

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
June 21, 2013

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, June 21, 2013 at 8:55 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; and Douglas J. Tate

MEMBERS ABSENT: Martha W. Thompson

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Kevan Smith, Public Safety Captain; Ron Mundy, Maintenance Supervisor; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Mike Darcangelo, AVCON; Jeff Kirby, Parrish & Partners; Nate Otto, RS&H; Hall Waddell, Reaben Oil Company; Ted Abernathy, Southern Growth Policies Board; Stephanie Brown, Asheville Convention & Visitors Bureau

CALL TO ORDER: The Chair welcomed everyone in attendance and called the meeting to order at 8:55 a.m.

WELCOME OF NEW BOARD MEMBER: The Chair welcomed Douglas J. Tate to the Authority Board.

SERVICE AWARD PRESENTATIONS:

A. Ron Mundy: The Chair recognized Ron Mundy with a service recognition award and gift for his 35 years of service with the Authority.

B. C. Jeffrey Augram: The Chair recognized C. Jeffrey Augram with a service recognition award and gift for his 25 years of service with the Authority.

The Director requested a moment from the Board to recognize Royce Holden for his recent Certified Information Systems Security Professional (CISSP) certification. The

Director stated that this is a rather distinguished designation and reported that as of January, 2013 there are only 85,000 members worldwide. Royce has worked over the past year to pass the exam and obtain the certification. This certification encompasses access control, telecommunications & network security, information security governance and risk management, software development security, cryptography, security architecture and design, operation security, business continuity and disaster recovery planning, legal, regulations, investigations and compliance and physical (environmental) security. The Board congratulated Royce on his achievement.

PRESENTATION:

A. Strategic Plan Consultant: The Director introduced Ted Abernathy of Southern Growth Policies Board, who will assist the Authority with developing a strategic plan for the organization. Mr. Abernathy gave the board a brief report on his background and qualifications, and outlined the process that will be taken to create a successful strategic plan for the Authority. Mr. Abernathy informed the Board that after several meetings with staff, a meeting would be held with the Board Members to gather information that will be incorporated into the strategic plan. The whole process is expected to take eight to ten months.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Financial Report for April which included enplanements, aircraft operations and general aviation activity. The Director reported that after 14 months of declines, the passenger enplanements for May show an increase. Vickie Thomas reported on the Financial Results for the month of April.

CONSENT ITEMS: The Chair suggested that Consent Agenda Item B, Approval of the Greater Asheville Regional Airport Authority April 26, 2013 Closed Session Minutes, could be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority April 26, 2013 Regular Meeting Minutes: Mr. Roberts moved to approve the Greater Asheville Regional Airport Authority April 26, 2013 Regular Meeting Minutes. Mr. Piccirillo seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of the Concept of a Sub-Concession Agreement Concerning The Hertz Corporation Rental Car Concession Agreement and Lease: The Chair asked if the Board would like a full presentation of this item since it was already reviewed during the Asheville Regional Airport Authority meeting. Mr. K. Ray Bailey and

Mr. Andrew Tate were both in the audience when this item was first presented; therefore it was not necessary to review the item again.

Mr. Roberts moved to approve the concept of a sub-concession agreement concerning The Hertz Corporation Rental Car Concession Agreement and Lease; and to authorize the Executive Director to negotiate and execute such instrument or instruments (if any) with respect thereto as he may deem to be appropriate and in the best interests of the Greater Asheville Regional Airport Authority. Mr. Douglas Tate seconded the motion and it carried unanimously.

B. Approval of Scope of Services 13 and Associated Fees with RS&H Architects-Engineers-Planners, Inc.: Michael Reisman reminded the Board that RS&H had been selected to provide program management services for the Airfield Redevelopment Project, and fees for Phase I preliminary design services were approved by the Board at the December Board meeting. Phase II of this agreement requires the oversight and coordination of design services by two of the other consultants working on this project. The Not-to-Exceed cost for Phase II is \$1,842,318. The fees included in Phase II services will be pro-rated or phased over the next two to three years and some of the expense will be eligible for grants over the next few years. Some of the fees for Phase II will be paid from the \$10,485,000 that is included in the FY 2013/2014 budget for this project and the remainder from future budgets that will be associated with this project.

Mr. Bailey moved to approve Scope of Services Number 13 with RS&H in an amount not to exceed \$1,842,318.00 for Phase II program management services and authorize the Executive Director to execute the necessary documents. Mr. Andrew Tate seconded the motion and it carried unanimously.

C. Approval of Non-Federal Reimbursable Agreement with Department of Transportation, Federal Aviation Administration: Michael Reisman informed the Board that a component of the Airfield Re-development Project is the temporary and permanent relocation of the multiple navigational aids (Nav aids) that provide instrument approaching from the airfield in low visibility conditions. The Nav aids are owned, operated, and maintained by the Federal Aviation Administration (FAA), however the FAA has tasked the Authority with some of the infrastructure design work associated with the relocations. Mr. Reisman explained that the process the FAA typically undergoes is to have the airport contract with one FAA branch under a reimbursable agreement for FAA engineers to design and construct the Nav aids. The airport pays for the work out of the project funds, however the cost is usually reimbursable under the FAA Airport Improvement Program (AIP) through a different branch of the FAA. Mr. Reisman advised the Board that the cost for this agreement is \$184,300.38 of which the Authority will pay its matching fund share. The remaining

amount will be reimbursed through the AIP. The cost will be mostly paid from the \$10,485,000 that is included in the FY 2013/2014 budget for this project.

Mr. Roberts moved to approve the Non-Federal Reimbursable Agreement with the Department of Transportation, Federal Aviation Administration in the amount of \$184,300.38 and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

F. Approval of Change Order No. 1 to Contract with Goforth Builders, Inc.:

Michael Reisman reminded the Board that a contract with Goforth Builders for construction of the ARFF facility was approved at the February Board meeting. Due to a number of significant changes required in the design of the water service by the City of Asheville through their design review process, the cost for this component of work is substantially affected. Mr. Reisman advised the Board that the negotiated additional cost is \$66,829.58 bringing the new contract total from \$4,122,500.00 to \$4,189,329.58. This increased amount is, however, within the approved project budget.

Mr. Roberts inquired if any of this cost would be reimbursable. Mr. Reisman responded that all the costs for this project were eligible under the AIP grant.

Mr. Douglas Tate moved to approve Change Order No. 1 to the contract with Goforth Builders, Inc. in the amount of \$66,829.58 and authorize the Executive Director to execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

D. Approval of Amendment to the FY 12/13 Budget for Legal Fees: Vickie Thomas informed the Board that the FY12/13 budget includes \$50,000 for legal fees. Legal fees related to the transition to the Greater Asheville Regional Airport Authority are considerably higher than were anticipated when the FY12/13 budget was prepared. As a result, a budget amendment is needed to increase the Executive Department by the \$15,000 estimated additional legal fees. Mrs. Thomas requested the Board amend the FY12/13 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Executive Department		\$15,000
Totals	<u> </u> <u> </u> \$0	<u> </u> <u> </u> \$15,000

This will result in a net increase of \$15,000 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$15,000
Totals	<u> </u> <u> </u> \$0	<u> </u> <u> </u> \$15,000

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

Adopted this 21st day of June, 2013.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Bailey moved to amend the FY12/13 budget by adopting the budget ordinance amendment as presented by staff. Mr. Andrew Tate seconded the motion and it carried unanimously.

E. Authorization Concerning Water Line Easement and Estoppel Certificate with Respect to Aircraft Rescue Firefighting Facility: The Chair stated that a full review of this item was presented during the Asheville Regional Airport Authority meeting. Mr. K. Ray Bailey and Mr. Andrew Tate were both in the audience when this item was first presented; therefore it was not necessary to review the item again.

Mr. Piccirillo moved to authorize and direct the Chair and/or Executive Director to negotiate an instrument or instruments by and between the City of Asheville and the Asheville Regional Airport Authority and/or the Greater Asheville Regional Airport Authority with respect to the construction of a new aircraft rescue and firefighting facility ("facility") at the Asheville Regional Airport, which instrument or instruments would serve to address the requests by the City of Asheville for a dedication of a waterline easement and a related estoppel certificate relative to a backflow protection device; and to authorize and direct the Chair and/or Executive Director to execute and deliver such instrument or instruments to the City of Asheville; and to authorize payment of the filing or recording fee or fees related thereto, if such a payment is required as a result of negotiations with the City of Asheville. Mr. Roberts seconded the motion and it carried unanimously.

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

A. Fraud Inquiry Letter: The Director advised the Board that a letter addressed to the Board from Martin Starnes & Associates, CPAs was available at their seats. The letter is a normal part of the audit process and the Director requested the Board take the letter and respond directly to Martin Starnes.

B. Runway 5k: The Runway 5k will be held on September 21st. It is uncertain if the Aviation Day portion will be held due to lack of static aircraft display as a result of sequestration.

C. FAA Part 139 Inspection: The Director advised the Board that the FAA completed the annual Part 139 Inspection to insure that the airport is in full compliance with all regulations. The Director was pleased to report that the inspector found no discrepancies.

D. Airport Emergency Drill Exercise: Each year the FAA requires the airport to conduct emergency exercises. A tabletop exercise was held recently and included mutual aid throughout the community. More staff was involved in this drill than has been in the past and some things were found that need to be addressed with training and procedures so it was a good learning experience for all.

E. PFC Application Update: The Director reported that the airport applied for and received PFC Application No. 5 two years ago. One of the projects listed to receive the PFC funds is the Airfield Re-development project. At that time, the environmental assessment was not completed so the FAA only approved the imposed portion of the \$4.50 collection but the funds could not be spent. Staff recently amended the application to allow the Authority to spend the funds that are being collected for this project. Staff also prepared Application No. 6 that changes the amount of the Airfield

Re-development project, which was listed in Application No. 5 for \$45 million, up to \$64 million to allow for the extra collection of those funds. A meeting was held with the airlines on May 30th to review the PFC documents and the airlines have 30 days to submit comments. The comments will be submitted to the FAA as part of their process for approving the application.

F. Status of AIP 42: Staff had hoped to receive the funds for AIP Grant 42 before the end of the fiscal year but that will not happen. Originally the FAA requested staff combine the ARFF project and first phase of the Airfield Re-development project on the AIP 42 application. Since then, the FAA has asked staff to bifurcate the application. The funds for the ARFF project should be received soon as these are entitlement funds. However, the Airfield Re-development project is discretionary and is committed and staff expects to receive these funds before the end of the federal fiscal year which is the end of September.

G. First Class Customer Service Program: The Director recognized David King, Guest Services Supervisor, for his work on the First Class Customer Service Program which won a second place award from ACI for an airport customer service program in all of North America.

H. Executive Summary for Airport Master Plan: The Director informed the Board that the Executive Summary for the Airport Master Plan was available at their seats for the Board's reference.

Mr. Andrew Tate inquired if the Board would review the entire Master Plan and then adopt the document. The Director stated that the presentation that was made at the April Board meeting was the entire Master Plan and there would not be an official adoption of this document. The Director further stated that the Executive Summary would be shared with Henderson County, Buncombe County, and the City of Asheville and staff plans on taking the Master Plan to those localities to work on the overlay district for the airport's zoning process. Mr. Tate suggested the Executive Summary be sent to those folks ahead of time so that the overlay work will go smoothly. The Director responded that his presentation with Buncombe County was held last month and Asheville City Council and Henderson County presentations are scheduled for July and all elected officials will receive copies of the Executive Summary.

I. Old Fanning Bridge Road Pipe: The Director reported that the work on installation of a pipe under Old Fanning Bridge Road that was approved by the Board at an expense of \$100,000 has been completed by the state. The Authority had paid the state \$90,000 for this project and the state was able to complete the project approximately \$45,000 less than expected. The state will reimburse the Authority for the amount not spent.

J. Red Coat Program: Delta has announced that they will bring their Red Coat program to Asheville. This program signifies improved customer service and a number of agents wear red blazers to handle specific customer service issues for the passengers. Two part-time supervisors will be stationed in Asheville as part of this program to provide exemplary customer service.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS:

A. AAAE Annual Conference Report: The Chair and Vice-Chair both reported on their attendance at the AAAE Annual Conference. Both felt the conference was well attended, informative, and worthy of attendance.

PUBLIC AND TENANTS' COMMENTS: No comments

CALL FOR NEXT MEETING: The Chair advised the Board that a July meeting was not anticipated and the next regular meeting of the Board will be held on August 9, 2013.

The Chair called for a break at 9:54 a.m.

The Board reconvened at 10:00 a.m.

CLOSED SESSION: At 10:00 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Consider Personnel Matters. Mr. Roberts seconded the motion and it carried unanimously.

Open Session resumed at 10:50 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 21, 2013

CLOSED SESSION MINUTES: Mr. Piccirillo moved to seal the minutes for the June 21, 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. Bailey seconded the motion and it carried unanimously.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

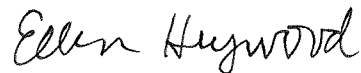
APRIL 26, 2013 CLOSED SESSION MINUTES: Mr. Piccirillo moved to approve the Greater Asheville Regional Airport Authority April 26, 2013 Closed Session Minutes and to seal and withhold such minutes from public inspection so long as public inspection would frustrate its purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

EXECUTIVE DIRECTOR'S COMPENSATION PACKAGE: Mr. Roberts moved that the Board approve the elements of the summarization of employment of the Executive Director as described in the letter dated June 21, 2013, as follows: (1) an annual salary of \$165,000.00 effective July 1, 2013; (2) increase in annual vacation leave from 17 days to 20 days, effective July 1, 2013; (3) entitlement to use of a motor vehicle, in accordance with the Board Policy Concerning Executive Director's Use of Motor Vehicle, effective July 1, 2013; (4) increase of the annual amenity supplement from \$500.00 to \$1,000.00 effective July 1, 2013; and (5) so long as employed, and conditional upon completion of the property transfer to the Greater Asheville Regional Airport Authority, a \$25,000.00 performance bonus for all of the extra work and effort during the transition from the Asheville Regional Airport Authority to the Greater Asheville Regional Airport Authority. Mr. Piccirillo seconded the motion and it carried unanimously.

BOARD POLICY CONCERNING EXECUTIVE DIRECTOR'S USE OF MOTOR VEHICLE: Mr. Bailey moved to approve the Board Policy Concerning Use of Motor Vehicle with the following change: Paragraph 2 shall read "The Executive Director may have occasions during business use of a GARAA motor vehicle where an incidental stop or side trip or local personal errand is necessary or helpful for a personal reason; such a stop or trip will not be considered a violation of this Board Policy." Mr. Roberts seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Andrew Tate moved to adjourn the meeting at 10:55 a.m. Mr. Roberts seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair