

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**March 9, 2018**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 9, 2018 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; Matthew C. Burrell, Vice-Chair; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and George H. Erwin, Jr.

**MEMBERS ABSENT:** David Gantt

**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; Daniela Lajos, Operations Specialist; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Eric Rysdon, RS&H; James Moose, Avcon; Paul Puckli, CHA Consulting; Don Henderson, AATS; William Paulk, Pegasus Limo; Vijay Kapoor, Asheville City Council; Mvstapha, Prestige Drive; Joe Tandy, Grandy Co.; Joseph Canton, Asheville Airport Connection; Dana Kendall

**CALL TO ORDER:** The Chair called the meeting to order at 8:30 a.m.

The Chair took a moment to welcome Vijay Kapoor, liaison from Asheville City Council.

**SERVICE AWARD PRESENTATION:** The Chair recognized Daniela Lajos with a service recognition award and gift for her 10 years of service with the Authority.

**FINANCIAL REPORT:** The Director reported on the airport activity for the month of January which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of January.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 16, 2018 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority February 16, 2018 Regular Meeting Minutes:**

**C. Adoption of Revised Airport Development Guidelines:**

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

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Amendment to Supplemental Fees and Charges Schedule:** John Coon informed the Board that staff has received requests for parking privileges from crew members who fly for FAR Part 135 or Part 121 operations that do not serve Asheville. With the garage operational, surface space is available to offer to non-tenant aviation commuters, at an annual fee of \$900 a year, which should be less than daily rates in the public parking areas. Mr. Coon stated that an amendment to the fee schedule to add a non-tenant commuter rate would be necessary. Staff anticipates a small increase in revenue as a result of this addition to the fee structure.

Mr. Moyer moved to approve the amended changes to the FY 2017/2018 Annual Budget Supplemental Fees and Charges Schedule. Mr. Erwin seconded the motion and it carried unanimously.

**B. Preliminary Fiscal Year 2018/2019 Budget:** Janet Burnette presented the FY2017/2018 Preliminary Budget to the Board that included the Operating Budget, Capital Budget, Reserve Funds, Estimated Cash Balance, and Supplemental Fees. Mrs. Burnette gave a brief overview of the Basic Operating Budget Assumptions which included enplanements anticipated to reach 516,000, operating revenues slightly over \$11 million, and expenses at just over \$9 million. The operating expenses include a salary adjustment pool of 4.0%, decreases in professional and contractual services, as well as advertising, and a decrease in current charges due to credit card fees being handled by the parking management company. The Director advised the Board that the budget includes the addition of two positions and one employee that will most likely be promoted. Mrs. Burnette reviewed the proposed capital budget of \$6.9 million which included the capital improvements, equipment and small capital outlay and renewal and replacement. The

sources of funding for the capital items was also highlighted. Mrs. Burnette reported on the cash balance and supplemental fees schedule.

Mr. Moyer questioned why advertising expenses was decreasing. The Director responded that the airport created new television commercials that were funded under the current budget. The current year budget was increased to pay for those commercials, so the proposed budget removes that expense from the budget.

Mr. Burril asked Mrs. Burnette to confirm that the rental car income in dollars was really not decreasing 10%, but was relative to the overall budget. Mrs. Burnette responded that this was correct and that the dollar amount in the budget was projected at \$2.1 million all together for fiscal year 2019 and that the current year budget was \$2.4 million. The Director stated that part of the agreement with the rental cars for the bond funding for the garage was to use some of the CFC's collected to offset some of the rental car rent. Ms. Brown asked if the airport was seeing a change in the trendline of the percentage of people using the rental cars. The Director responded that staff has not seen any changes to the trendline and that Allegiant does bring a lot of rental car business with the packages they sell. The Director further stated that at this point, staff has not seen any changes due to options offered by the TNC's.

Mr. Moyer questioned if the dollar amount for the promotional expenses was decreasing or if it was just the percentage. The Director responded that to clean up the budget, holiday bonuses for employees was moved from Administration to the salary line item for each department as this is a taxable item. This was a big item in the promotional line that decreased.

Mr. Burril inquired if the \$500,000 estimated restrictive cash was something the Board in the past has designated as a certain amount each year. The Director responded that restrictive cash was basically PFC funds that have been collected from ticket sales and is restricted until the Authority reimburses itself for the money spent on the airfield project.

Mr. Moyer moved to approve the proposed Preliminary Fiscal Year 2018/2019 Budget and to accept public comment on the proposed Fiscal Year 2018/2019 Budget during the next 10 days. Mr. Erwin seconded the motion and it carried unanimously.

**C. Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport:** Janet Burnette reported that in preparation for the upcoming 2018/2019 fiscal year budget, a new schedule of airline rates, fees and charges has been developed. These new rates should result in lower total costs for each of the airlines. Mrs. Burnette advised the Board that

the Authority's ordinance process requires a public hearing prior to adoption of these new rates. The public hearing would be held at the April Authority Board meeting.

The Director called the Board's attention to Exhibit A in the schedule of rates, fees and charges and pointed out that proposed cost per enplanement will decrease from \$6.61 to \$5.92. As enplanements increase, the cost decreases for the airlines. The Authority continues to be on the low end of the average cost per enplanement in the industry. Mrs. Burnette stated that an analysis of the July through December 2017 airline traffic was run with the new rates, and the airlines should see their costs go down with the proposed rates and charges schedule.

Ms. Brown asked for an understanding of the change in the rate structure and more detail on the process of asking the Board to approve the amount without staff first meeting with the airlines. The Director responded that it was a two-step ordinance process and that the Board approves the rates, but they sit for a public comment period during which time the airlines will have time to make comments. A public hearing will be held in April in which the airlines can address the Board if they have any concerns. The Board can decide at that time to adopt the rates and charges. During the public comment period, staff will be meeting with the airlines and the airlines will have time to make comments. The airport does not look to make a profit or net revenue from the airlines so as the airport's costs balance out, it's reflected in a sophisticated calculation of how staff arrives at the rates. The Director further stated that the method does not change, however the rates change each year and that is what the Board needs to approve.

Mr. Moyer moved to approve the proposed Airline Rates, Fees and Charges, schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges, and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2018-2019, at the next regularly scheduled Authority Board meeting which is scheduled for April 13, 2018. Ms. Brown seconded the motion and it carried unanimously.

**D. Approval of Lease Agreement with Warrior Golf Management, LLC:** The Director informed the Board that the lease agreement with Warrior Golf Management (Warrior) f/k/a French Broad Golf Center for the 41 acres of airport land is due to expire in April 2018. The Director proposed a new 20-year lease with an option to renew for one additional 10-year period and reviewed the revenue that will be generated with the new lease. The property that is leased to Warrior is part of the runway safety area and the FAA prohibits development of the property for anything but agricultural or low-impact recreational use. The Director advised the Board that the lease has not been finalized, but would bring any substantial changes to the agreement back to the Board for approval.

Mr. Bailey moved to approve substantially the Lease with Warrior Golf Management LLC and authorize the Executive Director to execute the necessary documents. Mr. Erwin seconded the motion and it carried unanimously.

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

**A. Parking Garage Ribbon Cutting:** The Director reminded the Board that the ribbon cutting for the parking garage would be held on March 13<sup>th</sup> at 10:00 a.m.

**B. Industry Conferences:** The Director stated that the budget includes funds for Board members to attend industry conferences. If there are any conferences of interest, please bring up for discussion at a Board meeting.

**C. Public Safety Schedule:** The Director informed the Board that there are two additional vacancies in the Public Safety department for a total of four vacancies. Effective April 21<sup>st</sup>, the schedule will move from a 24-hour shift to a 12-hour shift to accommodate the busier times of the day with the reduced staff.

**D. NCDOT Grant:** The Director reminded the Board that the airport received a \$2 million grant from the NCDOT this year. Staff met with the NCDOT and other commercial airports to discuss the grant process and how funds are disbursed. To streamline the process, the NCDOT has decided that once the grant agreements are signed, rather than funds being reimbursed to the airport, a check will be issued. The state will have accountability and accounting procedures that staff will need to follow. Two projects are planned for these funds, the apron expansion on the site of the former Public Safety building and the terminal assessment study. There should also be approximately \$500,000 to \$600,000 to apply towards the infrastructure improvements that will be identified in the terminal assessment study.

**E. Lower Parking Lot:** There have been some passenger concerns regarding the lack of available parking spaces in the lower parking lot. There are some funds leftover from the garage project that staff may use to alleviate some issues. Staff will discuss options with the revenue equipment vendor to determine if equipment can be used to count vehicles entering the surface lot. This would provide passengers with a count of open parking spaces that are available in the surface lot. Signage will also need to be adjusted in the parking lots.

**F. Ground Transportation Lot:** The Director reported that staff has been in discussions with Uber and Lyft as they are pushing back on some of the practices that will be put in place. Both Uber and Lyft have implied that they won't operate at the

Greater Asheville Regional Airport Authority, vs. Third-Party Defendant, Avcon, Inc. d/b/a Avcon Engineers and Planners, Inc. 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. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 11:27 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 9, 2018**

**CLOSED SESSION MINUTES:** Ms. Brown 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 FEBRUARY 16, 2018**

**CLOSED SESSION MINUTES:** Ms. Brown moved to approve the minutes for the February 16, 2018 Closed Session, and to seal and withhold the minutes for the February 16, 2018 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

**NEW BUSINESS**

The Director advised the Board that the following item needed to be added to the agenda:

**E. Approve Scope of Services No. 15 with RS&H:** Michael Reisman informed the Board that RS&H has been providing program management services throughout the course of the Airfield Re-development project and the fees for these services were previously approved by the Board. With the unfinished work in Bid Package 4, RS&H is required to continue providing services through completion of the project beyond the original schedule and contract amount. Fees for continuation of their services would be billed at the same rates, with allowable annual adjustments, as contained in the original agreement. The not-to-exceed cost for Scope of Services No. 15 is \$1,469,611. Mr. Reisman advised the Board that all expenses associated with the continued services beyond the original contract amount are considered damages incurred by the Authority

and are intended to be included with other damages claimed against the performance bond to the surety company. Approval of Scope of Services No. 15 requires 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, 2018:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	\$0	\$1,469,611
Total	\$0	\$1,469,611

This will result in a net increase of \$1,469,611 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	\$0	\$1,469,611
Total	\$0	\$1,469,611

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 9<sup>th</sup> day of March, 2018.

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Robert C. Roberts, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

The Director advised the Board that the budget for the Airfield Re-development project was approved at \$80 million. Staff may need to bring an increase to that total budget back to the Board in the near future.

Mr. Bailey moved to approve Scope of Services No. 15 with RS&H in the amount of \$1,469,611, contingent upon approval of a takeover agreement with Travelers, authorize the Executive Director to execute the necessary documents, and amend the FY2017/2018 budget by adopting the budget ordinance amendment as presented by staff. Mr. Erwin seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Erwin moved to adjourn the meeting at 11:35 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair