minimum annual guarantee privilege fee or a percentage of gross sales by the tenant. The future non-cancelable minimum annual rentals and privilege fees to be received under agreements in effect at June 30, 2014 are as follows:

<u>Year Ending</u> <u>June 30</u>	
2015	\$ 2,719,580
2016	2,728,098
2017	2,743,672
2018	2,755,658
2019	1,123,959
Thereafter	<u>7,263,099</u>
Total	<u>\$ 19,334,066</u>

#### Airline Incentives

The Authority entered into agreements with an air carrier to waive fees for all Airport services for a stated period of time as an incentive for new air service to be provided by the air carrier. The total value of these waived fees for the year ended June 30, 2014 is \$180,026.

#### Major Customers

Transactions with two customers, from which more than 10% of operating revenues were derived during the year ended June 30, 2014, accounted for the following revenue and related accounts receivable balance at June 30, 2014:

<u>Revenues</u>	<u>Accounts</u> <u>Receivable</u>
<u>\$ 1,931,578</u>	<u>\$ 81,408</u>

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

### **Passenger Facility Charges**

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Revenues from passenger facility charges totaled \$1,462,951 for the year ended June 30, 2014.

### **On-Behalf Payments for Fringe Benefits and Salaries**

For the fiscal year ended June 30, 2014, the State made pension contributions on behalf of the Authority of \$716 for the two employed firemen who perform firefighting duties for the Authority's fire department. The employees elected to be members of the Firefighters' and Rescue Workers' Pension Fund, a cost-sharing, multiple-employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation. As of June 30, 2014, the employed firemen are fully funded.

### **Note C – Summary Disclosure of Significant Contingencies**

#### **Federal and State Assisted Programs**

The Authority has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

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## GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2014

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 Schedule of Funding Progress
 

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Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)		Funded Ratio (A/B)	Unfunded AAL (UAAL) (B-A)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
		Projected Unit Credit (B)					
12/31/2008	\$ -	\$ 232,926		0.00%	\$ 232,926	\$ 508,081	45.84%
12/31/2009	-	254,547		0.00%	254,547	632,374	40.25%
12/31/2010	-	252,074		0.00%	252,074	552,075	45.66%
12/31/2011	-	235,796		0.00%	235,796	606,418	38.88%
12/31/2012	-	283,588		0.00%	283,588	657,785	43.11%
12/31/2013	-	303,432		0.00%	303,432	571,094	53.13%

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2009	\$ 20,572	257.21%	\$ 12,320
2010	20,810	226.62%	(13,913)
2011	25,255	161.48%	(29,392)
2012	26,061	156.49%	(43,831)
2013	26,216	78.07%	(37,547)
2014	33,343	75.40%	(28,163)

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level Dollar Closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
* Includes inflation at	3.00%
Cost-of-living adjustments	N/A



## GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**OTHER POST-EMPLOYMENT BENEFITS -  
RETIREE HEALTH PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
6/30/2008	\$ -	\$ 752,739	\$ 752,739	0.00%	\$ 1,834,165	41.0%
6/30/2009	-	915,011	915,011	0.00%	2,545,647	35.9%
12/31/2009	-	1,058,716	1,058,716	0.00%	2,265,417	46.7%
12/31/2012	-	1,016,647	1,016,647	0.00%	2,413,329	42.1%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2014	\$ 144,929	38.91%
2013	144,929	34.97%
2012	145,738	37.67%
2011	145,738	40.04%
2010	260,346	22.28%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2012	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar amount, closed	
Remaining amortization period	30 years	
Amortization factor	17.9837	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	4.00%	* Includes inflation of 3.00%
Pre-Medicare trend rate	8.50% - 5.00%	
Year of ultimate trend rate	2018	

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013**

	2014			2013
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Terminal	\$ 3,807,016	\$ 3,975,687	\$ 168,671	\$ 3,853,426
Airfield	859,800	930,492	70,692	913,184
General aviation	966,739	969,684	2,945	969,942
Parking lot	2,407,900	2,867,755	459,855	2,546,919
Interest income	20,000	23,493	3,493	32,193
Other	187,959	204,699	16,740	185,730
Reimbursable costs	350,000	148,640	(201,360)	139,957
Customer facility charges	900,000	1,163,638	263,638	1,045,279
Total revenues	<u>9,499,414</u>	<u>10,284,088</u>	<u>784,674</u>	<u>9,686,630</u>
<b>Expenditures:</b>				
Administration	536,461	451,168	85,293	425,455
Development	273,482	245,750	27,732	236,118
Executive	563,366	483,723	79,643	475,511
Finance	379,775	346,006	33,769	315,442
Guest services	181,345	151,486	29,859	125,894
Information technology	658,707	568,963	89,744	569,595
Marketing	519,146	459,746	59,400	452,153
Operations	3,019,859	2,635,379	384,480	2,573,017
Public safety	1,348,453	1,187,964	160,489	1,267,648
Business development:				
Operating expenditures	456,000	411,180	44,820	46,951
Debt service	626,823	626,823	-	626,823
Emergency repair:				
Operating expenditures	90,000	5,429	84,571	81,892
Contingency	4,307	-	4,307	-
Reimbursable costs	350,000	148,640	201,360	139,957
Equipment and small capital outlay	245,093	220,367	24,726	179,468
Renewal and replacement capital outlay	585,000	198,827	386,173	285,901
Capital project expenditures:				
Prior year approved projects	7,192,649	5,530,576	1,662,073	1,165,857
New projects in current year	<u>10,485,000</u>	<u>1,778,422</u>	<u>8,706,578</u>	<u>1,110,729</u>
Total expenditures	<u>27,515,466</u>	<u>15,450,449</u>	<u>12,065,017</u>	<u>10,078,411</u>

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013**

	2014			2013
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues over (under) expenditures	<u>(18,016,052)</u>	<u>(5,166,361)</u>	<u>12,849,691</u>	<u>(391,781)</u>
<b>Other Financing Sources (Uses):</b>				
State grant reimbursements	1,690,302	2,290,302	600,000	209,698
Federal airport improvement program grants	13,645,600	5,025,531	(8,620,069)	1,361,410
Sale of capital assets	-	-	-	28,212
Passenger facility charges	1,150,000	1,462,951	312,951	1,237,175
Appropriated net position	<u>1,530,150</u>	<u>-</u>	<u>(1,530,150)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,016,052</u>	<u>8,778,784</u>	<u>(9,237,268)</u>	<u>2,836,495</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>3,612,423</u>	<u>\$ 3,612,423</u>	<u>2,444,714</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Capital outlay expenditures		419,194		465,369
Capital project expenditures		7,308,998		2,276,586
Principal payments of bond maturities		489,269		461,809
OPEB annual required contribution in excess of actual payments		(75,239)		(82,226)
LEO special separation allowance actual payments in excess of required contribution		(9,384)		(6,284)
Loss on disposal of capital assets		(5,703)		(549,570)
Depreciation		<u>(4,836,529)</u>		<u>(4,812,708)</u>
Change in net position		<u>\$ 6,903,029</u>		<u>\$ 197,690</u>

## GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

CAPITAL IMPROVEMENTS SUPPLEMENTAL SCHEDULE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Federal airport improvement program grants	\$ 14,719,748	\$ 1,168,637	\$ 5,025,531	\$ 6,194,168	\$ (8,525,580)
Passenger facility charges	1,137,809	79,666	529,892	609,558	(528,251)
State grants	3,700,000	209,698	2,290,302	2,500,000	(1,200,000)
Total operating revenues	<u>19,557,557</u>	<u>1,458,001</u>	<u>7,845,725</u>	<u>9,303,726</u>	<u>(10,253,831)</u>
<b>Expenditures:</b>					
Aircraft Rescue & Fire Fighting Facility	5,078,159	610,321	3,472,486	4,082,807	995,352
Airfield Improvements - Phase 1	3,250,000	561,121	2,043,180	2,604,301	645,699
Airfield Re-Development - Bid Package 1	10,485,000	-	1,778,422	1,778,422	8,706,578
Airport Master Plan	862,000	852,821	(11,484)	841,337	20,663
Total expenditures	<u>19,675,159</u>	<u>2,024,263</u>	<u>7,282,604</u>	<u>9,306,867</u>	<u>10,368,292</u>
Revenues over (under) expenditures	<u>(117,602)</u>	<u>(566,262)</u>	<u>563,121</u>	<u>(3,141)</u>	<u>114,461</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to)/from operating cash	117,602	566,262	(563,121)	3,141	114,461
Total other financing sources (uses)	<u>117,602</u>	<u>566,262</u>	<u>(563,121)</u>	<u>3,141</u>	<u>114,461</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note:** Schedule represents cumulative activity for active capital improvement projects.  
 Budget and actual activity is accounted for in the Operating Fund; not a separate fund.  
 This schedule is for additional detail of active capital improvement projects.

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

### **Independent Auditor's Report**

To the Board of Directors  
Greater Asheville Regional Airport Authority  
Fletcher, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the business-type activities of the Greater Asheville Regional Airport Authority, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements, and have issued our report, thereon, dated December 3, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Greater Asheville Regional Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Greater Asheville Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
December 3, 2014

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

## **Report On Compliance For Each Major Federal Program And Passenger Facility Charge (PFC) Program; Report On Internal Control Over Compliance; In Accordance with OMB Circular A-133; The PFC Program Audit Compliance Guide; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Directors  
Greater Asheville Regional Airport Authority  
Fletcher, North Carolina

#### **Report on Compliance for Each Major Federal Program**

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement, the Passenger Facility Charge Audit Guide for Public Agencies, and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Greater Asheville Regional Airport Authority's major federal programs and PFC program for the year ended June 30, 2014. The Greater Asheville Regional Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and PFC program.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Passenger Facility Charge Audit Guide for Public Agencies, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, the PFC Program Audit Compliance Guide, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, or the PFC program, occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the Passenger Facility Charge (PFC) Program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

### **Opinion On Each Major Federal Program and PFC Program**

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and the PFC Program for the year ended June 30, 2014.

### **Report On Internal Control Over Compliance**

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program, or the PFC Program, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Passenger Facility Charge Audit Guide for Public Agencies, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Passenger Facility Charge Audit Guide for Public Agencies. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
December 3, 2014



# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance with OMB Circular A-133; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Directors  
Greater Asheville Regional Airport Authority  
Fletcher, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Greater Asheville Regional Airport Authority's major State programs for the year ended June 30, 2014. The Greater Asheville Regional Airport Authority's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

## **Opinion On Each Major State Program**

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2014.

## **Report On Internal Control Over Compliance**

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
December 3, 2014

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

### 1. Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ Yes <u>  X  </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> None reported
Non-compliance material to financial statements noted	_____ Yes <u>  X  </u> No

#### Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	_____ Yes <u>  X  </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes <u>  X  </u> No

Identification of major federal programs:

#### Name of Federal Program or Cluster

#### CFDA #

Airport Improvement Program	20.106
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Dollar threshold used to distinguish between Type A and Type B Programs	\$300,000
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Auditee qualified as low-risk auditee?	_____ Yes <u>  X  </u> No
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**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**1. Summary of Auditor's Results (continued)**

**State Awards**

Internal control over major State programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for major state programs  Modified  Unmodified

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?  Yes  No

Identification of major State programs:

**Program Name**

State Aid to Airports, DOT-8, Project #36244.15.15.1

State Aid to Airports, DOT-8, Project #36244.15.16.1

# **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014**

**2. Findings Related to the Audit of the Basic Financial Statements of the Greater Asheville Regional Airport Authority**

None reported.

**3. Federal Award Findings and Questioned Costs**

None reported.

**4. State Award Findings and Questioned Costs**

None reported.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

There were no prior year audit findings.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<b>Federal Awards:</b>				
<b><u>U.S. Department of Transportation</u></b>				
<b>Federal Aviation Administration</b>				
Direct Program:				
Airport Improvement Program	20.106	\$ 5,025,531	\$ -	\$ 273,414
Total Federal Awards		<u>\$ 5,025,531</u>	<u>\$ -</u>	<u>\$ 273,414</u>
<b>State Awards:</b>				
<b><u>N.C. Department of Transportation</u></b>				
State Aid to Airports, DOT-8, Project #36244.15.15.1		\$ -	\$ 1,090,302	\$ 121,145
State Aid to Airports, DOT-8, Project #36244.15.16.1		-	<u>1,200,000</u>	<u>133,333</u>
Total State Awards		<u>\$ -</u>	<u>\$ 2,290,302</u>	<u>\$ 254,478</u>
<b>Total Federal and State Awards</b>		<u>\$ 5,025,531</u>	<u>\$ 2,290,302</u>	<u>\$ 527,892</u>
<b>Passenger Facility Charges:</b>				
Capital improvements				
Application approved number				11-05-C-00-AVL
Beginning balance, unliquidated Passenger Facility Charges		\$ 491,162		
Passenger Facility Charges collected		1,502,179		
Expenditures		<u>(549,692)</u>		
Ending balance, unliquidated Passenger Facility Charges		<u>\$ 1,443,649</u>		

**Notes to the Schedule of Expenditures of Federal and State Awards:**

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of the Greater Asheville Regional Airport Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the Passenger Facility Charge Audit Guide for Public Agencies, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: December 12, 2014

### **ITEM DESCRIPTION – New Business Item B**

Approve Scope of Services No. 1 with Avcon Engineers and Planners, Inc. for Area 2 Structural Fill Project.

### **BACKGROUND**

Avcon Engineers and Planners, Inc. (Avcon) has been the engineer of record for the airport's engineered structural fill project for the past 6 years. Area 2 of this project, located on the northeast corner of the airport, was previously by-passed by Duke Energy and Charah, Inc. for work on the west side of the airport instead. With new recent statewide requirements for Duke Energy to remove material in storage from the Asheville plant, Area 2 is now being considered in order for the plant to fulfill this requirement. As they have on other phases of the project, Avcon will provide engineering design and construction oversight and management services for Area 2. The primary benefit to the Authority in filling Area 2 is making the North General Aviation Area easily accessible for aircraft to/from the airfield. The completion of this phase of work will permit the construction of a future connector taxiway to directly serve areas of the North General Aviation Area, making this site more marketable and desirable by potential developers. It will further benefit the Authority through future cost avoidance associated with having to conduct these fill operations on its own outside of this project.

This will be the first scope of services to be performed under Avcon's new Professional Consulting Services Agreement, which is dated October 14, 2013.

### **ISSUES**

None.

New Business – Item B



## **ALTERNATIVES**

The Airport Board could elect not to perform additional structural fill work on the airport in this area. This may result in direct cost to the Authority in the future in having to undertake fill work to accommodate a connector taxiway as a condition of development in the North General Aviation Area. The Board could also elect not to award the associated engineering services to Avcon, but utilize another consulting firm. This is not recommended due to the level of experience and knowledge that Avcon already has on this project.

## **FISCAL IMPACT**

All expenses that will be incurred by the Authority under this scope of services with Avcon will be reimbursed under a separate agreement with Charah, Inc.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Scope of Services No. 1 to the Professional Consulting Services Agreement with Avcon Engineers and Planners, Inc., in an amount not to exceed \$466,140.00; and (2) authorize the Executive Director to execute the necessary documents.

## Consultant Scope of Services

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### Greater Asheville Regional Airport Authority

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Scope of Services Number **1** for Professional Consulting Services, as referenced in the Professional Consulting Agreement between the Greater Asheville Regional Airport Authority and **AVCON Engineers & Planners, Inc.**, dated **October 14, 2013**.

Project: Charah Area 2 (32 acres± and a continuation of the West Side Development Project – Design and Construction Phase Services for Area 2

Scope of Services: Charah Area 2 is located in the northeast quadrant of the airport, east of the Runway 16, Runway 16 MALSR and Taxiway A. The project consists of the design and construction phase services for the grading, drainage and erosion and sediment control plans and details, undercut excavation of the site, engineered ash fill and soil embankment/cap; construction phasing and sequencing the work (including provisions to implement the project in and around current facilities and the on-going Airfield Re-Development Construction Project), and establishing vegetation upon completion of the work. Construction is expected to begin in late February 2015 and continue for approximately 27 months, with an estimated completion date of May 2017, as estimated by Charah. The Consultant will provide design and coordination services for the preparation of erosion and sediment control construction plans for the Area 2 as indicated on the Concept Layout Schematic Drawing provided by Charah on October 20, 2014. The Consultant will prepare, submit and coordinate, on behalf of AVL, an erosion and sediment control permit application for Area 2 for submittal to, and approval from, NCDENR. The erosion and sediment control application fee for the Area 2 Project will be paid directly by AVL.

The Consultant will provide resident project representative (RPR) inspection services averaging 35 to 40 hours per week, as well as construction management/oversight services and construction administration services during construction. Quality Assurance (QA) material testing during construction will be provided by a subconsultant to AVCON for Area 2.

The Consultant's Fees for design services, resident project representative (RPR) inspection services, construction administration services, and QA material testing during construction have been developed for the following project tasks:

*Design Phase.* Design and coordination elements of the project include, but may not necessarily be limited to, the following: site visit/review with AVL and Charah, due diligence and record research of the 32 acre site, kick-off meeting, project meetings and coordination with AVL, Charah, and agencies, coordinating the design and integration of this 32 acre site with current and future AVL plans for the North GA Development Area, civil design of the 32 acre including layout and control, grading, drainage, E&SC, construction phasing and sequencing, relocation of the airport perimeter road, and relocation of the water line adjacent to perimeter road.

Construction Phase Services (CPS). The Consultant will provide construction phase services in the forms of resident project representative (RPR) inspection services (averaging 35-40 hrs/wk), construction administration and construction management/oversight services, as well as quality assurance material testing by a subconsultant to AVCON. As used herein, the term Resident Project Representative includes any assistants of Resident Project Representative agreed to by the Authority. The duties and responsibilities of the Resident Project Representative (RPR) will continue as set forth in previous scopes of services for Charah related projects at AVL.

Visits to Site and Observation of Construction. Provide on-site construction observation services (RPR) during the construction phase of the subject project. Observations will vary depending on the type of work being performed by the contractor, the location, and the contractors' schedule.

Make visits to the Site at intervals as deemed reasonable by the Consultant and Authority in order to observe the progress of the Work. Such visits and observations by the Consultant are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on the Consultant's exercise of professional judgment. Based on information obtained during such visits and such observations, the Consultant will determine if Contractor's work is generally proceeding in accordance with the Contract Documents, and the Consultant shall keep the Authority informed of the general progress of the Work.

The purpose of the Consultant's visits to the site will be to enable the Consultant to better carry out the duties and responsibilities assigned in this Agreement to the Consultant during the construction phase by the Authority, and, in addition, by the exercise of the Consultant's efforts, to provide the Authority a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. The Consultant shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall the Consultant have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, the Consultant neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

Recommendations with Respect to Defective Work. Recommend to the Authority that Contractor's work be disapproved and rejected while it is in progress if, on the basis of such observations, the Consultant believes that such work will not produce a completed Project that conforms generally to Contract Documents or that it will prejudice the integrity of the design

concept of the completed Project as a functioning whole as indicated in the Contract Documents.

Clarifications and Interpretations. Issue necessary clarifications and interpretations of the Contract Documents to the Authority as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by the Authority.

Change Orders. Recommend Change Orders to the Authority, as appropriate. Review and make recommendations related to Change Orders submitted or proposed by the Contractor.

Shop Drawings and Samples. Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.

Substitutes and "or-equal." Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.

Inspections and Tests. Require such special inspections or tests of Contractor's work as the Consultant deems appropriate, and receive and review certificates of inspections within the Consultant's area of responsibility or of tests and approvals required by laws and regulations or the Contract Documents. The Consultant's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. The Consultant shall be entitled to rely on the results of such tests and the facts being certified.

Disagreements between Authority and Contractor. As necessary, render written decision on all claims of the Authority and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such decisions, the Consultant shall be fair and not show partiality to the Authority or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

Applications for Payment. Should the need arise for payment to the Contractor for additional work outside the original scope of the project, and based on the Consultant's observations and on review of applications for payment and accompanying supporting documentation:

Determine the amounts that the Consultant recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute the Consultant's representation to the Authority, based on such observations and review, that, to the best of the Consultant's knowledge, information and belief, Contractor's work has progressed to the point indicated, such work-in-progress is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled insofar as it is the Consultant's responsibility to so determine. In the case of unit price work, the Consultant's recommendations of payment will include final determinations of quantities and classifications of Contractor's work, based on observations and measurements of quantities provided with pay requests.

By recommending any payment, the Consultant shall not thereby be deemed to have represented that observations made by the Consultant to check Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to the Consultant in this Agreement. Neither the Consultant's review of Contractor's work for the purposes of recommending payments nor the Consultant's recommendation of any payment including final payment will impose on the Consultant responsibility to supervise, direct, or control Contractor's work in progress or for the means, methods, techniques, equipment choice and usage, sequences, or procedures of construction of safety precautions or programs incident thereto, nor Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on the Consultant to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, nor to determine that title to any portion of the work in progress, materials, or equipment has passed to the Authority free and clear of any liens, claims, security interests, or encumbrances, nor that there may not be other matters at issue between the Authority and Contractor that might affect the amount that should be paid.

*Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with the Authority and Contractor, conduct a site visit to determine if the Work is substantially complete. Work will be considered substantially complete following satisfactory completion of all items with the exception of those identified on a final punch list. If after considering any objections of the Authority, the Consultant considers the Work substantially complete, the Consultant shall notify the Authority and Contractor.

*Final Notice of Acceptability of the Work.* Conduct a final site visit to determine if the completed Work of Contractor is generally in accordance with the Contract Documents and the final punch list so that the Consultant

may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, the Consultant shall also provide a notice that the Work is generally in accordance with the Contract Documents to the best of the Consultant's knowledge, information, and belief and based on the extent of the services provided by the Consultant under this Agreement and based upon information provided to the Consultant upon which it is entitled to rely.

Limitation of Responsibilities. The Consultant shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. The Consultant shall not have the authority or responsibility to stop the work of any Contractor.

Construction Quality Assurance (CQA) Testing Services. The Consultant will use S&ME, Inc. for ash and soil cap materials testing during construction.

Not included in AVCON's services for this Area 2 Project are field survey and environmental support services. It is understood if those services are required or requested, they will be performed directly for, and by Charah.

Consultant Team: AVCON, S&ME, Inc.

Schedule: November 1, 2014 through May 31, 2017;  
Area 2 Design, including Erosion and Sediment Control plans and permit application will be completed and submitted to NCDENR in mid-December 2014, with the understanding approval of this scope of services and fee meets Charah and AVL approval.

Project Budget: n/a

Fees: Fees for this scope of work will be charged on a time and materials basis and are not to exceed (NTE) \$466,140.00.

**Authority:**

Greater Asheville Regional Airport Authority

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**Consultant:**

AVCON Engineers & Planners, Inc.

By: \_\_\_\_\_  
President

Date: \_\_\_\_\_

This instrument has been pre-audited in the manner required by local government and fiscal control.

\_\_\_\_\_  
Finance Manager

November 4, 2014

**Asheville Regional Airport**  
**Charah Project Area 2 - Design Phase**  
**(Area 2 as proposed is approximately 32 acres located in the northeast quadrant of AVL)**  
**Tentative Design / Approval Schedule - November 2014 through January 2015**

<u>Item Description</u>	<u>Fees</u>
Design Phase	
Design Direct Labor Costs	\$64,396
Design Direct Reimbursable Expenses	\$920
Design Phase Subtotal	<b>\$65,316</b>
Construction Phase Services (CPS)	
Construction Admin. Direct Labor Costs	\$111,714
Construction Admin. Direct Reimbursable Expenses	\$6,650
Construction Admin. Phase Total	<b>\$118,364</b>
RPR Inspection Direct Labor Costs	Inspection <b>\$238,960</b>
QA Material Testing Direct Expense (estimated)	QA Testing <b>\$43,500</b>
Construction Phase Services (CPS) Subtotal	<b>\$400,824</b>
<b>Total Design and Construction Phase Services Estimated Budget</b>	<b>\$466,140</b>





**Asheville Regional Airport**  
**Charah Project Area 2 - Construction Phase Services**  
 (Area 2 as proposed is approximately 32 acres located in the northeast quadrant of AVL)  
 Tentative Construction Schedule - March 2015 through May 2017±

ITEMS OF WORK	Sr. PROJECT MANAGER	Sr. PROJECT ENGINEER	ENGINEER / PLANNER	INSPECTOR	SR. CADD DESIGNER	ADMIN. / FILING	TOTAL HOURS
<b>Tentative Construction Schedule (March 2015 through May 2017)</b>							
<b>(Approximately 117 weeks ± (27 months±))</b>							
<b>Based on information and schedule provided by Charah</b>							
<i>(Of the 117 total weeks estimated for construction, approximately 28 total weeks occur from mid-November through February when construction activities are reduced, thus AVCON has indicated reduced times for inspection and construction management/oversight for those 28 weeks.)</i>							
<b>Full-time Inspection</b> (averaging 40 hrs/week for 89 weeks and 20 hrs/week for 28 weeks)				4120			4120
<b>Part-time Construction Management/Oversight Services</b> (averaging 24 hrs/month for 20 months and 16 hrs/month for 7 months)		592					592
<b>Construction Administration</b> (avg. 4 hrs/month for 27 months for Sr. PM)	108						108
(miscellaneous CADD & Engineering support (say 80 hrs total)			40		40		80
(avg. 2 hrs/month for 27 months each for Admin. / Filing )						54	54
<b>TOTAL MANHOURS</b>	108	592	40	4120	40	54	4954
<b>BILLING RATE</b>	\$185.00	\$137.00	\$92.00	\$58.00	\$86.00	\$65.00	
<b>LABOR</b>	\$19,980.00	\$81,104.00	\$3,680.00	\$238,960.00	\$3,440.00	\$3,510.00	\$350,674
<b>DIRECT REIMBURSABLE EXPENSES (see below)</b>							\$6,650
<b>QUALITY ASSURANCE TESTING ALLOWANCE/BUDGET (Subconsultant S&amp;ME)</b>							\$43,500
<b>CONSTRUCTION PHASE SERVICES (labor, expenses, and QA testing)</b>							\$400,824

**DIRECT REIMBURSABLE EXPENSES**

TRIPS/TRAVEL (round trip: CLT - AVL; 300 miles/trip avg.)*	
PER DIEM	
LODGING	
PRINTING/REPRODUCTIONS (Misc. drawings, documentation/copies, record plans)	
* Mileage cost per trip \$150 (300 miles± x \$0.505/mile); assume 27 monthly mtgs. and 8 others mtgs/visits)	

UNIT	Number	UNIT COST	TOTAL
Trips	35	\$150.00	\$5,250
Each	35	\$15.00	\$525
Each	0	\$180.00	\$0
Month	35	\$25.00	\$875
			\$6,650

**QUALITY ASSURANCE TESTING ALLOWANCE/BUDGET (27 months)**

Subconsultant S&ME, Inc.

UNIT	Number	UNIT COST	TOTAL
Month	7	\$500.00	\$3,500
Month	20	\$2,000.00	\$40,000
			\$43,500



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: December 12, 2014

### **ITEM DESCRIPTION – New Business Item C**

Approve Amendment No. 3 to Agreement with Charah, Inc. for Area 2 Fill Project

### **BACKGROUND**

The Authority entered into an Agreement with Charah, Inc. (Charah) on November 6, 2007 (Amended on May 21, 2009 and June 29, 2009) for engineered structural fill material for various areas on the Asheville Regional Airport. Since that time, Areas 1 and 4 as identified in the original contract have been completed and Area 3 is presently underway. Charah's contractual agreement with Duke Energy now includes mitigation of additional material from the Asheville Plant site that permits Area 2 to be undertaken. Amendment No. 3 provides updates to the existing agreement that include the structural filling of Area 2, while also revising several provisions in the Agreement to be more consistent with the operational relationship the Authority has with Charah. Like Areas 3 and 4, all structural fill and construction related activities and expenses will be undertaken at no cost to the Authority. Additionally, engineering design and construction management services incurred by the Authority will be fully reimbursed.

### **ISSUES**

None.

### **ALTERNATIVES**

The Airport Board could elect to discontinue structural fill operations on the airport beyond what is currently underway. This could result in Authority capital expenses in the future for structural fill work that would still be required in order to accommodate certain development on the airport, without the possibility of reimbursement.

New Business – Item C



## **FISCAL IMPACT**

There is no fiscal impact that will result from this action. Construction activities will be carried out at no cost to the Authority. Additionally, any expenses that may be incurred by the Authority will be reimbursed by Charah under this agreement.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve entering into an Agreement with Charah, Inc. for the Area 2 fill project; and (2) authorize the Executive Director to execute any necessary documents.

**Amendment No. 3 to Agreement between Greater Asheville Regional Airport Authority and Charah Inc.**

This Amendment No. 3 is made and entered into as of December \_\_, 2014, by and between the Greater Asheville Regional Airport Authority (GARAA), formerly known as the Asheville Regional Airport Authority (ARAA) and Charah Inc. (Charah).

Witnessed:

Whereas, GARAA and Charah are parties to an Agreement dated November 6, 2007 (“Agreement”), related to the utilization of coal ash (“Ash”) on the project site at the Asheville Regional Airport (“Airport”);

Whereas, GARAA and Charah are parties to Amendment No. 1 dated May 21, 2009, related to placement of soils over stream piping and development of Areas 1D and 2;

Whereas, GARAA and Charah are parties to Amendment No. 2 dated June 29, 2009, related to placement of structural fill in areas referred to as Area 3 and Area 4;

Whereas, GARAA has received approvals to place Ash within the Project Site as shown on Attachment 1 to the Agreement;

Whereas, the placement of Ash within the Project Site and Area 2 must be completed in accordance with the Progress Energy Company (aka Carolina Power & Light Company d/b/a Duke Energy Progress, Inc.) permit issued by North Carolina Department of Environment and Natural Resources (NCDENR) Permit # WQ0000020, included as Attachment 3 to Amendment No. 2;

Whereas, GARAA and Charah desire to place structural fill composed of Ash in an area referred to as Area 2 in both Amendment 1 and shown on map Attachment No. 7 to Amendment No. 2;

Now, therefore, the parties hereto agree as follows:

- 1) Area 2 shall be surveyed and included within the Project Site boundary.
- 2) Charah shall use commercially reasonable efforts to secure sufficient quantities of Ash from Duke Energy to allow placement in Area 2 and perform the structural fill to design drawings approved by Charah and GARAA.
- 3) Charah and GARAA agree that the approximate volume of structural fill is 1.44 million cubic yards. The final volume of structural fill shall be based upon the final grading design and related engineering documents.
- 4) Charah shall provide the site development, Ash placement and cover soils within Area 2 without charge to GARAA, provided that Charah is able to secure the Ash from Duke Energy under acceptable commercial terms. Cover soils shall be a minimum of six (6) feet thick over the Area 2 horizontal surface with a minimum of four (4) feet thickness on side slopes.
- 5) In the event that adequate volume of ash or fill material and soil placement is not available to fully complete the Area 2 Project in accordance with final design plans, Charah shall continue to fill a certain location within Area 2 that shall allow for the future construction of an access taxiway across Area 2 to Area 1. Charah shall provide clean structural fill materials and/or soils acceptable to GARAA. The remaining Area 2 shall be capped, covered, graded and seeded to an acceptable level by GARAA. All at no cost to GARAA.
- 6) Charah shall ensure that all Ash placed on the project will be placed in accordance with the Duke Energy permits and all applicable environmental regulations including, but not limited to, the following specific permit requirements:
  - a) The Ash distribution, use and placement shall be maintained and operated to prevent the discharge of any wastes to waters of the state.
  - b) Where Ash is used as structural fill, Charah and Duke Energy shall ensure that the applicable surface water quality standards and groundwater quality standards are not contravened and the following performance standards are met:
    - i) Demonstrate the ability to meet the applicable surface water quality standards or groundwater quality standards at the compliance boundary.
    - ii) Use an engineered solution such as the use of liners and/or caps.
  - c) In the event that the Ash structural fill program is not operated in compliance with the permit and/or the placement of Ash creates the need for remedial action in the future, the Permittee (Duke Energy) shall take any immediate corrective actions as may be required by the NCDENR - Division of Water Quality and/or other, state or federal agency having jurisdiction.
- 7) Charah and Duke Energy shall determine the required groundwater monitoring program design and modifications for the entire Area 2 Project Site and shall seek approval from GARAA prior to implementation. GARAA shall not be responsible for costs associated with the groundwater monitoring program.

- 8) There shall be no payments from GARAA to Charah for placing Ash in Area 2. All costs shall be borne by Charah.
- 9) Charah shall reimburse GARAA for all costs related to site development including engineering, design, construction administration, resident project representative (RPR), quality assurance testing, permitting, and other related professional services.
- 10) Charah shall use an engineered solution to encapsulate all Ash with liners and caps which at minimum shall be equivalent to that utilized in Areas 3 and 4 of the Project Site.

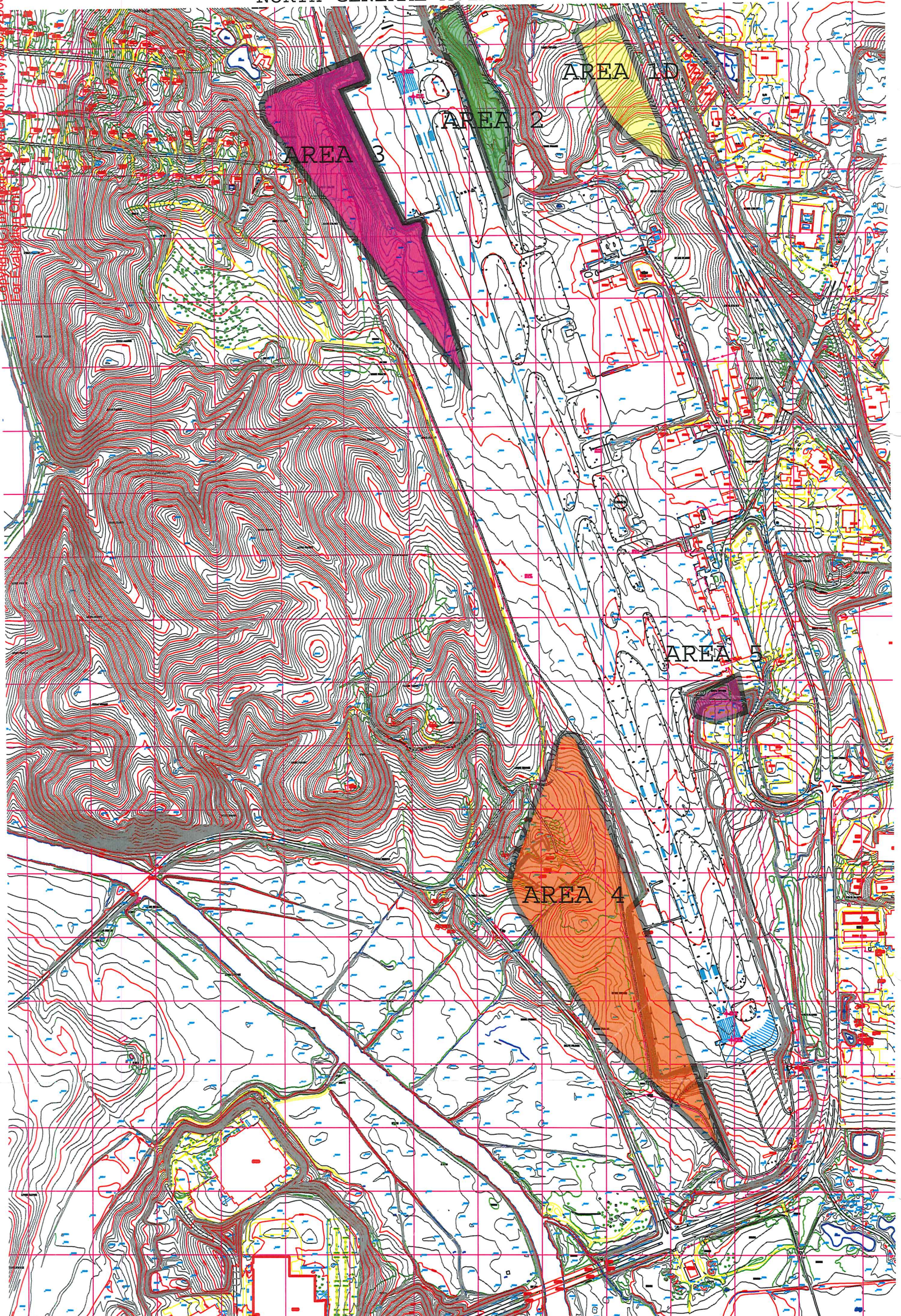
In Witness Whereof, this Amendment No. 3 has been duly executed under seal and in duplicate (so that each party hereto will have a fully executed copy thereof), as of the date above written.

Attested by: \_\_\_\_\_ Greater Asheville Regional Airport Authority  
\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_ Executive Director  
Seal

Attested by: \_\_\_\_\_ Charah, Inc.  
By: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Seal:

ATTACHMENT 7  
ASHEVILLE REGIONAL AIRPORT  
NORTH GENERAL AVIATION DEVELOPMENT

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## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: December 12, 2014

### **ITEM DESCRIPTION – New Business Item D**

Approve Scope of Services No. 14 and Associated Fees with RS&H Architects-Engineers-Planners, Inc.

### **BACKGROUND**

Through the appropriate FAA and Authority process, RS&H has been selected to conduct program management services throughout the course of the Airfield Re-development Project. Fees for Phase I preliminary design services were approved by the Board on December 14, 2012. Phase II services, including oversight and coordination of design and Resident Project Representation (RPR) for the taxiway/temporary runway was approved by the Board on June 21, 2013, with the knowledge that one more phase of work would ultimately require Board approval. Phase III services will include oversight of design and RPR services associated with the new permanent runway and navaid systems.

An Independent Fee Estimate (IFE) to confirm the reasonableness of the proposed cost was also obtained.

The fees included for Phase III services will be pro-rated/phased over approximately a 2-3 year period as the project continues.

### **ISSUES**

None.

New Business – Item D



## **ALTERNATIVES**

The Airport Board could elect not to award PM services for Phase III to RS&H, which would result in staff undertaking an independent process to select another firm for these services, and which would require a major change in the overall management of the multi-year program.

## **FISCAL IMPACT**

The Not-to-Exceed costs for Phases I and II previously approved by the Board are \$447,983 and \$1,842,318 respectively. The Not-To-Exceed cost for this phase of services is \$2,399,826.00. Fees included in this action would be paid from the \$64,000,000 contained in the overall program budget previously approved by the Airport Board, including \$12,750,123 in the current FY 2014/2015 budget, and from future budgets that will be associated with this project.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Scope of Services Number 14 with RS&H in an amount not to exceed \$2,399,826.00 for Phase III program management services; and (2) authorize the Executive Director to execute the necessary documents.

**Consultant Scope of Services  
Airfield Re-Development Program  
Program Management Services – Phase 3  
Runway Design & Construction**

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Scope of services Number 14 for Professional Consulting Services, as referenced in the Professional Consulting Services Agreement between the Asheville Regional Airport Authority and RS&H Architects-Engineers-Planners, Inc., dated September 2, 2008 and amended by Supplemental Agreement No. 1, dated December 19, 2012.

Project: Airfield Re-Development Program

Scope of Services: Provide Phase 3 Program Management services for the design, bidding and construction of the new relocated runway as outlined in Attachment “A” – Project Work Scope.

Consultant Team: RS&H

Schedule: See Attachment “A” – Project Work Scope

Fees: Cost-Plus-a-Fixed-Fee (NTE) Amount of \$2,399,826 (See Attachment “B”)

**Authority:**

Greater Asheville Regional Airport Authority

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By: Lew Bleiweis, A.A.E.  
Title: Executive Director

Attested By:

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**Consultant:**

RS&H Architects-Planners-Engineers Inc.

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By: John Walz, PE  
Title: Vice President

Attested By:

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This instrument has been pre-audited in the manner required by the Local Government and Fiscal Control Act.

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Director of Finance and Administration

**PROGRAM MANAGEMENT SCOPE OF SERVICES FOR  
AIRFIELD RE-DEVELOPMENT PROJECT  
ASHEVILLE REGIONAL AIRPORT**

The Program Manager will act as the Authority's representative to provide leadership, oversight and control of the Program in all matters relating to scheduling, budgeting, funding, designing, bidding and construction of those projects assigned to the Program Manager by the Authority. The Program Manager will also be available to assist the Authority in the resolution and alternatives of issues and concerns.

**1.0 Basic Services**

The Scope of Services listed below describes the general range of services to be provided by the Program Manager. In addition, the Program Manager shall also perform all services and functions identified for the Program Manager in the Contract and the Program Management & Procedures Manual. All services to be provided under this document shall be defined as the Program Manager's "Basic Services," unless otherwise noted.

**1.1. Pre-Design and Design Phase Services**

**1.1.1. Program Definition Document** - The Program Manager shall prepare a Project Definition Document (PDD) for use by the Airport staff, regulatory agencies, design professionals and other stakeholders. The PDD will identify the general design requirements and provide a conceptual level of design for the overall Program. The PDD will also provide data pertaining to the Program's background, objective, intended use and function, existing facilities, primary users or tenants, project constraints, adjacent projects, construction budget, implementation schedule, phasing, commissioning, recommendation as to the most efficient and cost effective division of work between the assigned design professionals, and other considerations, in order to provide all users of the PDD a clear understanding of the scope of work, phasing, impacts, schedules and budgetary constraints. The completed PDD will be utilized as a source document for the development of scopes of work and negotiations with design professionals. The PDD may be reviewed by the Designers at the discretion of the Authority.

**1.1.2. Collection of Survey and Geotechnical Data** – The program manager shall coordinate and oversee the procurement and collection of survey and geotechnical information for the entire Program. This will ensure uniformity in all data collected. The survey and geotechnical data shall be provided to the designers for verification and use in preparation of design documents. These services will be provided by subconsultants contracted directly with the Program Manager.

**1.1.3. Scope of Work Development** - The Program Manager shall assist the Authority in scoping sessions with the designers and review of the design scopes to ensure that all relevant design components are included and that design components and responsibilities are coordinated between design packages.

**1.1.4. Program Management & Procedures Manual** - The Program Manager shall prepare a preliminary Program Management & Procedures Manual for the Program which shall establish the basis for the management of the Program. In preparing the Program Management & Procedures Manual, the Program Manager shall consider the Authority's schedule, cost, and design requirements for the Program. Upon approval by the Authority of the preliminary Program Management & Procedures Manual, the Program Manager shall prepare the Manual in final form which shall include a narrative description of the Manual and a description of the various major components of the Program. The Program Manager shall further prepare the comprehensive Procedures Manual for the Program and shall revise same during the entire course of the Program as agreed by the Authority and the Program Manager.

**1.1.5. Management Control System** - The Program Manager shall develop and maintain a comprehensive management control system capable of handling requests for information, supplemental agreements, change orders, design transmittals, meeting minutes, payment requests, correspondence, scheduling, and estimates.

**1.1.6. Master Scheduling** - In accordance with the Program Management & Procedures Manual, the Program Manager shall prepare a Master Summary Schedule ("Master Schedule") for each Component of the Program and the Program as a whole. This schedule shall specify the milestones, activities, and dates that will be used to plan and monitor overall performance on the Program, and provide for the following:

- a. The Program Manager shall work cooperatively with the Designers, Authority, and Contractors to develop various alternative approaches for the phasing and logistics of the construction and shall make appropriate recommendations to Authority.
- b. The Program Manager shall assist the Authority in identifying long lead times and facilitating their acquisition so as to not negatively impact the Program.
- c. The Program Manager shall provide liaison and coordination between separate Design projects that interface to ensure compatibility and technical accuracy at the interface.
- d. The Program Manager shall update the Master Schedule for the Program as a whole on a monthly basis or as needed to maintain and keep the schedule current.

**1.1.7. Master Cost System** - The Program Manager shall be responsible for the Master Program Cost System which will include without limitation, establishing project budgets, allocating and summarizing cost information, measuring progress and performance, controlling contingencies, and

tracking funding requirements.

**1.1.8. Designer Oversight** - The Program Manager shall monitor and coordinate the services and activities of the Design Consultants, and any other Consultants retained by the Authority for the Program, in the development and production of Drawings and Specifications for the Program, shall implement design management procedures to be followed by the Designers and such Consultants, and shall conduct periodic Design Review meetings during all phases of design of the Program. The Program Manager shall review the design documents for clarity, consistency, constructability, maintainability, value engineering opportunities and adaptability to the Authority's program for each design submittal. The results of the review shall be provided in writing. The performance of such coordination review by the Program Manager shall not make the Program Manager liable for the design obligations or performance, or both, of the Designer of Record.

**1.1.9. Construction Cost Estimate Reviews** - The Program Manager shall evaluate the Designer's construction cost estimates for the various phases of the Program and provide opinions as to the reasonableness of the cost estimates. The Program Manager shall work cooperatively with the Designers to reconcile the Designer's cost estimates with the Program Manager's opinions at the completion of the various phases of the Program.

**1.1.10. Permitting Assistance** - The Program Manager shall monitor and work with the Designers and Contractors in the permitting process as necessary for timely permitting, including managing the expediting process and attending meetings with the permitting agencies. The Program Manager shall maintain duplicate copies of all permits, insurance certificates, bonds, labor affidavits, and other government agency documents as appropriate.

**1.1.11. Land Acquisition Support** – The Program Manager will provide any necessary land acquisition support services at the sole discretion of the Authority. The Authority may elect to provide any land acquisition services internally, or through other consultants or companies, if such services are more cost efficiently provided that way. If a specialty land acquisition subconsultant is required for appraisals or other land valuation services a contract amendment for those additional special services will be required.

**1.1.12. FAA NAVAIDS Coordination** – The Program Manager shall provide coordination with the FAA, Authority and Designers for the planning, design, construction and commissioning of all temporary and permanent NAVAIDS.

**1.1.13. Safety Management System Support** – The Program Manager shall assist the Authority is coordinating and complying with the FAA's Safety Management System (SMS) requirements including the Safety Risk Management (SRM) process to identify and document hazards, analyze

and assess potential risks and prescribe appropriate mitigation strategies.

**1.1.14. DBE Program Assistance** - The Program Manager shall assist the Authority with any required DBE program planning, compliance monitoring or updates as required for the Program.

**1.1.15. Front End Contract Documents** – The Program Manager shall in conjunction with the Authority provide all required front end contract documents for each of the bid packages including invitation and instructions to bidders, bid forms, selection criteria, post bid submittals, project forms, form of agreement, FAA General Provisions, supplemental conditions, federal mandatory provisions, Davis-Bacon wage rate requirements and other information as necessary.

## **1.2. Financial Planning Services**

**1.2.1. Grant Application Assistance** - The Program Manager shall assist the Authority in preparing grant applications and documentation related to State and Federal funding.

**1.2.2. Benefit Cost Analysis** – The Program Manager will develop and perform a pavement life cycle cost analysis to determine the preferred pavement type for the program i.e. concrete vs. asphalt. The Program Manager will also develop and perform any other benefit cost analysis studies as requested by the Authority.

## **1.3. Bidding Phase Services**

**1.3.1. Bidding Process Coordination** - The Program Manager shall assist the Authority in determining the most advantageous number and type of bid packages for each component of the Program. The Program Manager shall lead the Authority's efforts, with assistance from the Designers, the competitive bidding of Construction Contracts, including without limitation to scope, schedule, project controls requirements, quality, cost considerations, pre-bid conference support and bid evaluation. The Program Manager shall assist the Authority and the Designers in developing and coordinating addenda procedures to provide responses to bidders' questions.

**1.3.2. Bid Document Delivery** - The Program Manager shall distribute all bid documents and addenda to the bidders. This task shall be performed in conjunction with the Designers who will assemble and transmit the bid documents and any addenda to the Program Manager for distribution to the bidders.

**1.3.3. Pre-Bid Conference Assistance** - In conjunction with the Authority and the Designers, the Program Manager shall attend and lead the pre-bid conference(s) for all portions of the Program.

**1.3.4. Bid Receipt Assistance** - The Program Manager shall participate in the bid opening(s) and shall assist the Authority and Designer in evaluating bidder qualifications and the bids for completeness, responsiveness, and price. Further, the Program Manager shall ensure the bid process is conducted in a manner consistent with the Authority's processes, procedures, and high ethical standards that is fair and competitive. The process as further defined in the Program Management & Procedures Manual shall ensure confidentiality, timely distribution of beneficial information to all bidders and that best and final bids are received at the same date and time. The Program Manager will also assist the Authority in bidder pre-qualification if required.

#### **1.4. Construction Phase Services**

**1.4.1. Pre-Construction Conference Assistance** - In accordance with the Program Management & Procedures Manual, and in conjunction with the Authority and Designers, the Program Manager shall conduct all pre-construction conferences.

**1.4.2. Resident Project Representation and Inspection** - The Program Manager shall provide full-time Resident Project Representation (RPR) and inspection services for each construction package. This includes ensuring that the project is constructed in accordance with the requirements contained in the contract documents. The RPR shall perform all acceptance and quality assurance testing as required by the FAA General Provisions and Technical Specifications. Two (2) full-time RPR personnel will be provided for the duration of each construction package with additional staff provided as needed and as approved by the Authority.

**1.4.3. Owner's Representative** - As the Owner's representative at the construction site, the Program Manager shall be the party through which change orders, payment requests, and other information shall be processed and communicated from the Contractor to the Owner, the Designers, or both, and from the Owner, the Designers, or both to the Contractor.

**1.4.4. Phasing and Logistics Coordination** - The Program Manager will provide on-site phasing and logistics coordination with Authority's management team to facilitate airport operations.

**1.4.5. Construction Progress Meetings** - The RPR and, as necessary, the Program Manager, shall attend and lead a weekly construction progress meeting with the Contractors. Other overall coordination meetings with the Contractors, and, as appropriate, the Authority and the Designers will be attended by the RPR and as necessary the Program Manager.

**1.4.6. Progress Reporting** - The Program Manager shall report to the Authority in writing, on a monthly basis, a status of jobsite progress. The report shall include the Program Manager's review of the Contractors' progress payment requests, a status report on all open Change Orders, and an



evaluation of the Project Master Schedule. Such evaluation will include a revised copy of the Summary Master Schedule reflecting the current progress, approved revisions and progress photos obtained from the field.

**1.4.7. Corrective Action Review and Recommendations** - The Program Manager shall, in conjunction with the Designers, make recommendations for corrective action on nonconforming Work. The Program Manager shall make recommendations to the Authority and the Designers in instances where the Program Manager observes Work that, in the Program Manager's opinion, should be rejected.

**1.4.8. Change Order Control System** -The Program Manager shall establish and implement a Change Order control system as further defined in the Program Management & Procedures Manual. The Program Manager shall make recommendations to the Authority concerning time extensions and shall verify that work and time adjustments, if any, required by approved change orders, have been incorporated into the Contractor's Construction Schedule. The Program Manager will evaluate and provide recommendations to the Authority on the need for additional contract work or change orders. However, the Program Manager shall not have the authority or responsibility to approve any additional work and/or change orders. All additional work and/or change orders required will be approved by the Authority.

**1.4.9. Risk and Claims Management** - The Program Manager shall oversee risk and claims management and shall implement, coordinate, and chair dispute resolution issues.

**1.4.10. Construction Closeout Assistance** - The Program Manager shall coordinate and expedite punch list development to include turn-over and acceptance testing, the transmittal of record documents from the Designers to the Authority, systems demonstration and acceptance, assembly of all pertinent warranty data and operation and maintenance manuals, and shall be responsible for the coordination, scheduling, and implementation of the transition of all operational functions and entities.

## **2.0 Compensation and Method of Payment**

### **2.1. Basic Services**

Professional service fees for basic services performed by the Program Manager shall be cost plus with maximum not-to-exceed amounts for each of the phases of work as outlined in Section 2.1.1. The not-to-exceed amounts are based on estimates of the services to be provided as outlined in the above scope of work for each of the phases. Not-to-exceed amounts for construction phase services are estimated based on an assumed number of construction packages and assumed construction durations. If the actual number of construction packages and/or durations changes from the assumptions used to generate the not-to-exceed amount, a contract amendment may be required. The Consultant shall draw down on the not-to-exceed fee, as necessary, until it is exhausted for each phase. If additional services are required or requested in excess of the not-to-exceed amounts for any of the phases, a

contract amendment shall be formulated and approved to allow a continuation of services. Additional services are subject to approval by the Authority and FAA. Additional services shall not be performed by the Program Manager in advance of a signed contract amendment from the Authority. Additional work performed by the Program Manager without Authority approval may not be eligible for payment. Each phase of work will require a separate written notice-to-proceed issued by the Authority before the Consultant is authorized to do any work on said phase.

### **2.1.1 Project Phases**

***Phase 1 - Pre-Design Services:*** The Program Manager shall provide pre-design services in this Phase including preparation of the Program Definition Document and Program Management & Procedures Manual, collection of survey and geotechnical data, designer scope of work development assistance, implementation of management control system, development of master Program schedules and budgets and other pre-design coordination with designers or agencies that may be required.

***Phase 2 – Design, Bidding and Construction Oversight Services for Temporary Runway/Taxiway:*** The Program Manager shall provide services in this phase for design oversight and coordination, bidding and construction phase services, as outlined in the scope of work, for the new parallel taxiway / temporary runway.

***Phase 3 – Design, Bidding and Construction Oversight Services for Runway Reconstruction:*** The Program Manager shall provide services in this phase for design oversight and coordination, bidding and construction phase services, as outlined in the scope of work, for the reconstruction of Runway 16-34 including conversion of the temporary runway to a permanent taxiway.

### **2.2. Special Services**

Any additional special services requiring the use of subconsultants, such as land valuation services, will be submitted to the Authority for approval as a contract amendment prior to any work being accomplished on the special services.

### **2.3. Reimbursable Expenses**

Direct non-salary expenses for each of the three (3) phases, listed under Section 2.1 shall be estimated and included in the not-to-exceed amounts. Expenses shall be charged at actual cost without mark-up. Expenses in excess of those estimated will not be incurred without written authorization from the Authority. If additional authorized expenses are incurred in excess of the not-to-exceed amounts, a contract amendment shall be formulated and approved for reimbursement of said expenses.

## **3.0 Program Management Staff**

**3.1** The Authority shall have the right to approve the Consultant's key staff positions of Program Manager and RPR. The Authority will be reasonable in evaluating the qualifications of any proposed key staff. The key employees will not be changed, removed, or replaced, by the Consultant, as long as said key staff are in Consultant's

employment, without the prior written approval of the Authority. The Consultant will provide written notice to the Authority of key staff changes and provide the qualifications of any proposed substitutions prior to any said substituted staff performing services on the Project.

**3.2** The Authority shall have the right to request removal of any of the Consultant's staff for any reason. The Authority shall provide reasonable justification for said removal and the Consultant shall be obligated to remove said staff and propose a replacement suitable to the Authority.

#### **4.0 Program Manager Responsibility for Services**

**4.1** This Agreement requires the Program Manager to furnish a broad spectrum of services that entails the use of professional judgment related to managing the design of facilities as well as the use of judgment associated with managing the construction process to affirm that the construction conforms to the contract documents, including scheduling and estimating related to contract administration. The Authority and Program Manager agree that the services rendered are solely to assist the Authority in the management of the Program. However, the Program Manager shall be responsible and liable for its own negligent performance of services furnished under this Agreement and shall remain liable to the Authority for damages to the Authority caused by the failure to meet the foregoing standard of care for performing the services furnished under this Agreement.

**4.2** The parties recognize that the Program Manager is not a guarantor of the work by the Designers or Contractors and the Program Manager shall not be responsible for errors and omissions in the contract documents due to negligence by the Designers or defective or non-conforming work performed by the Contractors or for the means and methods of construction employed by the Contractors.

**4.3** Furthermore, the parties recognize that the Program Manager has no contractual relationship with the Designers and Contractors and cannot and will not be in control of their activities. Therefore the Program manager cannot warrant or represent that the actual project schedules and budgets will be consistent with the estimated project schedules, target dates and budgets.



**ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT**

**PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES  
PHASE 3 - RUNWAY DESIGN / CONSTRUCTION (NTE)**

**SUMMARY**

	<b>TOTAL</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>YEAR 6</b>
<b><u>RS&amp;H Fee Proposal dated 05/29/13</u></b>							
1.1. Pre-Design and Design Phase Services	\$ 484,701	\$ -	\$ -	\$ 239,555	\$ 245,146	\$ -	\$ -
1.2. Financial Planning Services	\$ 7,796	\$ -	\$ -	\$ 3,850	\$ 3,946	\$ -	\$ -
1.3. Bidding Phase Services	\$ 55,238	\$ -	\$ -	\$ -	\$ 27,313	\$ 27,926	\$ -
1.4. Construction Phase Services	\$ 1,256,500	\$ -	\$ -	\$ -	\$ 695,563	\$ 560,936	\$ -
<b>TOTAL</b>	<b>\$ 1,804,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 243,405</b>	<b>\$ 971,968</b>	<b>\$ 588,862</b>	<b>\$ -</b>
*** - Senior RPR reduced from 5/29/13 proposal							
<b><u>RS&amp;H Additional Fee Requested 11/14/14 (Extended PM/CM and budget Validation)</u></b>							
1.1. Pre-Design and Design Phase Services	\$ 59,359	\$ -	\$ -	\$ -	\$ -	\$ 39,342	\$ 20,017
1.2. Financial Planning Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.3. Bidding Phase Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4. Construction Phase Services	\$ 536,232	\$ -	\$ -	\$ -	\$ 31,636	\$ 339,878	\$ 164,718
<b>TOTAL</b>	<b>\$ 595,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,636</b>	<b>\$ 379,220</b>	<b>\$ 184,735</b>
<b><u>RS&amp;H Fee Proposal dated 11/14/14 (Extended PM/CM and budget Validation)</u></b>							
1.1. Pre-Design and Design Phase Services	\$ 544,060	\$ -	\$ -	\$ 239,555	\$ 245,146	\$ 39,342	\$ 20,017
1.2. Financial Planning Services	\$ 7,796	\$ -	\$ -	\$ 3,850	\$ 3,946	\$ -	\$ -
1.3. Bidding Phase Services	\$ 55,238	\$ -	\$ -	\$ -	\$ 27,313	\$ 27,926	\$ -
1.4. Construction Phase Services	\$ 1,792,732	\$ -	\$ -	\$ -	\$ 727,199	\$ 900,814	\$ 164,718
<b>TOTAL</b>	<b>\$ 2,399,826</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 243,405</b>	<b>\$ 1,003,604</b>	<b>\$ 968,082</b>	<b>\$ 184,735</b>



ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS	
Hourly Labor Rate	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00										
Overhead (186.43%)	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29										
Profit (10%)	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73										
<b>Total Burdened Hourly Rate</b>	<b>\$236.30</b>	<b>\$204.80</b>	<b>\$151.24</b>	<b>\$135.48</b>	<b>\$116.58</b>	<b>\$133.06</b>	<b>\$116.58</b>	<b>\$63.01</b>										
<b>PHASE 3 - RUNWAY DESIGN / CONSTRUCTION (NTE)</b>																		
<b>1.1. Pre-Design and Design Phase Services</b>																		
1.1.1 Program Definition Document																		
1.1.1.1 Runway Location, Length, Geometry & Profile										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.2 Taxiway Location, Length, Geometry & Profile										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.3 NAVAIDS										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.4 Runway & Taxiway Lighting & Signage										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.5 Pavement Design										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.6 Stormwater Management										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.7 Erosion & Sedimentation Control										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.8 Utilities										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.9 AOA Fence & Security Elements										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.10 Construction Phasing										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.11 Environmental Permitting										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.12 Base Mapping										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.13 Geotechnical Data										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.14 Schedule Considerations										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.15 Budget Considerations										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.1.16 validate Estimate of Probable Construction Cost										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.2 Collection of Survey and Geotechnical Data										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.3 Scope of Work Development										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.4 Program Management & Procedures Manual										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.5 Management Control System										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.5.1 Implement Management Control System										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.5.2 Maintain Management Control System			60		60			60	180	\$ -	\$ -	\$ -	10,427	\$ 10,688	\$ -	\$ 21,115	10hrs x 12mo x 2yr, Document control	
1.1.5.2a Maintain Management Control System (Additional 1.5 yr)			22		23			45	90	\$ -	\$ -	\$ -		\$ 6,508	\$ 3,335	\$ 9,844	5hrs x 12mo x 1.5yr, Document control	
1.1.6 Master Scheduling										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.6.1 Develop Master Program Schedule										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.6.2 Develop Master Schedules for each Program Component										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.6.3 Construction Phasing and Logistics Support		4	40						44	\$ -	\$ -	\$ 3,608	\$ 3,698	\$ -	\$ -	\$ 7,307		
1.1.6.4 Coordinate Schedules between Design Packages		2	20						22	\$ -	\$ -	\$ 1,804	\$ 1,849	\$ -	\$ -	\$ 3,653		
1.1.6.5 Master Schedule Updates			190						190	\$ -	\$ -	\$ 15,095	\$ 15,473	\$ -	\$ -	\$ 30,568	10hrs x 12mo x 2yr	
1.1.6.5a Master Schedule Updates (Additional 1.5 yr)			90						90	\$ -	\$ -	\$ -	\$ -	\$ 10,016	\$ 5,133	\$ 15,150	5hrs x 12mo x 1.5yr	
1.1.7 Master Cost System										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.7.1 Establishment of Program & Project Budgets										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.7.2 Tracking Progress & Performance of Program & Project Budget	8	20	150						178	\$ -	\$ -	\$ 15,062	\$ 15,439	\$ -	\$ -	\$ 30,500	10hrs x 12mo x 2yr	
1.1.7.2a Tracking Progress & Performance of Program & Project Budget	5	20	65						90	\$ -	\$ -	\$ -	\$ -	\$ 11,118	\$ 5,698	\$ 16,815	5hrs x 12mo x 1.5yr	
1.1.8 Designer Oversight										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.8.1 Monitor & Coordinate Services of the Design Consultants		60	660	168	168				1056	\$ -	\$ -	\$ 81,136	\$ 83,164	\$ -	\$ -	\$ 164,300	56hrs x 12 mo x 2yr	
1.1.8.2 Design Coordination Meetings		96	384						480	\$ -	\$ -	\$ 40,836	\$ 41,857	\$ -	\$ -	\$ 82,693	20hrs x 12mo x 2yr	
1.1.8.3 Design Document Reviews		32	192	96					320	\$ -	\$ -	\$ 25,529	\$ 26,167	\$ -	\$ -	\$ 51,696	2 Bid Packages x 3 Submittals x 40 hours	
1.1.9 Construction Cost Estimate Reviews										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1.1.9.1 Evaluate Designer's Construction Cost Estimates		4	28						32	\$ -	\$ -	\$ 2,655	\$ 2,721	\$ -	\$ -	\$ 5,376	2 Bid Packages x 3 Submittals each x 4 hours	
1.1.9.2 Reconcile Designer Cost Estimates with PM Estimates		2	14						16	\$ -	\$ -	\$ 1,327	\$ 1,361	\$ -	\$ -	\$ 2,688	2 Bid Packages x 3 Submittals each x 2 hours	
1.1.10 Permitting Assistance		10	80	40					130	\$ -	\$ -	\$ 10,278	\$ 10,535	\$ -	\$ -	\$ 20,814		
1.1.11 Land Acquisition Support	2	20	20						42	\$ -	\$ -	\$ 3,989	\$ 4,089	\$ -	\$ -	\$ 8,078		
1.1.12 FAA NAVAIDS Coordination	2	20	80						102	\$ -	\$ -	\$ 8,756	\$ 8,975	\$ -	\$ -	\$ 17,731		
1.1.13 Safety Management System Support	4	10	20						34	\$ -	\$ -	\$ 3,161	\$ 3,240	\$ -	\$ -	\$ 6,402		
<b>TOTAL HOURS</b>	<b>21</b>	<b>300</b>	<b>2115</b>	<b>304</b>	<b>251</b>				<b>105</b>									
TOTAL BURDENED LABOR from RS&H Fee Proposal dated 05/29/13										\$ -	\$ -	\$ -	\$ 223,665	\$ 229,256	\$ -	\$ 452,921		
TOTAL BURDENED LABOR (Additional Time and validation of overall budget)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,642	\$ 14,167	\$ 41,809	
<b>TOTAL BURDENED LABOR</b>										\$ -	\$ -	\$ -	\$ 223,665	\$ 229,256	\$ 27,642	\$ 14,167	\$ 494,730	



ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS
Hourly Labor Rate	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00									
Overhead (186.43%)	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29									
Profit (10%)	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73									
Total Burdened Hourly Rate	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$133.06	\$116.58	\$63.01									
<b>OTHER DIRECT NON-SALARY COSTS</b>																	
<b>REPRODUCTION</b>																	
	# PAGES	# SETS	COST/PAGE														
Drawings	200	8	\$1.00					\$1,600									
Reports/Specifications	600	8	\$0.10					\$480									
TOTAL REPRODUCTION								\$2,080	\$ -	\$ -	\$ 1,040	\$ 1,040	\$ -	\$ -	\$ -	\$ 2,080	
<b>POSTAGE/DELIVERY</b>																	
	# PKGS	COST/PKG															
TOTAL POSTAGE/DELIVERY	20	\$15.00						\$300	\$ -	\$ -	\$ 150	\$ 150	\$ -	\$ -	\$ -	\$ 300	
<b>SPECIALTY SUBCONSULTANTS</b>																	
Geotechnical Testing	Firm TBD																To be adjusted based on actual subconsultant cost
Surveying	Firm TBD																To be adjusted based on actual subconsultant cost
Aerial Imagery	Firm TBD																To be adjusted based on actual subconsultant cost
TOTAL SPECIALTY SUBCONSULTANTS									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>SOFTWARE</b>																	
Management Control Software																	
TOTAL SOFTWARE									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TRAVEL</b>																	
Airfare	6	Trips @	\$400.00					\$2,400									4 trip/yr x 2 years - PO
Hotel	90	Nights @	\$120.00					\$10,800									1 night/wk x 50wk x 2 years - PM
Car Rental	90	Trips @	\$75.00					\$6,750									1 trip/wk x 50wk x 2 years - PM
Gas	90	Trips @	\$45.00					\$4,050									1 trip/wk x 50wk x 2 years - PM
Food Per Diem	180	Days @	\$30.00					\$5,400									2 days/wk x 50wk x 2 years - PM
TOTAL TRAVEL								\$29,400	\$ -	\$ -	\$ 14,700	\$ 14,700	\$ -	\$ -	\$ -	\$ 29,400	
Airfare	6	Trips @	\$400.00					\$2,400									4 trip/yr x 1.5 years - PO
Hotel	52	Nights @	\$120.00					\$6,240									1 night/wk x 25wk x 1.5 years - PM + 14 trips PO
Car Rental	52	Trips @	\$75.00					\$3,900									1 trip/wk x 25wk x 1.5 years - PM + 14 trips PO
Gas	52	Trips @	\$45.00					\$2,340									1 trip/wk x 25wk x 1.5 years - PM + 14 trips PO
Food Per Diem	89	Days @	\$30.00					\$2,670									2 days/wk x 25wk x 1.5 years - PM + 14 trips PO
TOTAL ADDITIONAL TRAVEL								\$17,550	\$ -	\$ -	\$ -	\$ -	\$ 11,700	\$ 5,850	\$ -	\$ 17,550	
TOTAL OTHER DIRECT COSTS's (RS&H Fee Proposal dated 05/29/13)										\$ -	\$ -	\$ 15,890	\$ 15,890	\$ -	\$ -	\$ 31,780	
TOTAL OTHER DIRECT COSTS's(Additional Time and validation of overall budget)										\$ -	\$ -	\$ -	\$ -	\$ 11,700	\$ 5,850	\$ 17,550	
TOTAL OTHER DIRECT COSTS's										\$ -	\$ -	\$ 15,890	\$ 15,890	\$ 11,700	\$ 5,850	\$ 49,330	
<b>1.1. Pre-Design and Design Phase Services (RS&amp;H Fee Proposal dated 05/29/13)</b>										\$ -	\$ -	\$ 239,555	\$ 245,146	\$ -	\$ -	\$ 484,701	
<b>1.1. Pre-Design and Design Phase Services(Additional Time and validation of overall budget)</b>										\$ -	\$ -	\$ -	\$ -	\$ 39,342	\$ 20,017	\$ 59,359	
<b>Total Proposed Fee for:</b>										\$ -	\$ -	\$ 239,555	\$ 245,146	\$ 39,342	\$ 20,017	\$ 544,060	



ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS
Hourly Labor Rate	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00									
Overhead (186.43%)	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29									
Profit (10%)	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73									
Total Burdened Hourly Rate	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$133.06	\$116.58	\$63.01									
<b>PHASE 3 - RUNWAY RECONSTRUCTION (NTE)</b>																	
<b>1.2. Financial Planning Services</b>																	
1.2.1 Grant Application Assistance		10	32					7	49	\$ -	\$ -	\$ 3,850	\$ 3,946			\$ 7,796	
1.2.2 Benefit Cost Analysis										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.2.2.1 Pavement Life Cycle Cost Analysis										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.2.2.2 Other BCA's as Required										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL HOURS		10	32					7	49								
TOTAL BURDENED LABOR										\$ -	\$ -	\$ 3,850	\$ 3,946	\$ -	\$ -	\$ 7,796	
<b>OTHER DIRECT NON-SALARY COSTS</b>																	
REPRODUCTION																	
	# PAGES	# SETS	COST/PAGE														
Drawings																	
Reports/Specifications																	
TOTAL REPRODUCTION										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
POSTAGE/DELIVERY																	
	# PKGS	COST/PKG															
TOTAL POSTAGE/DELIVERY										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OTHER DIRECT COSTS's										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Proposed Fee for:</b>	<b>1.2. Financial Planning Services</b>									\$ -	\$ -	\$ 3,850	\$ 3,946	\$ -	\$ -	\$ 7,796	



ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS
Hourly Labor Rate	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00									
Overhead (186.43%)	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29									
Profit (10%)	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73									
<b>Total Burdened Hourly Rate</b>	<b>\$236.30</b>	<b>\$204.80</b>	<b>\$151.24</b>	<b>\$135.48</b>	<b>\$116.58</b>	<b>\$133.06</b>	<b>\$116.58</b>	<b>\$63.01</b>									
<b>PHASE 3 - RUNWAY RECONSTRUCTION (NTE)</b>																	
<b>1.3. Bidding Phase Services</b>																	
<b>1.3.1 Bidding Process Coordination</b>																	
1.3.1.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.1.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.1.3 Bid Package 3	4	4	64	8				80		\$ -	\$ -	\$ -	\$ -	\$ 13,491	\$ -	\$ -	\$ 13,491
1.3.1.4 Bid Package 4	4	4	64	8				80		\$ -	\$ -	\$ -	\$ -	\$ 13,828	\$ -	\$ -	\$ 13,828
<b>1.3.2 Bid Document Delivery</b>																	
1.3.2.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.2.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.2.3 Bid Package 3			16		20			8	44	\$ -	\$ -	\$ -	\$ -	\$ 5,660	\$ -	\$ -	\$ 5,660
1.3.2.4 Bid Package 4			16		20			8	44	\$ -	\$ -	\$ -	\$ -	\$ 5,801	\$ -	\$ -	\$ 5,801
<b>1.3.3 Pre-Bid Conference Assistance</b>																	
1.3.3.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.3.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.3.3 Bid Package 3			8	4					12	\$ -	\$ -	\$ -	\$ -	\$ 1,887	\$ -	\$ -	\$ 1,887
1.3.3.4 Bid Package 4			8	4					12	\$ -	\$ -	\$ -	\$ -	\$ 1,934	\$ -	\$ -	\$ 1,934
<b>1.3.4 Bid Receipt Assistance</b>																	
1.3.4.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.4.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.4.3 Bid Package 3		4	16						20	\$ -	\$ -	\$ -	\$ -	\$ 3,488	\$ -	\$ -	\$ 3,488
1.3.4.4 Bid Package 4		4	16						20	\$ -	\$ -	\$ -	\$ -	\$ 3,575	\$ -	\$ -	\$ 3,575
<b>TOTAL HOURS</b>	<b>8</b>	<b>16</b>	<b>208</b>	<b>24</b>	<b>40</b>			<b>16</b>	<b>312</b>								
<b>TOTAL BURDENED LABOR</b>										<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,525</b>	<b>\$ 25,138</b>	<b>\$ -</b>	<b>\$ 49,663</b>
<b>OTHER DIRECT NON-SALARY COSTS</b>																	
<b>REPRODUCTION</b>																	
	# PAGES	# SETS	COST/PAGE														
Drawings	200	20	\$1.00						\$4,000								
Reports/Specifications	300	20	\$0.10						\$600								
<b>TOTAL REPRODUCTION</b>									<b>\$4,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ -</b>	<b>\$ 4,600</b>
<b>POSTAGE/DELIVERY</b>																	
	# PKGS	COST/PKG															
	25	\$15.00							\$375								
<b>TOTAL POSTAGE/DELIVERY</b>									<b>\$375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 188</b>	<b>\$ 188</b>	<b>\$ -</b>	<b>\$ 375</b>
<b>TRAVEL</b>																	
Car Rental	4	Trips @	\$75.00						\$300								Pre-bid meeting and bid opening x 2 packages
Gas	4	Trips @	\$45.00						\$180								Pre-bid meeting and bid opening x 2 packages
Food Per Diem	4	Days @	\$30.00						\$120								Pre-bid meeting and bid opening x 2 packages
<b>TOTAL TRAVEL</b>									<b>\$600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 600</b>
<b>TOTAL OTHER DIRECT COSTS's</b>									<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,788</b>	<b>\$ 2,788</b>	<b>\$ -</b>	<b>\$ 5,575</b>	
<b>Total Proposed Fee for:</b>	<b>1.3. Bidding Phase Services</b>								<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,313</b>	<b>\$ 27,926</b>	<b>\$ -</b>	<b>\$ 55,238</b>	





ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS
Hourly Labor Rate	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00									
Overhead (186.43%)	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29									
Profit (10%)	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73									
Total Burdened Hourly Rate	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$133.06	\$116.58	\$63.01									
<b>PHASE 3 - RUNWAY RECONSTRUCTION (NTE)</b>																	
<b>1.4. Construction Phase Services</b>																	
<b>1.4.1 Pre-Construction Conference Assistance</b>																	
1.4.1.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.1.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.1.3 Bid Package 3		8	8					16		\$ -	\$ -	\$ -	\$ 3,067	\$ -	\$ -	\$ 3,067	
1.4.1.4 Bid Package 4		8	8					16		\$ -	\$ -	\$ -	\$ -	\$ 3,144	\$ -	\$ 3,144	
<b>1.4.2 Resident Project Representation and Inspection</b>																	
1.4.2.1 Bid Package 1 (300 Calendar Days)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.2.2 Bid Package 2 (240 Calendar Days)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.2.3 Bid Package 3 (300 Calendar Days)						1935	1032	172	3139	\$ -	\$ -	\$ -	\$ 418,501	\$ -	\$ -	\$ 418,501	RPR: 45hrs x 43 weeks, Inspector: 24hrs x 43weeks
1.4.2.4 Bid Package 4 (240 Calendar Days)						1575	840	140	2555	\$ -	\$ -	\$ -	\$ -	\$ 349,156	\$ -	\$ 349,156	RPR: 45hrs x 35 weeks, Inspector: 24hrs x 35weeks
1.4.2.4a Bid Package 4 (Additional 204 Calendar Days)						1305	696	116	2117	\$ -	\$ -	\$ -	\$ -	\$ 192,867	\$ 98,844	\$ 291,712	RPR: 45hrs x 29weeks, Inspector: 24hrs x 29weeks (Total 64 weeks)
<b>1.4.3 Owner's Representative</b>																	
1.4.3.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.3.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.3.3 Bid Package 3	86	86	344					516		\$ -	\$ -	\$ -	\$ 96,878	\$ -	\$ -	\$ 96,878	12hrs x 43weeks
1.4.3.4 Bid Package 4	70	70	280					420		\$ -	\$ -	\$ -	\$ -	\$ 80,826	\$ -	\$ 80,826	12hrs x 35weeks
1.4.3.4a Bid Package 4 (Additional 29 weeks)	42	42	264					348		\$ -	\$ -	\$ -	\$ -	\$ 32,261	\$ 33,067	\$ 65,328	12hrs x 29weeks
<b>1.4.4 Phasing and Logistics Coordination</b>																	
1.4.4.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.4.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.4.3 Bid Package 3		8	35					43		\$ -	\$ -	\$ -	\$ 7,465	\$ -	\$ -	\$ 7,465	1hr x 43weeks
1.4.4.4 Bid Package 4		6	29					35		\$ -	\$ -	\$ -	\$ -	\$ 6,198	\$ -	\$ 6,198	1hr x 35weeks
1.4.4.4a Bid Package 4 (Additional 29 weeks)		6	23					29		\$ -	\$ -	\$ -	\$ -	\$ 3,464	\$ 1,775	\$ 5,239	1hr x 29weeks
<b>1.4.5 Construction Progress Meetings</b>																	
1.4.5.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.5.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.5.3 Bid Package 3		8	78					86		\$ -	\$ -	\$ -	\$ 14,468	\$ -	\$ -	\$ 14,468	2hrs x 43weeks
1.4.5.4 Bid Package 4		8	62					70		\$ -	\$ -	\$ -	\$ -	\$ 12,159	\$ -	\$ 12,159	2hrs x 35weeks
1.4.5.4a Bid Package 4 (Additional 29 weeks)		6	52					58		\$ -	\$ -	\$ -	\$ -	\$ 6,692	\$ 3,429	\$ 10,121	2hrs x 29weeks
<b>1.4.6 Progress Reporting</b>																	
1.4.6.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.6.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.6.3 Bid Package 3			43					43		\$ -	\$ -	\$ -	\$ 7,003	\$ -	\$ -	\$ 7,003	1hr x 43weeks
1.4.6.4 Bid Package 4			35					35		\$ -	\$ -	\$ -	\$ -	\$ 5,843	\$ -	\$ 5,843	1hr x 35weeks
1.4.6.4a Bid Package 4 (Additional 29 weeks)			29					29		\$ -	\$ -	\$ -	\$ -	\$ 3,228	\$ 1,654	\$ 4,882	1hr x 29weeks
<b>1.4.7 Corrective Action Review and Recommendations</b>																	
1.4.7.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.7.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.7.3 Bid Package 3		16	70					86		\$ -	\$ -	\$ -	\$ 14,930	\$ -	\$ -	\$ 14,930	2hrs x 43weeks
1.4.7.4 Bid Package 4		12	58					70		\$ -	\$ -	\$ -	\$ -	\$ 12,395	\$ -	\$ 12,395	2hrs x 35weeks
1.4.7.4a Bid Package 4 (Additional 29 weeks)		10	48					58		\$ -	\$ -	\$ -	\$ -	\$ 6,849	\$ 3,510	\$ 10,359	2hrs x 29weeks
<b>1.4.8 Change Order Control System</b>																	
1.4.8.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.8.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.8.3 Bid Package 3		16	70					86		\$ -	\$ -	\$ -	\$ 14,930	\$ -	\$ -	\$ 14,930	2hrs x 43weeks
1.4.8.4 Bid Package 4		12	58					70		\$ -	\$ -	\$ -	\$ -	\$ 12,395	\$ -	\$ 12,395	2hrs x 35weeks
1.4.8.4a Bid Package 4 (Additional 29 weeks)		10	48					58		\$ -	\$ -	\$ -	\$ -	\$ 6,849	\$ 3,510	\$ 10,359	2hrs x 29weeks
<b>1.4.9 Risk and Claims Management</b>																	
1.4.9.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.9.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.9.3 Bid Package 3	12	20	54					86		\$ -	\$ -	\$ -	\$ 16,259	\$ -	\$ -	\$ 16,259	2hrs x 43weeks
1.4.9.4 Bid Package 4	12	16	42					70		\$ -	\$ -	\$ -	\$ -	\$ 13,758	\$ -	\$ 13,758	2hrs x 35weeks
1.4.9.4a Bid Package 4 (Additional 29 weeks)	8	12	38					58		\$ -	\$ -	\$ -	\$ -	\$ 7,429	\$ 3,807	\$ 11,236	2hrs x 29weeks
<b>1.4.10 Construction Closeout Assistance</b>																	
1.4.10.1 Bid Package 1										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.10.2 Bid Package 2										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.10.3 Bid Package 3		4	40	16	20			80		\$ -	\$ -	\$ -	\$ 12,242	\$ -	\$ -	\$ 12,242	
1.4.10.4 Bid Package 4		4	40	16	20			80		\$ -	\$ -	\$ -	\$ -	\$ 12,862	\$ -	\$ 12,862	
TOTAL HOURS	230	388	1856	32	40	4815	2568	428	10,357								
TOTAL BURDENED LABOR from RS&H Fee Proposal dated 05/29/13										\$ -	\$ -	\$ -	\$ -	\$ 605,743	\$ 508,736	\$ -	\$ 1,114,480
TOTAL BURDENED LABOR (Additional Time and validation of overall budget)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,638	\$ 149,598	\$ 409,236
TOTAL BURDENED LABOR										\$ -	\$ -	\$ -	\$ -	\$ 605,743	\$ 768,374	\$ 149,598	\$ 1,523,716



ASHEVILLE REGIONAL AIRPORT  
AIRFIELD RE-DEVELOPMENT PROJECT

PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$42.24	\$37.00	\$20.00									
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$78.74	\$68.98	\$37.29									
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$12.08	\$10.60	\$5.73									
<b>Total Burdened Hourly Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$133.06	\$116.58	\$63.01									
<b>OTHER DIRECT NON-SALARY COSTS</b>																	
<b>REPRODUCTION</b>																	
	# PAGES	# SETS	COST/PAGE														
Drawings	200	8	\$1.00					\$1,600									
Reports/Specifications	300	8	\$0.10					\$240									
<b>TOTAL REPRODUCTION</b>								\$1,840	\$ -	\$ -	\$ -	\$ 920	\$ 920	\$ -	\$ -	\$ 1,840	
<b>POSTAGE/DELIVERY</b>																	
	# PKGS	COST/PKG															
	24	\$15.00						\$360	\$ -	\$ -	\$ -	\$ 180	\$ 180	\$ -	\$ -	\$ 360	
<b>TOTAL POSTAGE/DELIVERY</b>								\$360	\$ -	\$ -	\$ -	\$ 180	\$ 180	\$ -	\$ -	\$ 360	
<b>SPECIALTY SUBCONSULTANTS</b>																	
Construction Materials Testing	TBD							\$100,000	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ 100,000	To be adjusted based on actual fee
Construction Materials Testing (Increased Budget)	TBD							\$50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ -	\$ -	\$ 50,000	To be adjusted based on actual fee
<b>TOTAL SPECIALTY SUBCONSULTANTS</b>								\$150,000	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 100,000.00	\$ -	\$ -	\$ 150,000	To be adjusted based on actual fee
<b>RPR EXPENSES</b>																	
Lodging (Apartment)	24	Months @	\$1,000.00					\$24,000									12 month lease x 2 years
Food Per Diem	1080	Days @	\$30.00					\$32,400									2 people x (300+240) calendar days
Vehicle Lease	24	Months @	\$500.00					\$12,000									12 month lease x 2 years
Maintenance & Fuel	24	Months @	\$300.00					\$7,200									12 month lease x 2 years
<b>TOTAL RPR EXPENSES</b>								\$75,600	\$ -	\$ -	\$ -	\$ 37,800	\$ 37,800	\$ -	\$ -	\$ 75,600	
<b>TRAVEL (CM)</b>																	
Airfare	4	Trips @	\$400.00					\$1,600									2 trip/yr x 2 years
Car Rental	4	Trips @	\$75.00					\$300									2 trip/yr x 2 years
Gas	4	Trips @	\$45.00					\$180									2 trip/yr x 2 years
Food Per Diem	4	Days @	\$30.00					\$120									2 trip/yr x 2 years
<b>TOTAL TRAVEL</b>								\$2,200	\$ -	\$ -	\$ -	\$ 1,100	\$ 1,100	\$ -	\$ -	\$ 2,200	
<b>RPR EXPENSES (ADDITIONAL)</b>																	
Lodging (Apartment increase from Lease)	24	Months @	\$200.00					\$4,800									Increase from Lease (Senior RPR)
Lodging (Additional 6 months for Senior RPR)	6	Months @	\$1,200.00					\$7,200									12 month lease x 6 Months x 1 people (Senior RPR)
Lodging (Apartment (Const. Inspector - Part Time)	15	Months @	\$1,200.00					\$18,000									12 month lease x 1.25 years x 1 people (Const. Inspect - Half time)
Food Per Diem (Additional per GSO Standards)	1080	Days @	\$16.00					\$17,280									(300+240) calendar days x 2 people
Food Per Diem (Additional 29 weeks - Senior RPR )	204	Days @	\$46.00					\$9,384									(204) calendar days x 1 people
Appia Construction Management Software License	2.5	Years @	\$1,650.00					\$4,125									One dedicated AVL license for 2.5 years
Vehicle Lease (Additional 29 weeks)	6	Months @	\$500.00					\$3,000									12 month lease x 6 months x 1 people
Vehicle Monthly Rental (2nd Vehicle)	15	Months @	\$900.00					\$13,500									12 month rental x 15 months x 1 people
Maintenance & Fuel (Additional 29 weeks)	6	Months @	\$300.00					\$1,800									12 month lease x 6 months x 1 people
Maintenance & Fuel (2nd Vehicle)	15	Months @	\$300.00					\$4,500									12 month rental x 15 months x 1 people
Airfare (Senior RPR)	30	Trips @	\$200.00					\$6,000									1 trip/ month x 2.5 years
<b>TOTAL RPR EXPENSES</b>								\$79,089	\$ -	\$ -	\$ -	\$ 31,636	\$ 30,240	\$ 15,120	\$ -	\$ 76,996	
<b>TOTAL OTHER DIRECT COSTS'S (RS&amp;H Fee Proposal dated 05/29/13)</b>																	
<b>TOTAL OTHER DIRECT COSTS'S(Additional Time and validation of overall budget)</b>																	
<b>TOTAL OTHER DIRECT COSTS'S</b>																	
								\$ -	\$ -	\$ -	\$ -	\$ 89,820	\$ 52,200	\$ -	\$ -	\$ 142,020	
								\$ -	\$ -	\$ -	\$ -	\$ 31,636	\$ 80,240	\$ 15,120	\$ -	\$ 126,996	Increase Testing Budget and validation of anticipated expenses
								\$ -	\$ -	\$ -	\$ -	\$ 121,456	\$ 132,440	\$ 15,120	\$ -	\$ 269,016	
<b>1.4. Construction Phase Services (RS&amp;H Fee Proposal dated 05/29/13)</b>																	
<b>1.4. Construction Phase Services (Additional Time and validation of overall budget)</b>																	
<b>1.4. Construction Phase Services</b>																	
<b>Total Proposed Fee for:</b>								\$ -	\$ -	\$ -	\$ -	\$ 695,563	\$ 560,936	\$ -	\$ -	\$ 1,256,500	
								\$ -	\$ -	\$ -	\$ -	\$ 31,636	\$ 339,878	\$ 164,718	\$ -	\$ 536,232	
								\$ -	\$ -	\$ -	\$ -	\$ 727,199	\$ 900,814	\$ 164,718	\$ -	\$ 1,792,732	



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Michael A. Reisman  
Deputy Executive Director, Development & Operations

DATE: December 12, 2014

### **ITEM DESCRIPTION – New Business Item E**

Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2016-2020

### **BACKGROUND**

The Federal Aviation Administration (FAA) requires all airports to submit a Five-Year CIP to be eligible for federal project funding. The CIP is used to update the National Plan of Integrated Airport Systems (NPIAS) and allows the FAA to update the NPIAS program based upon available funding levels. CIP priorities through FY 20 provide for the funding of the Airfield Re-development Project, but also include several equipment replacement items as well. Additional CIP items identified in the current Airport Master Plan are included in FY 18 through FY 20.

### **ISSUES**

None.

### **ALTERNATIVES**

None recommended at this time.



## **FISCAL IMPACT**

The Five-Year CIP is considered a planning and administrative tool for authority Staff and the FAA. Adopting the CIP does not approve any contracts nor provide Staff with any authorization to award design or construction projects. Staff will present individual CIP projects to the Authority Board in accordance with all applicable Authority policies.

## **RECOMMENDED ACTION**

It is respectfully requested that the Authority Board resolve to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan as presented for submission to the FAA.

# GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Airport Capital Improvement Program - Fiscal Years 2016-2020											Draft as of 11-24-14		
Description	Total Cost	AIP Entitlements	AIP Discretionary	State Funds	Pay-As-You-Go PFC		Other Local Funds			Total Funding			
					Current Approval	Future Approvals	Airport Capital	Other	CFC				
<b>Current Year</b>													
<b>FY 2015 (Oct 1, 2014 - Sept 30, 2015)</b>													
Airfield Improvements Program - Bid Package 2/Taxiway Construction (Paving/Electrical)	\$ 12,750,123	\$ 2,500,000	\$ 6,500,000	\$ 1,200,000	\$ 2,550,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,750,123		
Terminal Roof Replacement	\$ 299,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,000	\$ -	\$ -	\$ 299,000		
<b>Subtotal FY 2015</b>	<b>\$ 13,049,123</b>	<b>\$ 2,500,000</b>	<b>\$ 6,500,000</b>	<b>\$ 1,200,000</b>	<b>\$ 2,550,123</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 299,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,049,123</b>		
<b>FY 2016 (Oct 1, 2015 - Sept 30, 2016)</b>													
Airfield Improvements Program - Bid Package 3/Runway Construction (Sitework/Utilities)	\$ 7,798,120	\$ 1,500,000	\$ 13,000,000	\$ -	\$ -	\$ -	\$ -	\$ (6,701,880)	\$ -	\$ -	\$ 7,798,120		
ARFF Truck	\$ 1,000,000	\$ 300,000	\$ 274,750	\$ -	\$ -	\$ -	\$ -	\$ 425,250	\$ -	\$ -	\$ 1,000,000		
Snow Removal Equipment - Broom and Blower	\$ 1,000,000	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 1,000,000		
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Subtotal FY 2016</b>	<b>\$ 9,798,120</b>	<b>\$ 2,500,000</b>	<b>\$ 13,274,750</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,976,630)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,798,120</b>		
<b>FY 2017 (Oct 1, 2016 - Sept 30, 2017)</b>													
Airfield Improvements Program - Bid Package 4/Runway Construction (Paving/Electrical)	\$ 27,403,391	\$ 2,200,000	\$ 13,000,000	\$ -	\$ 5,501,511	\$ -	\$ -	\$ 6,701,880	\$ -	\$ -	\$ 27,403,391		
Snow Removal Equipment - Plow Trucks	\$ 600,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 600,000		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Subtotal FY 2017</b>	<b>\$ 28,003,391</b>	<b>\$ 2,500,000</b>	<b>\$ 13,000,000</b>	<b>\$ -</b>	<b>\$ 5,501,511</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,001,880</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,003,391</b>		
<b>FY 2018 (Oct 1, 2017 - Sept 30, 2018)</b>													
Wright Bros Way Road Extension	\$ 3,000,000	\$ 1,000,000	\$ -	\$ 300,000	\$ -	\$ 1,374,750	\$ -	\$ 325,250	\$ -	\$ -	\$ 3,000,000		
Parking Garage Design	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 500,000	\$ 2,000,000		
Taxiway A Design	\$ 1,400,000	\$ 500,000	\$ 760,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ 1,400,000		
<b>Subtotal FY 2018</b>	<b>\$ 6,400,000</b>	<b>\$ 1,500,000</b>	<b>\$ 760,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 1,374,750</b>	<b>\$ -</b>	<b>\$ 465,250</b>	<b>\$ 1,500,000</b>	<b>\$ 500,000</b>	<b>\$ 6,400,000</b>		
<b>FY 2019 (Oct 1, 2018 - Sept 30, 2019)</b>													
Taxiway A Construction	\$ 12,300,000	\$ 2,500,000	\$ 8,570,000	\$ 300,000	\$ -	\$ 930,000	\$ -	\$ -	\$ -	\$ -	\$ 12,300,000		
Parking Garage Construction	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,250,000	\$ 3,750,000	\$ 15,000,000		
<b>Subtotal FY 2019</b>	<b>\$ 27,300,000</b>	<b>\$ 2,500,000</b>	<b>\$ 8,570,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 930,000</b>	<b>\$ 0</b>	<b>\$ 11,250,000</b>	<b>\$ 3,750,000</b>	<b>\$ -</b>	<b>\$ 27,300,000</b>		
<b>FY 2020 (Oct 1, 2019 - Sept 30, 2020)</b>													
Commercial Vehicle Curbside Improvements and Canopies	\$ 3,500,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 800,000.00	\$ -	\$ -	\$ 3,500,000		
<b>Total - FY 2015 through FY 2020</b>	<b>\$ 88,050,634</b>	<b>\$ 12,700,000</b>	<b>\$ 42,104,750</b>	<b>\$ 1,800,000</b>	<b>\$ 8,051,634</b>	<b>\$ 3,804,750</b>	<b>\$ 2,589,500</b>	<b>\$ 12,750,000</b>	<b>\$ 4,250,000</b>	<b>\$ -</b>	<b>\$ 88,050,634</b>		
<b>General Note:</b>													

## CONTRACT

THIS AGREEMENT made and entered into this 7th day of November, 2014, by and between the Greater Asheville Regional Airport Authority (Party of the First Part, hereinafter called the Owner) and Young & McQueen Grading Co. (Party of the Second Part, hereinafter called the Contractor).

WITNESSETH: That the said Contractor has agreed and by these presents does agree with the said Owner, for the consideration herein mentioned in his/her proposal and under the penalty expressed in Bonds, hereto attached, to furnish all equipment, tools, material, skill and labor of every description necessary to carry out and complete in good, firm, substantial, and workmanlike manner, the work specified in strict conformity with the Drawings, and the Specifications hereinafter set forth. The work covered by this Agreement includes all work shown on the plans and specifications and listed in the attached Proposal and letter of negotiation, for Entryway Improvements at Asheville Regional Airport.

The Contractor shall commence the work with adequate force and equipment on a date to be specified in a written order of the Owner and shall complete the work within sixty (60) calendar days from and including said date. The Contractor shall fully guarantee his/her workmanship and materials furnished for a period of one year following the date of final acceptance of the work. The performance and payment bonds shall remain in full force for this one year period. As a condition of final acceptance, the Contractor shall have executed, and submit to the Owner, the "Warranty of Construction" and the "Lien and Claims Release" forms that have been attached to this contract document.

If said work is not completed within the time stated above, the Contractor shall be liable and hereby agrees to pay to the Owner as liquidated damages and not as a penalty, the amount of Five Hundred and 00/100 Dollars (\$500.00) per calendar day for each and every part of a day thereafter that said work remains substantially incomplete.

The Owner shall pay and the Contractor shall receive the unit prices stipulated in the Contractor's Proposal and the letter of negotiation hereto attached as full compensation for everything furnished and done by the Contractor in the estimated total of Four Hundred Fourteen Thousand, Seven Hundred Twenty-five Dollars and 00/100 (\$414,725.00), based on the quantities completed in an acceptable manner, which sum shall be paid in the manner and terms specified in the Contract Documents, but, before issuance of certificates of payments if the Contractor shall not have submitted evidence satisfactory to the Owner that all payrolls, materials, bills, and other indebtedness connected with the work have been paid, the Owner may withhold, in addition to 10 percent retainage such amount or amounts as may be necessary to pay just claims for labor and services rendered and

## CONTRACT

materials in and about the work, and such amount or amounts withheld or retained may be applied by the Owner to the payment of such just claim. Items of work called out in the plans or specifications, that are not specifically listed in the bid form, shall be considered as incidental to a listed bid item(s), or to the project as a whole.

It is further mutually agreed between the parties hereto that if, at any time after the execution of this agreement and the surety bond hereto attached for its faithful performance, the first party shall deem the surety or sureties upon such bonds to be unsatisfactory, or if, for any reason, such bonds cease to be adequate to cover the performance of the work, the second party shall at its expense, within five days after the receipt of notice from the first party so to furnish an additional bond or bonds in such form and amount, and with surety or sureties as shall be satisfactory to the first party. In such event, no further payment to the second party shall be deemed to be due under this agreement until such new or additional security for the faithful performance of the work shall be furnished in a manner and form satisfactory to the first party.

In the event that it should become necessary, any question or controversy regarding formation, construction, interpretation, validity, and enforcement of this Agreement, and the rights or obligations of the signatory parties hereto, shall be resolved only by lawfully instituted proceedings in the Court of Buncombe County, and the substantive law of the North Carolina or federal law, where applicable, shall govern resolution of any such question or controversy. In the event any provisions of this Agreement shall be held to be invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties.

**CONTRACT**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in triplicate, the 14 day of NOVEMBER 2014.

**OWNER:**

Greater Asheville Regional Airport Authority  
Owner  
61 Terminal Drive, Suite 1  
Address  
Fletcher, NC 28732

**ATTEST:**

Ellen Heywood  
Executive Assistant

[Signature]  
Signature  
Low Blowers  
Name  
Executive Director  
Title

**CONTRACTOR:**

Young & McQueen Grading Co.  
Contractor  
25 Crest View Road  
Address  
Burnsville, North Carolina 28714

**ATTEST:**

Kimberly A. Young  
Secretary / Treasurer

[Signature]  
Signature  
DAMIEN S. HOLLIFIELD  
Name  
SENIOR VICE PRESIDENT  
Title

(SEAL)

Approved As To Form

Executed in Triplicate

BY: [Signature]  
(Owner's Attorney)

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer Signature:

[Signature]



**REVISED PROPOSAL**

Young & McQueen Grading Co.

Name of Bidder

For

ENTRYWAY IMPROVEMENTS

At

ASHEVILLE REGIONAL AIRPORT  
ASHEVILLE, NORTH CAROLINA

SUBMITTED TO

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

DELTA PROJECT NO. 14090

In compliance with our Invitation for Bids, the undersigned hereby propose to furnish the materials and labor and to perform the work for the completion of items listed in the Schedule below in strict accordance with the Invitation for Bids, Plans, General and Special Provisions, Construction Details, Specifications and all other contract documents for the consideration of the prices quoted in the following schedule of bid items, and agrees, upon receipt of written notice of award, that it will execute a contract in accordance with the bid as accepted and give the required contract bonds with good and sufficient surety, within fifteen (15) calendar days after receipt of notice of formal award of contract and presentation of the prescribed forms.

It is agreed that the undersigned has informed itself fully in regard to all conditions pertaining to the place where the work is to be done; that it has examined the plans and specifications for the work and contractual documents thereto, and has read all the special provisions furnished prior to the opening of bids, and that it has satisfied itself relative to the work to be performed.

It is agreed that the description under each item, being stated, implies although it does not mention, all incidentals and that the prices stated are intended to cover all such work, materials, and incidentals as constitute bidders obligations as described in the specifications, and any details not specifically mentioned, but evidently included in the contract shall be compensated for in the item which most logically includes it.

## REVISED PROPOSAL

It is understood that this proposal is submitted for the purpose of obtaining the work included in subject project at the Asheville Regional Airport. Said work includes the following general items:

1. Relocated lighting
2. Relocated directional signs
3. New entrance sign
4. Relocated parking
5. Landscaping

Said work is described in the project contract documents which also include the place, date, and time of opening proposals.

It is understood that separate contracts on individual schedules of work may be awarded, when included in the bid documents.

It is understood that all workmanship and materials under all items of work are guaranteed for one year from the date of final acceptance.

It is understood that the Owner reserves the right to accept or reject any or all bids and waive informalities.

It is understood that the quantities of work to be done are approximate only and are intended principally to serve as a guide in evaluation of proposals, with the right reserved by the Owner to delete minor bid items.

The undersigned agrees, that if awarded the contract, it will commence the work not later than ten (10) days from receipt of the Notice to Proceed and that it will complete the work within the time stipulated in this proposal.

It is understood that for each calendar day that any work remains incomplete after the contract time (including all extensions and adjustments as provided in the subsection titled DETERMINATION AND EXTENSION OF CONTRACT TIME) the sum of Five Hundred dollars (\$500.00) as liquidated damages will be deducted from any money due or to become due to the Contractor or its Surety. Such deducted sums shall not be deducted as a penalty but shall be considered as liquidation of a reasonable portion of damages that will be incurred by the Owner should the Contractor fail to complete the work in the time provided in its contract.

Enclosed is security as required, consisting of (cash, certified check, or bid bond) Bid Bond payable to the Greater Asheville Regional Airport Authority, in the amount of \$ 24,319.70

## **REVISED PROPOSAL**

This amount equals 5 percent of the total amount bid submitted by the Contractor.

It is understood that this project is funded by local monies and the Contractor shall be subject to all laws and regulations applicable to recipients of such funds.

The Bidder shall be a licensed Contractor registered with the State of North Carolina, shall list its registration number at the end of the proposal in the designated location and shall enclose a copy of its licensing certificate.

## REVISED PROPOSAL

Delta Project No. 14090

BASE BID

Date: 10-23-14

Bid Proposal Summary For All Work Depicted In The Plans And Specifications

ITEM NO.	APPROX. QUANTITY	ITEM WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICES IN FIGURES		EXTENDED TOTAL	
			DOLLARS	CENTS	DOLLARS	CENTS
1 NC-800	1 LS	MOBILIZATION Fifty Seven Thousand Three Hundred Sixty Dollars and no cents	\$57,360.00		\$57,360.00	
2 NC-520	150 TN	AGGREGATE BASE COURSE Twenty Six Dollars and no cents PER TON	\$26.00		\$3,900.00	
3 NC-610	50 TN	ASPHALT SURFACE COURSE, TYPE 9.5B One Hundred Forty Seven Dollars and no cents PER TON	\$147.00		\$7,350.00	
4 NC-610	60 TN	ASPHALT INTERMEDIATE COURSE, TYPE I 19.0B One Hundred Thirty Seven Dollars and no cents PER TON	\$137.00		\$8,220.00	
5 NC-1250	1,000 SF	PAVEMENT MARKING One Dollar and sixty cents PER SQUARE FOOT	\$1.60		\$1,600.00	
6 NC-1409	2,000 LF	2" PVC CONDUIT Twenty One dollars and forty cents PER LINEAR FOOT	\$21.40		\$42,800.00	
7 NC-1409	160 LF	2" PVC CONDUIT TRENCHED THROUGH EXISTING PAVEMENT Twenty One dollars and forty cents PER LINEAR FOOT	\$21.40		\$3,424.00	
8 NC-1410	6,000 LF	#6, 600V CABLE One Dollar and Fifty Cents PER LINEAR FOOT	\$1.50		\$9,000.00	
9 NC-1730	500 LF	FIBER OPTIC CABLE, 6 STRAND, 3 PAIR SINGLE MODE Six dollars and ten cents PER LINEAR FOOT	\$6.10		\$3,050.00	

**REVISED PROPOSAL**

ITEM NO.	APPROX. QUANTITY	ITEM WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICES IN FIGURES		EXTENDED TOTAL	
			DOLLARS	CENTS	DOLLARS	CENTS
10 NC-1411	13 EA	ELECTRICAL JUNCTION BOX Seven Hundred Sixty Three Dollars and no cents _____ _____ PER EACH	\$763.00		\$9,919.00	
11 NC-1670	1 LS	LANDSCAPING Twenty Nine Thousand One Hundred Dollars and no cents _____ PER LUMP SUM	\$29,100.00		\$29,100.00	
12 M-116	12 EA	RELOCATE LIGHT POLE W/ RETROFIT LED LAMP Two Thousand Six Hundred Seventy Five Dollars and no cents _____ _____ PER EACH	\$2,675.00		\$32,100.00	
13 M-166	4 EA	RELOCATE LIGHT POLE W/ RETROFIT LED DUAL LAMP Four Thousand Ninety Five Dollars and no cents _____ _____ PER EACH	\$4,095.00		\$16,380.00	
14 M-132	24 EA	PIPE BOLLARD Seven Hundred Sixty Two Dollars and no cents _____ _____ PER EACH	\$762.00		\$18,288.00	
15 P-160	1 LS	MISCELLANEOUS DEMOLITION Nine Thousand Two Hundred Dollars and no cents _____ PER LUMP SUM	\$9,200.00		\$9,200.00	
16 SP-17	3 EA	RELOCATE DIRECTIONAL SIGN Twelve Thousand Nine Hundred Twenty One Dollars and no cents _____ _____	\$12,921.00		\$38,763.00	
17 SP-18	1 LS	MAIN ENTRANCE SIGN Ninety Seven Thousand Two Hundred Sixty Dollars and no cents _____ _____	\$97,260.00		\$97,260.00	
18 SP-21	75 LF	WOOD FENCE Eighteen Dollars and no cents _____ _____ PER LINEAR FOOT	\$18.00		\$1,350.00	

### REVISED PROPOSAL

ITEM NO.	APPROX. QUANTITY	ITEM WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICES IN FIGURES	EXTENDED TOTAL
			DOLLARS CENTS	DOLLARS CENTS
19 SP-26	1 EA	REPLACE SIGN PANEL Three Thousand Two Hundred Thirty Dollars and no cents <hr style="border: 0.5px solid black;"/> <div style="text-align: right;">PER EACH</div>	\$3,230.00	\$3,230.00

Contract Time: 60 Calendar Days

Liquidated Damages: \$500 / Calendar Day

Total Bid Amount \$ 392,294.00

Delta Project No. 14090

#### BID ADDITIVE 1

Date:

Bid Proposal Summary For All Work Depicted In The Plans And Specifications

ITEM NO.	APPROX. QUANTITY	ITEM WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICES IN FIGURES	EXTENDED TOTAL
			DOLLARS CENTS	DOLLARS CENTS
1 SP-19	1 LS	19MM LED DISPLAY Forty Four Thousand One hundred Dollars and no cents <hr style="border: 0.5px solid black;"/> <div style="text-align: right;">PER LUMP SUM</div>	\$44,100.00	\$44,100.00

Total Bid Amount \$ 44,100.00

Delta Project No. 14090

#### BID ADDITIVE 2

Date:

Bid Proposal Summary For All Work Depicted In The Plans And Specifications

ITEM NO.	APPROX. QUANTITY	ITEM WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICES IN FIGURES	EXTENDED TOTAL
			DOLLARS CENTS	DOLLARS CENTS
1 SP-19	1 LS	16MM LED DISPLAY Fifty Thousand Dollars and no cents <hr style="border: 0.5px solid black;"/> <div style="text-align: right;">PER LUMP SUM</div>	\$50,000.00	\$50,000.00

Total Bid Amount \$ 50,000.00

**REVISED PROPOSAL**

The undersigned hereby acknowledges the receipt of the following Addenda to the Contract Documents.

Addendum No. One Issued	<u>10/01/2014</u>	(DATE)
Addendum No. Two Issued	<u>10/09/2014</u>	(DATE)
Addendum No. Three Issued	<u>10/17/2014</u>	(DATE)
Addendum No. Four Issued	<u>10/20/2014</u>	(DATE)
Addendum No. Five Issued	<u>10/22/2014</u>	(DATE)

Young & McQueen Grading Co.  
Name of Bidder

Kimberly M. Young  
Signature

Kimberly M. Young Secretary/Treasurer  
Name & Title of Signing Official

Business Address: 25 Crest View Rd

Burnsville, NC 28714

Telephone: (828) 682-7714

NORTH CAROLINA CONTRACTOR'S LICENSE NO: 14450

**\*\*END OF REVISED PROPOSAL\*\***





**BID BOND**

NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the principal shall enter into a Contract with the Oblige in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the principal to enter such Contract and give such bond or bonds, if the principal shall pay to the Oblige the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Oblige may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 23 day of October 2014.

YOUNG & MCQUEEN GRADING COMPANY, INC.

(Principal) (Seal)

Kimberly Myrny  
(Title) Secretary/Treasurer

Chris Byrnes  
(Witness)

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

(Surety) (Seal)

Donna K. Ashley  
(Title) Donna K. Ashley, Attorney In-Fact

John F. Thomas  
(Witness) John F. Thomas



Bid Bond - TBD  
Bond Number

Greater Asheville Regional  
Airport Authority Oblige

ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by THOMAS O. MCCLELLEN, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint Wendy E. LAHM, William J. QUINN, G. Timothy WILKERSON, Donna K. ASHLEY, Angela D. RAMSEY, John D. LEAK, III, Jennifer C. HOEHN and John F. THOMAS, all of Charlotte, North Carolina, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings,, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons. This power of attorney revokes that issued on behalf of Wendy E. LAHM, William J. QUINN, G. Timothy WILKERSON, Donna K. ASHLEY, Angela D. RAMSEY, John D. LEAK, III, Jennifer C. HOEHN, John F. THOMAS, dated December 17, 2007.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 11th day of April, A.D. 2012.

ATTEST:

ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND



By: Gregory E. Murray Assistant Secretary  
Thomas O. McClellen Vice President

State of Maryland  
City of Baltimore

On this 11th day of April, A.D. 2012, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, THOMAS O. MCCLELLEN, Vice President, and GREGORY E. MURRAY, Assistant Secretary, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposed and said, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

*Marin D. Adamski*

Marin D. Adamski, Notary Public  
My Commission Expires: July 8, 2015



**EXTRACT FROM BY-LAWS OF THE COMPANIES**

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

**CERTIFICATE**

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies,  
this 23 day of Oct, 2014.



*James M. Carroll*

James M. Carroll, Vice President



November 7, 2014

Mr. Chris Byers, P.E.  
Project Manager  
Young & McQueen Grading Co  
25 Crest View Road  
Burnsville, North Carolina 28714

**Subject: Negotiated Bid Prices**  
Access Road Improvements  
Asheville Regional Airport  
Greater Asheville Regional Airport Authority

Dear Mr. Byers:

As discussed by telephone on Friday, November 7, 2104, the Asheville Regional Airport would like to coordinate adjustments to the following bid items for the above referenced project:

- Item 9 2" PVC Conduit - Reduce unit price by \$1.40/LF
- Item 11 Landscaping - Reduce lump sum price by \$6,481
- Item 14 Pipe Bollards - Delete this bid item

These adjustments result in a total bid reduction of \$27,569.00 to your base bid amount of \$392,294.00, resulting in a proposed base bid amount of \$364,725.00.

Contract documents for your execution will be forwarded to you by Delta Airport Consultants, Inc. under separate cover.

If you should have any questions please call our office.

Sincerely,

**Nicole E. Manke, P.E., C.M.**  
**Project Manager**

Enclosures: Negotiated Bid Prices

cc: Michael Reisman, Asheville Regional Airport  
Rita Yanz, Asheville Regional Airport

Reference: Delta Project No. 14090

Negotiated Bid Prices

ENTRYWAY IMPROVEMENTS

ASHEVILLE REGIONAL AIRPORT  
ASHEVILLE, NORTH CAROLINA

DELTA PROJECT NO. 14090

DATE: November 7, 2014

ITEM NO.	SPEC NO.	DESCRIPTION	UNIT	Bid Amount			Negotiated Amount			Increase/Decrease		
				BID QUANTITY	UNIT PRICE	TOTAL AMOUNT	BID QUANTITY	UNIT PRICE	TOTAL AMOUNT	BID QUANTITY	UNIT PRICE	TOTAL AMOUNT
1	NC-600	MOBILIZATION	LS	1	\$57,360.00	\$57,360.00	1	\$57,360.00	\$57,360.00	0	\$0.00	\$0.00
2	NC-520	AGGREGATE BASE COURSE	TN	150	\$26.00	\$3,900.00	150	\$26.00	\$3,900.00	0	\$0.00	\$0.00
3	NC-610	ASPHALT SURFACE COURSE, TYPE 9.5B	TN	50	\$147.00	\$7,350.00	50	\$147.00	\$7,350.00	0	\$0.00	\$0.00
4	NC-610	ASPHALT INTERMEDIATE COURSE, TYPE I 19.0B	TN	60	\$137.00	\$8,220.00	60	\$137.00	\$8,220.00	0	\$0.00	\$0.00
5	NC-1250	PAVEMENT MARKING	SF	1,000	\$1.60	\$1,600.00	1,000	\$1.60	\$1,600.00	0	\$0.00	\$0.00
6	NC-1409 2"	PVC CONDUIT	LF	2,000	\$21.40	\$42,800.00	2,000	\$20.00	\$40,000.00	0	(\$1.40)	(\$2,800.00)
7	NC-1409 2"	PVC CONDUIT TRENCHED THROUGH EXISTING PAVEMENT	LF	160	\$21.40	\$3,424.00	160	\$21.40	\$3,424.00	0	\$0.00	\$0.00
8	NC-1410 #6,	600V CABLE	LF	6,000	\$1.50	\$9,000.00	6,000	\$1.50	\$9,000.00	0	\$0.00	\$0.00
9	NC-1730	FIBER OPTIC CABLE, 6 STRAND, 3 PAIR SINGLE MODE	LF	500	\$6.10	\$3,050.00	500	\$6.10	\$3,050.00	0	\$0.00	\$0.00
10	NC-1411	ELECTRICAL JUNCTION BOX	EA	13	\$763.00	\$9,919.00	13	\$763.00	\$9,919.00	0	\$0.00	\$0.00
11	NC-1670	LANDSCAPING	LS	1	\$29,100.00	\$29,100.00	1	\$22,619.00	\$22,619.00	0	(\$6,481.00)	(\$6,481.00)
12	M-116	RELOCATE LIGHT POLE w/ RETROFIT LED LAMP	EA	12	\$2,675.00	\$32,100.00	12	\$2,675.00	\$32,100.00	0	\$0.00	\$0.00
13	M-116	RELOCATE LIGHT POLE w/ RETROFIT LED DUAL LAMP	EA	4	\$4,095.00	\$16,380.00	4	\$4,095.00	\$16,380.00	0	\$0.00	\$0.00
14	M-132	PIPE BOLLARD	EA	24	\$762.00	\$18,288.00	0	\$762.00	\$0.00	(24)	\$0.00	(\$18,288.00)
15	P-150	MISCELLANEOUS DEMOLITION	LS	1	\$9,200.00	\$9,200.00	1	\$9,200.00	\$9,200.00	0	\$0.00	\$0.00
16	SP-17	RELOCATE DIRECTIONAL SIGN	EA	3	\$12,921.00	\$38,763.00	3	\$12,921.00	\$38,763.00	0	\$0.00	\$0.00
17	SP-18	MAIN ENTRANCE SIGN	LS	1	\$97,260.00	\$97,260.00	1	\$97,260.00	\$97,260.00	0	\$0.00	\$0.00
18	SP-21	WOOD FENCE	LF	75	\$18.00	\$1,350.00	75	\$18.00	\$1,350.00	0	\$0.00	\$0.00
19	SP-26	REPLACE SIGN PANEL	EA	1	\$3,230.00	\$3,230.00	1	\$3,230.00	\$3,230.00	0	\$0.00	\$0.00
				Base Bid Totals:					\$364,725.00			
										(\$27,569.00)		
				Base Bid Additive 1 - LED DISPLAY								
1	SP-19	19MM LED DISPLAY	LS	1	\$44,100.00	\$44,100.00		\$44,100.00	\$44,100.00			
				Base Bid Additive 1 Total:					\$44,100.00			
				Base Bid Additive 2 - LED DISPLAY								
1	M-130	16MM LED DISPLAY	LS	1	\$50,000.00	\$50,000.00		\$50,000.00	\$50,000.00			
				Base Bid Additive 2 Total:					\$50,000.00			
				Base Bid:					\$364,725.00			
				Base Bid + Bid Additive 1:					\$408,825.00			
				Base Bid + Bid Additive 2:					\$414,725.00			

**PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS, that Young & McQueen Grading Company, Inc. as Principal, hereinafter called Contractor, and Fidelity and Deposit Company of Maryland a corporation duly organized under the laws of the State of North Carolina, as Surety, hereinafter called Surety, are held and firmly bound unto the Greater Asheville Regional Airport Authority, as Obligee, hereinafter called Owner, in the amount of Four Hundred Fourteen Thousand Seven Hundred Twenty-five & 00/100 Dollars (\$ 414,725.00 ), for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Contractor has by written agreement dated NOVEMBER 14, 2014, entered into a contract with Owner for Construction of certain airport improvements and other associated items at the Asheville Regional Airport in accordance with Plans and Specifications prepared by Delta Airport Consultants, Inc., 1805 Sardis Road North, Suite 101, Charlotte, North Carolina, 28270. Telephone: (704) 521-9101, Fax: (704) 521-9109, which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then his/her obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever the Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

- (1) Complete the Contract in accordance with its terms and conditions, or
- (2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and made available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The

PERFORMANCE BOND

term "balance of the contract price", as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of the Owner.

Signed and sealed this 14 day of NOVEMBER, 2014.

YOUNG & MCQUEEN GRADING COMPANY, INC.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Principal

Surety

D. S. Hollifield  
Signature

Donna K Ashley  
Signature

DAMIAN S. HOLLIFIELD  
Name

Donna K. Ashley  
Name

SENIOR VICE PRESIDENT  
Title

Attorney-In-Fact  
Title

Seal By: [Signature]  
Title Secretary/Treasurer  
(SEAL)

Seal By: [Signature]  
Title Jennifer C. Hoehn, Attorney-In-Fact  
(SEAL)



## LABOR AND MATERIAL PAYMENT BOND

100% OF THE CONTRACT AMOUNT

Young & McQueen Grading Company, Inc.

KNOW ALL MEN BY THESE PRESENTS: that \_\_\_\_\_ as Principal, hereinafter called Contractor, and, Fidelity and Deposit Company of Maryland as Surety, hereinafter called Surety, are held and firmly bound unto the Greater Asheville Regional Airport Authority, as Obligees, hereinafter called Owner, respectively, for the use and benefit of claimants as hereinbelow defined, in the amount of Four Hundred Fourteen Thousand Seven Hundred Twenty-five & 00/100 Dollars (\$14,725.00), for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreements dated 11/14, 2014, entered into a contract with Owner for Entryway Improvements, and other associated items at the Asheville Regional Airport in accordance with Performance Specifications prepared by Delta Airport Consultants, Inc., 1805 Sardis Road North, Suite 101, Charlotte, North Carolina, 28270, Telephone: (704) 521-9101, Fax: (704) 521-9109, which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly make payment to all claimants as hereinafter defined, for all labor and material, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Contractor or with a Subcontractor of the Contractor for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor, and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.
2. The above named Contractor and Surety hereby jointly and severally agree with the Agent that every claimant as herein defined, who has not been paid in full before the expiration of period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Agent or



## LABOR AND MATERIAL PAYMENT BOND

Owner shall not be liable for the Payment of any costs or expenses of any such suit.

3. No suit or action shall be commenced hereunder by any claimant:
  - (a) Unless claimant other than one having a direct contract with the Contractor shall have given written notice to any two of the following: The Contractor, the Agent, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Contractor, Owner or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.
  - (b) After the expiration of one (1) year following the date on which Contractor ceased work on said Contract, it being understood, however, that if any limitation embodied on this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to equal to the minimum period of limitation permitted by such law.
  - (c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the project, or any part thereof, is situated, or in the United States District Court for the district in which the project, or any part thereof, is situated, and not elsewhere.
4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' lien which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

LABOR AND MATERIAL PAYMENT BOND

Signed and sealed this 14 day of NOVEMBER 2014.

YOUNG & MCQUEEN GRADING COMPANY, INC.

Principal

D. S. Holufield  
Signature

DAMIEN S. HOLUFIELD  
Name

SENIOR VICE PRESIDENT  
Title

Seal By:

Kimberly H. Young  
Title Secretary (Treasurer)

(SEAL)

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Surety

Donna K. Ashley  
Signature

Donna K. Ashley

Name

Attorney-In-Fact

Title

Seal By:

Jennifer C. Hoehn  
Title Jennifer C. Hoehn, Attorney-In-Fact

(SEAL)

*Maria D. Adamski*



Maria D. Adamski, Notary Public  
My Commission Expires: July 8, 2015

### EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

### CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 14 day of NOVEMBER, 2014.



*James M. Carroll*

James M. Carroll, Vice President

8990182

Bond Number

Asheville Regional  
Airport Authority  
Obligee

ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **THOMAS O. MCCLELLEN, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Wendy E. LAHM, William J. QUINN, G. Timothy WILKERSON, Donna K. ASHLEY, Angela D. RAMSEY, John D. LEAK, III, Jennifer C. HOEHN and John F. THOMAS**, all of Charlotte, North Carolina, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons. This power of attorney revokes that issued on behalf of Wendy E. LAHM, William J. QUINN, G. Timothy WILKERSON, Donna K. ASHLEY, Angela D. RAMSEY, John D. LEAK, III, Jennifer C. HOEHN, John F. THOMAS, dated December 17, 2007.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 11th day of April, A.D. 2012.

ATTEST:

ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND



By: Gregory E. Murray Assistant Secretary  
Thomas O. McClellen Vice President

State of Maryland  
City of Baltimore

On this 11th day of April, A.D. 2012, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **THOMAS O. MCCLELLEN, Vice President, and GREGORY E. MURRAY, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposed and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

## WARRANTY OF CONSTRUCTION

### ENTRYWAY IMPROVEMENTS

ASHEVILLE REGIONAL AIRPORT  
ASHEVILLE, NORTH CAROLINA

DELTA PROJECT NO. 14090

DATE OF FINAL ACCEPTANCE: \_\_\_\_\_

Young & McQueen Grading, Co. 25 Crest View Road, Burnsville, North Carolina 28714 hereby guarantees that all labor and material furnished and work performed under the above Contract are in accordance with the contract drawings and specifications and authorized alterations and additions thereto, and that all of the work under the Contract is free from faulty materials and improper workmanship, and guaranteed against injury from proper and usual wear, and agreeing (and we do hereby so agree) that should any defect develop during the contract guarantee period, as hereinafter defined, due to improper materials, workmanship or arrangement, we will, upon written notice, replace or re-execute such defective work, together with any other work affected in making good such defects, at the convenience of, and without expense to the Owner.

The Contractor further warrants that all manufacturer's or other warranties on all materials and equipment furnished by Contractor shall run directly to or be specifically assigned to Owner on demand. The Contractor warrants that the installation of any and all materials and equipment shall be in strict accordance with manufacturer's requirements. In the event Owner seeks to enforce a claim based upon a manufacturer's warranty and should such manufacturer then fail to honor its warranty based, in whole or in part, on a claim of defective installation, Owner shall be entitled to enforce said warranty against Contractor in accordance with the terms of said warranty, except that a claim of defective installation shall not be a defense to any such warranty claim by Owner against Contractor.

The contract guarantee period shall be a period of one (1) year from final acceptance, as noted above, except in the cases of manufacturer's or other required extended warranties that extend for periods greater than one year from final acceptance, whereby the contract guarantee period shall extend to match for the items that are so warrantied.

The warranty for any work repaired or replaced during the guarantee period shall run for a period of one (1) year from the date of repair or replacement.

\_\_\_\_\_  
Contractor

Subscribed and sworn before me in the State of North Carolina, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires

**LIEN AND CLAIMS RELEASE**

ENTRYWAY IMPROVEMENTS

ASHEVILLE REGIONAL AIRPORT  
ASHEVILLE, NORTH CAROLINA

DELTA PROJECT NO. 14090

Young & McQueen Grading Co., 25 Crest View Road, Burnsville, North Carolina 28714 hereby certifies that the work for the above project has been completed in accordance with the Contract Documents, and that all previous progress payments received from the Owner on account of work performed under the Contract referred to has been applied by the undersigned to discharge in full all obligations of the undersigned incurred in connection with the work covered by prior requisitions for payment under said Contract and that all materials and equipment covered by the final requisition for payment are free and clear of all liens, claims, security interests and encumbrances. All persons, firms and partnerships who have furnished labor and/or material to date on said project have been paid.

\_\_\_\_\_  
Contractor

Subscribed and sworn before me in the State of North Carolina, this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires





**Asheville Regional Airport Authority - Bid Tabulation**

Project Name: **Entryway Improvements**

Date/Time: **Thursday, October 23, 2014**

	Company Name & Address	Acknowledgement of Addendum(s)	Bid Bond	Base Bid	Tax (7%)	Bid Alt 1	Bid Alt 2	Total Bid
1	Young & McQueen 25 Crest View Road Burnsville, NC 28714	Yes	Yes	\$392,294.00		\$44,100.00	\$50,000.00	\$442,294.00
2	H&M Constructors PO Box 16589 Asheville, NC 28816	Yes	Yes	\$484,483.00		\$56,897.00	\$50,255.00	\$534,738.00
3	NHM Constructors, LLC 1121 Brevard Road Asheville, NC 28816	Yes	Yes	\$515,827.00		\$46,900.00	\$53,100.00	\$568,927.00
4								
5								

The bid summary is certified to be true and correct to the best of my knowledge.

*M. A. Reisman*

Date: 11-17-14

Michael A. Reisman, Deputy Airport Director, Development & Operations  
Asheville Regional Airport Authority

Value Engineered Form

ENTRYWAY IMPROVEMENTS

ASHEVILLE REGIONAL AIRPORT  
ASHEVILLE, NORTH CAROLINA

DELTA PROJECT NO. 14090

DATE: November 7, 2014

ITEM NO.	SPEC NO.	DESCRIPTION	UNIT	Bid Amount			Negotiated Amount			Increase/Decrease		
				BID QUANTITY	UNIT PRICE	TOTAL AMOUNT	BID QUANTITY	UNIT PRICE	TOTAL AMOUNT	BID QUANTITY	UNIT PRICE	TOTAL AMOUNT
1	NC-800	MOBILIZATION	LS	1	\$57,360.00	\$57,360.00	1	\$57,360.00	\$57,360.00	0	\$0.00	\$0.00
2	NC-520	AGGREGATE BASE COURSE	TN	150	\$26.00	\$3,900.00	150	\$26.00	\$3,900.00	0	\$0.00	\$0.00
3	NC-610	ASPHALT SURFACE COURSE, TYPE 9.5B	TN	50	\$147.00	\$7,350.00	50	\$147.00	\$7,350.00	0	\$0.00	\$0.00
4	NC-610	ASPHALT INTERMEDIATE COURSE, TYPE I 19.0B	TN	60	\$137.00	\$8,220.00	60	\$137.00	\$8,220.00	0	\$0.00	\$0.00
5	NC-1250	PAVEMENT MARKING	SF	1,000	\$1.60	\$1,600.00	1,000	\$1.60	\$1,600.00	0	\$0.00	\$0.00
6	NC-1409	2" PVC CONDUIT	LF	2,000	\$21.40	\$42,800.00	2,000	\$20.00	\$40,000.00	0	(\$1.40)	(\$2,800.00)
7	NC-1409	2" PVC CONDUIT TRENCHED THROUGH EXISTING PAVEMENT	LF	160	\$21.40	\$3,424.00	160	\$21.40	\$3,424.00	0	\$0.00	\$0.00
8	NC-1410	#6, 600V CABLE	LF	6,000	\$1.50	\$9,000.00	6,000	\$1.50	\$9,000.00	0	\$0.00	\$0.00
9	NC-1730	FIBER OPTIC CABLE, 6 STRAND, 3 PAIR SINGLE MODE	LF	500	\$6.10	\$3,050.00	500	\$6.10	\$3,050.00	0	\$0.00	\$0.00
10	NC-1411	ELECTRICAL JUNCTION BOX	EA	13	\$763.00	\$9,919.00	13	\$763.00	\$9,919.00	0	\$0.00	\$0.00
11	NC-1670	LANDSCAPING	LS	1	\$29,100.00	\$29,100.00	1	\$22,619.00	\$22,619.00	0	(\$6,481.00)	(\$6,481.00)
12	M-116	RELOCATE LIGHT POLE w/ RETROFIT LED LAMP	EA	12	\$2,675.00	\$32,100.00	12	\$2,675.00	\$32,100.00	0	\$0.00	\$0.00
13	M-116	RELOCATE LIGHT POLE w/ RETROFIT LED DUAL LAMP	EA	4	\$4,095.00	\$16,380.00	4	\$4,095.00	\$16,380.00	0	\$0.00	\$0.00
14	M-132	PIPE BOLLARD	EA	24	\$762.00	\$18,288.00	0	\$762.00	\$0.00	(24)	\$0.00	(\$18,288.00)
15	P-150	MISCELLANEOUS DEMOLITION	LS	1	\$9,200.00	\$9,200.00	1	\$9,200.00	\$9,200.00	0	\$0.00	\$0.00
16	SP-17	RELOCATE DIRECTIONAL SIGN	EA	3	\$12,921.00	\$38,763.00	3	\$12,921.00	\$38,763.00	0	\$0.00	\$0.00
17	SP-18	MAIN ENTRANCE SIGN	LS	1	\$97,260.00	\$97,260.00	1	\$97,260.00	\$97,260.00	0	\$0.00	\$0.00
18	SP-21	WOOD FENCE	LF	75	\$18.00	\$1,350.00	75	\$18.00	\$1,350.00	0	\$0.00	\$0.00
19	SP-26	REPLACE SIGN PANEL	EA	1	\$3,230.00	\$3,230.00	1	\$3,230.00	\$3,230.00	0	\$0.00	\$0.00
<b>Base Bid Totals:</b>						<b>\$392,294.00</b>			<b>\$364,725.00</b>			<b>(\$27,569.00)</b>
<b>Base Bid Additive 1 - LED DISPLAY</b>												
1	SP-19	19MM LED DISPLAY	LS	1	\$44,100.00	\$44,100.00		\$44,100.00	\$44,100.00			
<b>Base Bid Additive 1 Total:</b>						<b>\$44,100.00</b>			<b>\$44,100.00</b>			
<b>Base Bid Additive 2 - LED DISPLAY</b>												
1	M-130	16MM LED DISPLAY	LS	1	\$50,000.00	\$50,000.00		\$50,000.00	\$50,000.00			
<b>Base Bid Additive 2 Total:</b>						<b>\$50,000.00</b>			<b>\$50,000.00</b>			
<b>Base Bid:</b>						<b>\$392,294.00</b>			<b>\$364,725.00</b>			
<b>Base Bid + Bid Additive 1:</b>						<b>\$436,394.00</b>			<b>\$408,825.00</b>			
<b>Base Bid + Bid Additive 2:</b>						<b>\$442,294.00</b>			<b>\$414,725.00</b>			



## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Lew Bleiweis, A.A.E., Executive Director  
DATE: December 12, 2014

### ITEM DESCRIPTION – Information Section Item A

October, 2014 Traffic Report – Asheville Regional Airport

### SUMMARY

October 2014 overall passenger traffic numbers were up 15.6% compared to the same period last year. Passenger traffic numbers reflect a 14.2% increase in passenger enplanements from October 2014. Enplanements for Fiscal Year to Date total 152,016 which is an 11.6% increase over the same period last year.

### AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in October 2014 were up by 115.7%. There were no flight cancellations for the month.

Delta Airlines: Delta's October 2014 enplanements decreased by 8.1% compared to October 2013. There was one (1) flight cancellation for the month.

United Airlines: In October 2014, United Airlines saw an increase in enplanements by 26.6% over the same period last year. There were no flight cancellations for the month.

US Airways: US Airways' October 2014 passenger enplanements represent a 3.2% decrease over the same period last year. There were five (5) flight cancellations for the month.

# Monthly Traffic Report

## Asheville Regional Airport

### October 2014



Category	Oct 2014	Oct 2013	Percentage Change	*CYTD-2014	*CYTD-2013	Percentage Change	*MOV12-2014	*MOV12-2013	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	37,392	32,747	14.2%	315,644	281,022	12.3%	373,621	329,451	13.4%
Deplaned	<u>38,781</u>	<u>33,122</u>	17.1%	<u>316,586</u>	<u>280,976</u>	12.7%	<u>374,634</u>	<u>329,367</u>	13.7%
<b>Total</b>	<b>76,173</b>	<b>65,869</b>	<b>15.6%</b>	<b>632,230</b>	<b>561,998</b>	<b>12.5%</b>	<b>748,255</b>	<b>658,818</b>	<b>13.6%</b>
<b>Aircraft Operations</b>									
Airlines	609	540	12.8%	4,755	4,218	12.7%	5,668	4,943	14.7%
Commuter /Air Taxi	<u>909</u>	<u>1,005</u>	-9.6%	8,833	10,269	-14.0%	10,552	12,106	-12.8%
<b>Subtotal</b>	<u>1,518</u>	<u>1,545</u>	-1.7%	<u>13,588</u>	<u>14,487</u>	-6.2%	<u>16,220</u>	<u>17,049</u>	-4.9%
General Aviation	4,083	4,414	-7.5%	39,852	34,933	14.1%	46,152	40,702	13.4%
Military	<u>857</u>	<u>338</u>	153.6%	<u>5,999</u>	<u>3,942</u>	52.2%	<u>6,656</u>	<u>4,704</u>	41.5%
<b>Subtotal</b>	<u>4,940</u>	<u>4,752</u>	4.0%	<u>45,851</u>	<u>38,875</u>	17.9%	<u>52,808</u>	<u>45,406</u>	16.3%
<b>Total</b>	<b>6,458</b>	<b>6,297</b>	<b>2.6%</b>	<b>59,439</b>	<b>53,362</b>	<b>11.4%</b>	<b>69,028</b>	<b>62,455</b>	<b>10.5%</b>
<b>Fuel Gallons</b>									
100LL	21,175	24,251	-12.7%	134,848	137,388	-1.8%	152,713	162,015	-5.7%
Jet A (GA)	118,928	127,394	-6.6%	1,071,964	945,934	13.3%	1,245,136	1,104,039	12.8%
<b>Subtotal</b>	<u>140,103</u>	<u>151,645</u>	-7.6%	<u>1,206,812</u>	<u>1,083,322</u>	11.4%	<u>1,397,849</u>	<u>1,266,054</u>	10.4%
Jet A (A/L)	<u>238,326</u>	<u>209,013</u>	14.0%	<u>2,123,503</u>	<u>2,026,145</u>	4.8%	<u>2,520,593</u>	<u>2,303,776</u>	9.4%
<b>Total</b>	<b>378,429</b>	<b>360,658</b>	<b>4.9%</b>	<b>3,330,315</b>	<b>3,109,467</b>	<b>7.1%</b>	<b>3,918,442</b>	<b>3,569,830</b>	<b>9.8%</b>

\*CYTD = Calendar Year to Date and \*Mov12 = Moving Twelve Months.

Thursday, November 20, 2014

# Airline Enplanements, Seats, and Load Factors

## Asheville Regional Airport

October 2014



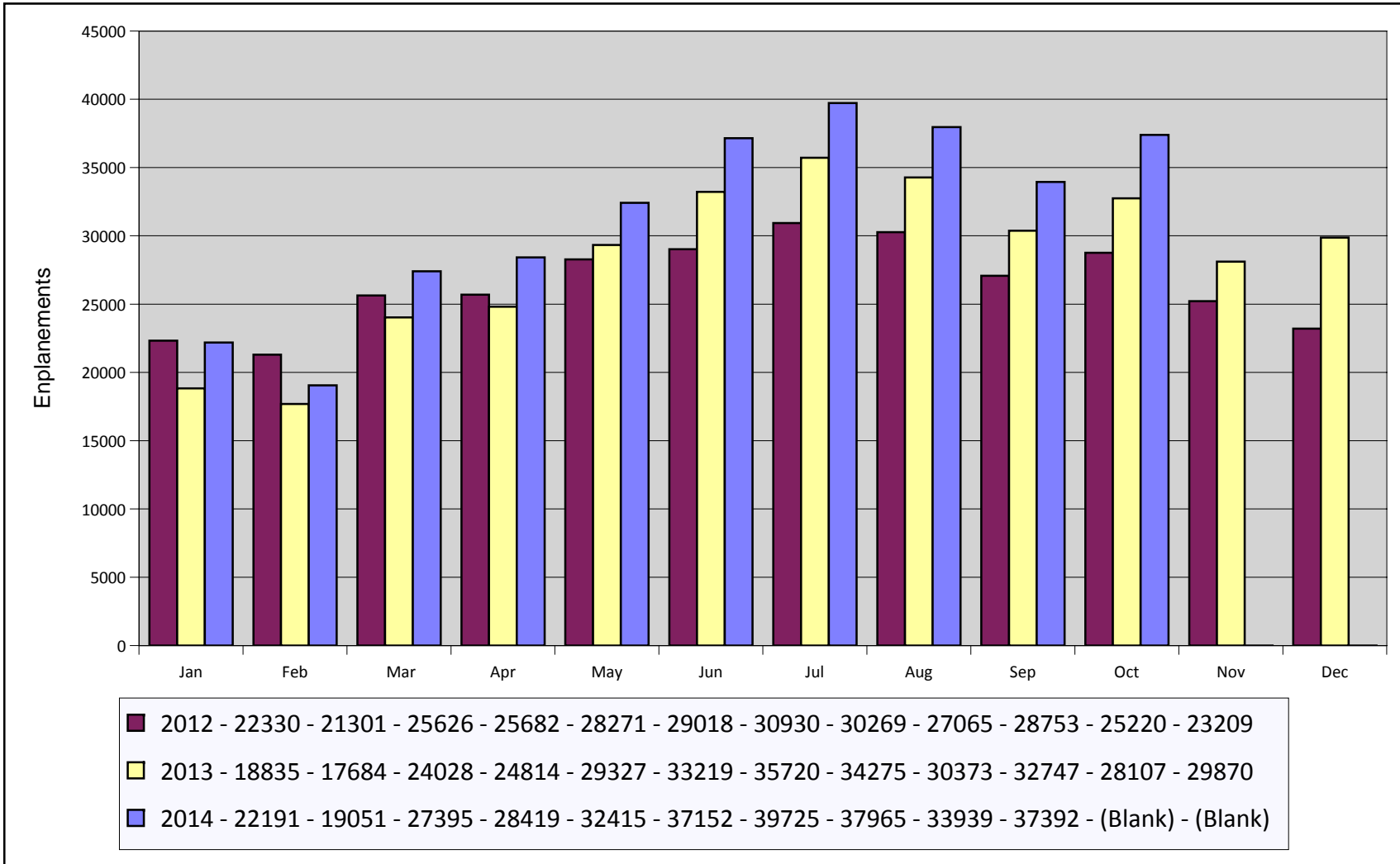
	Oct 2014	Oct 2013	Percentage Change	*CYTD-2014	*CYTD-2013	Percentage Change
<b>Allegiant Air</b>						
Enplanements	9,513	4,410	115.7%	72,373	35,619	103.2%
Seats	10,954	4,980	120.0%	81,516	39,362	107.1%
Load Factor	86.8%	88.6%	-1.9%	88.8%	90.5%	-1.9%
<b>Delta Air Lines</b>						
Enplanements	12,260	13,345	-8.1%	116,414	119,197	-2.3%
Seats	14,692	15,503	-5.2%	143,045	158,708	-9.9%
Load Factor	83.4%	86.1%	-3.1%	81.4%	75.1%	8.4%
<b>United Airlines</b>						
Enplanements	4,719	3,727	26.6%	35,638	32,149	10.9%
Seats	5,850	5,050	15.8%	41,410	42,082	-1.6%
Load Factor	80.7%	73.8%	9.3%	86.1%	76.4%	12.7%
<b>US Airways</b>						
Enplanements	10,900	11,265	-3.2%	91,219	94,057	-3.0%
Seats	14,191	13,965	1.6%	118,602	136,987	-13.4%
Load Factor	76.8%	80.7%	-4.8%	76.9%	68.7%	12.0%
<b>Totals</b>						
Enplanements	37,392	32,747	14.2%	315,644	281,022	12.3%
Seats	45,687	39,498	15.7%	384,573	377,139	2.0%
Load Factor	81.8%	82.9%	-1.3%	82.1%	74.5%	10.1%

# Airline Flight Completions Asheville Regional Airport October 2014

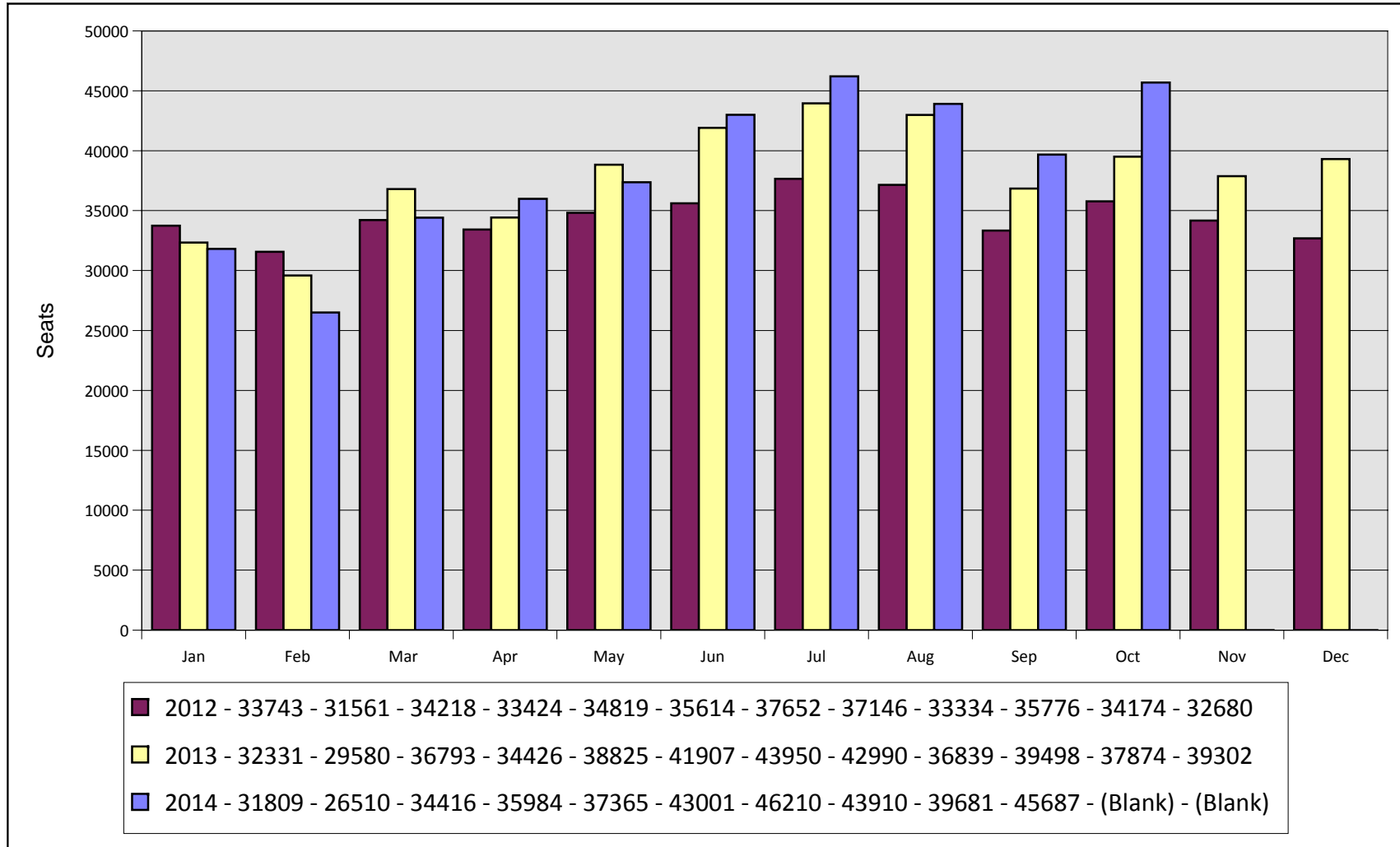


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	64	0	0	0	0	0	100.0%
Delta Air Lines	178	0	1	0	0	1	100.0%
United Airlines	117	0	0	0	0	0	100.0%
US Airways	242	0	2	3	0	5	97.9%
<b>Total</b>	<b>601</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>99.0%</b>

# Monthly Enplanements By Year Asheville Regional Airport

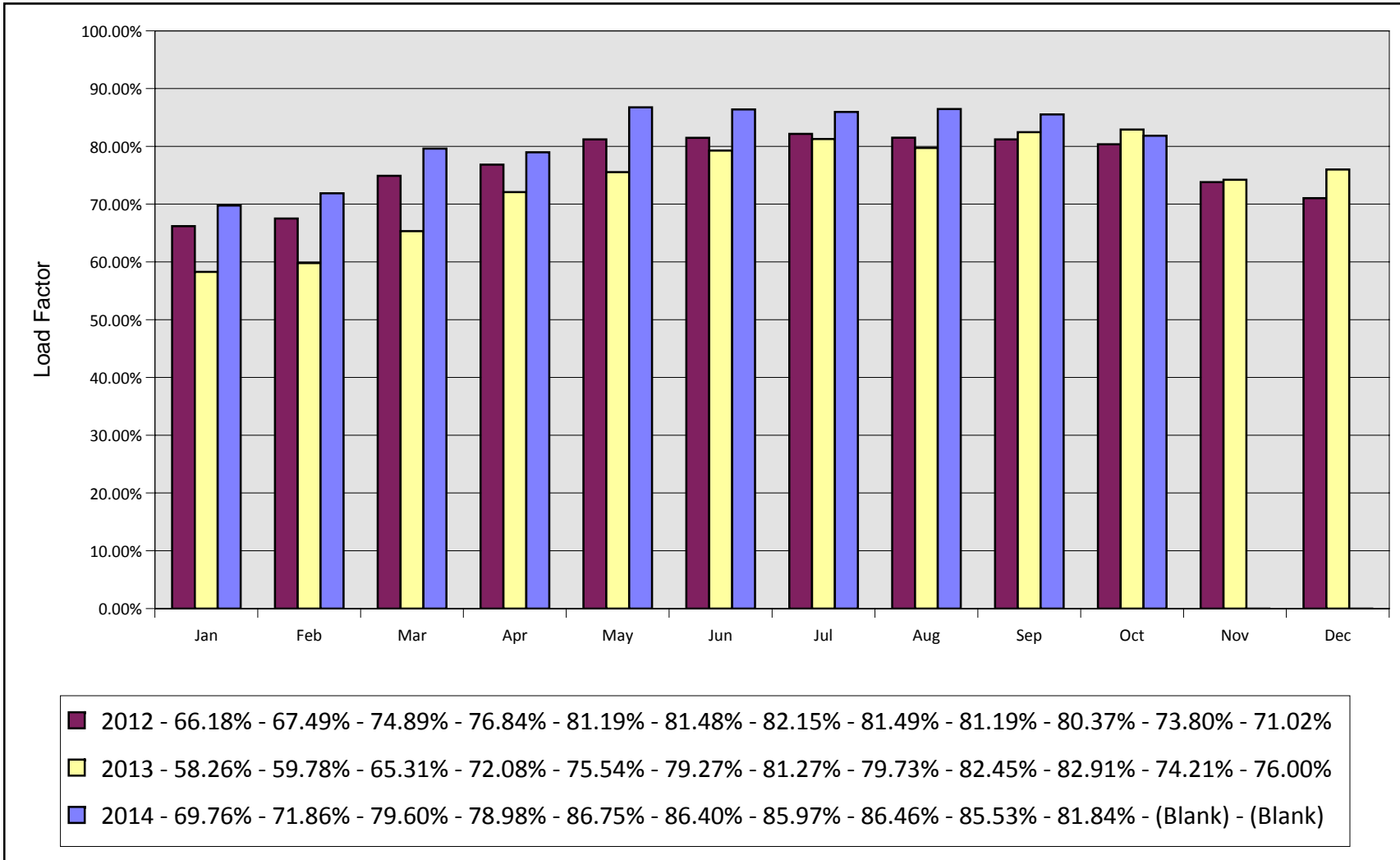


# Monthly Seats By Year Asheville Regional Airport

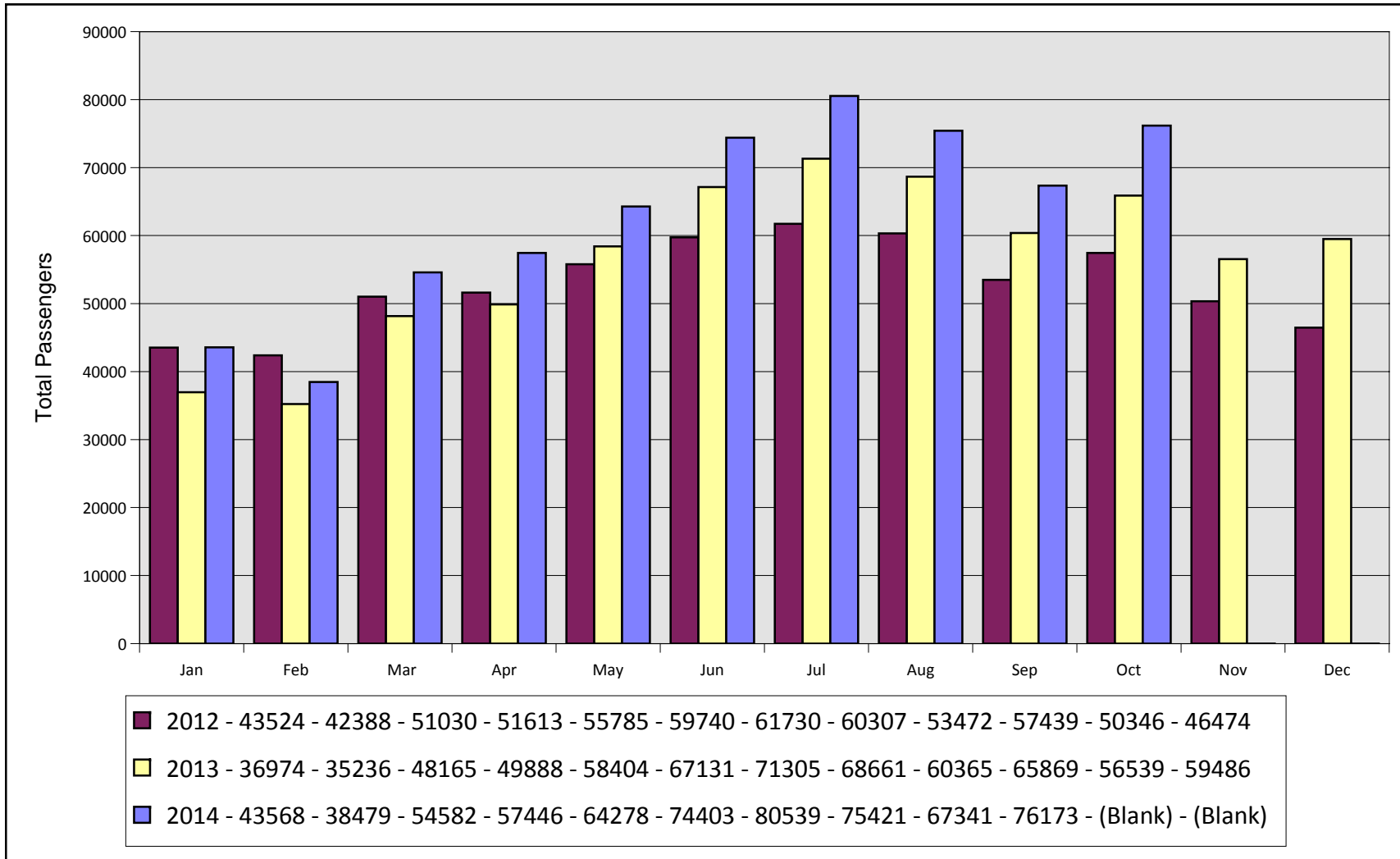




# Monthly Load Factors By Year Asheville Regional Airport

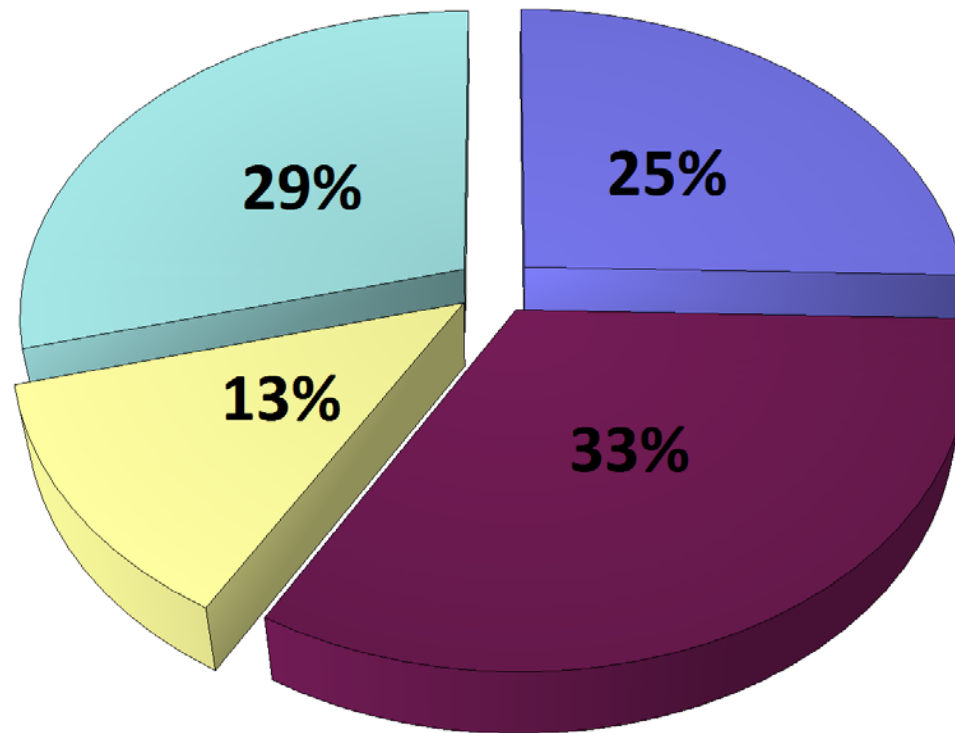


# Total Monthly Passengers By Year Asheville Regional Airport

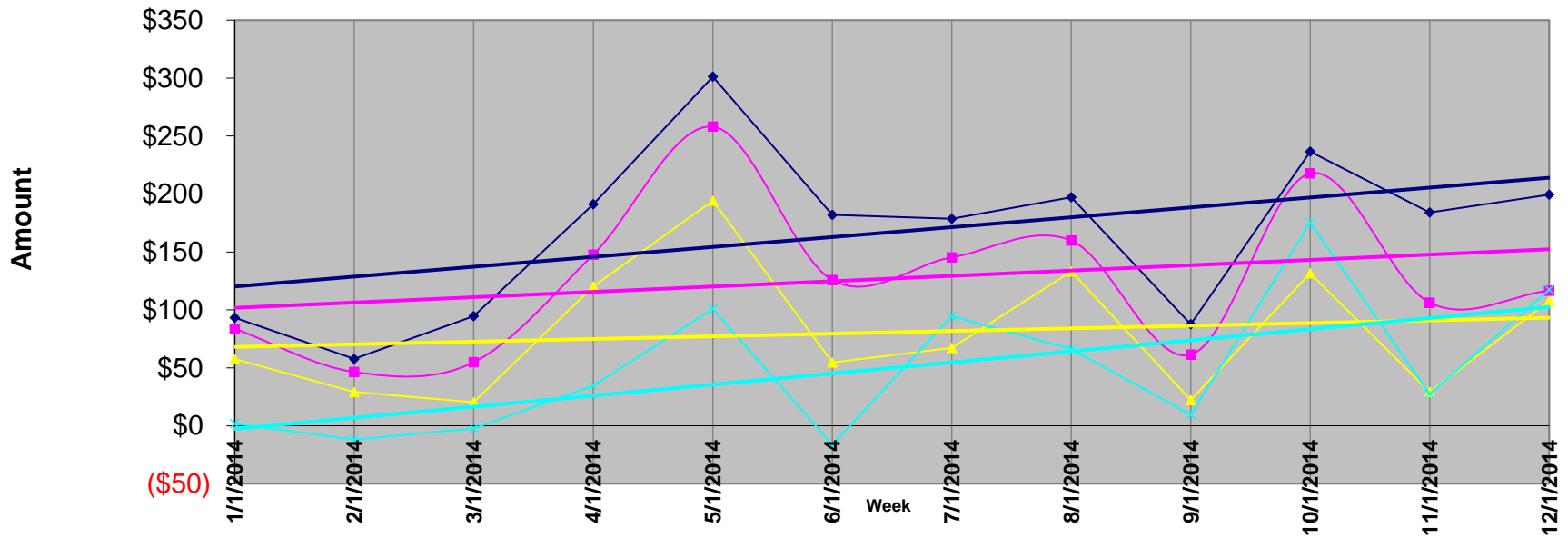


# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From October 2014 Through October 2014



## AVL Average Airfare Differences 21 Day Advance Purchase, 3 Day Stay



◆ ATL    
 ◆ CLT    
 ◆ GSP    
 ◆ TRI    
 — Linear (ATL)    
 — Linear (CLT)    
 — Linear (GSP)    
 — Linear (TRI)

**Asheville Regional Airport**  
**Sample airfares as of 12/1/14**  
**21 Day Advance Purchase, 3 day Stay**

							<u>Difference in Fares</u>				
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	
ABQ	Albuquerque	\$645	\$463	\$475	\$538	\$464	\$182	\$170	\$107	\$181	
ATL	Atlanta	\$334		\$422	\$309	\$384	\$334	(\$88)	\$25	(\$50)	
AUS	Austin	\$515	\$292	\$411	\$372	\$369	\$223	\$104	\$143	\$146	
BWI	Baltimore	\$480	\$240	\$208	\$329	\$305	\$240	\$272	\$151	\$175	
BOS	Boston	\$533	\$294	\$219	\$387	\$425	\$239	\$314	\$146	\$108	
ORD	Chicago	\$295	\$200	\$268	\$283	\$300	\$95	\$27	\$12	(\$5)	
CVG	Cincinnati	\$412	\$320	\$428	\$460	\$305	\$92	(\$16)	(\$48)	\$107	
CLE	Cleveland	\$433	\$250	\$377	\$344	\$388	\$183	\$56	\$89	\$45	
DFW	Dallas	\$290	\$206	\$262	\$276	\$357	\$84	\$28	\$14	(\$67)	
DEN	Denver	\$546	\$316	\$495	\$486	\$353	\$230	\$51	\$60	\$193	
DTW	Detroit	\$404	\$281	\$503	\$414	\$410	\$123	(\$99)	(\$10)	(\$6)	
FLL	Fort Lauderdale	\$494	\$260	\$382	\$401	\$366	\$234	\$112	\$93	\$128	
RSW	Ft. Myers	\$570	\$337	\$464	\$456	\$446	\$233	\$106	\$114	\$124	
BDL	Hartford	\$492	\$351	\$372	\$400	\$401	\$141	\$120	\$92	\$91	
IAH	Houston	\$423	\$249	\$357	\$323	\$328	\$174	\$66	\$100	\$95	
IND	Indianapolis	\$595	\$249	\$385	\$373	\$403	\$346	\$210	\$222	\$192	
JAX	Jacksonville	\$587	\$214	\$300	\$402	\$288	\$373	\$287	\$185	\$299	
MCI	Kansas City	\$493	\$308	\$392	\$331	\$377	\$185	\$101	\$162	\$116	
LAS	Las Vegas	\$606	\$332	\$467	\$410	\$474	\$274	\$139	\$196	\$132	
LAX	Los Angeles	\$775	\$440	\$565	\$566	\$638	\$335	\$210	\$209	\$137	
MHT	Manchester	\$592	\$493	\$386	\$443	\$497	\$99	\$206	\$149	\$95	
MEM	Memphis	\$477	\$301	\$300	\$325	\$300	\$176	\$177	\$152	\$177	
MIA	Miami	\$360	\$253	\$430	\$464	\$402	\$107	(\$70)	(\$104)	(\$42)	
MKE	Milwaukee	\$513	\$339	\$425	\$419	\$377	\$174	\$88	\$94	\$136	
MSP	Minneapolis/Saint Paul	\$475	\$316	\$398	\$397	\$397	\$159	\$77	\$78	\$78	
BNA	Nashville	\$428	\$366	\$296	\$302	\$303	\$62	\$132	\$126	\$125	
MSY	New Orleans	\$492	\$214	\$319	\$235	\$357	\$278	\$173	\$257	\$135	

LGA	New York	\$653	\$312	\$235	\$371	\$326	\$341	\$418	\$282	\$327
EWR	Newark	\$443	\$357	\$360	\$430	\$397	\$86	\$83	\$13	\$46
MCO	Orlando	\$484	\$130	\$379	\$426	\$326	\$354	\$105	\$58	\$158
PHL	Philadelphia	\$395	\$272	\$408	\$376	\$305	\$123	(\$13)	\$19	\$90
PHX	Phoenix	\$626	\$332	\$530	\$480	\$431	\$294	\$96	\$146	\$195
PIT	Pittsburgh	\$476	\$254	\$331	\$270	\$305	\$222	\$145	\$206	\$171
PDX	Portland	\$899	\$595	\$746	\$775	\$684	\$304	\$153	\$124	\$215
PVD	Providence	\$592	\$445	\$400	\$357	\$477	\$147	\$192	\$235	\$115
RDU	Raleigh/Durham	\$596	\$214	\$414	\$377	\$330	\$382	\$182	\$219	\$266
RIC	Richmond	\$480	\$228	\$300	\$329	\$305	\$252	\$180	\$151	\$175
STL	Saint Louis	\$480	\$228	\$319	\$259	\$308	\$252	\$161	\$221	\$172
SLC	Salt Lake City	\$612	\$387	\$562	\$528	\$510	\$225	\$50	\$84	\$102
SAT	San Antonio	\$516	\$292	\$349	\$291	\$414	\$224	\$167	\$225	\$102
SAN	San Diego	\$609	\$413	\$629	\$616	\$574	\$196	(\$20)	(\$7)	\$35
SFO	San Francisco	\$600	\$459	\$513	\$534	\$494	\$141	\$87	\$66	\$106
SRQ	Sarasota/Bradenton	\$422	\$301	\$394	\$498	\$381	\$121	\$28	(\$76)	\$41
SEA	Seattle	\$788	\$566	\$684	\$770	\$793	\$222	\$104	\$18	(\$5)
SYR	Syracuse	\$574	\$405	\$413	\$580	\$405	\$169	\$161	(\$6)	\$169
TPA	Tampa	\$372	\$214	\$395	\$405	\$279	\$158	(\$23)	(\$33)	\$93
YYZ	Toronto	\$481	\$788	\$527	\$452	\$539	(\$307)	(\$46)	\$29	(\$58)
DCA	Washington DC	\$480	\$265	\$244	\$258	\$330	\$215	\$236	\$222	\$150
IAD	Washington DC	\$477	\$283	\$158	\$242	\$330	\$194	\$319	\$235	\$147
PBI	West Palm Beach	\$492	\$214	\$381	\$347	\$279	\$278	\$111	\$145	\$213

\*These sample airfares were available 12/1/14, based on a 21 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit specific airline or airline booking websites. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "Low Fares" section on our web site for any last minute airfare specials.

\$199      \$117      \$108      \$117

**Average Fare difference**

**Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.**

**Asheville Regional Airport**  
**Sample airfares as of 12/1/14**  
**0 Day Advance Purchase, 3 day Stay**

							<u>Difference in Fares</u>				
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	
ABQ	Albuquerque	\$1,284	\$611	\$889	\$1,123	\$785	\$673	\$395	\$161	\$499	
ATL	Atlanta	\$428		\$804	\$557	\$484	\$428	(\$376)	(\$129)	(\$56)	
AUS	Austin	\$682	\$516	\$507	\$827	\$688	\$166	\$175	(\$145)	(\$6)	
BWI	Baltimore	\$590	\$400	\$379	\$444	\$546	\$190	\$211	\$146	\$44	
BOS	Boston	\$682	\$525	\$297	\$692	\$726	\$157	\$385	(\$10)	(\$44)	
ORD	Chicago	\$427	\$591	\$477	\$391	\$546	(\$164)	(\$50)	\$36	(\$119)	
CVG	Cincinnati	\$482	\$532	\$595	\$932	\$546	(\$50)	(\$113)	(\$450)	(\$64)	
CLE	Cleveland	\$521	\$572	\$439	\$420	\$546	(\$51)	\$82	\$101	(\$25)	
DFW	Dallas	\$638	\$296	\$583	\$373	\$688	\$342	\$55	\$265	(\$50)	
DEN	Denver	\$1,117	\$541	\$849	\$927	\$842	\$576	\$268	\$190	\$275	
DTW	Detroit	\$933	\$446	\$735	\$543	\$546	\$487	\$198	\$390	\$387	
FLL	Fort Lauderdale	\$652	\$419	\$451	\$703	\$723	\$233	\$201	(\$51)	(\$71)	
RSW	Ft. Myers	\$652	\$371	\$475	\$654	\$688	\$281	\$177	(\$2)	(\$36)	
BDL	Hartford	\$998	\$518	\$489	\$600	\$688	\$480	\$509	\$398	\$310	
IAH	Houston	\$674	\$444	\$588	\$460	\$686	\$230	\$86	\$214	(\$12)	
IND	Indianapolis	\$869	\$310	\$439	\$801	\$546	\$559	\$430	\$68	\$323	
JAX	Jacksonville	\$872	\$374	\$451	\$801	\$519	\$498	\$421	\$71	\$353	
MCI	Kansas City	\$938	\$447	\$459	\$760	\$688	\$491	\$479	\$178	\$250	
LAS	Las Vegas	\$814	\$607	\$663	\$730	\$877	\$207	\$151	\$84	(\$63)	
LAX	Los Angeles	\$1,226	\$649	\$769	\$1,005	\$1,027	\$577	\$457	\$221	\$199	
MHT	Manchester	\$682	\$634	\$307	\$662	\$688	\$48	\$375	\$20	(\$6)	
MEM	Memphis	\$587	\$521	\$441	\$667	\$581	\$66	\$146	(\$80)	\$6	
MIA	Miami	\$638	\$406	\$617	\$653	\$688	\$232	\$21	(\$15)	(\$50)	
MKE	Milwaukee	\$974	\$374	\$459	\$649	\$688	\$600	\$515	\$325	\$286	
MSP	Minneapolis/Saint Paul	\$978	\$518	\$914	\$841	\$688	\$460	\$64	\$137	\$290	
BNA	Nashville	\$488	\$442	\$444	\$621	\$544	\$46	\$44	(\$133)	(\$56)	
MSY	New Orleans	\$652	\$374	\$551	\$699	\$692	\$278	\$101	(\$47)	(\$40)	

LGA	New York	\$1,004	\$522	\$535	\$394	\$692	\$482	\$469	\$610	\$312
EWR	Newark	\$510	\$598	\$792	\$646	\$723	(\$88)	(\$282)	(\$136)	(\$213)
MCO	Orlando	\$590	\$374	\$647	\$942	\$688	\$216	(\$57)	(\$352)	(\$98)
PHL	Philadelphia	\$446	\$599	\$451	\$548	\$546	(\$153)	(\$5)	(\$102)	(\$100)
PHX	Phoenix	\$799	\$666	\$996	\$803	\$877	\$133	(\$197)	(\$4)	(\$78)
PIT	Pittsburgh	\$586	\$446	\$441	\$554	\$546	\$140	\$145	\$32	\$40
PDX	Portland	\$1,475	\$1,062	\$1,150	\$1,074	\$1,360	\$413	\$325	\$401	\$115
PVD	Providence	\$682	\$634	\$372	\$689	\$695	\$48	\$310	(\$7)	(\$13)
RDU	Raleigh/Durham	\$702	\$371	\$554	\$701	\$546	\$331	\$148	\$1	\$156
RIC	Richmond	\$590	\$374	\$595	\$705	\$546	\$216	(\$5)	(\$115)	\$44
STL	Saint Louis	\$590	\$374	\$461	\$640	\$546	\$216	\$129	(\$50)	\$44
SLC	Salt Lake City	\$1,182	\$607	\$1,056	\$965	\$927	\$575	\$126	\$217	\$255
SAT	San Antonio	\$690	\$524	\$521	\$804	\$777	\$166	\$169	(\$114)	(\$87)
SAN	San Diego	\$846	\$664	\$914	\$923	\$877	\$182	(\$68)	(\$77)	(\$31)
SFO	San Francisco	\$1,197	\$812	\$868	\$1,019	\$1,349	\$385	\$329	\$178	(\$152)
SRQ	Sarasota/Bradenton	\$732	\$465	\$475	\$781	\$688	\$267	\$257	(\$49)	\$44
SEA	Seattle	\$1,545	\$941	\$940	\$1,708	\$1,356	\$604	\$605	(\$163)	\$189
SYR	Syracuse	\$652	\$575	\$489	\$786	\$691	\$77	\$163	(\$134)	(\$39)
TPA	Tampa	\$712	\$371	\$475	\$714	\$688	\$341	\$237	(\$2)	\$24
YYZ	Toronto	\$740	\$816	\$876	\$636	\$704	(\$76)	(\$136)	\$104	\$36
DCA	Washington DC	\$842	\$439	\$442	\$445	\$586	\$403	\$400	\$397	\$256
IAD	Washington DC	\$890	\$439	\$442	\$535	\$641	\$451	\$448	\$355	\$249
PBI	West Palm Beach	\$655	\$374	\$451	\$661	\$688	\$281	\$204	(\$6)	(\$33)

\$273      \$182      \$59      \$69

**Average Fare difference**

\*These sample airfares were available 12/1/14, based on a 0 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit specific airline or airline booking websites. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "Low Fares" section on our web site for any last minute airfare specials.

**Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.**



Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel December 2014 vs. December 2013

Mktg Al	Travel Period			Dec 2014		Dec 2013		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	40	3,113	46	2,920	(6)	193	(13.0%)	6.6%
DL	AVL	ATL	164	40	3,113	46	2,920	(6)	193	(13.0%)	6.6%
G4	AVL	FLL	660	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PBI	620	2	354	0	0	2	354		
G4	AVL	PGD	588	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PIE	518	2	354	2	332	0	22	0.0%	6.6%
G4	AVL	SFB	465	2	354	2	332	0	22	0.0%	6.6%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PBI	AVL	620	2	354	0	0	2	354		
G4	PGD	AVL	588	2	332	2	332	0	0	0.0%	0.0%
G4	PIE	AVL	518	2	354	2	332	0	22	0.0%	6.6%
G4	SFB	AVL	465	2	354	2	332	0	22	0.0%	6.6%
UA	AVL	EWR	583	6	300	6	300	0	0	0.0%	0.0%
UA	AVL	ORD	536	7	350	7	350	0	0	0.0%	0.0%
UA	EWR	AVL	583	6	300	6	300	0	0	0.0%	0.0%
UA	ORD	AVL	536	7	350	7	350	0	0	0.0%	0.0%
US	AVL	CLT	92	51	2,915	51	3,102	0	(187)	0.0%	(6.0%)
US	CLT	AVL	92	51	2,915	51	3,102	0	(187)	0.0%	(6.0%)
TOTAL				228	16,808	236	16,000	(8)	808	(3.4%)	5.1%

Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel January 2015 vs. January 2014

Mktg Al	Travel Period			Jan 2015		Jan 2014		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	40	3,053	46	2,894	(6)	159	(13.0%)	5.5%
DL	AVL	ATL	164	40	3,113	46	2,894	(6)	219	(13.0%)	7.6%
DL	AVL	DTW	470	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
G4	AVL	FLL	660	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PBI	620	2	354	0	0	2	354		
G4	AVL	PGD	588	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PIE	518	2	354	2	332	0	22	0.0%	6.6%
G4	AVL	SFB	465	2	354	2	332	0	22	0.0%	6.6%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PBI	AVL	620	2	354	0	0	2	354		
G4	PGD	AVL	588	2	332	2	332	0	0	0.0%	0.0%
G4	PIE	AVL	518	2	354	2	332	0	22	0.0%	6.6%
G4	SFB	AVL	465	2	354	2	332	0	22	0.0%	6.6%
UA	AVL	EWR	583	1	50	1	50	0	0	0.0%	0.0%
UA	AVL	ORD	536	7	350	7	350	0	0	0.0%	0.0%
UA	EWR	AVL	583	1	50	1	50	0	0	0.0%	0.0%
UA	ORD	AVL	536	7	350	7	350	0	0	0.0%	0.0%
US	AVL	CLT	92	48	2,638	49	2,802	(1)	(164)	(2.0%)	(5.9%)
US	CLT	AVL	92	48	2,638	48	2,752	0	(114)	0.0%	(4.1%)
TOTAL				212	15,694	222	14,848	(10)	846	(4.5%)	5.7%

Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel February 2015 vs. February 2014

Mktg Al	Travel Period			Feb 2015		Feb 2014		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	39	3,089	46	2,894	(7)	195	(15.2%)	6.7%
DL	AVL	ATL	164	39	3,089	46	2,894	(7)	195	(15.2%)	6.7%
G4	AVL	FLL	660	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PBI	620	2	354	0	0	2	354		
G4	AVL	PGD	588	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PIE	518	2	354	0	0	2	354		
G4	AVL	SFB	465	2	332	2	332	0	0	0.0%	0.0%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PBI	AVL	620	2	354	0	0	2	354		
G4	PGD	AVL	588	2	332	2	332	0	0	0.0%	0.0%
G4	PIE	AVL	518	2	354	0	0	2	354		
G4	SFB	AVL	465	2	332	2	332	0	0	0.0%	0.0%
UA	AVL	ORD	536	7	350	7	350	0	0	0.0%	0.0%
UA	ORD	AVL	536	7	350	7	350	0	0	0.0%	0.0%
US	AVL	CLT	92	46	2,538	47	2,642	(1)	(104)	(2.1%)	(3.9%)
US	CLT	AVL	92	46	2,538	47	2,642	(1)	(104)	(2.1%)	(3.9%)
TOTAL				204	15,362	212	13,764	(8)	1,598	(3.8%)	11.6%



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance & Accounting

DATE: December 12, 2014

### ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances  
Month of September, 2014 (Month 3 of FY2015)

### SUMMARY

Operating Revenues for the month of September were \$801,872, 11.90% over budget. Operating Expenses for the month were \$612,238, 0.78% over budget. As a result, Net Operating Revenues before Depreciation were \$80,532 over budget. Net Non-Operating Revenues were \$304,981, 19.10% over budget.

Year-to-date Operating Revenues were \$2,449,509, 10.97% over budget. Year-to-date Operating Expenses were \$1,724,080, 9.43% below budget. Year-to-date Net Operating Revenues before Depreciation were \$421,644 over budget. Net Non-Operating Revenues for the year were \$850,869, 31.70% over budget.

### REVENUES

Significant variations to budget for September were:

Concessions	\$ 8,867	35.71%	Enplanements over budget.
Auto Parking	\$56,902	25.40%	Enplanements over budget.
Other Leases/Fees	\$ 4,541	11.44%	Security fees due to enplanements over budget.
Customer Facility Charges	\$17,009	16.68%	Enplanements over budget & CFC's budgeted conservatively.
Passenger Facility Charges	\$31,945	19.72%	Enplanements over budget & PFC's budgeted conservatively.

Information Section – Item B



## **EXPENSES**

Significant variations to budget for September were:

Professional Services	\$ 5,961	35.54%	Legal fees for property purchase and airfield redevelopment project.
Other Contractual Services	\$17,214	32.29%	Temporary help instead of hired personnel & timing of Other Contractual Services spending.
Travel & Training	(\$ 2,459)	(14.64%)	Timing of Travel & Training spending.
Promotional Activities	(\$ 5,208)	(73.15%)	Timing of Promotional activities and events.
Operating Supplies	\$ 4,530	29.81%	Timing of Operating Supplies spending.

## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$278k mainly due to spending on the Airfield Redevelopment project.

Grants Receivable – Conversely, Grants Receivable increased by \$1,464k due to spending on the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$1,657k mainly due to spending on the Airfield Redevelopment project.

Property and Equipment, Net – Property and Equipment, Net decreased by \$383k for the current month's depreciation.

**ASHEVILLE REGIONAL AIRPORT  
INVESTMENT AND INTEREST INCOME SUMMARY  
As of September 30, 2014**

<b><u>Institution:</u></b>	<b><u>Interest Rate</u></b>	<b><u>Investment Amount</u></b>	<b><u>Monthly Interest</u></b>
Bank of America - Operating Account	0.20%	\$ 5,778,995	967
First Citizens - Money Market Account	0.05%	6,384,403	263
NC Capital Management Trust - Cash Portfolio		17,172	0
NC Capital Management Trust - Term Portfolio		3,011,001	168
Petty Cash		200	
 <b><u>Restricted Cash:</u></b>			
Wells Fargo - CFC Revenue Account	0.00%	428,870	0
Bank of America - PFC Revenue Account	0.20%	2,469,461	395
 <b>Total</b>		 <b><u>\$ 18,090,102</u></b>	 <b><u>\$ 1,793</u></b>

**Investment Diversification:**

Banks	83%
NC Capital Management Trust	17%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For the Month Ended September 30, 2014**

	<b>Current Month</b>	<b>Prior Period</b>
<b>Cash and Investments Beginning of Period</b>	<b>\$ 18,368,232</b>	<b>\$ 17,951,754</b>
Net Income/(Loss) Before Capital Contributions	111,574	143,331
Depreciation	383,041	383,041
Decrease/(Increase) in Receivables	(1,208,637)	486,541
Increase/(Decrease) in Payables	667,862	(484,337)
Decrease/(Increase) in Prepaid Expenses	3,554	16,974
Decrease/(Increase) in Fixed Assets	(1,657,598)	(893,801)
Principal Payments of Bond Maturities	(42,469)	(42,265)
Capital Contributions	1,464,543	806,994
<b>Increase(Decrease) in Cash</b>	<b>(278,130)</b>	<b>416,478</b>
<b>Cash and Investments End of Period</b>	<b>\$ 18,090,102</b>	<b>\$ 18,368,232</b>

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Month Ending September 30, 2014**

	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
<b>Operating Revenue:</b>									
Terminal Space Rentals - Non Airline	\$17,861	\$17,860	\$1	0.01%	\$53,583	\$53,580	\$3	0.01%	\$217,195
Terminal Space Rentals - Airline	115,504	109,333	6,171	5.64%	375,246	356,349	18,897	5.30%	1,300,000
Concessions	33,696	24,829	8,867	35.71%	99,553	76,987	22,566	29.31%	300,965
Auto Parking	280,902	224,000	56,902	25.40%	788,997	661,000	127,997	19.36%	2,519,725
Rental Car - Car Rentals	113,542	112,240	1,302	1.16%	342,390	336,720	5,670	1.68%	1,346,884
Rental Car - Facility Rent	47,990	49,251	(1,261)	(2.56%)	147,364	148,604	(1,240)	(0.83%)	604,289
Commercial Ground Transportation	2,780	400	2,380	595.00%	11,480	4,900	6,580	134.29%	37,700
Landing Fees	47,212	43,125	4,087	9.48%	148,892	148,375	517	0.35%	566,500
FBO'S	82,426	80,249	2,177	2.71%	252,258	246,772	5,486	2.22%	978,105
Building Leases	14,532	13,516	1,016	7.52%	43,563	40,548	3,015	7.44%	159,341
Land Leases	1,204	2,117	(913)	(43.13%)	5,461	6,351	(890)	(14.01%)	25,438
Other Leases/Fees	44,223	39,682	4,541	11.44%	180,722	127,186	53,536	42.09%	491,800
<b>Total Operating Revenue</b>	<b>\$801,872</b>	<b>\$716,602</b>	<b>\$85,270</b>	<b>11.90%</b>	<b>\$2,449,509</b>	<b>\$2,207,372</b>	<b>\$242,137</b>	<b>10.97%</b>	<b>\$8,547,942</b>
<b>Operating Expenses:</b>									
Personnel Services	\$378,218	\$377,042	\$1,176	0.31%	\$1,082,347	\$1,137,271	(\$54,924)	(4.83%)	\$4,731,849
Professional Services	22,736	16,775	5,961	35.54%	44,046	48,225	(4,179)	(8.67%)	187,400
Accounting & Auditing	1,250	1,875	(625)	(33.33%)	1,250	1,875	(625)	(33.33%)	15,000
Other Contractual Services	70,530	53,316	17,214	32.29%	202,264	195,352	6,912	3.54%	685,198
Travel & Training	14,333	16,792	(2,459)	(14.64%)	23,188	33,387	(10,199)	(30.55%)	149,695
Communications & Freight	6,785	5,764	1,021	17.71%	19,648	17,292	2,356	13.62%	69,166
Utility Services	28,738	35,684	(6,946)	(19.47%)	97,317	115,291	(17,974)	(15.59%)	487,648
Rentals & Leases	946	976	(30)	(3.07%)	2,839	2,928	(89)	(3.04%)	11,716
Insurance	16,411	18,808	(2,397)	(12.74%)	49,746	56,424	(6,678)	(11.84%)	225,700
Repairs & Maintenance	24,906	28,816	(3,910)	(13.57%)	70,792	110,077	(39,285)	(35.69%)	366,050
Advertising, Printing & Binding	10,943	11,822	(879)	(7.44%)	16,470	18,966	(2,496)	(13.16%)	205,650
Promotional Activities	1,912	7,120	(5,208)	(73.15%)	12,266	26,260	(13,994)	(53.29%)	99,515
Other Current Charges & Obligations	7,430	6,915	515	7.45%	22,710	19,745	2,965	15.02%	81,000
Office Supplies	528	833	(305)	(36.61%)	2,667	2,499	168	6.72%	10,000
Operating Supplies	19,725	15,195	4,530	29.81%	57,365	82,074	(24,709)	(30.11%)	326,336
Books, Publications, Subscriptions & Meml	3,097	1,517	1,580	104.15%	6,165	5,921	244	4.12%	36,010
Contingency	0	0	-	0.00%	0	-	0	100.00%	100,000
Emergency Repair	-	6,250	(6,250)	(100.00%)	-	18,750	(18,750)	(100.00%)	75,000
Business Development	3,750	2,000	1,750	87.50%	13,000	11,250	1,750	15.56%	300,000
<b>Total Operating Expenses</b>	<b>\$612,238</b>	<b>\$607,500</b>	<b>\$4,738</b>	<b>0.78%</b>	<b>\$1,724,080</b>	<b>\$1,903,587</b>	<b>(\$179,507)</b>	<b>(9.43%)</b>	<b>\$8,162,933</b>

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**

**For the Month Ending September 30, 2014**

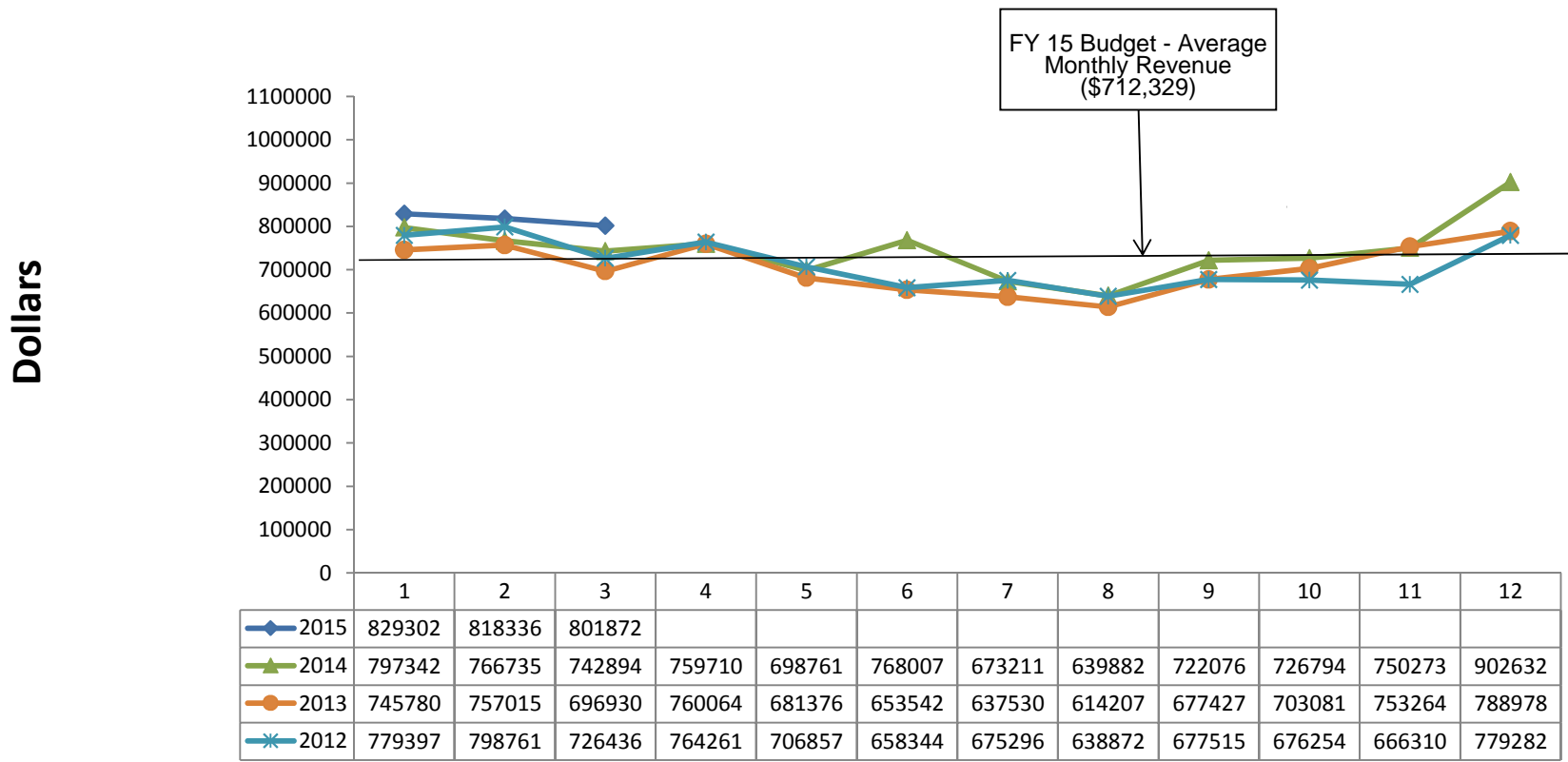
	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
<b>Operating Revenue before Depreciation</b>	\$189,634	\$109,102	\$80,532	73.81%	\$725,429	\$303,785	\$421,644	138.80%	\$385,009
Depreciation	383,041	-	\$383,041	100.00%	1,149,123	-	1,149,123	100.00%	-
<b>Operating Income(Loss) Before Non-Operating Revenue and Expenses</b>	(\$193,407)	\$109,102	(\$302,509)	(277.27%)	(\$423,694)	\$303,785	(\$727,479)	(239.47%)	\$385,009
<b>Non-Operating Revenue and Expense</b>									
Customer Facility Charges	\$119,009	\$102,000	\$17,009	16.68%	\$383,108	\$324,500	\$58,608	18.06%	\$ 1,075,000
Passenger Facility Charges	193,945	162,000	31,945	19.72%	491,851	346,000	145,851	42.15%	1,325,000
Interest Revenue	1,793	1,833	(40)	(2.18%)	5,819	5,499	320	5.82%	22,000
Interest Expense	(9,766)	(9,766)	-	0.00%	(29,909)	(29,909)	-	0.00%	(108,461)
Reimbursable Cost Revenues	14,558	17,833	(3,275)	(18.36%)	42,548	53,499	(10,951)	(20.47%)	214,000
Reimbursable Cost Expenses	(14,558)	(17,833)	3,275	(18.36%)	(42,548)	(53,499)	10,951	(20.47%)	(214,000)
Gain/Loss on Disposal of Assets	0	0	-	0.00%	0	0	-	0.00%	
<b>Non-Operating Revenue-Net</b>	\$304,981	\$256,067	\$48,914	19.10%	\$850,869	\$646,090	\$204,779	31.70%	\$2,313,539
<b>Income (Loss) Before Capital Contributions</b>	\$111,574	\$365,169	(\$253,595)	(69.45%)	\$427,175	\$949,875	(\$522,700)	(55.03%)	\$2,698,548
<b>Capital Contributions</b>	\$1,464,543	\$0	\$1,464,543	100.00%	\$3,731,912	\$0	\$3,731,912	100.00%	\$0
<b>Increase in Net Assets</b>	\$1,576,117	\$365,169	\$1,210,948	331.61%	\$4,159,087	\$949,875	\$3,209,212	337.86%	\$2,698,548

**ASHEVILLE REGIONAL AIRPORT  
STATEMENT OF FINANCIAL POSITION  
As of September 30, 2014**

	<u>Current Month</u>	<u>Last Month</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
<b>Unrestricted Net Assets:</b>		
Cash and Cash Equivalents	\$15,191,772	\$15,612,005
Accounts Receivable	204,435	466,450
Passenger Facility Charges Receivable	275,000	275,000
Refundable Sales Tax Receivable	159,678	153,568
Grants Receivable	6,305,680	4,841,137
Prepaid Expenses	165,671	169,225
Total Unrestricted Assets	22,302,236	21,517,385
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	2,898,330	2,756,225
Total Restricted Assets	2,898,330	2,756,225
Total Current Assets	25,200,566	24,273,610
<b>Noncurrent Assets:</b>		
Construction in Progress	13,124,984	11,467,386
Property and Equipment - Net	58,254,825	58,637,866
Total Noncurrent Assets	71,379,809	70,105,252
	\$96,580,375	\$94,378,862
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
<b>Payable from Unrestricted Assets:</b>		
Accounts Payable & Accrued Liabilities	\$3,087,780	\$2,437,835
Customer Deposits	10,425	10,425
Unearned Revenue	307,156	289,238
Construction Contract Retainages	211,456	211,456
Revenue Bond Payable - Current	525,901	523,375
Total Payable from Unrestricted Assets	4,142,718	3,472,329
Total Current Liabilities	4,142,718	3,472,329
<b>Noncurrent Liabilities:</b>		
Other Postemployment Benefits	927,340	927,340
Compensated Absences	401,620	401,620
Net Pension Obligation-LEO Special Separation Allowance	(28,163)	(28,163)
Revenue Bond Payable - Noncurrent	1,455,660	1,500,654
Total Noncurrent Liabilities	2,756,457	2,801,451
Total Liabilities	6,899,175	6,273,780
<b>Net Assets:</b>		
Invested in Capital Assets	69,398,248	68,081,223
Restricted	2,898,330	2,756,225
Unrestricted	17,384,622	17,267,634
Total Net Assets	89,681,200	88,105,082
	\$96,580,375	\$94,378,862

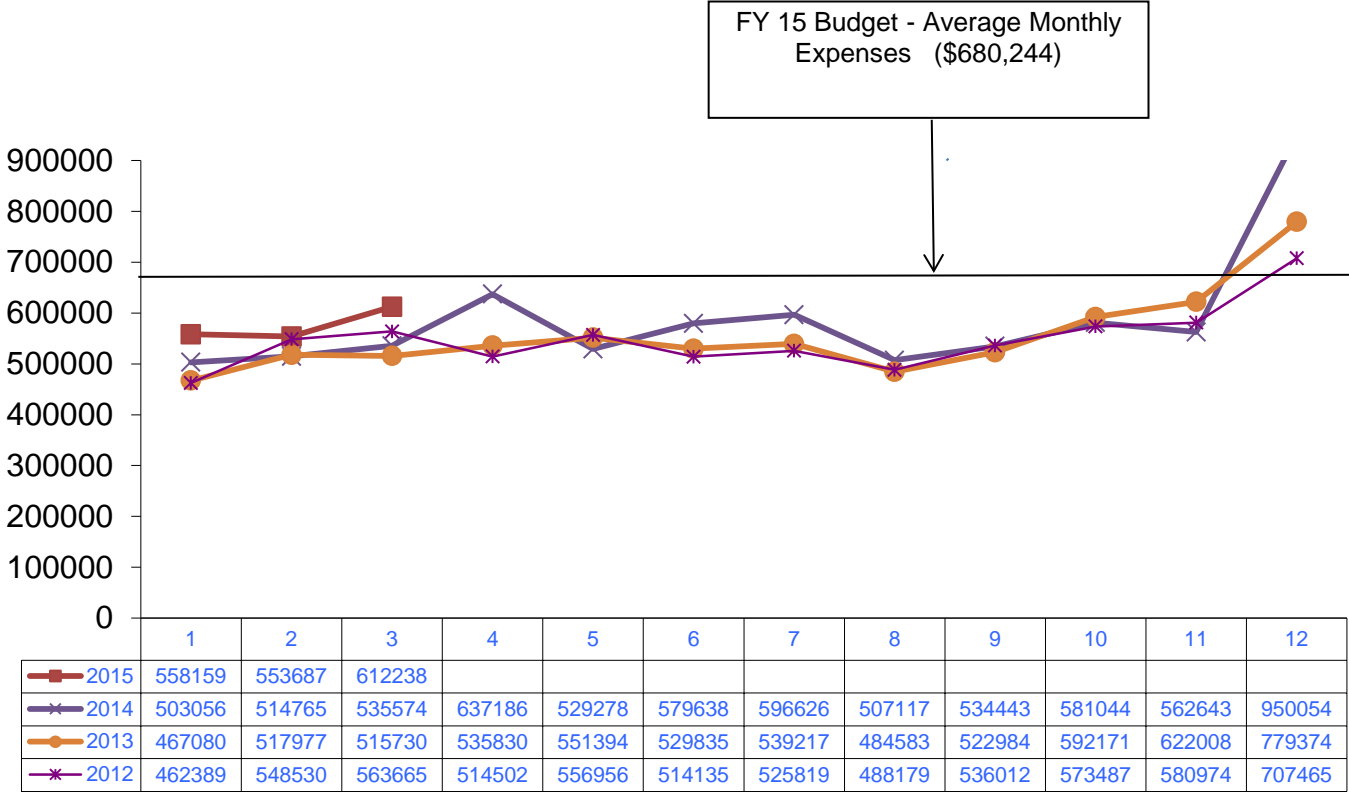


# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month September 2014



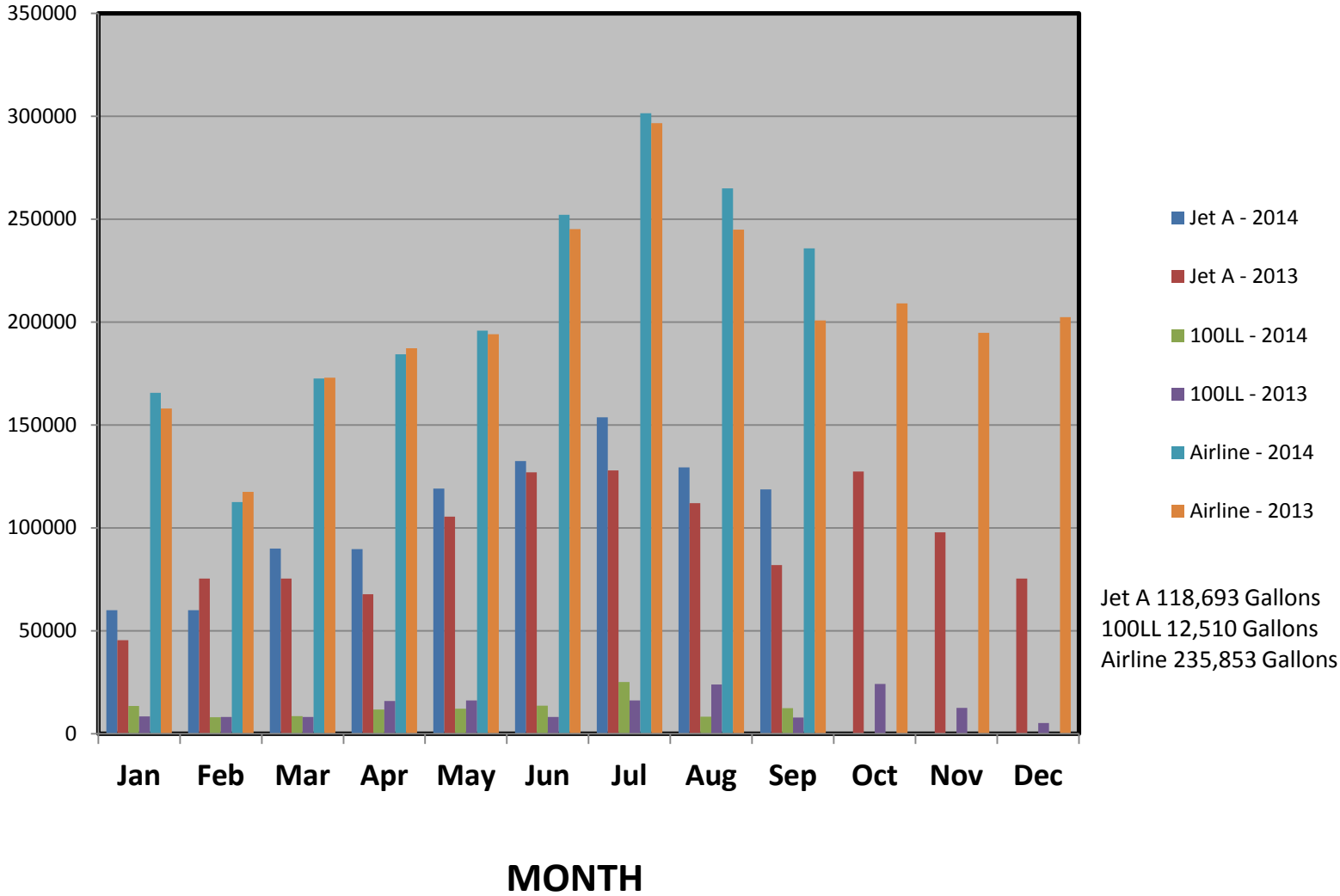
# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month September 2014

Dollars



**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
September 2014**

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Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2014)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2014)	Start Date	End Date	Current Project Status (as of 12/01/2014)
1	Airfield Re-Development Project	Budget for the complete project							\$64,000,000.00	14.6%	\$9,421,537.16			All Engineer contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	75%	\$335,582.73	Dec-12	Sep-14	Bid Package 2 is under the 100% review. Bid advertisement expected to be posted Jan 2015
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	34.5%	\$633,668.21	Jun-13	Dec-15	Project Management work continues.
1C	Airfield Re-Development Project	Temporary Runway/Taxiway Design	AVCON	\$1,837,826.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	79%	\$1,452,746.23	Mar-13	Dec-14	Bid Package 2 is under the 100% review. Bid advertisement expected to be posted Jan 2015
1D	Airfield Re-Development Project	New Runway Design	Michael Baker Engineering Inc.	\$397,257.94	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	100%	\$397,257.94	Mar-13	Sep-14	Contract is completed.
1E	Airfield Re-Development Project	New Runway Design	AVCON	\$1,902,676.06	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	0.0%	\$0.00	Mar-13	Mar-14	60% Plans for BP3 are in development.
1F	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	(Overall total included in above number)		\$2,320,529.93	Jan-13	Dec-17	Misc., Admin., \$642K FAA Reimbursable expenses and land acquisition costs of 1.5M are included in this figure.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2014)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2014)	Start Date	End Date	Current Project Status (as of 12/01/2014)
1	Westside Phase 2	Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development.	AVCON	\$349,732.00	Charah	N/A	\$0.00	0.00%	\$349,732.00* (project expenses are being reimbursed by Charah through a separate agreement)	72.5%	\$252,694.63	Feb-11	Jul-15	Work continues as weather permits.
2	Westside Area 3	Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development.	AVCON	\$278,060.00	Charah	N/A	\$0.00	0.00%	\$278,060 * (project expenses are being reimbursed by Charah through a separate agreement)	67%	\$185,981.20	Mar-13	Jul-15	Area 3 ash placement will continue in North cells, weather permitting.
3	ARFF Facility Construction	Design, Project Management and Construction of a new Aircraft Rescue Fire Fighting Building.	LPA/BAKER	\$541,409.00	Goforth Builders Inc.	\$4,122,500.00	\$179,094.86	4.3%	\$543,409.00 (Design) & \$4,534,750.00 (Construction)	99%	\$4,913,109.55	Jun-13	Aug-14	Few punch list items remain. Final documentation in process for close out.
4	Temporary Runway 17-35 Site Preparation and Grading	Site preparation, drainage and retaining wall construction for new temporary runway/taxiway.	RS&H and AVCON, Inc.	Amount included in Phase 1 Design Fees	Thalle Construction Company, Inc.	\$8,856,193.00	\$0.00	0.00%	\$9,741,812.30	53%	\$4,281,752.12	Jun-14	Dec-14	Retaining wall installation continues with grading weather permitting. Fence line installation in progress.
5	Entryway Improvements	Replacement entrance sign, landscaping and road sign placement due to NCDOT project in front of airport.	Delta Airports Inc.	\$84,507.00	Young and McQueen Construction	\$414,725.00	\$0.00	0.00%	\$434,725.00	65% (Percentage is only for Design)	\$54,122.17	Nov-14	Jan-15	Notice to Proceed is issued with a completion date of Jan 2015.

\*\*Amounts are based on invoices received and processed through Development.\*\*