

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
March 11, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 11, 2016 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; Andrew T. Tate; William L. Moyer; Matthew C. Burril; and Stephanie Brown

**MEMBERS ABSENT:** K. Ray Bailey; 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; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Mike Foster, Maintenance Technician; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Cecil Bothwell, Asheville City Council; Derek Allen, Ward and Smith; Jeff Green, Precision Approach, LLC; Stacey Green, Precision Approach, LLC; Eva Ritchey, The Trolley Company; Bill Modlin, Mercury Transportation; Zach Smith; Eric Rysdon, RS&H; Mike Darcangelo, Avcon

**CALL TO ORDER:** The Chair welcomed everyone in attendance and called the meeting to order at 8:30 a.m. The Chair stated that some of the items on the agenda were going to be moved around in order for the Board to go into Closed Session early in the meeting to address some legal matters.

**SERVICE AWARD PRESENTATION:**

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

## **PRESENTATIONS:**

**A. Perception Survey Presentation:** Tina Kinsey presented the findings of a perception survey that was recently conducted. Mrs. Kinsey highlighted the goals of the survey which included air traveler demographics, reasons for travel, and overall satisfaction. Mrs. Kinsey reviewed some key challenges as well as how the airport ranked with competing airports. Mrs. Kinsey concluded the presentation by outlining the plans for the information obtained from the survey.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 12, 2016 Closed Session Minutes would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority February 12, 2016 Regular Meeting Minutes:**

**C. Approval of Audit Contract for Fiscal Year Ending June 30, 2016:**

**D. Approve Grant of Easement to Duke Energy Progress, Inc. A North Carolina Corporation for Navaid Locations:** Mr. Tate asked for an update from the Director before taking action on this item. The Director stated that a small portion of the easement that is scheduled to have above ground utilities is along Ferncliff Park Drive. Staff has had conversations with Duke Energy about locating the utility lines below the ground along this stretch of the road, but has not received an answer from Duke Energy. Mr. Tate stated that if the Board approves this easement, there is no leverage to further discuss the matter with Duke Energy. Mr. Moyer stated that this item could be approved with an amendment.

Mr. Moyer moved to approve Consent Items A, C and D, with an amendment to the recommended action for Consent Item D that staff will work with Duke Energy to move the utility lines underground along Ferncliff Park Drive if at all possible. Mr. Tate seconded the motion and it carried unanimously.

**CLOSED SESSION:** At 9:01 a.m. Mr. Tate moved to go into Closed Session pursuant to Subsection 143-318.11(a)(3) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 9:43 a.m.

Ms. Brown left the meeting at the conclusion of the Closed Session.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 11, 2016**

**CLOSED SESSION MINUTES:** Mr. Tate moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried by a 4 to 0 vote.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 12, 2016**

**CLOSED SESSION MINUTES:** Mr. Tate moved to approve the minutes for the inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Burril seconded the motion and it carried by a 4 to 0 vote.

**FINANCIAL REPORT:** The Director apologized for not providing the January Financial Report ahead of the meeting. The delay was due to Delta failing to submit their statistical data report on time. The Director reported on the airport activity for January which included enplanements, aircraft operations and general aviation activity. Mrs. Burnette reported on the financial activity for the month of January.

Mr. Moyer questioned why the net non-operating revenue was down. The Director responded that a lot of it was due to a decline in enplanements thus affecting the PFCs that are collected from the passenger fares.

**OLD BUSINESS:** None

**PUBLIC AND TENANTS' COMMENTS:** Ms. Eva Ritchey appeared before the Board to request a more aggressive policy concerning Uber drivers on airport property. The Uber drivers are operating without paying a permit. Ms. Ritchey further requested the Board consider creating a scaled fee for the ground transportation permit. Ms. Ritchey stated that it is difficult for small businesses to operate at the airport and a scaled fee of \$300 for the first vehicle and \$150 for additional vehicles would be a fair amount. Ms. Ritchey thanked the Board for their time.

**NEW BUSINESS:**

**A. Approval of Preliminary Fiscal Year 2016/2017 Budget:** Janet Burnette advised the Board that the proposed Preliminary Fiscal Year 2016/2017 Budget needs to be approved and remain available for public inspection for a minimum of 10 days. The Board will then adopt the final budget at its next meeting.

The Director advised the Board that staff would review and take into consideration Ms. Ritchey's comments during the 10 day public comment period.

Mr. Burrell moved to approve the proposed Preliminary Fiscal Year 2016/2017 Budget and accept public comment on the proposed Fiscal Year 2016/2017 Budget during the next 10 days. Mr. Tate seconded the motion and it carried by a 4 to 0 vote.

**PUBLIC AND TENANTS' COMMENTS:** Mr. Derek Allen of Ward and Smith stated that he is representing Precision Approach, LLC with regard to a dispute on the bid for the construction contract of the Airfield Re-development Project Phase III. Precision Approach submitted a proposal to GLF Construction Corporation for electrical on this project and believes they have submitted the lowest bid to all three companies that bid on this project. Precision Approach believes that another company by the name of Pruitt is being selected for the electrical. Precision Approach is questioning the timing of the bid submitted by Pruitt. Mr. Allen referred to the summary of bid analysis in the bid documents and pointed out that the bid amount submitted by Precision Approach was the same on all three bidders for this project. Mr. Allen then mentioned that the GLF Construction proposal in the agenda package lists Precision Approach and also Pruitt with a TBD beneath. Mr. Allen believes the bid process needs to be looked at and Precision Approach selected as the electrical subcontractor for this project or that GLF Construction Corporation's bid should be deemed non-responsive.

**NEW BUSINESS:**

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

**Phase III:** Michael Reisman informed the Board that Phase III of the Airfield Re-development Project includes demolition of runway 16/34, site preparation for the new permanent runway, and installation of infrastructure and equipment for a portion of the navigational aids. Sealed bids for this phase were received and opened on February 25<sup>th</sup>. The responsive low bid was GLF Construction Corporation in the amount of \$13,519,596.00 plus \$285,130.45 for Bid Alternate 1 (upper stream improvements) and \$202,782.45 for Bid Alternate 2 (lower stream improvements) for a total amount of \$14,007,508.90. Staff recommends an additional 5% allowance for potential overages for this project bringing the total estimated cost to \$14,707,884.40. Mr. Reisman stated that there is a big difference in the engineer's estimate for Bid Alternates 1 and 2 and GLF Construction Corporation's bid amount. Staff will review this to determine if the alternates should be excluded from the contract as ad alternates and seek another contractor to undertake the work. Mr. Reisman reviewed the funding for this project which includes \$1.8 million in AIP entitlement funds, \$10.9 million in AIP discretionary funds, and \$1.9 million in Authority funds. The total amount of the project is

\$6,909,764.40 over the amount included in the 2015/2016 fiscal year budget resulting in the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2015:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$6,909,764.40
Totals	<u>                    \$0</u>	<u>                    \$6,909,764.40</u>

This will result in a net increase of \$6,909,764.40 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Grants – AIP Entitlement Funds		\$ 369,447.00
Federal Grants – AIP Discretionary Funds		\$4,601,880.00
Transfer from GARAA Cash		\$1,938,437.40
Totals	<u>                    </u>	<u>                    \$6,909,764.40</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 11<sup>th</sup> day of March, 2016.

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Robert C. Roberts, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Reisman advised the Board that this increase is due to the fact that the FAA is requiring the airport to spend the full amount of all grant funds for this year's project

rather than carrying surplus grant funds over to the final phase of the project as originally planned. Staff has brought forward some of the work originally planned for Phase IV of the project to use the grant funds.

The Chair asked for a breakdown of the phasing of the alternates. Mr. Reisman detailed the work to be done in each alternate phase and stated that the alternate work is not planned for the beginning of Phase III, but rather that work will begin approximately half way through this phase of the project. Mr. Moyer expressed concern that the contractor would begin work on these alternates when staff planned to go a different route. Mr. Reisman responded that staff will need to issue a notice to proceed in order for the contractor to begin work on the ad alternates.

The Director stated that staff would have conversations with Ms. Rice and representatives from Precision Approach, but that time was of the essence and the project needs to move forward.

Mr. Moyer asked if Mr. Allen would be submitting more information to Ms. Rice and if there would be further discussion. The Director stated that if Mr. Allen had more information, it would be submitted to Ms. Rice and a conversation between both counsels would take place. Ms. Rice would alert the Board if any further issues come to her attention.

Mr. Tate moved to approve the Airfield Re-development Construction Project Bid Package 3 with GLF Construction Corporation in the amount of \$14,707,884.40 (\$14,007,508.90 plus 5% allowance of \$700,375.45), authorize the Executive Director to execute the necessary documents, and amend the FY2015/2016 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Burril seconded the motion and it carried by a 4 to 0 vote.

**C. Approve Contract for Installation of LLWAS Tower with DACO Construction Company, Inc.:** Michael Reisman informed the Board that the Authority agreed to relocate the LLWAS tower located to the west of the airport on behalf of the FAA for the Airfield Re-development Project. Three bids were received for this project on February 19<sup>th</sup>. The low bid was received from DACO Construction Company, Inc. in the amount of \$219,997.00 plus an additional 10% allowance for potential overages bringing the total to \$241,997.00. The estimated expenses for this project are already included in the FAA grant for Phase II of the Airfield Re-development project.

Mr. Moyer asked when the work needed to be completed by. Mr. Reisman responded that the timeline is being determined by the development of the land on which the tower is currently sitting. The contractor is planning on starting on April 15<sup>th</sup> and will have the

foundation poured within a couple of weeks but will need a 30 day cure time before the tower can then be erected on it. Staff realizes that construction on the adjacent site is due to start in a couple of weeks. A meeting has been set up for the following week for staff to gather more information on this construction timeline with the land owners. Staff may have to move the tower offsite temporarily. Mr. Tate commented that the land the LLWAS tower currently sits on is being purchased and the new owners expect to close on the property on March 25<sup>th</sup> with a start date of March 28<sup>th</sup> for grading and site work. The new owners have requested the tower be removed in advance of the grading date and that is the purpose for the meeting with airport staff the following week.

Mr. Moyer moved to approve a contract for installation of LLWAS Tower with DACO Construction Company, Inc., based on the Director's work to accommodate the new landowners, in the amount of \$241,997.00 and authorize the Executive Director to execute the necessary documents. Mr. Burril seconded the motion and it carried by a 4 to 0 vote.

**D. Approval of FY15/16 Budget Amendment for IT Services:** Shane Stockman advised the Board that staff and a consultant have identified several issues with IT core components that are in critical need of replacement. The airport is at significant risk resulting in considerable downtime, lost revenue, and loss of data if not corrected. Mr. Stockman advised the Board that the not to exceed cost of the proposed upgrades is \$190,000.00. Mr. Stockman further stated that staff has identified two capital projects in the amount of \$80,500 that are included in the current fiscal year budget which have been postponed and reprogrammed into the fiscal year 2017 budget. Mr. Stockman requested these funds be re-appropriated to help offset the total project cost. The remaining \$109,500.00 necessary for the project would require the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Renewal & Replacement		\$109,500.00
Totals	<u>\$0</u>	<u>\$109,500.00</u>

This will result in a net increase of \$109,500.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$109,500.00
Totals	<u>\$0</u>	<u>\$109,500.00</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 11<sup>th</sup> day of March, 2016.

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

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Tate moved to approve staff's request to replace and/or upgrade IT infrastructure, software, and services at a cost not to exceed \$190,000.00, amend the FY2015/2016 budget by adopting the budget ordinance amendment as presented by staff, and authorize the Executive Director to execute the necessary documents. Mr. Moyer seconded the motion and it carried by a 4 to 0 vote.

**E. Approval of FAA Lease Agreement:** The Director advised the Board that the final lease agreement has not yet been received from the FAA and this item would need to be pulled from the agenda.

**F. Approval of Airline Incentives for Allegiant Air:** The Director reported that Allegiant Air has announced seasonal service between Asheville and Jacksonville, Florida



twice a week beginning May 27 through August 15, 2016. The service may be extended if proven successful. In accordance with the Authority's Air Service Incentive Policy, staff would like to offer Allegiant up to \$25,000 for marketing and advertising as well as waived rents and fees for this specific service excluding PFCs. The Director further stated that if the service is extended to yearly service without any hiatus, an additional \$125,000 in marketing and advertising money will be provided pending budget funding availability, and the fee waivers will be continued through the first year of the service.

Mr. Moyer moved to approve airline incentives with Allegiant Air for Asheville to Jacksonville, Florida service as outlined by staff and authorize the Executive Director to execute the necessary documents. Mr. Burril seconded the motion and it carried by a 4 to 0 vote.

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

**A. Wings for Autism:** The Wings for Autism event on February 13 was a highly successful event for the community with more than 100 people participating. Volunteers from ARC of Buncombe County, Allegiant, Worldwide Flight, TSA and the Authority helped to ensure the event ran smoothly. The Director stated that 20% of the participants had upcoming trips and most had never traveled by air before. The Authority looks forward to hosting another event in the future.

**B. Award of Aircraft Rescue Firefighting Vehicle:** The Director reported that a 1500 gallon fire truck was incorporated into the current year budget for \$1 million to replace an aging fire truck. Three bids were received and the low bid was from Rosenbauer for a total of \$604,830. Staff will be moving forward with the award and it is expected to take up to 360 days before the truck will be delivered.

**C. FAA Reauthorization Update:** The Director informed the Board that the House dropped a bill that would privatize the air traffic control system. The bill stalled on the house floor and a new bill came out of the Senate that will reauthorize FAA funding for 1 ½ years but does not raise PFCs. This bill does raise authorized funding for the airport improvement program to a \$3.75 billion level. The Director stated that he will keep the Board apprised of any new developments.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBER REPORTS:**

**A. Key Strategic Elements:** The Chair stated that no changes had been received to the key strategic elements. The Chair has developed an updated version of the document that will be e-mailed out to the Board members.

**CALL FOR NEXT MEETING:** The Chair stated that the next regular meeting of the Board would be on March 24, 2016.

The Director introduced Zach Smith, a senior at West Henderson High School. The Director has been mentoring Zach for his senior project on airport management. The Director wished Zach well on his project and graduation.

**ADJOURNMENT:** Mr. Moyer moved to adjourn the meeting at 10:43 a.m. Mr. Burril seconded the motion and it carried by a 4 to 0 vote.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair