

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 13, 2013**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 13, 2013 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: David R. Hillier, Chair; Robert C. Roberts, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate; K. Ray Bailey; Douglas J. Tate; and Carol W. Peterson

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Interim Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Suzie Baker, Director of Administration; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Ken Moody, Delta Airport Consultants; Mike Darcangelo, AVCON; Nate Otto, RS&H; Sandeep Singh, AVCON; Jason Elliott, Michael Baker Corporation; Marc Hunt, City of Asheville; Adam McNulty, WLOS; C. Jeffrey Augram

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

PRESENTATIONS:

A. Finance and Accounting Department: Vickie Thomas presented the Board with an overview of the Finance and Accounting Department whose duties include budgeting, preparation and assistance for audits, bond compliance, airline rates and charges as well as FAA and NC DOT grant management.

The Chair thanked Mrs. Thomas for her presentation.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Financial Report for October which included enplanements, aircraft operations and general aviation activity. The Director noted that October was the seventh consecutive month with increased enplanements and six of the months had double digit increases over the same period last year. Vickie Thomas reported on the Financial Results for the month of October.

INTRODUCTION OF MARC HUNT: The Chair welcomed Marc Hunt to the meeting. Mr. Hunt is the newly appointed Vice Mayor for the City of Asheville and will act as City Council liaison to the airport.

RETIREMENT RESOLUTION FOR C. JEFFREY AUGRAM: The Chair read a resolution in recognition of C. Jeffrey Augram's retirement from the Authority and wished him well in his retirement. The Director informed the Board that a reception would be held in Mr. Augram's honor on Monday, December 16th. The Director further stated that Kevan Smith was appointed interim Chief of Public Safety.

CONSENT ITEMS: The Chair suggested that Consent Item B, Approval of the Greater Asheville Regional Airport Authority October 11, 2013 Closed Session Minutes, be pulled for review in Closed Session.

The Director requested a moment of the Board's time to give an update on Consent Item C, Approval of Security Services Agreement with G4S Secure Solutions (USA), Inc. The Director informed the Board that Congress has recently placed language in the proposed federal budget mandating that TSA maintain the exit lanes at security checkpoints in airports. Since the budget still needs approval from the Senate, staff is requesting the Board approve the service agreement with G4S Secure Solutions (USA), Inc. pending a need for the contract. Staff will not move forward with the service agreement if the budget is approved with the mandate for TSA to maintain the exit lanes at security checkpoints.

The Director also advised the Board that the memo for Consent Item D, Approval of Property Purchase, had been updated to reflect that a very small portion of this property was needed for the Airfield Redevelopment project and that no other changes were made to the memo. A copy of the revised memo was available at the Board Members' seats.

A. Approval of the Greater Asheville Regional Airport Authority October 11, 2013 Regular Meeting Minutes:

C. Approval of Security Services Agreement with G4S Secure Solutions (USA) Inc.:

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, 2014:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Operations Department		\$54,000.00
Totals	<u>\$0</u>	<u>\$54,000.00</u>

This will result in a net increase of \$48,175.00 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Terminal		\$54,000.00
Totals	<u>\$0</u>	<u>\$54,000.00</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 13th day of December, 2013

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

D. Approval of Property Purchase:

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, 2014:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay		\$95,000
Totals	<u>\$0</u>	<u>\$95,000</u>

This will result in a net increase of \$95,000 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		\$95,000
Totals	<u>\$0</u>	<u>\$95,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 13th day of December, 2013.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mrs. Peterson moved to approve Consent Items A, C, and D. Mr. Douglas Tate seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2015-2019: Michael Reisman informed the Board that the FAA requires all airports submit and maintain a Five-Year CIP to be eligible for federal project funding. The CIP for FY 2015-2019 provides primarily for the funding of the multi-year Airfield Re-development project through FY19 as well as several equipment replacement items. Mr. Reisman further stated that the CIP is a planning tool for the FAA and adopting the CIP does not approve any contracts nor does it provide staff with any authorization to award design or construction projects.

Mr. Reisman noted that in prior CIPs for the Airfield Re-development project, the total cost column showed figures based upon what staff anticipated available funding to be. As staff goes further into the design phase, more detailed opinions of probable costs of the engineering firms staff is working with are available. As a result, the line items are more closely associated with what will be the estimated expense for each phase of that project.

Mr. Reisman advised the Board that the AIP entitlement awards have been increased to \$2.5 million which staff feels is a safe estimate given the Authority's enplanement figures. Mr. Reisman also informed the Board that the State entitlement funds, which are normally \$300,000 a year for the Authority's development program, have been doubled by the State to \$600,000 a year for four years. Because the State Aviation Department has concerns with the funding being used by the State for other purposes, they have accelerated the funding schedule to \$1.2 million over two years rather than \$600,000 over four years. That change has been made to the CIP for the Airfield Re-development project.

Mr. Reisman reviewed the equipment that is included on the CIP which allows for a third ARFF vehicle to be replaced as well as some snow removal equipment.

Mr. Reisman also advised the Board that a significant addition to the CIP is the design and construction of a parking garage. Staff will be looking to use Customer Facility Charges as well as airport funds for that project.

Mr. Reisman summarized the CIP by noting that overall a little under \$100 million is programmed over the next five years.

Mr. Bailey moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan as presented for submission to the FAA. Mrs. Peterson seconded the motion and it carried unanimously.

B. Approval of First Amendment to Display Advertising Concession Management Agreement with Departure Media: Mr. Roberts requested a motion to recuse him from this agenda item due to a possible conflict of interest. Mr. Piccirillo moved to recuse Mr. Roberts from participating or voting on this item. Mr. Doug Tate seconded the motion and it carried unanimously.

Mr. Roberts left the meeting at 9:01 a.m.

The Director advised the Board that an Agreement with Departure Media had been approved by the Board on December 12, 2008. The Agreement has an initial term of five years as well as a five-year option to extend and the initial term is set to expire January 31, 2014. The Director further stated that as the Board is aware, staff is taking the terminal advertising program in house and will not be exercising the five year extension. Departure Media has requested the Authority extend the Agreement through June 30, 2014 which coincides with their capital investment payoff. Since staff is moving forward with the in-house advertising program and there are costs associated with this program this fiscal year, staff is only willing to provide a three month extension to Departure Media with a First Amendment to the Agreement and the extension would terminate April 30, 2014.

Mrs. Peterson moved to approve the First Amendment to the Display Advertising Concession Management Agreement with Departure Media and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded to motion and it carried by a 6 to 0 vote.

Mr. Roberts returned to the meeting at 9:03 a.m.

C. Approval of Additional Airline Incentives with Allegiant Air: The Director reminded the Board that at the August 9, 2013 Board meeting, airline incentives were approved with Allegiant for new service between Asheville (AVL) and Punta Gorda/Ft. Myers, FL (PGD). At that time, the service was to be seasonal service and staff recommended the Board approve waived rents and fees for one year and only \$50,000 in marketing and advertising of the new service. The Director advised the Board that staff has since been notified by Allegiant that the service will be yearly service. The Director further stated that staff requests the Board approve additional marketing and advertising money of up to \$100,000 to Allegiant along with approval to provide Allegiant with a ground handling and passenger service fee incentive of 50%

per aircraft turn up to \$250.00 per flight for two flights per week for a 12 month period retroactive to the inception of the AVL-PGD service. Allegiant must maintain a minimum of six flights per week to receive this incentive for the full 12 month period. The Director further stated that the additional incentives total \$126,000. Because the Authority has already committed approximately \$280,000 in incentives to Allegiant in FY 13/14 with the additions of Ft. Lauderdale, St. Pete/Tampa, and Punta Gorda service, only \$20,000 remains in the Business Development line item and the following budget amendment will be necessary:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2014:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Business Development		\$106,000
Totals	<u>\$0</u>	<u>\$106,000</u>

This will result in a net increase of \$106,000 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		\$106,000
Cash/Investments		\$106,000
Totals	<u>\$0</u>	<u>\$106,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 13th day of December, 2013.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Douglas Tate moved to approve additional airline incentives with Allegiant Air for AVL-PGD service as presented by staff, authorize the Executive Director to execute the necessary documents, and to amend the FY13/14 budget by adopting the budget ordinance amendment presented by staff. Mrs. Peterson seconded the motion and it carried unanimously.

D. Approval of Amended Annual Leave Policy: Suzie Baker informed the Board that the Annual Leave Policy is being amended to ensure that all Authority employees take advantage of their earned annual leave time and take an adequate amount of time off each year. Effective January 1, 2014, the amended policy will require all employees to take 40 continuous hours of earned annual leave time in a calendar year. New employees will have one year to earn annual leave before the policy applies. Mrs. Baker further stated that the policy has been revised to track leave in hours rather than days to make the policy more consistent as one department already uses hours when taking time off.

Mrs. Peterson moved to approve the amended Annual Leave Policy as presented by staff and authorize the Executive Director to implement such changes effective December 13, 2013. Mr. Piccirillo seconded the motion and it carried unanimously.

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

A. Budget Transfer: The Director reported that funds were moved from contingency for two purposes: \$393.00 was moved to Equipment and Small Capital Outlay to cover furniture that was purchased for the Operations Department. \$13,850 was moved to the Administration Department to pay for a search firm to look for a replacement for the Chief of Public Safety position.

B. General Aviation Update: In the first nine months of 2013, general aviation aircraft shipments rose 6.6%, an indication of the economy rebounding. Billings for general aviation airplanes worldwide reached \$15.4 billion which is an increase by 24.5% over the previous time period in 2012.

C. Airfield Project Update: The Director reported that the design of the taxiway portion of the Airfield Redevelopment project is between 60 and 90%. Staff hopes to have the first phase of construction of the taxiway out to bid in February with construction starting late spring or early summer. Bid package number two, which is for the pavement and lighting systems for the taxiway, is at 30% design.

D. Holiday Decorations: The Marketing staff has purchased new decorations for the terminal for the holiday season and created a more professional appearance. Staff plans to increase the decorations over the next couple of years.

E. Washington, DC Update: The Director informed the Board that productive meetings were held while in Washington, DC to meet with the FAA and legislators. The Director met with Ben DeLeon, the new assistant deputy in charge of the FAA, and gave him an update on the process for the Ag Center property and the rest of the airport property. Staff is hoping to obtain the necessary documentation from the City to move forward with the property transfer. Meetings with the legislators also went well and various topics including PFCs, funding of a budget bill, and monitoring of exit lanes at TSA checkpoints were discussed.

F. United Way Campaign: The Authority's 2013 United Way campaign was a success this year with \$7,900 raised, exceeding the goal of \$6,800.

G. Landmark Aviation Update: Landmark Aviation has completed renovations to their new terminal building which was the old Odyssey terminal. The acquisition agreement between Odyssey and Landmark requires Landmark to spend a minimum of \$750,000 within a certain time period. Landmark spent \$600,000 on various facility improvements as well as \$850,000 on renovations to the terminal building.

H. Pilot History Wall: The pilot history wall which honors pilots from Western North Carolina who contributed to the history of aviation and is located near the ticket counters in the terminal has reached capacity of photos that could be hung. The Marketing and IT staff worked to put the pilot photos as well as their bios on a touchscreen television in the lobby. Staff is looking into a wall wrap or mural to cover the area where the pictures were previously hung.

I. Thanksgiving Traffic: The Director reported that there were 4,836 enplanements between the Tuesday and Sunday surrounding Thanksgiving. This was an increase by 800 enplanements compared to 2012 and the highest count since 2010.

J. Terminal Advertising Program: As part of the terminal advertising program being brought in-house, two part-time positions were approved in the budget for Guest

Services. Staff has decided to move Pat from the reception area to the Guest Services Department as of December 16th. A part-time position will be used to assist Suzie Baker in Administration. For the times there is no one available at the front desk, a phone and directory will be on the counter for visitors to call staff members. Mail and deliveries will be received at the Guest Services counter and general phone calls will be answered there as well.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS: None

PUBLIC AND TENANTS' COMMENTS: No comments

CALL FOR NEXT MEETING: The Chair advised the Board that a meeting in January was not necessary, therefore the next regular meeting of the Board will be held on February 14, 2014.

The Chair called for a break at 9:24 a.m.

The Board reconvened at 9:31 a.m.

CLOSED SESSION: At 9:31 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, and to Discuss Matters Relating to the Location and/or Expansion of Industries or other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Roberts seconded the motion and it carried unanimously.

Open Session resumed at 10:23 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 13, 2013
CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to seal the minutes for the December 13, 2013 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. Roberts seconded the motion and it carried unanimously.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OCTOBER 11, 2013 CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the minutes for Part A and Part B of the October 11, 2013 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. Roberts seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 10:25 a.m. Mrs. Peterson seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair