

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
APRIL 11, 2008
8:30 AM

The Asheville Regional Airport Authority ("Authority") met on Friday, April 11, 2008, at 11:00 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

MEMBERS PRESENT: David R. Hillier, Chairman; Rhett Grotzinger, Vice-Chairman; James E. Ellis, Secretary/Treasurer; David Gantt, Brownie Newman, Gerard P. Mozian, and Susan Fisher (via conference call).

MEMBERS ABSENT: Chuck McGrady (Ex-Officio Member)

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; David N. Edwards, Jr., A.A.E., Airport Director ("Director"); D. David Nantz, Director of Operations and Maintenance; Royce Holden, IT Manager; Kevin Howell, Development Manager; Patti Michel, Director of Marketing and Public Relations; Beverley Vassell, Administration Manager; C. Jeffery Augram, Chief of Public Safety, Christy Brunson, Finance Manager, and Debra Roman, Recording Secretary.

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 AM.

APPEARANCES: None

CONSENT AGENDA:

A. Approval of the Asheville Regional Airport Authority, March 14, 2008, Regular Scheduled Meeting Minutes:

B. Approval of the Asheville Regional Airport Authority, February 22, 2008, Closed Session Minutes:

Mr. Ellis moved to approve the regular meeting minutes of the March 14, 2008 Board Meeting, the minutes for the March 14, 2008, Closed-Session, and to seal and withhold the Closed-Session Minutes from public inspection so long as public inspection would frustrate the purpose thereof. Mr. Gantt seconded the motion and it carried by a unanimous vote.

PRESENTATIONS:

A. Conceptual Roadway and Parking Lot Improvements Presentation: Mr. Howell relayed to the Board that at the November 2007 Board Meeting the Authority approved a fee and scope with WK Dickson for professional services related to the

Planning and Programming Phase for the Asheville Regional Airport Landside Roadways, Access and Parking Lots Improvement Project. Mr. Howell stated that the Terminal Area Plan Study (TAP), adopted in 2005 identified a need for improvements to the landside roadways, access and parking lot areas. The concept planning phase for this project included survey and testing of the existing roadway and parking lot areas, development of up to 4 alternatives and analysis of each alternative, including phasing, constructability and budget costs.

Mr. Howell introduced Mr. Tom Slater (WK Dickson) who presented the concepts for the Board to review.

Mr. Slater presented three alternatives for the Terminal Access Loop Roadway, a new I-26 interchange access, a direct airport entry from southbound I-26, a general aviation and north service area improvement and a rental car ready/return lot expansion.

There were discussions regarding size of a proposed parking deck, a cell phone lot, wayfinding, shuttle services, the need for extra parking capacity, fencing around the new rental car facility, yield factors, revenue per parking space, peak seasons, sharing parking with neighbors of the airport, current operating costs, the proposed commercial curb, and cost of a parking deck.

Mr. Mozian stated that although it is important to prepare for the future, the airport is not growing fast enough and thought that the Board needed to pace itself. Mr. Mozian stated that although the money would be coming from AIP funds it still is coming from the public's pockets. Mr. Mozian felt that the Authority should build a parking garage and get rid of the proposed commercial curb.

The Director relayed to the Board that the parking lot was in dire need of repairing and that the cost would be one million dollars plus just for repair and maintenance. The Director stated that while the Authority would be paying the cost of repairing the parking lot this would be a good time to start the improvements. The Director relayed that he did not want to have to tear the parking lot up in few years for improvements after having spent a million plus dollars to repair it. The Director stated he would like to put an improvement in place that would at least hold the airport until 2012-2015 and then build a parking garage.

The Chairman relayed to the Board that he liked concept A but it was too expensive and too long of a construction period but liked the idea of an escalator to move passengers to the terminal. The Chairman stated that in his opinion Concept B was a nonstarter as it provided for no additional parking space. Concept C is the concept to be studied further.

Mr. Gantt relayed to the Board that he did not want to have to work with the North Carolina DOT if it wasn't necessary. Mr. Gantt also requested more information on the parking garage and would like to see a design which included a parking garage.

Mr. Newman concurred with the Chairman and Mr. Gantt and requested that Staff look at other parking strategies which could include sharing a lot with neighbors of the airport and shuttle services.

Mr. Mozian stated that he would like to see alternatives to near term scenarios.

Mr. Grotzinger stated that he felt the airport had enough parking now and if necessary employees could be moved to the west side of the airport to park and get shuttled in.

Mr. Grotzinger stated that he did not feel the need to build new roadway access.

The Director requested from the Board the authorization to further refine concept C, which would include rehabilitating the existing parking to include the current rental car storage and maintenance areas, the phasing of a commercial curb and parking garage, and certain on-airport roadway improvements. The Director stated that he understood Mr. Mozian's thoughts on using the AIP monies to fund this project but stated that the AIP funds identified for the roadway and commercial curb portions of the project were entitlement funds that were already approved as a part of the 5-year capital program approved by the Board.

The consensus of the Board was to have Staff further refine Concept C and bring it back to the Board for approval.

Mrs. Fisher left the meeting at 10:35 AM

The Chairman requested a 10 minute break. The Board recessed at 10:35 AM.

The Board reconvened at 10:45 AM.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2008/2009: The Director relayed to the Board that the Final Fiscal Year 2008/2009 Budget and Budget Ordinance was presented to the Authority Board at the March 2008 Board Meeting. The budget documents have remained available for public inspection and comment since the March Board meeting with no comments being received to date.

Mr. Grotzinger voiced his concerns to the Board regarding the difference in cost between 2007 and 2008's fiscal years janitorial figures, the additional areas to be cleaned, minimum wage increases for janitorial staff, and the cost of flying out of the airport.

The Chairman opened the floor to Public Comment at 10:55 AM.

Mr. Bill Fishburne (Asheville Tribune) thanked the Board for the opportunity to speak. Mr. Fishburne stated that he felt that the parking presentation was good. Mr. Fishburne continued to state that the Authority should put their focus on being more of a low cost

provider than spending money on million dollar projects. Mr. Fishburne felt that the Authority should decrease the budget and focus on lowering airfares.

Public Comment ended at 11:00 AM.

Mr. Grotzinger stated that he felt an increase of Staff by 25% and taking janitorial services in-house was not appropriate at this time. Mr. Grotzinger also stated that although we do need to encourage passengers to use the long term parking lot by increasing the short term rate, the Authority did not need to increase long term parking rate as well.

The Chairman stated that a 25% increase in Staff was misleading, as outside of the janitorial services, Staff is only asking for 3 new positions. The Chairman stated that he felt that bringing the Janitorial Services in-house was appropriate at this time and that this would enhance both customer service and quality, and give Staff the ability to cross train these folks to better serve the airport.

The Chairman also stated that the increase to the parking rates was needed.

There was a discussion regarding the difference in the short term parking rate and the long term parking rates, and the issues that could arise from adding more Staff.

Mr. Gantt stated to the Board that he supports all of Staff's recommendations and did not feel the need to micromanage Staff.

Mr. Ellis stated that at Charlotte's airport you have to get on a shuttle and ride to the terminal, and he appreciated the fact that that was not necessary here. Mr. Ellis did request to see a frequent flyer program in the near future.

Mr. Grotzinger stated that he would like to see the long term parking rates remain as they are and to see the janitorial services pulled out of the budget.

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
2008-2009
BUDGET ORDINANCE**

BE IT ORDAINED by the Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2008-2009 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Asheville Regional Airport for the fiscal year beginning July 1, 2008 and ending June 30, 2009 in accordance with the following schedules:

EXPENDITURES

Administration	\$ 2,681,477
Terminal	2,423,847
Airfield	1,256,595
Hangar	7,363
Parking Lot/Roadway	18,408
Land Use	7,363
Carry-over Capital Expenditures from Prior FY	6,750,000
Other Reserve Funds	3,947,527
Capital Improvement Fund	1,694,104
Renewal and Replacement Fund	618,166
Equipment and Small Capital Outlay Fund	323,000
Business Development Fund	300,000
Debt Service Fund	695,574
Total Expenditures	<u>\$ 20,723,425</u>

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Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2008 and ending June 30, 2009.

REVENUES

Administration (Interest Income)	\$ 237,600
Terminal	3,270,885
Airfield	1,029,681
Hangar	774,744
Parking Lot/Roadway	2,329,898
Land Use	132,650
FY 07 Capital Carry-Over Funds	6,750,000
FY 08 PFCs	1,200,000
FY 08 CFCs	795,000
Federal Grants FY 08/09	880,986
NCDOT Grants	600,000
Borrowed Funds	2,000,000
Transfer from ARAA Fund Balance	721,981
Total Revenues	<u>\$ 20,723,425</u>

Section 3. This Budget Ordinance shall be entered in the minutes of the Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Asheville Regional Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Asheville Regional Airport Authority as described in G.S. 159-13.

Section 4. This ordinance shall become effective on July 1, 2008

Adopted this ____th day of _____, 2008.

Dave Hillier, Chairman

Attested by:

James Ellis Secretary-Treasurer

Mr. Newman moved to support Staff's recommendation concerning the janitorial services. Mr. Ellis seconded the motion, and it carried by a 4-2 vote, with The Chairman, Messers. Newman, Ellis and Gantt voting for the motion; and Messrs. Grotzinger and Mozian voting against the motion.

Mr. Mozian moved to continue with the current long term parking rate and to increase the short term parking rate from \$10.00 to \$11.00 per day. Mr. Grotzinger seconded the motion and it failed with a 3-3 vote, with Messers. Newman, Grotzinger, and Mozian voting for the motion and Messers. Gantt, Ellis, and the Chairman voting against the motion.

There was a discussion regarding the effect this motion would have on the budget numbers.

Mr. Newman moved to continue with the current long term parking rate and to increase the short term parking rate from \$10.00 to \$12.00. Mr. Ellis seconded the motion and it carried by a 4 to 2 vote, with Messers Ellis, Newman, Gantt and Mozian voting for the motion and The Chairman and Mr. Grotzinger voting against.

Mr. Ellis moved to approve and adopt the Asheville Regional Airport Authority 2008-2009 Budget Ordinance, as set forth above in these minutes as revised by the above two successful motions with respect to janitorial services and parking rates. Mr. Gantt seconded the motion and it carried by a unanimous vote.

NEW BUSINESS:

A. Award of Contract for the Maintenance Facility Building Panel Replacement Project: Mr. Nantz relayed to the Board that Staff had requested in the Fiscal Year 2007/2008 Budget to replace and match the exterior siding panels and metal trim on the older metal buildings to the recently constructed facilities at the Maintenance Complex.

Mr. Mozian requested information on why these panels needed to be replaced. Mr. Nantz relayed to the Board that Staff felt the appearance of the maintenance facility needed to be consistent.

The Director stated that this project was approved in the budget last year and was being presented due to that fact that it was over his spending approval authority. The Director stated that although these panels were not leaking they are viewable to the public and Staff felt that a consistent aesthetic look was appropriate.

Mr. Mozian stated that this money could be saved

Mr. Gantt moved to (1) award the contract for the Maintenance Facility Building Panel Replacement Project to Cooper Enterprises, Inc., in the amount of \$54,565.00 and (2) authorize the Airport Director to execute the necessary documents. Mr. Ellis seconded

the motion and it failed by a 3-3 vote, with Messers. Gantt, Ellis, and The Chairman voting for the motion and Messers. Grotzinger, Mozian, and Newman voting against.

B. Award of the North General Aviation Site Development Drainage Pipe Project: Mr. Howell relayed to the Board that at the December Board meeting the Authority approved the award of a construction contract to Tennoca Construction for the storm drainage extension of the North General Aviation Expansion Project. Execution was delayed due to the ongoing 401/404 permit process required for a portion of the project. Mr. Howell stated that all bids were valid for a period of 90 days from the bid opening date. At the conclusion of the 90 days a contractor is not required to hold their submitted bid price. Tennoca was contacted to request that they hold their bid while the permitting process continued. Tennoca declined and withdrew their bid. The second lowest responsible bidder, Charrah, was then contacted and Staff requested the same. Charrah, Inc. has committed to hold the same bid price submitted on November 28, 2007.

There was a discussion regarding the permit process.

Mr. Grotzinger moved to (1) approve the award of the construction contract for the storm drainage extension on the North General Aviation Expansion Project to Charrah, Inc. in the amount of \$352,237.00, plus a 10% contingency budget in the amount of \$35,223.70; and (2) authorize the Airport Director to execute the necessary documents contingent upon receipt of the final required permit approvals. Mr. Ellis seconded the motion, and it carried by a unanimous vote.

DIRECTORS REPORT:

A. Airline Merger Update: – The Director relayed to the Board that Delta could merge next week even though the pilot's agreement was not solidified yet.

B. Business Forum: The Director stated that the Business Forum that was held recently turned out well. The Director thanked the Marketing Department for putting this together. The Director stated that at the meeting there were discussions regarding parking rates, a travel lounge and a frequent flyer program. The Director relayed to the Board that a survey was passed out to those in attendance and mailed to those who were invited but could not attend. There will be another meeting in 6 months.

There was a discussion on a frequent flyer program.

C. Bid Solicitation for the Rapid Intervention Vehicle (RIV) for Aircraft Rescue and Firefighting: The Director stated that Staff was getting ready to send out bid solicitations of the Aircraft Rescue and Firefighting RIV. The Director stated that the recommendation for the award will be brought to the Board in June.

D. Rental Car Pre-Bid Conference: The Director relayed to the Board that Staff had met with the Rental Car Operators for a Pre-Bid Meeting on April 1, 2008. There was good input from the Rental Car Operators.

E. Letter of Credit – Encore: The Director relayed to the Board Encore had officially changed its name to Landmark and that a Letter of Credit had been received in the amount of 3.5 million dollars, to secure their development obligations.

F. North Carolina Airport Association Conference: The Director reminded the Board about the upcoming NCAA conference and encouraged them to attend.

G. Verbal Update of the Department of Public Safety: This item was deferred until the next meeting.

The Director relayed to the Board that Ms. Vassell, after several months of planning, has launched a new Wellness Program and explained what it entailed. The Director thanked Ms. Vassell for a job well done.

The Director also stated that Ms. Vassell would be leaving the Authority to pursue other endeavors and he wished her well.

INFORMATION SECTION:

The Chairman inquired as whether the Net Operating Revenue on the Finance Report was correct. The Director stated that it was correct; and that the Authority through the first 7 months of the Fiscal Year had already achieved its projected net Operating Income for the year

AUTHORITY MEMBERS REPORT:

The Chairman stated that the Authority might not have the need to meet in May for the Regular Schedule Authority Board meeting. The Director stated that a formal notice would be sent out if the meeting was canceled.

Mr. Grotzinger thanked The Director and Ms. Michel for a great job on the Business Forum.

Mr. Grotzinger also inquired as to why the Jet A fuel numbers were down. The Director stated that it was possibly the increase in fuel prices. Mr. Ben Wells, Million Air, stated that there were many diversions and that corporate flyers are not choosing to buy fuel out of AVL.

PUBLIC AND TENANT'S COMMENTS: None

CLOSED SESSION: None

ADJOURNMENT:

The meeting adjourned by consensus at 11:40 AM

The next regular meeting of the Authority will be on Friday, May 9th, 2008 at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

Respectfully submitted,

James E. Ellis
Secretary-Treasurer

Approved:

David R. Hiller
Chairman