

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 21, 2017

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 21, 2017 at 8:35 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; Matthew C. Burrell, Vice-Chair; K. Ray Bailey; and David Gantt

MEMBERS ABSENT: Andrew T. Tate; William L. Moyer; and Stephanie Pace Brown,

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; Suzie Baker, Director of Administration; 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; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amira Trebincevic, Delta Airlines; Mike Darcangelo, Avcon; Nick Loder, RS&H; Charles Buckland, Signature Flight Services; and Steven Baldwin, Steven Baldwin Associates, LLC

CALL TO ORDER: The Chair called the meeting to order at 8:35 a.m.

The Director requested a moment to recognize Mike Foster who was not able to attend the meeting. Mike is retiring on April 28th after 36 years of service with the Authority.

FINANCIAL REPORT: The Director reported on the airport activity for the month of February which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of February.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 10, 2017 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority March 10, 2017 Regular Meeting Minutes:

C. Approval of Insurance Renewals:

D. Approval of Change Order No. 4 to Contract with American South General Contractors:

Mr. Bailey moved to approve Consent Items A, C and D. Mr. Burril seconded the motion and it carried unanimously.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2017/2018 Budget: Mrs. Burnette informed the Board that the preliminary Fiscal Year 2017/2018 Budget was presented to and approved by the Board at the March 10th meeting. The budget has remained available for public inspection and comment since that time, with no comments received to date. Mrs. Burnette further stated that a public hearing is required under state statutes.

The Chair opened the floor to public comments at 8:43 a.m.

There being no public comments, the Chair closed the floor at 8:43 a.m.

Mr. Burril moved to adopt the following Fiscal Year 2017/2018 Budget Ordinance. Mr. Gantt seconded the motion and it carried unanimously:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2017-2018
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2017-2018 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 Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 692,606
Development Department	437,746
Executive Department	588,989
Finance Department	431,864
Guest Services Department	215,939
Information Technology Department	861,621
Marketing Department	665,534
Operations Department	3,615,848
Public Safety Department	1,474,793
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	30,235,196
Capital Improvement	3,518,861
Equipment and Small Capital Outlay	186,975
Renewal and Replacement	366,105
Business Development	300,000
Debt Service	1,455,033
Contingency	100,000
Total Expenditures	<u><u>\$45,197,110</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

REVENUES

Administration (Interest Income)	\$ 35,000
Terminal	4,847,273
Airfield	920,703
General Aviation	1,021,005
Parking Lot	3,345,000
Other	174,788
Passenger Facility Charges	1,788,500
Customer Facility Charges	1,350,000
Federal Grants – AIP Entitlements	2,769,447
Federal Grants – AIP Discretionary Funds	14,521,689
NC Department of Transportation Grants	500,000
Transfer to GARAA Cash/Investments	13,923,706
Total Revenues	<u><u>\$45,197,110</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$60,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater 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 Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2017.

Adopted this 21st day of April, 2017

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

NEW BUSINESS:

A. Approval of Property Easement Transfer: The Director reported that Airport Road Acquisitions, LLC, owner of Hunter Auto Group, is in the process of purchasing land between the WNC Agriculture Center and the Broadmoor Golf Links. An existing right of way easement provides access to this property from airport property. A modification of the easement has been requested to streamline access to the property. The Director further stated that the current owners of the property, French Broad Associates and co-owners Charles Putnam, Karl Litten, Lawrence Kassouf, Larry Trenary, and George Atkinson, are willing to relinquish a portion of the existing easement in exchange for a new easement. The easement exchange would occur contemporaneously with the sale of the property to Airport Road Acquisitions, LLC. The easement exchange will only occur if the sale of the property takes place. The Director advised the Board that the Authority would not realize any revenue for this proposed exchange of easements and

that since the City still owns the property, this item will go before City Council for approval as well.

Mr. Gantt moved to approve an easement exchange with French Broad Associates and co-owners Charles Putnam, Karl Litten, Lawrence Kassouf, Larry Trenary, and George Atkinson contingent upon Airport Road Acquisitions, LLC. acquiring the property; and authorize the Executive Director to execute the necessary documents. Mr. Burril seconded the motion and it carried unanimously.

B. Approval of Airline Incentives for Elite Airways: The Director advised the Board that Elite Airways has approached staff for airline incentives for the non-stop service between Asheville and Vero Beach, Florida to begin on May 25th. The service will be twice a week utilizing a 50-passenger CRJ aircraft. Since Vero Beach, FL is not one of the airport's top 25 non-stop destinations, staff is seeking the Board's approval of the incentives. The Director reported that the proposed incentive package includes \$150,000 for marketing and advertising of the new service during the initial one-year period, up to \$15,000 for station start-up costs, which is inclusive of the approximate \$6,000 for the Air IT equipment programming, and waived rents and fees totaling approximately \$28,000 for up to one year of service for this specific route. The Director further stated that there are funds in the budget for this type of business development.

The Chair affirmed that the incentives would not be available to Elite Airways if something were to happen and the service to Vero Beach was discontinued. The Director responded that Elite has to operate to receive all of the waived fees and the \$150,000 for marketing is spent over the course of a year so if service were to cease, the airport would not pay for any advertising from that point forward.

Mr. Burril asked for Tina Kinsey's input on Elite Airways and the proposed service. Mrs. Kinsey advised the Board that as part of the due diligence, staff had extensive discussions with the principals of Elite Airways. Conversations were also held with the staff at the Portland, Maine airport to learn about their experience with Elite Airways. Mrs. Kinsey stated that staff feels confident about this new relationship with Elite Airways.

Mr. Burril questioned the anticipated cost of airfare between Vero Beach and Asheville. Mrs. Kinsey stated that she believed the expected cost would be a little less than \$200 each way so under \$400 for round trip fare. Mrs. Kinsey further stated that Elite Airways will position themselves as an airline that makes flying fun like it used to be with no charges for checked bags, food and beverages, etc.

Mr. Gantt asked that a copy of the airport's top 25 markets be provided to the Board Members. Mrs. Kinsey responded that this would be sent out.

Mr. Burril moved to approve airline incentives with Elite Airways for Asheville – Vero Beach service as presented by staff and to authorize the Executive Director to execute the necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

C. Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe; Approving and Authorizing the Submission to the Federal Aviation Administration of the Greater Asheville Regional Airport Authority's FAA Part 139 Application for a New Airport Operating Certificate and for Authorization to Act as Sole Sponsor of the Asheville Regional Airport; and Accepting the Minutes of the Asheville Regional Airport Authority Upon Dissolution of the Asheville Regional Airport Authority: The Director stated that this item was discussed during the earlier Asheville Regional Airport Authority meeting.

Mr. Gantt moved to approve the Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe; Approving and Authorizing the Submission to the Federal Aviation Administration of the Greater Asheville Regional Airport Authority's FAA Part 139 Application for a New Airport Operating Certificate and for Authorization to Act as Sole Sponsor of the Asheville Regional Airport; and Accepting the Minutes of the Asheville Regional Airport Authority Upon Dissolution of the Asheville Regional Airport Authority. Mr. Bailey seconded the motion and it carried unanimously.

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

A. Update on FAA Sponsorship: The Director turned this item over to Steven Baldwin of Steven Baldwin Associates, LLC to brief the Board. Mr. Baldwin presented a brief summary of the events leading up to the status of the Authority's application for sole sponsorship to the FAA. Mr. Baldwin stated that he believed the FAA would move quickly once the final application was submitted on April 28th. The FAA plans to be at the airport on June 28th to review the Airport Operating Manual and will then present the Airport Operating Certificate at that time. The Chair thanked legal counsel and Mr. Baldwin for their assistance with this matter. The Director requested the Board keep June 28th available if interested in attending the official transfer of sole sponsorship.

B. NCAA Annual Conference: The Director reported that during the recent annual conference of the North Carolina Airports Association, a sidebar meeting was held between commercial service airports and Kilpatrick Townsend and Stockton, the lobbyist

that was hired to assist with aviation funding from the state. At issue was a bill proposed by Senator Rabon that grants \$50 million in funding to RDU Airport over the next few years. The funds would come from rental car fees collected in the state. Although the bill was meant as a placeholder, some of the airports were upset at how the bill was sent out, as the airports are working collectively to make sure the fees from the rental car companies are disbursed to all airports for infrastructure projects. The Director advised the Board that Senator Rabon and the lobbyist are working to change the bill to some other form of funding mechanism to support all of the other airports.

The Director was pleased to note that during the conference, Mrs. Kinsey was elected in as Secretary of the NCAA and will eventually become President.

The Director further recognized Mrs. Kinsey for submitting an article entitled "Strategically Depositing into your Good Will Bank Important and Necessary Assets for Airports" to The Journal of Airports magazine. The Director advised the Board that a copy of the article would be sent to them for their review.

C. Update on Airline Agreement: A meeting with the airlines was held on March 29th and was very productive. The airlines have agreed upon a formula and the Director worked with Trillion Aviation to determine subsidies. The airlines have information on the subsidies to review. The next meeting is scheduled for May 4th. The Director felt the discussions were moving forward in a positive manner.

The Chair asked Ms. Trebincevic if she had anything she would like to add. Ms. Trebincevic stated that she agreed with the Director that it has been very positive and that a good model is in hand.

D. Operation Medicine Drop: Another medicine drop will take place on April 29th from 10:00 a.m. to 2:00 p.m. at Public Safety.

E. Blue Ridge Honor Flight: The Director advised the Board that if interested, Board Members could see off veterans of WWII, the Korean, and Vietnam wars on May 13th at approximately 8:00 a.m. for the honor flight to Washington, DC.

F. City Council Liaison: The Director mentioned that at a recent business function, City Councilman Cecil Bothwell complimented the Director and staff on a job well done running the airport and commented that he appreciated all the work that takes place.

G. Update on Parking Garage: Michael Reisman gave the Board a brief update on the status of the construction of the parking garage and stated that staff anticipates the parking garage as being operational prior to Thanksgiving. Tours of the garage were offered should the Board Members be interested.

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 May 19, 2017 was not necessary, and therefore cancelled. The next regular meeting of the Authority Board will be on June 9, 2017.

CLOSED SESSION: At 9:15 a.m. Mr. Burril 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. Bailey 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 9:50 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 21, 2017

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

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 10, 2017

CLOSED SESSION MINUTES: Mr. Burril moved to approve the minutes for the March 10, 2017 Closed Session, and to seal and withhold the minutes for the March 10, 2017 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Gantt moved to adjourn the meeting at 9:52 a.m. Mr. Burril seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair