

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 10, 2017

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 10, 2017 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: Robert C. Roberts, Chair; Andrew T. Tate; K. Ray Bailey; William L. Moyer; and Stephanie Pace Brown

MEMBERS ABSENT: Matthew C. Burril, Vice-Chair; David Gantt

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; Tristan Stroupe, Public Safety; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amira Trebincevic, Delta Airlines; Mike Darcangelo, Avcon, Inc.; Eric Rysdon, RS&H; Chuck Buckland, Signature Flight Support; Cecil Bothwell, Asheville City Council

CALL TO ORDER: The Chair called the meeting to order at 8:30 a.m.

SERVICE AWARD PRESENTATION:

A. Tristan Stroupe: The Chair recognized Tristan Stroupe with a service recognition award and gift for his 10 years of service with the Authority.

FINANCIAL REPORT: The Director reported on the airport activity for the month of January which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of January. Mr. Moyer questioned what the major contributor was for the increase in net operating revenue. Mrs. Burnette responded that enplanements and parking revenue were higher than anticipated.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 17, 2017 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority February 17, 2017 Regular Meeting Minutes: Mr. Moyer moved to approve the Greater Asheville Regional Airport Authority February 17, 2017 Regular Meeting Minutes. Mr. Bailey seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Preliminary Fiscal Year 2017/2018 Budget: Janet Burnette presented the FY2017/2018 Preliminary Budget to the Board that included the Operating Budget, Capital Budget, Reserve Funds, Estimated Cash Balance, and Supplemental Fees. Mrs. Burnette gave a brief overview of the Basic Operating Budget Assumptions that included expenses in the form of a salary adjustment pool of 4.0%, decrease in expenses for professional, contractual and auditor services, and an increase in electricity and advertising. Mrs. Burnette further highlighted the operating revenues and noted conservative revenue from the airlines using the rates by ordinance model and also a possible building lease decrease due to uncertainty with a current tenant. Mrs. Burnette briefly summarized the proposed capital budget as well as the funding sources for the capital improvements, equipment and small capital outlay, renewal and replacement items, and carry-over projects.

Ms. Brown inquired if the accounting system included in the current year budget had been implemented. The Director responded that staff is in the process of reviewing systems in Greensboro and Atlanta and plans to have it out for bid in a couple of months. The funds budgeted for this project will be carried over as well.

Mrs. Burnette further reviewed the reserve funds, estimated cash balance, and supplemental fees. Mrs. Burnette stated that the supplemental fees had not changed however staff anticipates some changes in the parking rates once the garage is close to being finished.

Mrs. Burnette advised the Board that there were updated pages for their budget books available at their seats due to some slight changes. Mrs. Burnette explained that staff moved an expenditure item between two line items, however, it did not change the bottom line. The Director stated that on the Budget Memo, a line was added stating that there were no additional FTE's included in the budget. In the future, staff will include either an org chart or a headcount of the FTE's.

Mr. Bailey moved to approve the Proposed Preliminary Fiscal Year 2017/2018 Budget and to accept public comment on the Proposed Fiscal Year 2017/2018 Budget during the next 10 days. Mr. Moyer seconded the motion and it carried unanimously.

B. Approval of FY 2016/2017 Budget Amendment for Parking Guidance

System: Shane Stockman advised the Board that a growing trend in modern parking structures includes the installation of a parking guidance system. The LED sensor lighting technology provides aid in searching for available parking spaces. The lighting automatically changes color based on availability or to identify handicapped parking. Mr. Stockman highlighted the benefits of this technology which included time saving, reduction of vehicle congestion, lower emissions, and a higher level of customer service. The estimated cost of the system is \$350,000.00, but if the Board chose to wait until a future date to install this technology, the cost would be approximately \$90,000 to \$100,000 higher than if installed during construction of the garage. Mr. Stockman further advised the Board that the IT budget for the garage was set at \$600,000 which would cover the installation of the security cameras, emergency call stations, revenue control equipment and supporting IT infrastructure. Staff anticipated that the original budget would cover the parking guidance system, however staff decided to upgrade and replace the current revenue control equipment as it had reached the end of its useful life. Mr. Stockman stated that if the Board chooses to install the parking guidance system, the funding would come from the Authority's fund balance and would require 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, 2016:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$350,000.00
Totals	<u> \$0</u>	<u> \$350,000.00</u>

This will result in a net increase of \$350,000.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		
	_____	\$350,000.00
Totals	_____	\$350,000.00

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 March, 2017.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Brown requested an explanation of the layout of the interior of the garage and whether drivers would go past spaces to go to the next level. Diagrams were presented showing the interior of the garage as well as two different parking guidance systems being considered, and the Director explained the flow of the garage layout. The Director further stated that this would be the first parking guidance system in Asheville, but that it goes in hand with the airport's strategic plan and what staff is doing for customer service. The Director further stated that the system may not be needed the first couple of years as the garage has been planned to be oversized. Staff did consider putting in just conduit, however, it is difficult to install the correct placement of the conduit without knowing which manufacturing system would be chosen.

Mr. Moyer stated that he could not support approval of a parking guidance system due to the cost of the system and the fact that it may not be used the first couple of years.

Mr. Tate commented that the strategic plan was referenced with a focus on customer service and asked if this expenditure for \$350,000 was a top priority to impact customer service or if there were better ways to positively impact customer service with these resources. The Director responded that staff believes there are always things that can be done to improve customer service. Staff has added additional funds to the Marketing and PR budget for more television ads. Other strategic goal items that staff is already

doing or have been incorporated in the budget, so this system may be an expenditure that is not necessarily needed at the present time.

Ms. Brown questioned what the anticipated total facility revenue would be per year from fees. The Director stated that staff was fiscally conservative in the budget revenue numbers for parking and the analysis of what the rates will be has just been started.

The Chair inquired if the cost of this system was likely to decrease in the coming years as new technology becomes available. Mr. Stockman stated that the Columbia, SC airport built a similar-sized parking garage in 2003 and in 2010 when staff obtained quotes for a parking guidance system, the quote came in at \$800,000 as the system would have been installed after the garage was built. Mr. Stockman further stated that it is difficult to say what will happen to the cost as technology evolves.

Ms. Brown stated that although it was not an insignificant sum, as a percentage of the cost of constructing the garage, it was very minor and the revenue that is recouped from parking fees could easily absorb looking at the share that it represents in the following year's parking revenue.

Mr. Tate stated that he would be more comfortable if the garage was approaching full utilization. Mr. Stockman stated that staff did have the ability to put the system on two of the most occupied levels of the garage and the cost would be approximately \$240,000.

Ms. Brown moved to approve an amended budget of \$350,000 for a Parking Guidance Solution, authorize the Executive Director to execute the necessary documents, and amend the FY2016/2017 budget by adopting the budget ordinance presented by staff. Mr. Bailey seconded the motion and Messrs. Tate and Moyer voted against. Mr. Roberts abstained from the vote, and lacking the majority vote of the entire Board, the motion failed to carry.

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

A. Testimony Before Congress: The Director reported that he had recently appeared before Congress to testify before the House Transportation and Infrastructure's Subcommittee on Aviation. The Director stated that the subject was Airport Infrastructure into the 21st Century. The Director briefly summarized the topics he covered which included the cost of infrastructure and how airports are funded, air service at small community airports, and regulatory reform. The Director remarked that it was a unique experience and hoped that Congress would heed the needs of the airports.

B. 2016 Annual Report: The Director informed the Board that a copy of the new 2016 Annual Report was available at their seats. The Director plans to share the report with the community.

C. Airport Rules and Regulations Booklet: The Director reminded the Board that the ordinance establishing rules and regulations at the airport was approved at the last Board meeting. Staff has constructed a booklet of the ordinances and plans to distribute to tenants. A copy of the booklet was available at the Board Members' seats.

D. Airline Rates and Charges: Another meeting with the airlines is scheduled for March 29th. The Director has committed a draft of the new rate model by March 24th in preparation for the meeting.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: No comments

CALL FOR NEXT MEETING: It was determined that the meeting of the Authority Board on March 24, 2017 was not necessary, and therefore cancelled. The next regular meeting of the Authority Board will be on April 21, 2017.

CLOSED SESSION: At 9:17 a.m. Mr. Bailey 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. Moyer seconded the motion and it carried unanimously.

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

Open Session resumed at 9:27 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 10, 2017

CLOSED SESSION MINUTES: Mr. Bailey 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. Mr. Moyer seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 17, 2017

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the February 17, 2017 Closed Session, and to seal and withhold the minutes for the February 17, 2017 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Tate moved to adjourn the meeting at 9:29 a.m. Mr. Moyer seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood

Ellen Heywood
Clerk to the Board

Approved:

Robert C. Roberts

Robert C. Roberts
Chair