

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 10, 2021**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 10, 2021 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 IN PERSON: Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; Susan Russo Klein; and Britt Lovin

MEMBERS PRESENT VIA TELEPHONE/VIDEO: Thomas M. Apodaca

MEMBERS ABSENT: Matthew C. Burril, Chair

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Lisa Hartz, Director of Administration and Human Resources; Christina Madsen, Airport Properties and Contracts Manager; Jared Merrill, Airport Planning Manager; Samuel Sales, Chief of Public Safety; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

PRESENT IN PERSON: Elsa Watts, Martin Starnes & Associates, CPAs, P.A.

ALSO PRESENT VIA TELEPHONE: John Kasuda, Siemens; Bill Case, PFM Financial Advisors; James Moose, Avcon; Brock Burns, Jacobs; and a few others not identified

CALL TO ORDER: With the absence of the Chair, the Vice-Chair called the meeting to order at 8:30 a.m.

PRESENTATIONS:

A. Wifi Data: Tina Kinsey gave a presentation containing an analysis of data gathered from passengers who subscribe to the airport's wifi using the captive portal which was launched in 2018. Mrs. Kinsey explained how the data is used in community relations and advertising. The data is also used to reveal passenger trends that is shared with airline network planners who find the information extremely interesting and useful. Mrs. Kinsey stated that email marketing has become one of the airport's most powerful

tools for marketing and the information gathered helps to ensure money is spent wisely and the airport's messaging also reaches the appropriate audience.

The Board thanked Mrs. Kinsey for her presentation.

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of October was provided by the Director. Janet Burnette reported on the financial activity for the month of October.

CONSENT ITEMS: The Vice-Chair stated that Consent Item B, Approve the Greater Asheville Regional Airport Authority November 12, 2021 Closed Session Minutes, would be pulled for review during Closed Session.

A. Approve the Greater Asheville Regional Airport Authority November 12, 2021 Regular Meeting Minutes: Mr. Erwin moved to approve the Greater Asheville Regional Airport Authority November 12, 2021 Regular Meeting Minutes. Ms. Russo Klein seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Presentation of Annual Audited Financial Report for Fiscal Year 2020/2021: Janet Burnette stated that the annual audit for fiscal year ended June 30, 2021 was performed by Martin Starnes & Associates, CPA's ("Martin Starnes"). The audited financial statements have been submitted to the Local Government Commission. Mrs. Burnette introduced Elsa Watts with Martin Starnes to present the audit highlights to the Board. Ms. Watts reported an unmodified opinion as well as no material weaknesses and no red flags identified. Ms. Watts reviewed revenues and expenses as well as current assets and liabilities.

Mr. Erwin moved to accept the 2020/2021 Audit Report as presented. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Approval of Amended Pay Grade Structure: Lisa Hartz informed the Board that a comprehensive salary survey was recently conducted to include like-sized airports and businesses within the community. In the past, employee salary increases have been based solely on merit performance. This, and the current pandemic, has caused the Authority to fall behind with market salary rates. Staff plans to base future raises on cost-of-living adjustments as well as merit performance. Ms. Hartz reported that the Authority's pay grade structure is the tool to ensure that pay levels are competitive externally and equitable internally. The pay grade structure needs to be adjusted to

reflect the current market and attract, motivate and retain key talent to serve the Authority's business needs. Ms. Hartz advised the Board that staff expects an annual increase of approximately \$900,000 to the Personnel Service section of the budget which includes 15 current vacant positions. The adjustment will go into effect on January 4, 2022, therefore, half of the annual amount will be included in a budget amendment.

The Director informed the Board that the current pay grade structure is level 1 through 10. The revised pay structure begins at a level 11 through 29. This was done to totally discard the old levels so there were no comparisons made. The Director stated that his position was not part of this pay grade structure and that a salary survey for airport directors was being done by a consultant to compare 30 like-sized airports throughout the country.

Mr. Erwin moved to approve the amended Pay Grade Structure effective January 4, 2022. Mr. Lovin seconded the motion and it carried unanimously.

C. Approval of Amendment to the FY21/22 Budget for Revised Departmental Budgets: Janet Burnette advised the Board that the pandemic was still greatly impacting airline activity when the FY22 budget was prepared, so the budget included very conservative revenue and expense amounts to ensure sound fiscal management. With a significant rebound of airline travel, staff needs to adjust the budget amounts to better reflect operational needs. Mrs. Burnette stated that the revenue budget needed to be increased by \$3,536,494 and the expense budget increased by \$1,354,845, of which \$449,974 is for salary increases and the remainder for operating and capital expenditures. The following budget amendment will be necessary:

[INTENTIONALLY LEFT BLANK]

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 30,2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administration Dept.		\$43,694
Executive Dept.		332,634
Finance Dept.		40,401
Guest Services Dept.		30,758
Information Tech. Dept.		75,603
Marketing Dept.		99,705
Operations/Maintenance Dept.		396,761
Planning Dept.		22,300
Properties Dept.		35,119
Public Safety Dept.		180,264
Capital – Renewal/Replacement		97,606
Totals		\$1,354,845

This will result in a net increase of \$1,354,845 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Terminal		\$1,604,493
Airfield		281,711
Parking Lot/Roadway		1,636,518
Other		13,772
Transfer from GARAA Cash	\$2,181,649	0
Totals	\$2,181,649	\$3,536,494

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 10th day of December 2021.

Brad Galbraith, Vice-Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Lovin moved to amend the FY2021/2022 budget by adopting the budget ordinance amendment as presented by staff. Mr. Ricker seconded the motion and it carried unanimously.

D. Approval of Bond Underwriting Services: Janet Burnette reported that the Authority's bond consultant, PFM Financial Advisors (PFM), issued a Request for Proposals for bond underwriting services in connection with a future public offering bond issuance. Mrs. Burnette reviewed the guidelines used to make the determination from the nine proposals received, and stated that Raymond James & Associates, Inc. was selected to serve as senior underwriter on the next public offering bond issuance. If necessary, co-underwriters will be selected in the future to serve on an underwriting team with Raymond James, and will be selected from the firms who submitted proposals. The cost of the service for bond underwriting is based on the total amount of bond issuance and will be paid from bond proceeds.

Ms. Russo Klein moved to approve Raymond James & Associates, Inc. to serve as senior underwriter, authorize the Executive Director to select co-underwriters at a later date, and authorize the Executive Director to execute the necessary documents. Mr. Lovin seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director stated that he had a couple of items to address that were not included on the agenda.

A. Ground Transportation Update: The Director reported that as the Board was aware, the airport has experienced ground transportation issues over the last 18 months due to the pandemic. While there has been somewhat of a relief with an increase in Uber, Lyft and taxis, there is still not enough ground transportation to meet the demand. Staff has been having discussions with LAZ to take over the shuttle service the Authority introduced to help transport passengers to downtown Asheville. LAZ has submitted a proposal which staff is reviewing. One of the items LAZ is seeking is to exercise the option of the 5-year extension in their contract early in exchange for a much lower price to operate the shuttle. Staff has also discussed the possibility of putting out a solicitation for one taxi provider vs multiple operators. The Director further stated that staff is aware of the issue and has been working to improve the situation.

B. Mask Mandate: The CDC and administration has extended the mask mandate for public transportation to March 18, 2022.

C. Runway 5k: The Director was pleased to announce that approximately \$17,000 was raised through the 5k event and will be split between the AB Tech Aviation Scholarship Fund and WNC Pilots Association Education Foundation.

D. Vaccines and Federal Mandate: The Director shared the results of an employee vaccination survey that was taken to plan for the vaccination mandate required of federal contractors.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Vice-Chair stated that the next regular meeting of the Board will be held on January 6, 2022.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:29 a.m. Mr. Lovin moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel 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. Erwin seconded the motion and it carried unanimously.

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

Open Session resumed at 10:29 a.m.

Mr. Apodaca left the meeting during the closed session.

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CLOSED SESSION MINUTES: Mr. Lovin 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. Ms. Russo Klein seconded the motion and it carried by a 5 to 0 vote.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOVEMBER 12, 2021 CLOSED SESSION MINUTES: Mr. Lovin moved to approve the minutes for the Greater Asheville Regional Airport Authority November 12, 2021 Closed Session and to seal and withhold the minutes for the November 12, 2021 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Ms. Russo Klein seconded the motion and it carried by a 5 to 0 vote.

ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 10:30 a.m. Ms. Russo Klein seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,

Ellen Heywood

Ellen Heywood
Clerk to the Board

Approved:


Brad Galbraith
Vice-Chair