

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**March 13, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 13, 2015 at 8:40 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; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate; William L. Moyer; Matthew C. Burril; and Stephanie Brown

**MEMBERS ABSENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; David Nantz, Director of Operations; Royce Holden, IT Director; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Alexandra Bradley, Marketing and PR Specialist; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** James Moose, Avcon; Doug Tate, McGuire, Wood & Bisette; Carol Peterson; Ken Moody, Delta Airport Consultants; Nick Loder, RS&H

**CALL TO ORDER:** The Chair welcomed everyone in attendance and called the meeting to order at 8:40 a.m.

**SERVICE RECOGNITION AWARDS:**

**A. Carol Peterson:** The Chair thanked Mrs. Peterson for her service and read the following resolution:

*Greater Asheville  
Regional Airport Authority*

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~ Resolution ~

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**WHEREAS,** the Greater Asheville Regional Airport Authority was created in June 2012, by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

**WHEREAS**, Carol W. Peterson served as Member of the Asheville Regional Airport Authority from October 2013 to August 2014, and its successor, the Greater Asheville Regional Airport Authority, from October 2013 to August 2014; and

**WHEREAS**, while her period of service to the Authorities was brief, Carol W. Peterson performed her duties with diligence, conscientiousness, fairness, and concern for the well-being of others; and

**WHEREAS**, Carol W. Peterson provided to the Authorities her insight, especially relating to matters regarding the perception of the Asheville Regional Airport and her desire for the Authorities to be good partners with the Western North Carolina community.

**NOW, THEREFORE, BE IT RESOLVED** that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Carol W. Peterson for her dedicated efforts in serving the needs of the Asheville Regional Airport.

**Adopted this 13th day of March, 2015.**

**Greater Asheville Regional Airport Authority**

**B. Doug Tate:** The Chair thanked Mr. Tate for his service and read the following resolution:

*Greater Asheville  
Regional Airport Authority*

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*~ Resolution ~*

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**WHEREAS**, the Greater Asheville Regional Airport Authority was created in June 2012, by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

**WHEREAS**, Douglas J. Tate served as Member of the Asheville Regional Airport Authority from June 2013 to December 2014, and its successor, the Greater Asheville Regional Airport Authority, from June 2013 to December 2014; and

**WHEREAS**, Douglas J. Tate also served as Vice-Chair of the Greater Asheville Regional Airport Authority from August, 2014 to December, 2014; and

**WHEREAS**, Douglas J. Tate resigned his position as Member of the Authorities and Vice-Chair of the Greater Asheville Regional Airport Authority due to his relocation outside of North Carolina attributable to a very impressive personal commitment; and

**WHEREAS**, Douglas J. Tate, during his period of service to the Authorities, performed his duties with diligence, conscientiousness, and astute observation; and

**WHEREAS**, Douglas J. Tate provided to the Authorities his extensive knowledge, unfailing kindness to others, and generosity of spirit.

**NOW, THEREFORE, BE IT RESOLVED** that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Douglas J. Tate for his dedicated efforts in serving the needs of the Asheville Regional Airport.

**Adopted this 13th day of March, 2015.**

**Greater Asheville Regional Airport Authority**

**ELECTION AND SWEARING IN OF VICE-CHAIR:** On behalf of the Nominating Committee Mr. Piccirillo moved to nominate Mr. K. Ray Bailey to serve as Vice-Chair of the Greater Asheville Regional Airport Authority. Mr. Burril seconded the motion and it carried unanimously. Mr. Bailey was sworn in as officer by the Clerk to the Board.

**PRESENTATIONS:** None

**FINANCIAL REPORT:** 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.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 13, 2015 Closed Session Minutes would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority February 13, 2015 Regular Meeting Minutes:** Mr. Tate moved to approve the Greater Asheville

Regional Airport Authority February 13, 2015 Regular Meeting Minutes. Mr. Moyer seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Transfer of Rental Car Facility Bond from Asheville Regional Airport Authority to Greater Asheville Regional Airport Authority:** The Director advised the Board that this item was a mirror image of the Resolution and Agreement approved by the Board during the Asheville Regional Airport Authority meeting. Approval of this Resolution and Agreement allows for the Greater Asheville Regional Airport Authority to accept assignment of the bonds.

Mr. Bailey moved to approve the assignment and assumption agreement between the Asheville Regional Airport Authority, the Greater Asheville Regional Airport Authority, and Wells Fargo Bank, N.A., as presented, and to authorize the Executive Director to execute the same. Ms. Brown seconded the motion and it carried unanimously.

**B. Approval of a Space/Use Permit with The Lamar Companies:** The Director informed the Board that the Authority entered into a space/use permit with The Lamar Companies ("Lamar") in 2005 under a 10 year term for the lease of property for two billboards located adjacent to I-26 just north of the airport. Under the current lease, Lamar pays the Authority \$3,400 per year. The new space/use permit will provide for \$3,500 per year in revenue with a rent increase of \$100 each subsequent year of the agreement. The new space/use permit includes an early termination clause for Lamar with 60 days' notice prior to each annual anniversary. The Authority is required to provide 180 days' notice to cancel the agreement. The Director requested the Greater Asheville Regional Airport Authority Board approve the Space/Use Permit with The Lamar Companies and authorize the Executive Director to execute the necessary documents.

Mr. Moyer moved to approve the Space/Use Permit with The Lamar Companies and authorize the Executive Director to execute the necessary documents. Mr. Tate seconded the motion and it carried unanimously.

**C. Preliminary Fiscal Year 2015/2016 Budget:** Janet Burnette highlighted the Preliminary Fiscal Year 2015/2016 Budget including passenger traffic, operating revenues and expenses, net operating income, and interest income. Mrs. Burnette reviewed the proposed Operating Budget and noted that Operating Revenues assume for 375,000 passenger enplanements, an increase in public parking revenue due to the higher estimated enplanements, as well as an increase in revenues as a result of advertising

being brought in-house. The Operating Expenses include a 4.0% salary adjustment pool, as well as higher parking management fees and custodial supplies and consumables due to the increased enplanements. Mrs. Burnette informed the Board that the proposed Operating Revenues have increased by 4.5% while the Operating Expenses have increased by 3.0%. The sources of operating revenue were highlighted as well as operating expenses by category. Mrs. Burnette noted in operating expenses by category, the major change shows salaries with the largest increase. The current estimate for 2015 shows 59% budgeted for salaries. However, last year's salaries were budgeted at 61%, but since several positions remained unfilled for part of the year, the salary costs for 2015 were less than expected. Mrs. Burnette further stated that in reality the budget for salaries in 2016 looks very similar to 2015.

Mrs. Burnette reviewed the proposed capital budget that includes Bid Package 3 for the Airfield Redevelopment project and the renewal and replacement items as well as the sources of funding for those items.

The Chair inquired about the old DPS demo and water line item in the renewal and replacement schedule. The Director advised the Board that staff has been talking with the City of Asheville about leasing the old DPS building, but at the time of budget preparation staff had not received a final answer from the City. Staff put in for demo in the budget in the event the City did not want to lease the building. The water line in that building has been used for airline deicing trucks and needs to be relocated for the airline use. The Director further stated that the City recently advised staff that they would like to move forward with a six-month trial lease of the old DPS building to see how it works for them.

Mr. Burril inquired about the Accounting and Financial System Replacement. The Director stated that the current system is over 13 years old and labor intensive for staff. Staff has talked with a few consultants and other airports of similar size and felt the \$350,000 was a good starting point for a new system. If the numbers come back higher when this item goes out to bid, staff will come back to the Board for their input. Mr. Burril stated that the financial system is critical to the airport and that conversions can be very difficult. Mr. Burril suggested staff consider including funds for outside assistance to ensure the conversion is accurately accomplished.

Mrs. Burnette highlighted the Estimated Cash and Investment Balance which is estimated to be \$17.5 million as of June 30, 2015. Mrs. Burnette reviewed the schedule for 2016 which included Business Development, Contingency and Debt Service Costs, Non-Operating Revenues, Capital Contributions and Capital Costs as well as Reserve funds for an Estimated Unrestricted Undesignated Cash and Investment balance of \$12.2 million

as of June 30, 2016. Mrs. Burnette advised the Board that there were no changes to the Supplemental Fees in the proposed budget.

Mrs. Burnette requested the Greater Asheville Regional Airport Authority resolve to approve the Proposed Preliminary Fiscal Year 2015/2016 Budget and accept public comment during the next 10 days.

Mr. Bailey moved to approve the Proposed Preliminary Fiscal Year 2015/2016 Budget and accept public comment on the Proposed Fiscal Year 2015/2016 Budget during the next 10 days. Mr. Burril seconded the motion and it carried unanimously.

The Director advised the Board that the March 27, 2015 Budget Workshop meeting would not be necessary.

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

**A. Washington DC Update:** The Director informed the Board that he attended a legislative conference the previous week in Washington, DC. The North Carolina commercial airports hosted a joint breakfast meeting for the legislators. Senator Burr and Congressman Meadows attended. AIP funding and an increase of the PFC's were reviewed with the legislators at the breakfast meeting.

**B. Ground Transportation Meeting Date:** The Director reminded the Board that at the February Board meeting, he was tasked by the Board to meet with ground transportation providers. The meeting has been set up for March 26<sup>th</sup> and the Director will report back to the Board at the April Authority Board meeting. The fees have been kept the same in the budget and the year for the vehicle age will most likely be kept the same for now.

**C. Fire Station:** The Director stated that a draft six-month temporary lease will be given to the City. The building has been appraised for fair market value of \$40,000 a year. The appraiser has estimated \$250,000 in repairs need to be made to the building. If the City decides to stay in the building at the conclusion of the six months, they would need to make the repairs and modifications to the building. Ms. Brown questioned what the unknowns are that would be discovered in those six months. The Director stated that the City wants to make sure they can exit the airport in a timely manner. The City will save money by renting the old DPS building rather than constructing a new facility further north on Airport Road. They also plan to start staffing the firehouse on a Monday through Friday, 8 to 5 basis. The Director thought the City wanted to try this schedule before fully committing to expanding their services in this area. The Director further stated that

all Authority Public Safety staff are becoming certified as EMT's so the airport will be a recognized EMT responder. The Authority Public Safety staff respond now but have always been backed up by the Skyland Fire Department or City of Asheville. This will not need to happen once all the Authority staff have been certified. The Authority staff will be part of the Buncombe County emergency response and will be called through the dispatch system to respond. However, the Authority's first priority will be to respond to aircraft emergencies.

The Chair stated that the Public Safety building has been an ongoing saga and commended staff for working through this issue and for working with the Authority's community partners.

**D. City Smoking Ordinance:** The Director reported that the City passed a no smoking ordinance for e-cigarettes. The airport was included in that ordinance although the Authority already had a policy in place. The Director did talk with the City's assistant attorney on why the airport was included in this. The attorney stated that it was a backstop for the airport to point to the City's ordinance should the need ever arise. The City assistant attorney did acknowledge that the property is being transferred to the Greater Asheville Regional Airport Authority.

**E. WNC Aviation:** WNC Aviation is partnering with AB Tech for an aviation degree program. WNC Aviation has invited the Board to the announcement which will be held on March 25<sup>th</sup> at 2:00 p.m.

**F. Update on Retaining Wall:** The Director called the Board's attention to a letter at their seats from Tensar, the contractor for the retaining wall. The letter was the only documentation staff was able to obtain at this point for warranty information. Tensar states that there is an additional warranty once the wall is finished and the rest of the paperwork is turned over to the Authority. The Director further stated that the contract calls for the actual labor on the wall to be under warranty for one year. The north end of the wall is under construction, the wetland mitigation is underway, and the south end of the wall is nearly complete.

**G. Ground Transportation Article:** An article on ground transportation was available at the Board Members' seats. The article gives an idea of what some airports experience working with the Airport Ground Transportation Association. A conference will be held in April if any of the Board Members were interested. Airport staff will be attending this conference.

**H. Change Order:** The Director reported that a change order was received for the front entrance construction project with Delta Airport Consultants and Young and

McQueen. The change order was for a deduction to the contract amount for \$4,865. This included a sign that the airport did not have to replace that saved \$15,000 and also some additional items had to be purchased for the contract.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS' COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the next regular meeting will be held on April 10, 2015.

**CLOSED SESSION:** At 9:48 a.m. Mr. Piccirillo 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 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, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break until 10:00 a.m., at which time the Board would resume in closed session.

Open Session resumed at 10:13 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 13, 2015**

**CLOSED SESSION MINUTES:** Mr. Piccirillo 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. Tate seconded the motion and it carried unanimously.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 13, 2015**

**CLOSED SESSION MINUTES:** Mr. Piccirillo moved to approve the minutes for the February 13, 2015 Closed Session (Part A) and the minutes for the February 13, 2015 Closed Session (Part B) 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.



## **AUTHORITY MEMBER REPORTS:**

**A. Fill Project:** Due to the adverse weather conditions, the Director stated that he would be happy to give a tour of the fill project to the Board Members on another day. The Director proceeded to brief the Board Members on the history of the fill project and displayed the liner samples used in the project. The Director stated that the liner is non-penetrable and would take a mechanized machine or tool to puncture. The liner is laid in rolls and heat welded together. Core samples are taken every so many feet and tested to make sure the heat welds are meeting standards. The Director stated that the filter incorporated into the layers of liners allows for moisture from the coal ash to run through the filter and out through a mechanized drainage system tied into the City sewer system. Some of the older fill areas have pumps that store some of the water into a tank that is trucked out to a certified disposal system. The fill is then capped with a top liner, covered with 4' to 6' of dirt and then grass. The Director advised the Board that water test wells are located all around the fill areas and are tested for water samples taken periodically by Duke Energy. A report is generated and given to Authority staff after each testing. The wells were installed prior to the coal ash areas being filled in order to obtain baseline water quality samples before the ash was installed. All of the fill areas far exceed EPA requirements today.

Mr. Tate inquired if settling would take place over the years once all the water drains from the fill areas. The Director stated that there would not be settling due to the manner in which the coal ash is packed into the liners.

Ms. Brown questioned if the Authority retained ownership rights of the land once the area was developed and if Duke Energy retained responsibility for the coal ash. The Director responded that Duke retains responsibility for the coal ash in perpetuity and the Authority will always retain ownership of the land. The Director further stated that if the liner had to be penetrated for a development project, staff would work with the Department of Environment and Natural Resources (DENR) to make sure everything was done properly and sealed back up. The Director further stated that a third party agreement is in the process of being put together that keeps Duke liable for the coal ash in perpetuity and the agreement will be signed by the Authority, Charah, and Duke. Staff is hoping to have the agreement by the April Board meeting.

Mr. Tate commented that the Authority should consider ongoing testing in perpetuity as part of the agreement. The Director stated that he would discuss this with Charah and Duke when they talk about the agreement.

Mr. Bailey's concern was that in developing the land, there needs to be a process to make sure the liners are not punctured and the Authority's liability increased. Mr. Reisman

stated that the six feet of soil covering the liner should be twice the depth needed for any type of building. For any structure requiring drilling more than six feet deep, there are procedures and practices for opening a piece of that top liner and sealing around the footing.

The Chair encouraged the new Board Members to tour the area with the Director.

**B. Strategic Planning Session:** The Chair remarked that he felt it was a good time for the Board to set some strategies and priorities as an Authority. The Chair reviewed a presentation that included the purpose of the Authority Members, key strategic priorities, and goals for the coming year.

A discussion ensued regarding past governance vs. management issues. The Chair stated that the role of the Board Members is to represent the airport and to govern based on what is best for the airport and the strategic priorities set by the Board. Mr. Moyer felt it was a good principle to establish and would be set for any future Board Members. The consensus of the Board was to focus on setting governing direction ("guard rails") for the organization and holding management accountable for the execution of operational tactics.

The Chair outlined 10 key strategic priorities for the Board's discussion and input.

Mr. Burril inquired if the Executive Director was a legal bind, if he was the Board's legal employee. Ms. Rice referred to language in Session Law 2012-121 that created the Greater Asheville Regional Airport Authority, and stated that the only position the Board is tasked with is the Executive Director's position. Mr. Burril stated that he wanted that limitation and had concern if other Authority employees had the ability to come to the Board with issues without going through the proper channels. The Director stated that the policies adopted by the Board allow for employees to have the option to appeal to the Board if their issues are not resolved by the Executive Director.

Ms. Brown suggested a tweak on the Organizational Accountability priority to possibly change the word evaluation to supervision of the Executive Director to make it broader.

Mr. Tate questioned if airline recruiting under the Economic Development priority covers business development of new air service as well as adding or evaluating new destinations as he felt it was an important piece of the airport's future. The Chair stated that was the intent and the Director agreed. The Director stated staff is responsible for that and part of Tina Kinsey's role is for Air Service Development. The Director remarked Air Service Development would be the better terminology. Ms. Brown commented there is a community involvement aspect to that as well. The airport needs financial and

community support to further air service development and without that piece the airport won't be successful in this goal. Ms. Brown suggested including the words "engaging community partnerships" to further economic development and air service development opportunities. The Director agreed that Ms. Brown made a valid point and stated that staff has been doing this. The Authority cannot incentivize an airline to a revenue guarantee structure, it has to come from the community, and most airlines are now looking for this type of incentive.

Mr. Burril stated that part of the Authority Members' role is to educate themselves on how airports operate, policies involved in airports, how the FAA is involved, etc. Mr. Burril felt there should be a priority for an educational piece for Board Members. Ms. Brown thought this may be a better intro statement, maybe not to be confused with the priorities, but agreed it should be a responsibility.

Mr. Tate remarked that in Municipal Relations it was important to have positive relationships with municipalities as well as with other local governments but also of importance is positive relationships with all neighbors. Mr. Tate suggested broadening the terminology to encompass relationships beyond just the municipalities. Ms. Brown suggested using the word stakeholder since that could also encompass the business community which depends on air service. The consensus of the Board was to include an item for Stakeholder Relations.

The Chair stated that what he noted during the discussion was to include an intro statement about continuing education of the Authority Members, change Airline Recruiting to Airline Service Development with Community Partners, change Executive Director Evaluation to Executive Director Supervision, and add Stakeholder Relations.

The Chair reviewed the Key Goals for 2015 and asked for feedback from the Board Members on what should be accomplished that was not inconsistent with staff's goals.

Mr. Tate recommended adding encourage Board stability with Acculturate New Board Members. Ms. Brown inquired about the Board's ability to encourage people to apply and to nominate people to the appointing body. The Director stated that this has been attempted in the past but did not always work. Mr. Tate thought this was an interesting role but probably not one the Director should take.

Mr. Moyer felt a Community Relations goal should be included to expand the knowledge and improve the image.

The consensus of the Board was to remove the runway project from the list since it was already underway and was more of an operational management function.

Mr. Burril stated that several economic development related projects were pending and suggested a goal to monitor or assist with facilitating economic development issues.

Ms. Brown commented that she would like to see air service development and include community alignment.

The Chair stated that what he noted during the discussion was to include Board Member appointment/stability, community image, parking facilities, economic growth and airline development, and property transfer.

The Chair thanked the Board for their input.

**ADJOURNMENT:** Mr. Piccirillo moved to adjourn the meeting at 11:20 a.m. Mr. Burril seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair