

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 14, 2012**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 14, 2012 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; Martha W. Thompson; and Andrew T. Tate

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; Royce Holden, IT Director; Vickie Thomas, Director of Finance and Accounting; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Kevan Smith, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jeff Kirby, Michael Baker Corporation; Mike Darcangelo, Avcon, Inc.; Bob Oast, City of Asheville; Nate Otto, RS&H; Marty Kretchman, Landmark Aviation; Donald Brookshire, Landmark Aviation; James McNeill, Landmark Aviation

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

SERVICE AWARD PRESENTATION: The Chair recognized Royce Holden with a service recognition award and gift for his 10 years of service with the Authority

PRESENTATION:

A. Landmark Aviation: Marty Kretchman, General Manager of Landmark Aviation in Asheville, appeared before the Board to give a presentation which included background on Landmark Aviation, Landmark's arrival in Asheville in April, 2009, a review of the improvements made during 2012 to the Asheville location, and Landmark's role in both the General Aviation community and the local community. The Chair thanked Mr. Kretchman for his presentation and for all he and his company do for the airport.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of October. Passenger enplanements for the month totaled 28,753, a decrease of 19.4% over the same period last year. The Director also reported that commercial operations for the month totaled 1,585, a decrease of 13.5% over the same period last year, scheduled flights totaled 660, a decrease of 13.7% from last year, and seats totaled 35,776, a decrease of 15.0% over last year. Vickie Thomas reported on the financial results for the month stating that operating revenue was \$760,000, which was 5.2% over budget, and operating expenses were \$536,000, which was 18.1% below budget. Mrs. Thomas also reported on the cash position for the month.

CONSENT ITEMS: The Chair stated that Consent Items B, Approval of the Greater Asheville Regional Airport Authority October 12, 2012 First Closed Session Minutes, and C, Approval of the Greater Asheville Regional Airport Authority October 12, 2012 Second Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority October 12, 2012 Regular Meeting Minutes:

D. Approval of the Greater Asheville Regional Airport Authority Board 2013 Schedule:

E. Approval of Amendment No. 1 to the Airline-Airport Operating and Space Use Agreement:

Ms. Thompson moved to approve Consent Agenda items A, D and E. Mr. Roberts seconded the motion and it carried unanimously.

NEW BUSINESS:

A. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2014-2018: Michael Reisman reviewed the Five-Year Capital Improvement Plan (CIP) which the Federal Aviation Administration (FAA) requires airports to update annually in order to be eligible for federal funding. Mr. Reisman advised the Board that assuming funding stays on schedule and weather delays don't postpone completion of the multi-year Airfield Redevelopment Project, staff anticipates completing the project by the end of 2017. This allows staff to put non-airfield projects such as the Ground Transportation Commercial Vehicle Loading w/Pedestrian Canopies and the Wright Brothers Way Road Extension into the CIP for 2018. The total CIP through Fiscal Year 2018 totals \$79.5 million and Mr. Reisman advised the Board that once the CIP is adopted by the Board, it would be transmitted to the FAA for their

consideration. The Director informed the Board that staff did move most of the money for the runway project to future PFC approval. The airport collects approximately \$1.1 to \$1.3 million each year in PFC funds. Since the \$13 to \$17 million PFC funds that are needed for the runway project will take roughly 16 years to collect, the Authority will be fronting a lot of the funds for the runway project, but will be reimbursed through PFC collection.

Mr. Roberts moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan as presented for submission to the FAA. Mr. Piccirillo seconded the motion and it carried unanimously.

B. Approval of Scope of Services No. 12 and Associated Fees with RS&H Architects-Engineers-Planners, Inc.: Michael Reisman informed the Board that since the Airfield Redevelopment Project is such an extensive, complex project, RS&H has been selected to provide program management services for the project. The scope of services for Phase 1, which is primarily design work for the first year, was negotiated with RS&H. An Independent Fee Estimate was also obtained by an outside firm to confirm the cost of the services proposed by RS&H. Other design engineering services by the Authority's other consultants will also take place in phase 1 of the project, and those Fee and Scope contracts will be negotiated and brought to the Board for approval.

Mr. Reisman further informed the Board that the total budget for engineering and design services for the current federal fiscal year for Phase 1 is \$2,340,195.00 and of that, \$447,983 will be for Program Management services provided by RS&H. The remaining \$1,892,212.00 will be used for engineering services by other consultants.

Mr. Roberts moved to approve the Scope of Services Number 12 with RS&H in an amount not to exceed \$447,983.00 for Phase 1 program management services, and to authorize the Executive Director to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.

C. Approve Reimbursable Agreement with North Carolina Department of Transportation (NCDOT): Mike Reisman advised the Board that a component of the incentive package Sierra Nevada received from the State of North Carolina to locate their facility in Mills River was for road improvements to be made to Old Fanning Bridge Road which is located on the airport's west side. Mr. Reisman further stated that as a result of future aeronautical development that is planned for the west side of the airport, two over-sized storm water drainage pipes will need to be installed by the Authority underneath Old Fanning Bridge Road. Staff has explored the possibility of having the NCDOT install these two pipes while they are in the process of making the

road improvements for the Sierra Nevada project and the Authority would reimburse the state for the cost of installing the two pipes.

Mr. Reisman advised the Board that although it is not critical to install the pipes at this time, significant savings will be realized if done in conjunction with the state's road improvements as the state would assume the cost of the demolition and repaving of the road. Installation of the pipes at this time would also eliminate the need for Old Fanning Bridge Road to be excavated a second time. The state is starting the road improvements at the beginning of 2013 and the Authority's expected cost for the installation of the two pipes is approximately \$90,000. The actual cost will be based upon the conditions of the reimbursable agreement that the state is trying to draft. Based on a recent meeting Mr. Reisman had with engineers from the NCDOT, however, the state has agreed to let the airport minimize the amount of pipe that needs to be installed, so it is likely the actual cost will be substantially less than \$90,000.

Mr. Piccirillo inquired if it was inevitable that the two pipes will be needed in the future. Mr. Reisman responded that future plans for the airport identify aeronautical development on the west side of the airport. Staff is optimistic this area will be developed, and the storm water pipes will eventually be necessary.

Mr. Reisman requested the Board approve a Reimbursable Agreement with NCDOT in an amount not to exceed \$100,000.00, authorize the Executive Director to execute the necessary documents, and amend the FY12/13 budget by adopting the following budget ordinance 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, 2013:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay		\$100,000
Totals	<u> \$0</u>	<u> \$100,000</u>

This will result in a net increase of \$100,000 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 ARAA		\$100,000
Cash/Investments		
Totals	<u>\$0</u>	<u>\$100,000</u>

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 14th day of December, 2012.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Tate moved to approve a Reimbursable Agreement with NCDOT in an amount not to exceed \$100,000.00, authorize the Executive Director to execute the necessary documents, and to amend the FY12/13 budget by adopting the budget ordinance amendment presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

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

A. Airline Visit Update: The Director reported that he and Tina Kinsey had visited several airlines over the last few weeks to advocate for additional city pairs and new service. The Board will be apprised if anything comes to fruition.

B. Washington, DC Legislator Trip: The Director recently met with Senator Kay Hagan and her aide as well as Senator Richard Burr's aide to give a brief update on the runway project. The Director also briefly touched upon the Authority moving forward as an independent Authority. While in Washington, DC, the Director also met with Christa Fornarotto at the FAA about the runway project and the independent Authority.

C. Holiday Chorus Program: The Authority has brought back the Holiday Chorus Program to the airport and it has been well received by the community and appreciated by the local schools.

D. ARFF Station Update: The Director advised the Board that staff has received 100% design drawings for the ARFF station. The CIP was updated to increase the cost of the ARFF project to \$5.4 million for construction along with the \$500,000 spent on design for a total cost of \$5.9 million for the project. A budget amendment will be brought to the Board when the bid documents are received. The project will be put out for bid the first week of January with bids due on February 8th. Staff plans to bring the bids to the Board for approval at the February Board meeting.

E. Small Airport Group: The Director has been asked to participate in a small airport group to brainstorm ways to entice airlines to bring service to smaller airports. The Director further stated that revenue guarantees are no longer enough of an incentive for the airlines. There are approximately 12 small airports in the southeast that will participate in this group and hopefully turn around the industry for the smaller airports.

F. Conference Schedule: A schedule of 2013-2014 industry conferences was available at the Board Members' seats. The Director asked for the Board to review and report back any anticipated travel at the next Board meeting so staff can prepare for the FY 2013/2014 budget.

G. Department of Transportation (DOT) Meeting: The Director advised the Board that as part of the improvements to Old Fanning Bridge Road the DOT is making for the Sierra Nevada project, a roundabout will be constructed for entrance to the Sierra Nevada property as well as a future entrance to the airport's west side. The State will need approximately one acre of airport property for this roundabout. The State will also need some of the airport's property as part of the I26/NC280 interchange project. The State will need to purchase the property at fair market value and staff will need to obtain a release of property from the FAA. This will come back to the Board for approval before submission to the FAA.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS:

A. Review and Discussion of Applications for Authority Board At Large Vacancy: The Chair stated that the Board Members have had an opportunity to review the applications that were received for the At Large vacancy. Interviews will be

conducted in January and the Chair inquired if there was any discussion on any of the applications that were received.

Mr. Piccirillo commented that the process the Board used for the last At Large vacancy worked well and thought the list of applicants could be narrowed down for the interviews.

The Board Members were polled on the candidates to be interviewed. The consensus of the Board was to interview three candidates: Mr. Cavanaugh, Mr. Bailey, and Ms. Cothran. The Chair will notify the three candidates for interviews as well as send letters to the two that will not be interviewed.

B. Authority Member Relocation: Ms. Thompson informed the Board that she has been promoted to Director of Corporate Public Affairs for Duke Energy Enterprise. The promotion will require her to relocate to the Raleigh area and anticipated the relocation will occur in the middle of next year.

C. Discussion on By-Laws Update: The Chair inquired if Mr. Buchanan would have a draft of the By-Laws for the Greater Asheville Regional Airport Authority ready for the January meeting. Mr. Buchanan responded that he would have the draft ready for the January meeting.

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next meeting of the Board would be January 11, 2013.

The Chair called for a break at 9:25 a.m.

The Board reconvened at 9:30 a.m.

CLOSED SESSION: At 9:30 a.m. Mr. Roberts 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 Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations. Ms. Thompson seconded the motion and it carried unanimously.

Open Session resumed at 10:25 a.m.

Ms. Thompson moved to seal the minutes for the December 14, 2012 Closed Session and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Piccirillo seconded the motion and it carried unanimously.

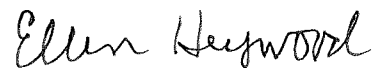
**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OCTOBER 12, 2012 FIRST CLOSED SESSION MINUTES:**

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OCTOBER 12, 2012 SECOND CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the Greater Asheville Regional Airport Authority October 12, 2012 First Closed Session Minutes and the Greater Asheville Regional Airport Authority October 12, 2012 Second Closed Session Minutes, and to seal and withhold the minutes for such closed sessions from public inspection so long as public inspection would frustrate its purpose or purposes thereof. Ms. Thompson seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Roberts moved to adjourn the meeting at 10:26 a.m. Ms. Thompson seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair