

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 10, 2014

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 10, 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: Robert C. Roberts, Chair; Douglas J. Tate, Vice-Chair; Andrew T. Tate; K. Ray Bailey; and William L. Moyer

MEMBERS ABSENT: 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; David Nantz, Director of Operations; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Royce Holden, IT Director; Michael Miller, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Ken Moody, Delta Airport Consultants; Jeff Kirby, Parrish and Partners; Mike Darcangelo, Avcon, Inc.; Eva Ritchey, The Trolley Company

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

APPEARANCES:

A. Painting Donation: Mr. David Morgan appeared before the Board to present a painting of the Memphis Belle's Asheville Departure. The Memphis Belle was flown by his uncle Col. Robert Morgan. The Chair thanked Mr. Morgan for the painting.

PRESENTATIONS:

A. Project Soar Video: Tina Kinsey played the Project Soar video for the Board. Mrs. Kinsey stated that the video was available for viewing on the airport's website, would be used in presentations when given throughout the business community, and it was possible that a silent version may be played throughout the terminal.

B. Ground Transportation: David Nantz gave a brief overview of the ground transportation program at the airport. Mr. Nantz informed the Board that in 2005 the airport joined the Airport Ground Transportation Association (AGTA) and in 2007 implemented best practices gathered through membership in AGTA. The airport uses an open system through which any company can apply to provide ground transportation services. An airport permit is necessary and requires a City of Asheville operating permit, proof of insurance, and a vehicle inspection performed by airport staff. Mr. Nantz further reviewed the policies the airport has implemented which include vehicle age and mileage limits, driver dress and conduct codes, as well as permit fees the airport charges based on a survey compiled by staff of rates charged by airports in the region.

Mr. Moyer stated that he was supportive of the airport's policy, however, some providers have issues with respect to fees and age of vehicles. Mr. Moyer also noted that Greenville and Charlotte airports were not listed on the survey of fees charged and felt that Asheville needed to remain competitive with both of those airports. Mr. Nantz responded that the airport has used Greenville and Charlotte airports on surveys in the past and noted that fees change often at airports, so staff tries to remain somewhere near the middle. Mr. Nantz further stated that Asheville uses the recommendations of AGTA for the age of the vehicles.

The Chair advised the Board that a member of the public wished to address the Board on this subject. Ms. Eva Ritchey appeared before the Board and stated that she was the owner of The Trolley Company in Hendersonville and was speaking on behalf of the Emma Bus Line, Carolina Limousine, Special Occasions Limousine, and Mercury Transportation. Ms. Ritchey felt improvements could be made to the airport's program including the restrictions on age of the vehicles, and stated the North Carolina Limousine Association (NCLA) had concerns with the strict rules and regulations at the airport. Ms. Ritchey provided a survey completed by NCLA of vehicle age and mileage guidelines at airports nationwide. Ms. Ritchey stated that the restrictions on the age of vehicles as well as the permit fees make it difficult for small companies to operate at the airport. Ms. Ritchey further stated that all the transportation providers she was representing would like an opportunity to appear before the Board to state their reasons why the policies were not reasonable. The Chair thanked Ms. Ritchey for her comments.

TRAFFIC REPORT: The Director reported on the airport activity for August which included enplanements, aircraft operations, and general aviation activity.

CONSENT ITEMS: The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority August 8, 2014 Closed Session Minutes would be reviewed in closed session.

A. Approval of the Greater Asheville Regional Airport Authority August 8, 2014 Regular Meeting Minutes:

C. Approval of the Greater Asheville Regional Airport Authority Board 2015 Schedule:

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

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Amended Human Resources Policies and Procedures: Suzie Baker advised the Board that the Human Resources Policies and Procedures have been amended to ensure compliance with all federal and state laws, to incorporate title and name changes, and to update various policies. Mrs. Baker highlighted a few of the policies that were revised or added.

The Director informed the Board that legal counsel has reviewed the policies and the Authority is in compliance with all regulations.

Ms. Rice stated that she did not do a comprehensive overhaul of the policies and procedures, rather she worked on specific policies for which staff had questions or concerns. Ms. Rice further stated that if the Board Members had questions on any of the policies, she would be happy to review the policies in question.

Mr. Bailey questioned how the policies would be presented to employees and if the effective date would be when the policies are adopted by the Board. Mrs. Baker stated that meetings would be set up with employees to highlight the changes. Ms. Rice stated that it was up to the Board to determine if a different effective date was desired. Mr. Bailey was concerned that there were major changes and wanted employees to be made aware of the changes. The Director stated that the policies could be effective November 1st and that would allow plenty of time for Mrs. Baker to review the policies with the employees. Mr. Bailey asked if there were any substantial changes other than the medical reimbursement policy. Ms. Rice responded that the school leave policy was a new policy, the military policy was expanded, and a number of places where things have been altered slightly, but the major highlights of the revisions were reviewed by

Mrs. Baker. Mrs. Baker stated that the policies have been improved, are easier to read and understand, and did not foresee any problems from an employee standpoint.

The Director informed the Board that the certification pay policy does affect public safety personnel and reviewed the history behind the certification pay policy. The Director advised the Board that most public safety personnel are now hired with an EMT certification already in place and are also being hired at a higher rate of pay. The Director further stated that the new policy allows all employees to become eligible for the certification bonus rather than just Public Safety employees. The Director also advised the Board that Mrs. Baker was in the process of conducting another salary survey, and salaries will be reviewed when that survey is completed.

Mr. Douglas Tate inquired when employees go through the process of getting the certification bonuses or pay adjustments. The Director stated that salary adjustments are made during performance evaluations the beginning of each fiscal year, and certification bonuses are typically received in December after employers submit certification paperwork by October 1st.

Mr. Bailey commented that it may be prudent to make the effective date in January. Ms. Rice stated that she did not believe that would have an impact on the certification policy.

Mr. Bailey moved to approve the amended and new Human Resources Policies and Procedures effective November 1, 2014 and authorize the Executive Director to execute the necessary documents. Mr. Moyer seconded the motion and it carried unanimously.

B. Terminate Agreement for Professional Services with Michael Baker Engineering, Inc. and Approve Scope of Services Number 16 with Avcon Engineers and Planners, Inc.:

Michael Reisman advised the Board that an amendment to the professional consulting services agreement with Michael Baker Engineering, Inc. was approved by the Board in 2013 to extend the term of the agreement in order for the firm to continue their work on the design of the new permanent runway. Thus far only preliminary engineering services have been performed on this portion of the project. Mr. Reisman informed the Board that Michael Baker Engineering, Inc. also completed design and construction inspection services for the Aircraft Rescue Firefighting Facility (ARFF). However, during construction of the ARFF project, several significant design issues arose that were determined to be the direct result of mistakes on the part of Baker, causing the Authority to submit two claims against Baker. Mr. Reisman further noted that approximately \$150,000 in change orders occurred during construction of the ARFF building that staff felt were due to oversights during the design phase. Mr. Reisman advised the Board that staff has

lost confidence in the ability of Baker to perform satisfactorily on the runway project and have determined to terminate the professional services contract with Baker.

Mr. Reisman stated that the most appropriate course of action is to assign the completion of the design package for the runway to Avcon Engineers and Planners, Inc. Avcon is already under contract for the design of the taxiway/temporary runway, and their existing contract includes work on the Airfield Redevelopment Project within the current scope of work. Mr. Reisman further informed the Board that the FAA was consulted and approval was received provided Avcon could complete the work within the original scope of work, and within the remaining balance of the fee negotiated with Baker. Avcon has agreed to assume and complete the current scope of work within the remaining balance of the unspent portion of the Baker contract.

Mr. Bailey requested further information regarding the change orders for the ARFF building. Mr. Reisman stated that of the \$150,000 in change orders, Baker reimbursed the Authority approximately \$88,000 for the damages the Authority claimed against Baker. The Authority was out of pocket for the remainder, but Mr. Reisman explained that these costs should have been included in the total cost of the project at the beginning, but were oversights left out of the original design.

Mr. Douglas Tate questioned if staff considered releasing Baker from any problems or if something is found in the design work even after Avcon takes over. The Director responded that there were really no issues as the 30% design was done to necessitate moving forward with the design of the taxiway. Avcon is already moving forward with the design of the taxiway so there really are no issues with the 30% work completed by Baker.

Mr. Moyer moved to terminate the Agreement for Professional Consulting Services with Michael Baker Engineering, Inc., Approve Scope of Work 16 with Avcon Engineers and Planners, Inc. at a not to exceed cost of \$1,902,676.06, and authorize the Executive Director to execute the necessary documents. Mr. Douglas Tate seconded the motion and it carried unanimously.

C. Authorize Award of Construction Contract for Entryway Improvements:

Michael Reisman reminded the Board that at the June 6, 2014 Board meeting, a scope of work and fees with Delta Airport Consultants was approved for design work to replace the light poles, way finding signage, and parking areas that were lost due to the North Carolina Department of Transportation (NCDOT) I26/NC280 interchange project. The airport was compensated by the NCDOT for the lost items. Mr. Reisman informed the Board that the project is currently out for public bid and also includes replacement of the existing main entrance sign. As an additive alternate to this project, staff has

included the provision of two outdoor color display monitors on the new entrance sign. The bid opening date is set for October 23, 2014. Mr. Reisman advised the Board that the expenses for the basic project will be paid from those funds already received from the NCDOT for the lost items for a total of \$465,000.00 and includes the design services. Inclusion of the additive alternate for the two outdoor display monitors would add \$55,000.00 to the cost and would come from the Authority's fund balance. A budget amendment would be necessary.

Mr. Moyer commented that the Board was being asked to approve a document that was not yet seen and questioned how the document could become an official part of the minutes. The Director responded that this came up in a recent conversation and in the future staff will include a copy of any contracts that are approved at the next Board meeting for the Board's review and discussion if necessary. Mr. Reisman further noted that the contract documents that are put out for bid are highly standardized and cover all the same basic principles, terms, and conditions the Board generally approves.

Mr. Andrew Tate asked if a dispute were to arise, would the Board have the capacity to address it properly. The Director responded affirmatively and stated that staff would not move forward in executing a contract if a protest or contest were to arise and would most likely be taken up at the next Board meeting. The Director further stated that the Board does not have a formal protest process so it starts with staff, then elevates to the Executive Director, and then to the Board if necessary. The Director also informed the Board that all contracts allow for staff to terminate the contract and pay for any work completed to that point. Mr. Reisman stated that approval by the Board at this meeting would allow staff to award the contract up to the project funding balance that was included in the agenda package memo. If the low bid turns out to be in excess of that amount, staff would come back to the Board before executing a contract. Staff brought this to the Board before the bid opening in order to move quickly on the project before the weather won't allow for the work to be completed.

Mr. Roberts questioned if it would be prudent to put a dollar amount for a potential dispute. The Director responded that this was difficult because staff would not have information concerning the cause for a dispute. The Director further stated that this was a small project and that the larger projects that involve federal funds have to comply with a whole checklist of items. The Director advised the Board that staff would do a better job of timing the bids to ensure this does not happen often.

Mr. Moyer moved to approve the award of contract for the Entryway Improvements Project to the responsive best bidder, not to exceed \$414,725.00, plus \$20,000.00 in allowances, for a total of \$434,725.00 including outdoor display monitors; and authorize

the Executive Director to execute the necessary documents and to amend the FY14/15 budget by adopting the following budget ordinance amendment. Mr. Andrew Tate seconded the motion and it carried unanimously.

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>
Renewal and Replacement	\$0	\$434,725
Totals	<u>\$0</u>	<u>\$434,725</u>

This will result in a net increase of \$434,725 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA		
Cash/Investments	\$0	\$434,725
Totals	<u>\$0</u>	<u>\$434,725</u>

Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Greater Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 10th day of October, 2014.

Robert C. Roberts, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board

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

A. Update on Advantage West Lease: The Director advised the Board that Advantage West is unsure of its future and has asked to reduce their leased space by approximately two thirds. The reduction will decrease their rent by approximately \$50,000. A three-month lease has been signed as they will have a better idea in January of where things stand. In the meantime, the Director will be looking for other tenants either for part of the building or the whole building.

B. Update on Independent Authority: The Director informed the Board that the City of Asheville signed a resolution to comply with the state and move forward with requesting the FAA for the transfer of the remaining airport property from the City to the Authority. They will also support moving forward with the Greater Asheville Regional Airport Authority (GARAA) as the operator of the airport and will have the sponsorship changed. The Director is gathering documentation and working with legal counsel to draft a letter for the initial request to the FAA.

The Chair asked if a timeline was known. The Director replied that the FAA region offices used to approve property transfers and recognition of airport sponsorships. However, the issues that Charlotte had with their independent authority request have caused for these approval processes to be sent to FAA headquarters in Washington, DC. Staff is also working with legal counsel on the bonds for the rental car facility to be issued to the GARAA. There are currently no provisions in the bond agreement to assign them to a new entity. Staff will be taking the bond documentation to the Local Government Commission to get approval for the bonds to be issued to the GARAA and is also working with Wells Fargo, the owner of the bonds. Once this is completed, everything can move forward with the FAA.

C. Industry Conference Schedule: The industry conference schedule for 2015-2016 was available at the Board Members' seats for their review. The Director requested the Board Members advise staff at the next Board meeting of interest in any of the conferences so staff can plan when going through the budget process.

D. Airports United Website: The Director called the Board's attention to a new website entitled Airportsunited.com, which is a collaborative effort of ACI and AAEE to address industry issues, economics, etc.

E. Holiday Tenant Appreciation Reception: The holiday cocktail party will be held on Thursday, December 11th from 5:30 to 7:30 p.m. Invitations will be sent out in the near future.

F. Conservation Easement: The City of Asheville did approve the conservation easement for the land along the French Broad River and agreed to work with Carolina Mountain Land Conservancy (CMLC) to move that forward. CMLC is having appraisals done so the fair market value can be determined.

G. Nightly Closures: The Director advised the Board that the airport is closing at night between 11:45 p.m. and 5:30 a.m. and the airlines have been made aware of this. This has been planned for the last two years and is due to construction work being done close to the existing runway. The Director further stated that the instrument lighting system (ILS) on runway 34 is going out of service the following week due to grading issues for the airfield redevelopment project. The instrumentation will be down for about a year. This means there will only be one ILS approach, runway 16, and weather may cause flights to cancel from this approach. Staff has worked with the FAA on this issue, and has looked at every possible way to keep this system operating. However, it is physically impossible to do this with the work that needs to be done on the runway project. The airport will have some cancellations over the next year due to this, but it is not possible to avoid this.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS:

A. ACI Annual Conference: Mr. Douglas Tate reported on the ACI Annual Conference he attended in September. Mr. Tate highlighted several issues that were discussed at the conference including TSA and the exit lane issue, mid-term elections and how that affects the aviation industry, the modernization of PFC's, and strategic planning especially related to parking as a revenue generator. Mr. Tate felt the conference to be very educational and appreciated the opportunity to attend.

The Chair also spoke briefly on the ACI Annual Conference and stated that the topics of interest to him were the three issues most airports deal with which are cost containment, risk mitigation, and revenue generation.

B. Other Items:

The Chair requested the Board Members reflect on the information received at the meeting regarding ground transportation and decide at the next meeting if the Board needs to discuss further. The Director stated that staff will look at the material that was provided by Ms. Ritchey and will speak with the ground transportation providers and will provide information to the Board.

The Chair also stated that the Board could discuss participating in Board meetings via telephone at a future meeting.

The Chair congratulated the Executive Director on his recent appointment as Chair of the US Policy Board for Airports Council International.

Mr. Moyer spoke about the equestrian center being constructed in Polk County and mentioned that he had heard that the center is looking into airport arrangements. Mr. Moyer felt this was an opportunity the airport staff should look into. The Director stated that he has been advised by Buncombe County officials of what has been transpiring in the Tryon area. Staff is in the process of trying to connect and set up a meeting at the airport. The Director will let the Board know if anything transpires.

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the regular meeting on November 14, 2014 was not necessary. The next regular meeting will be held on December 12, 2014.

CLOSED SESSION: At 10:30 a.m. Mr. Douglas Tate 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 Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 11:21 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 10, 2014

CLOSED SESSION MINUTES: Mr. Douglas 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 unanimously.

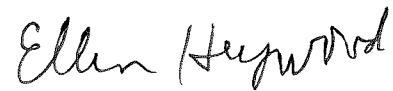
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 8, 2014

CLOSED SESSION MINUTES: Mr. Douglas Tate moved to approve the minutes for the August 8, 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. Moyer seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Andrew Tate moved to adjourn the meeting at 11:23 a.m. Mr. Moyer seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair