

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 22, 2013

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 22, 2013 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: K. Ray Bailey

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; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Suzie Baker, Director of Administration; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Amy Burritt, Marketing Supervisor; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jeff Kirby, Michael Baker Corporation; Mike Darcangelo, Avcon, Inc.; Matt Fogleman, ECS Carolinas

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

CONSENT ITEMS: The Chair suggested that Consent Agenda Item B, Approval of the Greater Asheville Regional Airport Authority March 8, 2013 Closed Session Minutes, could be pulled for review in Closed Session. Mr. Roberts moved to pull the Greater Asheville Regional Airport Authority March 8, 2013 Closed Session Minutes for review in Closed Session. Mr. Piccirillo seconded the motion and it carried unanimously.

A. Approval of the Greater Asheville Regional Airport Authority March 8, 2013 Regular Meeting Minutes: Mr. Piccirillo moved to approve the Greater Asheville Regional Airport Authority March 8, 2013 Regular Meeting Minutes. Mr. Roberts seconded the motion and it carried unanimously.

OLD BUSINESS: None

Mr. Piccirillo commented that he has seen this done and it is common practice. However, in his experience it does cause some problems and sometimes other departments will become creative in different requests and use this as a pivoting point. The Director conceded that this does set precedent, but there is only one position like this in the organization. The Director further stated that this could cause some ripple effects but felt the Authority staff is professional and will understand the merits that this position brings. Staff is well compensated and up to market standards.

The Chair inquired about the benefits of sponsorship of the SoCon Basketball Tournament. Mrs. Kinsey responded that it was a small amount of recognition for the money spent. The Chair stated that he would not mind if sponsorship was not continued. The Director commented that money is budgeted for sponsorships, not specific items, and can be shifted around. Staff feels there are greater opportunities for recognition in the community and will address this issue when the time comes.

Mr. Roberts moved to approve the proposed Preliminary Fiscal Year 2013/2014 Budget and accept public comment on the proposed Preliminary Fiscal Year 2013/2014 Budget during the next 10 days. Ms. Thompson seconded the motion and it carried unanimously.

B. Approval of Airfield Re-development Project Budget and Design Scopes

and Fees: Mike Reisman reminded the Board that in May 2012 the FAA provided approval for the Authority to move forward with the Airfield Re-development Project. Since then, planning has begun and preliminary expenses have been incurred. Mr. Reisman reviewed the schedule of estimated funding from 2013 through 2017 that the FAA has provided the Authority in order to complete the estimated \$64 million project. The funding sources consisted of FAA AIP Entitlement funds of \$9.2 million, FAA AIP Discretionary funds of \$39.5 million, PFC current approval funds of \$2.1 million, PFC future approval funds of \$10.6 million, and NCDOT funding of \$2.4 million. Mr. Reisman further reviewed the major components of work accounted for in the total estimated project which included \$4.7 million for design engineering services, program management and construction inspection services of \$4.9 million, construction services and land acquisition of \$53.4 million, and \$1 million in miscellaneous expenses and allowances. Mr. Reisman advised the Board that the actual miscellaneous expenses and allowances are likely to be higher and largely based upon actual bid prices received at the start of each construction phase. Mr. Reisman stated that multi-year phased funding to accomplish this project is already creating challenges for staff in terms of managing the expenses from year to year while awaiting reimbursement from the various funding sources. Staff has determined that approval of the overall project

budget would be in the best interest to overcome these challenges. Mr. Reisman further advised the Board that at each point during the project where a contract or major expense requires Board action, staff would bring it to the Board for approval, and if necessary, amendments to the overall project budget would also be brought forward to the Board.

Mr. Reisman further informed the Board that separate from the approval of an overall project budget, design services for the project need approval. Avcon, Inc. was selected to provide design services for the taxiway/temporary runway portion of the project, and LPA/Michael Baker was selected to provide design services for the permanent runway construction project. Third party independent fee estimates were performed and used as a basis to negotiate with the consultants for the design fees. As a result of the negotiations, the maximum fee that was established for the taxiway/temporary runway design services with Avcon, Inc. is \$1,837,826, and the maximum fee for the design services for the permanent runway with LPA/Michael Baker is \$2,299,934. The full cost of these design services will not be incurred up front during this fiscal year. The majority of expenses for Avcon will be incurred during fiscal year 2013-2014 as that part of the project will be done first. On the runway portion of the project, staff is anticipating about 30% of the total expense will be incurred in the next year.

Mr. Reisman reviewed the alternatives to staff's recommendations and advised the Board that rather than approving the overall project budget, the Board could decide to approve the budget in phases consistent with annual estimated expenses and revenues. Mr. Reisman also stated that the Board could elect not to award scope and fee contracts for the taxiway/temporary runway and permanent runway design services resulting in staff undertaking an independent process to select other firms for these services. Mr. Reisman advised the Board that the total \$64 million project is or will be included in the current budget and future budgets through FY 2017 as it is expected to be spent, along with the corresponding revenues. If at any point during the project, funding becomes unavailable from the FAA or NCDOT, and the Authority cannot make up the difference with other available funds, the Authority has the right to cease all work and stop incurring expenses.

Mr. Roberts asked if staff worried that the funding for this project would disappear. The Director responded that financing the project worried him less than the FAA deciding not to fund the runway project and the airport ceases to exist. The FAA funds projects in this manner, they do not commit to anything, and each year the funds are appropriated. Mr. Reisman commented that it is very unlikely that the project will fall off the FAA's priority list. Some of the funding for the project could get postponed or

delayed, and this is the reason the Authority has put language for the right to stop the project in the contract documents.

Ms. Thompson questioned if there was any risk of not proceeding or if projects were in order by percentage of completion for funding by the FAA. The Director responded that this is a sole runway airport and without a runway the airport is out of business. The FAA will not let the airport close, so once the project starts it becomes higher on the priority list to get the funds.

Mr. Tate moved to approve the project budget of \$64,000,000 for the Airfield Re-development Project, approve Scope of Services No. 13 with Avcon Engineers and Planners, Inc. at a not to exceed cost of \$1,837,826.00, approve Consultant Scope of Services No. 5 with the LPA Group of North Carolina, p.a. at a not to exceed cost of \$2,299,934.00, and authorize the Executive Director to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.

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

A. Legislative Meetings in Raleigh: The Director reported that he had traveled to Raleigh as part of a contingent of seven Chambers of Commerce from Western North Carolina for the annual legislative meetings. The Director was pulled into several meetings with some of the representatives and a senator primarily to discuss the independent Authority for the Charlotte airport as Asheville is being used as a model. Overall the meetings went well and the legislators are aware of the Authority's stance in the process of changing to an independent authority.

B. Meeting/Conference in Washington, DC: The Director informed the Board that he had a very productive meeting with Congressman Meadows while in Washington, DC to attend the ACI Legislative Conference. The FAA spoke at one of the sessions for the conference. The continuing resolution in Washington, DC did not protect the FAA from closure of about 100 air traffic control towers by the end of the current fiscal year. FAA furloughs begin on April 21st but this will not significantly impact AVL. TSA has not been identified with too many major issues, mostly larger airports with customs where passengers may experience longer waits. FAA grants are coming in a little slower but are expected to come in the May through July timeframe. The FAA is concentrating on safety and making sure airports are complying. The FAA is also looking to improve and increase programs for the environment and sustainability and will be providing funding for these types of projects. ACI is lobbying congress with

the proposal to increase PFC's to \$8.50 and uncapping PFC's for large airports to free up funds for the smaller airports.

C. Allegiant Airlines: The announcement of new service with Allegiant to Tampa was announced on Tuesday and unexpectedly made the national news.

D. ARFF Vehicles: Two old fire trucks were put for sale on gov.com and were sold. The 1977 Walter truck sold for \$20,000 to Hudlow Fire Department in Forest City, NC, and the 1985 E-1 truck sold for \$10,500 to a company in Lakeland, Florida.

E. Economic Impact Brochure: The Director distributed a brochure that the Marketing Department put together detailing the airport as an economic engine in Western North Carolina. The brochure will be sent out to members in the business community.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS: The Chair advised the Board that City Council informed him about six weeks ago that they were proceeding with an appointment for the Authority Board. The opening was advertised and there were eight applications received. The Chair reported that the City's Boards and Commissions Committee decided to re-advertise for the opening.

PUBLIC AND TENANTS' COMMENTS: No comments

CALL FOR NEXT MEETING: The Chair advised the Board that the next regular meeting of the Board will be held on April 26, 2013.

The Chair called for a break at 9:10 a.m.

The Board reconvened at 9:19 a.m.

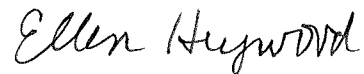
CLOSED SESSION: At 9:19 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Consider Personnel Matters. Ms. Thompson seconded the motion and it carried unanimously.

Open Session resumed at 10:30 a.m.

Mr. Piccirillo moved to approve the minutes for the March 8, 2013 Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate its purpose or purposes, and to seal the minutes for the March 22, 2013 Closed Session and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Ms. Thompson seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Roberts moved to adjourn the meeting at 10:31 a.m. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair