

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**May 9, 2014**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, May 9, 2014 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:** Brian Gulden, 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; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Vickie Thomas, Director of Finance and Accounting; Kellie Whittemore, IT Coordinator; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Tom Fanslow, Carolina Mountain Land Conservancy; Nicole Manke, Delta Airport Consultants, Inc.; Linda Giltz, Land-of-Sky Regional Council; James Moose, Avcon; Kieran Roe, Carolina Mountain Land Conservancy

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

**FINANCIAL REPORT:** The Director reviewed the airport activity section of the Financial Report for March which included enplanements, aircraft operations and general aviation activity. Vickie Thomas reported on the Financial Results for the month of March.

**CONSENT ITEMS:** The Chair requested a motion to move Consent Item B to Closed Session.

Mr. Andrew Tate moved to review Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 21, 2014 Closed Session Minutes, in Closed Session. Mr. Roberts seconded the motion and it carried unanimously.

Conservancy ("CMLC") for airport property along the French Broad River. A grant application was submitted to the Cleanwater Management Trust Fund ("CWMTF") seeking funds for CMLC to purchase the easements. The grant was approved, however, the funds were no longer available due to state budget constraints. CMLC has approached staff once again to establish the conservation easements as funding has since become available. The Director informed the Board that the 8.3 acres of property being considered for a conservation easement is within the flood way/plain and has limited development possibilities.

The Director introduced Tom Fanslow from CMLC. Mr. Fanslow's presentation to the Board defined the conservation easement, its restrictions, benefits, the 8.3 acres in question, as well as future use of the property for multi-use trails. Mr. Fanslow reviewed the proposed payment of \$107,000 for the easements, and advised the Board that the North Carolina State Property Office must approve the appraised value of the proposed conservation easements before the CWMTF will pay for the easements.

Mrs. Peterson commented that these easements would be a small portion of a very big trail system linking Henderson and Buncombe counties. Mrs. Peterson felt it was important to be a good public partner and was in favor of granting the easements.

The Chair inquired about the timetable for completion of the appraisal and approval by FAA. The Director stated that within six months was probably a good guess and the next step would be to address this with the Asheville City Council as the City still retains title to airport property. The Director commented that since the airport was not selling the property, the FAA may not need to give a full property release, but would certainly run the process by them for their direction.

Mr. Bailey asked where the original numbers came from. Mr. Fanslow responded that CMLC consulted with an appraiser on an unofficial basis. CMLC also consulted with a volunteer associated with CMLC that works as realtor and has a good sense of property values.

Mr. Roberts asked who would be responsible for maintaining or replacing the trails, especially in the event of a flood. Mr. Fanslow stated that the Authority is not responsible for trail maintenance. CMLC would be responsible in the near term as holder of the public trail easement until a local government partner is found and willing to assume responsibility. The Director commented that due to FAA requirements, the airport could not participate in trail maintenance.

Mrs. Peterson moved to authorize the Executive Director to proceed with establishing conservation easements on certain airport property as outlined above, seek approval

from both the City of Asheville and the Federal Aviation Administration for such conservation easements, and execute the necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

**B. Approval of Agreement of Sale and Land Transfer:** The Director reported that the airport owns property along NC 280 on the east side directly across from the airport. The State is in the process of acquiring .234 acres of a .717 parcel for the I-26/NC280 interchange project. The remaining .483 acres of the parcel as shown by the property map in the agenda package is limited in size for future development, but if developed, the current fair market rental value is approximately \$0.35 per square foot or an annual total of approximately \$7,400. The Director advised the Board that an adjacent property owner, Mr. Kenneth Youngblood, has expressed interest in purchasing the .483 acre parcel from the Authority. Fair market value has been appraised at approximately \$420,000. The FAA would need to give approval for the Authority to sell the property, and any proceeds from the sale would be applied to a capital project at the airport. Mr. Youngblood has also agreed to place a deed restriction on this property and all of his property adjacent to the Authority's property, prohibiting the property from being used as vehicle parking other than what is necessary for the automobile dealership or to support patrons and employees of the existing businesses. The Director advised the Board that the City of Asheville is aware of the interest by Mr. Youngblood to purchase the property. The City has included this item on the agenda for the next City Council next meeting. The proceeds from sale of the property would go to the City of Asheville and then be turned over to the Authority. When asked, Mr. Youngblood was not able to give a definitive answer regarding plans for the property, but does want to ensure that whatever is built will enhance the intersection and is in the best interest of the community.

Mr. Roberts asked if there would be a restriction to safeguard against using the property for a rental car agency. The Director stated that the Authority has mechanisms in place where off-airport rental car companies still have to pay the airport some fees. The Director further stated that most passengers prefer to rent a car at the airport counter.

Mr. Andrew Tate moved to approve a property sale contract with Kenneth Youngblood to sell the referenced property for \$420,000.00, and to seek approval from both the City of Asheville and the Federal Aviation Administration for the release and disposition of the referenced property, and authorize the Executive Director to execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

**C. Approval of Contract for Construction of Airfield Re-development**

**Project Phase 1:** Michael Reisman informed the Board that the first phase of the Airfield Re-development Project known as Bid Package 1 includes site preparation, drainage structures, and construction of a retaining wall, all associated with the taxiway/temporary runway component of the overall project. Funding for this portion of construction will also be used towards engineering and land acquisition costs. Sealed bids were received by staff and opened on May 5<sup>th</sup>. Mr. Reisman called the Board's attention to copies of the bid tabulation that was available at the Board Members' seats. The responsive low bid by Thalle Construction Company, Inc. was submitted in the amount of \$8,856,193.00. The engineer's probable cost of construction was \$9,840,880.00. An additional 10% allowance for miscellaneous costs and potential overages during construction is recommended for this project, bringing the total estimated cost of construction to \$9,741,812.30. Mr. Reisman reviewed the fiscal impact of this project which included the funds remaining in the FY14 budget, total estimated expenses, the funding sources, and expenses incurred to date.

Mr. Bailey asked what project Thalle Construction has completed recently. Mr. Reisman responded that Thalle Construction is a fairly large contractor in North Carolina and is a subsidiary of Tully Construction out of New York state. Tully Construction is a fairly large firm that has several large scale airport projects in the state of New York under contract or completed, including a runway rehabilitation project. Staff believes Tully intends to assign one of their project managers to this project. Mr. Reisman stated that Thalle has a good reputation.

Mrs. Peterson inquired about the impact on local community by not utilizing a local company. Mr. Reisman replied that staff would like to use local companies, however, when federal funds are allocated for a project, the Authority is required to use the lowest responsive bidder.

Mr. Roberts asked if there was any concern with the bid being that much lower than the engineer's estimate. Mr. Reisman responded that there were no concerns and that with a \$9-10 million project, \$.5 million is a small percentage.

The Chair asked for clarification on the pending land acquisition costs. Mr. Reisman informed the Board that there were two pieces of land needed to accommodate this project. Mr. Fitzpatrick owns 14-15 acres to the west of the airport midfield and the Director is handling those negotiations and will bring to the Board for approval at a future date. Mr. Reisman further stated that there are two smaller parcels of land about 2 acres each on the south end of the airport. Since the runway will be shifted over 75', the protected air space off the end of the runway also has to shift over 75'.

Two acres of land will be needed for this new protected air space. This will leave about 2 acres on the other side of the current runway which the airport will not need, so the Director is working with the owners of the golf course and will preferably negotiate a land swap. This also will require Board approval at a future date.

The Director advised the Board that Mr. Fitzpatrick has received written approval from the FAA to move the windshear tower from his property. Mr. Fitzpatrick is out of the country but upon his return, the Director will work with Mr. Fitzpatrick to finalize the negotiations.

Mr. Roberts moved to approve the Airfield Re-development Construction Project – Bid Package 1, with Thalle Construction Company, Inc. in the amount of \$9,741,812.30 (\$8,856,193.00 plus 10% allowance of \$885,619.30) and authorize the Executive Director to execute the necessary documents. Mr. Andrew Tate seconded the motion and it carried unanimously.

**D. Approval of Insurance Renewals:** Suzie Baker advised the Board that the Authority's insurance brokers have shopped for quotes on health, dental, life, short-term and long-term disability as well as the various business insurance plans. Mrs. Baker presented the recommended insurance coverage for the Board's approval which included CIGNA for health insurance at a net cost to the Authority of approximately \$750,428, Ameritas for dental at a net cost of \$40,662 to the Authority, life insurance provided by Mutual of Omaha at a cost of \$10,584, and short-term and long-term disability provided by Lincoln Financial Group at a cost of \$16,700. Mrs. Baker further reviewed the recommended business insurance plan coverage which included property, general liability, auto and crime insurance placed through Aviation Risk Consulting for an estimated cost of \$107,300, workers' compensation coverage through Companion at a premium of \$70,000, and public officials, law enforcement and employment practices liability placed through BB&T for an estimated cost of \$35,593. Mrs. Baker also reviewed a breakdown of FY14 budget and actual costs as well as FY 15 budgeted and actual costs for all lines of insurance.

The Director informed the Board that after a decision is made by the Board on the renewal of the insurance contracts, a discussion on employee health insurance contributions would take place.

Mrs. Peterson moved to approve the renewal of the Authority's insurance coverage as presented by staff and authorize the Executive Director to execute the necessary documents. Mr. Douglas Tate seconded the motion and it carried unanimously.

Mrs. Baker advised the Board that staff has devised a plan to lower the Authority's cost for health insurance premiums. Mrs. Baker reviewed the current employee contribution of 15% of individual health insurance premiums as well as options employees may choose to offset these costs by participating in the Authority's wellness program. Mrs. Baker presented a proposal to increase employee contribution to 20% of the individual health insurance premiums with a discount up to 15% of the premium through participation in the wellness program. This would result in a 5% employee contribution for individual health insurance premiums. The proposed plan for dependent health insurance coverage increases employee contributions from 20% to 25%.

Mrs. Peterson asked what kind of information employees would receive prior to an increase in contributions takes effect. Mrs. Baker responded that an employee meeting was scheduled for later that day.

Several members of the Board agreed that the health insurance plan provided by the Authority was an attractive plan. The consensus of the Board was for staff to move forward with the proposed increased employee contributions as presented.

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

**A. Old Fanning Bridge Road Project Refund:** The Director reminded the Board that while the state was widening Old Fanning Bridge Road, Authority staff requested the state install a drainage pipe to be paid for with Authority funds. This would prevent staff from having to disrupt traffic in the future to have a drainage pipe installed. The Authority was quoted \$90,000 by the state for the installation of the pipe and paid the state at that time. Recently staff received a refund of almost \$43,000 from the state as the installation of the pipe came in below what was quoted by the state.

**B. TSA Staff Reduction:** The TSA Assistant Director recently informed the Director that Asheville will see a 40% reduction of TSA staff. This could result in increased wait times at the checkpoint. This information has been shared with industry trade associations in Washington, DC. Meetings were held in Washington, DC and the Director has been assured by TSA that the modeling TSA used to arrive at the 40% reduction fits within the current screening process. TSA doesn't intend to cause increased wait times, and the reduction would be done mainly through attrition over the next couple of years. The Director further stated that as enplanements continue to increase over the years, he felt the 40% figure would be reduced.

**C. Landmark General Manager Change:** Marty Kretchman the general manager of Landmark Aviation has been promoted to Landmark's corporate office. The airport

will miss Marty as he has done an excellent job. Landmark will conduct interviews to replace Marty and the Board will be notified when the replacement is selected.

**D. Annual Report:** The Director called the Board's attention to the copy of the 2013 Annual Report at their seats and reported that this would be presented to the community in the coming months.

**E. Policies and Procedures Manuals:** Staff is working on re-writing both the Administration and Human Resources Policies and Procedures manuals and the Director hopes to have the drafts sent to the Board members the following week for review. The Director intends to have general counsel review the manuals before including on the agenda for approval at the June Board meeting.

**F. Prescription Drug Drop-Off:** A prescription drug drop-off event was held in March at the airport by Public Safety. This was not advertised although some members of the public did drop off some drugs. A total of 4,520 pills were dropped off for disposal, so the first event of this kind was a success.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS REPORTS:** The Chair inquired about the progress Henderson County was making on an appointment to the Authority Board. Mr. Andrew Tate responded that it was not on the agenda for the next meeting and believed Henderson County would have one meeting in June as they've recently been holding one meeting a month. A handful of people have expressed interest and are communicating with the county commissioners and county manager. The Director stated that he would follow up with the county manager.

**PUBLIC AND TENANTS' COMMENTS:** No comments

**CALL FOR NEXT MEETING:** The Chair stated that the next meeting of the Authority Board will be held on June 6<sup>th</sup>. The Chair reported that the Director's compensation package will be approved in open session at this meeting.

The Chair called for a break at 9:53 a.m.

The Board reconvened at 10:02 a.m.

**CLOSED SESSION:** At 10:02 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 10:49 a.m.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 21, 2014 CLOSED SESSION MINUTES:** Mr. Piccirillo moved to approve the minutes for the March 21, 2014 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. Andrew Tate seconded the motion and it carried unanimously.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MAY 9, 2014 CLOSED SESSION MINUTES:** Mr. Piccirillo moved to seal the minutes for the May 9, 2014 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.

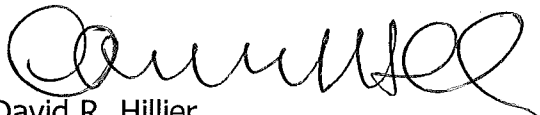
**ADJOURNMENT:** Mr. Bailey moved to adjourn the meeting at 10:53 a.m. Mr. Roberts seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



David R. Hillier  
Chair