

**REGULAR MEETING**  
**ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**March 9, 2012**  
**8:30 a.m.**

The Asheville Regional Airport Authority ("Authority") met on Friday, March 9, 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, Chairman; David Gantt, Vice-Chairman; Jeffrey A. Piccirillo, Secretary-Treasurer; Martha W. Thompson; Bob Roberts, Bill Moyer and Esther Manheimer

**MEMBERS ABSENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director, Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Suzie Baker, Director of Administration; and Ellen Heywood, Recording Secretary

**ALSO PRESENT:** Mike Darcangelo, AVCON; and Jeff Kirby, Michael Baker Corp.

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

**APPEARANCES:** None

**PRESENTATIONS:** None

**FINANCIAL REPORT:** The Director reviewed the airport activity section of the Executive Summary for the month of January. Enplanements for the month totaled 22,330, a 7.7% increase over the same period last year. The Director advised the Board that last year's weather caused a significant number of flight cancellations in January 2011 which may account for the 7.7% increase in enplanements over last year. The Director also reviewed commercial aircraft, military and general aviation operations for the month and noted that while scheduled flights were down, seats and load factors increased as did general aviation and military operations. Vickie Thomas reported on

the financial results stating that operating revenue for the month was \$675,000 which was 9.8% above budget for the month. Fiscal year to date operating revenue totaled \$5,109,000 which was 8.3% above budget. Operating expenses for the month totaled \$526,000 which was 16.9% below budget. Operating expenses for fiscal year to date totaled \$3,686,000 which was 14.9% below budget. Mrs. Thomas also reported on the cash position for the month.

**CONSENT AGENDA:** The Chairman advised the Board that Consent Agenda Item B, Approval of the Asheville Regional Airport Authority February 24, 2012 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Asheville Regional Airport Authority February 24, 2012 Regular Meeting Minutes:** Ms. Thompson moved to approve the Asheville Regional Airport Authority February 24, 2012 Regular Meeting Minutes. Mr. Roberts seconded the motion and it carried by a 6 to 0 vote.

**NEW BUSINESS:**

**A. Approval of Preliminary Fiscal Year 2012/2013 Budget:** Vickie Thomas reminded the Board that the proposed Fiscal Year 2012/2013 Budget was presented to the Board at the February 24 Authority Board meeting. Staff incorporated changes in the Preliminary Budget to reflect the approval of the purchase of the Passenger Boarding Bridges (PBBs) and the reduction in the Airport Improvement Program (AIP) funding from 95% to 90%. Mrs. Thomas presented an overview of the Preliminary FY 2012/2013 Budget which included general statistics and the proposed FY2012/2013 Operating and Maintenance Budget. Mrs. Thomas also reviewed the projects and equipment included in the proposed Capital Budget as well as the sources of funding. Mrs. Thomas advised the Board that the funding sources for the Snow Truck and Plow Replacement had been updated to reflect the decrease in AIP funding from 95% to 90% for this equipment. The decrease in AIP funding by \$30,000 was the only impact to the FY 2012/2013 Budget as staff did not budget any other projects at more than 90% in AIP funding. Mrs. Thomas further reviewed the two Reserve Funds, the Supplemental Fees, and the Estimated Cash Balance. Mrs. Thomas noted that staff made changes to the Estimated Cash and Investment Balance schedule to reflect the change of funding for the PBBs.

Mr. Piccirillo questioned how staff estimated passenger traffic growth as that figure affects concessions and rental cars. Mrs. Thomas responded that the passenger traffic figure actually has the biggest impact on parking revenue. Mrs. Thomas further stated

that staff receives estimates from the airlines throughout the year in addition to factoring in what the airport has experienced traditionally.

Mr. Moyer inquired if it was the procedure to review the budget at the same level of detail as was done in February rather than just highlight the changes. The Director responded that the budget is presented at the March meeting for public inspection and provides the opportunity for the 30-day comment period.

Mrs. Thomas requested the Authority Board approve the proposed Preliminary FY 2012/2013 Budget and allow the budget to remain available for public inspection for 30 days. The 2012/2013 Budget will then be presented to the Authority Board for final adoption on April 20, 2012.

Mr. Roberts moved to approve the proposed Preliminary FY 2012/2013 Budget and accept public comment on the proposed Preliminary FY 2012/2013 Budget during the next 30 days. Mr. Piccirillo seconded the motion and it carried by a 6 to 0 vote.

Mr. Gantt arrived at 8:55 a.m.

**B. Approval Audit Contract with Martin Starnes & Associates, CPAs, P.A. for Fiscal Year Ending June 30, 2012:** Vickie Thomas informed the Board that last Spring staff issued a Request for Proposal (RFP) for audit services. The Board approved a contract with Martin Starnes & Associates for the Authority's annual audit for fiscal year ended June 30, 2011. Fees for a five-year time frame were included in the proposal from Martin Starnes. Mrs. Thomas requested the Board approve the contract with Martin Starnes for audit services for fiscal year ended June 30, 2012 in the amount of \$12,400 and advised the Board that this fee was expected and included in the Fiscal Year 2013 budget.

The Chairman inquired if staff was satisfied with Martin Starnes and Associates. Mrs. Thomas responded that staff has been happy with their services.

Ms. Thompson moved to approve the contract for audit services with Martin Starnes & Associates, CPAs, P.A. in the amount of \$12,400 and authorize the Board Chairman to execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Joint Fire House Update:** The Director advised the Board that he had not intended to include this item on the agenda but staff had just received a letter from the City of Asheville regarding this issue. A copy of the letter from the City and the

attachment from the State DOT was distributed to the Board for their review. The Director called the Board's attention to statements made by the DOT in their letter to the City whereby the state did not foresee any "fatal flaws" which would prevent fire trucks from entering NC 280 via Aviation Way but that the access would likely be reconfigured to a right in right out movement. The Director also pointed out that the DOT requested the City submit a feasibility study as soon as possible. The Director informed the Board that staff would continue to communicate with Mr. Richardson on the firehouse issue. The Director also advised the Board that he had had a conversation with Jay Swain, an NCDOT engineer regarding the comments from Raleigh about the intersection being just a renovation. Mr. Swain told the Director that this was not just a renovation but a major change for the intersection and was aware that this would have a big impact on the airport. Mr. Swain assured the Director that staff would have the opportunity to be involved in the discussions on this project.

Mr. Roberts asked what the DOT meant by the term fatal flaw in their letter to the City. The Director was not aware of what the definition of a fatal flaw meant to the DOT. Mr. Gantt was under the impression that the City was planning on taking a right out of Aviation Way and not a left. Ms. Manheimer agreed that she believed the City did plan on taking a right turn out of Aviation Way and turning around.

Mr. Gantt asked if Advantage West was in communication with the DOT regarding the Aviation Way intersection. The Director responded that he was not aware of any communications, but that Advantage West is a tenant and all tenants would be represented by the airport at the meetings with the DOT. The Director further stated that he would have a conversation with Mr. Hamilton of Advantage West. Mr. Gantt stated that if a joint fire station is not going to work, there is no need to spend each meeting talking about this issue.

The Director also advised the Board that regardless of the decision made by the Board on the fire house, staff is running against some timeframes and needs to move forward with the design of the fire house. Staff needs to finish up with the design of the fire house with or without the City by August or September so bids can be put out in the Fall and construction can be started in the Spring of 2013. The Director further stated that if construction was not started in the Spring of 2013, there is a possibility that construction would be delayed for the next 5 or 6 years as the FAA may designate all of the entitlement funding to the runway project if that moves forward.

Mr. Roberts asked if staff was aware if there were more concrete plans from the DOT. The Director responded that the letter from the City just arrived on March 7<sup>th</sup> but that staff planned on drafting a letter to the City in response.

Ms. Thompson questioned if staff had come to a conclusion, regardless of the DOT and the traffic situation, on every other issue such as costs, etc. associated with the joint fire house to determine if it would work. The Director responded that staff has supplied the City with all the information they requested from the consulting firm. Final costs will not be determined until the design work is finished. Ms. Manheimer suggested the Director meet with Jeff Richardson to lay out the parameters about what would or would not work with what the DOT plans for the intersection.

The Chairman inquired about the timeline the Director referred to previously, specifically finishing the design by July in order to get the bids out in the fall and construction starting by the spring in order to make sure the funding was there. The Director responded that the design needed to be done by the end of the summer but would need to know by June if staff needs to move forward with the design. The Chairman affirmed that the Board would need to make a decision to go ahead with the design either with or without the City by June. The Director responded that this was correct. The Chairman further stated that Aviation Way may not even exist with the DOT's plans for the interchange and the Board is not likely to have this information by June. The Director agreed that this was correct and that the State had not even met with the engineering firm hired to design the interchange. The Director further stated that the firehouse may be able to be designed to build onto with another bay if the State comes up with a design that works for the City to access NC 280 from Aviation Way. However, there are other internal designs for space that may need to be incorporated but this could be looked at down the road. The Chairman inquired if the FAA would allow for the Authority to pay for design costs even if it would accommodate someone else. The Director replied that staff would have to have that discussion with the FAA.

Mr. Gantt suggested the Director sit down with the City as soon as possible and include an agenda of items that need to be discussed at the meeting including a timeline, deal breakers, concerns, and options that have been offered. The Director stated that staff would have a meeting with the City and have an answer for the Board by the April 20<sup>th</sup> meeting.

**DIRECTOR'S REPORT:**

The Director advised the Board that he was removing the US Airways Checked Baggage Policy item from the agenda as there was a misunderstanding regarding information he had received. The Director also noted that he had a few items to report that were not on the agenda.

**A. ARN Awards:** The Board had been informed at a previous Board meeting that the airport was nominated for four ARN awards for the design of the new restaurant in the terminal. The ARN Conference was held in Orlando recently, but unfortunately Asheville did not win any of the awards.

**B. LED Lighting:** The Director advised the Board that in keeping with the airport's energy efficiency efforts, the Maintenance Department has finished revamping the canopy lighting with LED lighting.

**C. Rental Car Booth:** Enterprise Car Rental has requested permission to install a booth in the ready/return lot to increase customer service. A rendering of the booth was shown to the Board members. Specification standards are being established for compliance by all rental car companies for any future booths.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS' REPORTS:** None

**PUBLIC AND TENANTS' COMMENTS:** None

**CALL FOR NEXT MEETING:**

The Chairman advised the Board that the next regular meeting of the Authority Board will be held on Friday, April 20, 2012 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

**CLOSED SESSION:** At 9:35 a.m. Mr. Piccirillo 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 Asheville Regional Airport Authority, including


agreement on a tentative list of economic development incentives that may be offered by the Asheville Regional Airport Authority in negotiations, and to consider personnel matters. Mr. Gantt seconded the motion and it carried unanimously.

Open Session resumed at 10:58 a.m.

**APPROVAL OF ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 24, 2012 CLOSED SESSION MINUTES:** Mr. Piccirillo moved to approve the minutes for Part A of the February 24, 2012 Closed Session and for Part B of the February 24, 2012 Closed Session, and to seal and withhold these minutes from public inspection so long as public inspection would frustrate their respective purpose or purposes. Mr. Moyer seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Moyer moved to adjourn the meeting at 11:00 a.m. Mr. Roberts seconded the motion and it carried unanimously.

Respectfully submitted,



Jeffrey A. Piccirillo  
Secretary-Treasurer

Approved:



David R. Hillier  
Chairman