



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, April 13, 2018, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. SERVICE AWARD PRESENTATION:
 - A. Lew Bleiweis – 10 Years
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority March 9, 2018 Regular Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority March 9, 2018 Closed Session Minutes
 - C. Approval of Insurance Renewals ([document](#))
 - D. Approval of Audit Contract with Gould Killian CPA Group, P.A. for Fiscal Year Ending June 30, 2018 ([document](#))



VI. OLD BUSINESS:

- A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2018/2019 Budget ([document](#))
- B. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))

VII. NEW BUSINESS: None identified at this time

VIII. DIRECTOR'S REPORT:

- A. FAA Funding Update
- B. Meeting with TSA
- C. Update on Ground Transportation
- D. Update on Airfield Project

IX. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. February 2018 Traffic Report ([document](#))
- B. February 2018 Monthly Financial Report ([document](#))
- C. April 2018 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
 - None identified at this time

X. PUBLIC AND TENANTS' COMMENTS

XI. CALL FOR NEXT MEETING



XII. 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.

XIII. AUTHORITY MEMBER REPORTS:

A. Key Strategic Elements ([document](#))

XIV. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

**Asheville Regional Airport
Executive Summary
February-18**

AIRPORT ACTIVITY

	<u>Month</u>	<u>Variance to Prior Year</u>	<u>Calendar Year to Date</u>	<u>Variance to Prior Year</u>
Passenger Enplanements	31,462	23.4%	64,876	26.9%
Aircraft Operations				
Commercial	1,059	7.0%	2,170	7.1%
Scheduled Flights	434	1.9%		
Flight Cancellations	2			
Seats	39,492	16.7%	82,064	21.8%
Load Factor	79.7%	5.7%	79.1%	4.3%
General Aviation	2,563	(20.9%)	5,141	(9.6%)
Military	171	(31.3%)	365	(33.9%)

FINANCIAL RESULTS

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
Operating Revenues	\$ 969,671	35.0%	\$ 7,888,457	14.4%
Operating Expenses	724,027	5.5%	5,501,705	(4.6%)
Net Operating Revenues before Depreciation	<u>\$ 245,644</u>	669.2%	<u>\$ 2,386,752</u>	111.4%
Net Non-Operating Revenues	<u>\$ 282,316</u>	117.5%	<u>\$ 2,189,717</u>	24.7%
Grants:				
FAA AIP Grants	\$ 1,559		\$ 3,785,778	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 1,559</u>		<u>\$ 3,785,778</u>	

CASH

Restricted	\$ 11,678,993
Designated for O&M Reserve	4,517,470
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	12,988,819
Total	<u>\$ 29,835,282</u>

RECEIVABLES PAST DUE

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
Advertising Customers	15,377	4,725	2,375	8,277
Allegiant	639	639	-	-
American	6,564	1,895	4,669	-
Avis	9,710	410	8,623	676
Delta	61,284	55,598	5,686	-
Enterprise	3,206	873	668	1,665
TSA	13,054	12,214	37	803
FAA	13,119	70	-	13,049
Hertz	1,328	1,097	-	231
Paradies	1,485	1,485	-	-
Signature	4,047	457	210	3,380
Skywest	7,683	6,927	-	756
United	41,148	14,390	26,757	-
Vanguard	3,876	-	989	2,887
Miscellaneous	8,383	1,596	56	6,732
Total	<u>\$ 190,901</u>	<u>\$ 102,376</u>	<u>\$ 50,069</u>	<u>\$ 38,455</u>
% of Total Receivables	<u>32.90%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	<u>Original Amount</u>	<u>Current Balance</u>
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	4,295,000
	<u>\$ 21,000,000</u>	<u>\$ 20,045,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 48,118,772
Year-to-Date Spending	\$ 11,877,078

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 9, 2018**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 9, 2018 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; Matthew C. Burrell, Vice-Chair; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and George H. Erwin, Jr.

MEMBERS ABSENT: 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; 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; Daniela Lajos, Operations Specialist; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Eric Rysdon, RS&H; James Moose, Avcon; Paul Puckli, CHA Consulting; Don Henderson, AATS; William Paulk, Pegasus Limo; Vijay Kapoor, Asheville City Council; Mvstapha, Prestige Drive; Joe Tandy, Grandy Co.; Joseph Canton, Asheville Airport Connection; Dana Kendall

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

The Chair took a moment to welcome Vijay Kapoor, liaison from Asheville City Council.

SERVICE AWARD PRESENTATION: The Chair recognized Daniela Lajos with a service recognition award and gift for her 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.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 16, 2018 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority February 16, 2018 Regular Meeting Minutes:

C. Adoption of Revised Airport Development Guidelines:

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

OLD BUSINESS: None

NEW BUSINESS:

A. Amendment to Supplemental Fees and Charges Schedule: John Coon informed the Board that staff has received requests for parking privileges from crew members who fly for FAR Part 135 or Part 121 operations that do not serve Asheville. With the garage operational, surface space is available to offer to non-tenant aviation commuters, at an annual fee of \$900 a year, which should be less than daily rates in the public parking areas. Mr. Coon stated that an amendment to the fee schedule to add a non-tenant commuter rate would be necessary. Staff anticipates a small increase in revenue as a result of this addition to the fee structure.

Mr. Moyer moved to approve the amended changes to the FY 2017/2018 Annual Budget Supplemental Fees and Charges Schedule. Mr. Erwin seconded the motion and it carried unanimously.

B. Preliminary Fiscal Year 2018/2019 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 which included enplanements anticipated to reach 516,000, operating revenues slightly over \$11 million, and expenses at just over \$9 million. The operating expenses include a salary adjustment pool of 4.0%, decreases in professional and contractual services, as well as advertising, and a decrease in current charges due to credit card fees being handled by the parking management company. The Director advised the Board that the budget includes the addition of two positions and one employee that will most likely be promoted. Mrs. Burnette reviewed the proposed capital budget of \$6.9 million which included the capital improvements, equipment and small capital outlay and renewal and replacement. The

sources of funding for the capital items was also highlighted. Mrs. Burnette reported on the cash balance and supplemental fees schedule.

Mr. Moyer questioned why advertising expenses was decreasing. The Director responded that the airport created new television commercials that were funded under the current budget. The current year budget was increased to pay for those commercials, so the proposed budget removes that expense from the budget.

Mr. Burril asked Mrs. Burnette to confirm that the rental car income in dollars was really not decreasing 10%, but was relative to the overall budget. Mrs. Burnette responded that this was correct and that the dollar amount in the budget was projected at \$2.1 million all together for fiscal year 2019 and that the current year budget was \$2.4 million. The Director stated that part of the agreement with the rental cars for the bond funding for the garage was to use some of the CFC's collected to offset some of the rental car rent. Ms. Brown asked if the airport was seeing a change in the trendline of the percentage of people using the rental cars. The Director responded that staff has not seen any changes to the trendline and that Allegiant does bring a lot of rental car business with the packages they sell. The Director further stated that at this point, staff has not seen any changes due to options offered by the TNC's.

Mr. Moyer questioned if the dollar amount for the promotional expenses was decreasing or if it was just the percentage. The Director responded that to clean up the budget, holiday bonuses for employees was moved from Administration to the salary line item for each department as this is a taxable item. This was a big item in the promotional line that decreased.

Mr. Burril inquired if the \$500,000 estimated restrictive cash was something the Board in the past has designated as a certain amount each year. The Director responded that restrictive cash was basically PFC funds that have been collected from ticket sales and is restricted until the Authority reimburses itself for the money spent on the airfield project.

Mr. Moyer moved to approve the proposed Preliminary Fiscal Year 2018/2019 Budget and to accept public comment on the proposed Fiscal Year 2018/2019 Budget during the next 10 days. Mr. Erwin seconded the motion and it carried unanimously.

C. Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport: Janet Burnette reported that in preparation for the upcoming 2018/2019 fiscal year budget, a new schedule of airline rates, fees and charges has been developed. These new rates should result in lower total costs for each of the airlines. Mrs. Burnette advised the Board that

the Authority's ordinance process requires a public hearing prior to adoption of these new rates. The public hearing would be held at the April Authority Board meeting.

The Director called the Board's attention to Exhibit A in the schedule of rates, fees and charges and pointed out that proposed cost per enplanement will decrease from \$6.61 to \$5.92. As enplanements increase, the cost decreases for the airlines. The Authority continues to be on the low end of the average cost per enplanement in the industry. Mrs. Burnette stated that an analysis of the July through December 2017 airline traffic was run with the new rates, and the airlines should see their costs go down with the proposed rates and charges schedule.

Ms. Brown asked for an understanding of the change in the rate structure and more detail on the process of asking the Board to approve the amount without staff first meeting with the airlines. The Director responded that it was a two-step ordinance process and that the Board approves the rates, but they sit for a public comment period during which time the airlines will have time to make comments. A public hearing will be held in April in which the airlines can address the Board if they have any concerns. The Board can decide at that time to adopt the rates and charges. During the public comment period, staff will be meeting with the airlines and the airlines will have time to make comments. The airport does not look to make a profit or net revenue from the airlines so as the airport's costs balance out, it's reflected in a sophisticated calculation of how staff arrives at the rates. The Director further stated that the method does not change, however the rates change each year and that is what the Board needs to approve.

Mr. Moyer moved to approve the proposed Airline Rates, Fees and Charges, schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges, and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2018-2019, at the next regularly scheduled Authority Board meeting which is scheduled for April 13, 2018. Ms. Brown seconded the motion and it carried unanimously.

D. Approval of Lease Agreement with Warrior Golf Management, LLC: The Director informed the Board that the lease agreement with Warrior Golf Management (Warrior) f/k/a French Broad Golf Center for the 41 acres of airport land is due to expire in April 2018. The Director proposed a new 20-year lease with an option to renew for one additional 10-year period and reviewed the revenue that will be generated with the new lease. The property that is leased to Warrior is part of the runway safety area and the FAA prohibits development of the property for anything but agricultural or low-impact recreational use. The Director advised the Board that the lease has not been finalized, but would bring any substantial changes to the agreement back to the Board for approval.

Mr. Bailey moved to approve substantially the Lease with Warrior Golf Management LLC and authorize the Executive Director to execute the necessary documents. Mr. Erwin seconded the motion and it carried unanimously.

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

A. Parking Garage Ribbon Cutting: The Director reminded the Board that the ribbon cutting for the parking garage would be held on March 13th at 10:00 a.m.

B. Industry Conferences: The Director stated that the budget includes funds for Board members to attend industry conferences. If there are any conferences of interest, please bring up for discussion at a Board meeting.

C. Public Safety Schedule: The Director informed the Board that there are two additional vacancies in the Public Safety department for a total of four vacancies. Effective April 21st, the schedule will move from a 24-hour shift to a 12-hour shift to accommodate the busier times of the day with the reduced staff.

D. NCDOT Grant: The Director reminded the Board that the airport received a \$2 million grant from the NCDOT this year. Staff met with the NCDOT and other commercial airports to discuss the grant process and how funds are disbursed. To streamline the process, the NCDOT has decided that once the grant agreements are signed, rather than funds being reimbursed to the airport, a check will be issued. The state will have accountability and accounting procedures that staff will need to follow. Two projects are planned for these funds, the apron expansion on the site of the former Public Safety building and the terminal assessment study. There should also be approximately \$500,000 to \$600,000 to apply towards the infrastructure improvements that will be identified in the terminal assessment study.

E. Lower Parking Lot: There have been some passenger concerns regarding the lack of available parking spaces in the lower parking lot. There are some funds leftover from the garage project that staff may use to alleviate some issues. Staff will discuss options with the revenue equipment vendor to determine if equipment can be used to count vehicles entering the surface lot. This would provide passengers with a count of open parking spaces that are available in the surface lot. Signage will also need to be adjusted in the parking lots.

F. Ground Transportation Lot: The Director reported that staff has been in discussions with Uber and Lyft as they are pushing back on some of the practices that will be put in place. Both Uber and Lyft have implied that they won't operate at the

airport if the airport doesn't agree to their mandates. Their complaint is that the airport is requiring drivers to obtain a badge to access the ground transportation lot. Staff will try to spread the word publicly that the airport is working with the TNC's, however, if the TNC's decide not to operate at the airport, that is their choice and not something the airport is imposing on the TNC's.

Ms. Brown asked if it was really an issue of the inconvenience to the driver and commented that it was important that an agreement is reached to provide a range of transportation options to passengers. The Director responded that it is basically the ID badge that Uber has issue with. Uber doesn't know how often their drivers come to the airport, but there is no fee for the badge, and Uber corporate has no issue with paying the per trip fee. Ms. Brown commented that fairness is important, but that fairness is important in the way these things operate in a lot of different places. Ms. Brown felt that it would be a regrettable outcome to limit the transportation options that are available, and was hopeful that staff could find some solutions rather than be the only airport that operates in a certain way. The Director stated that staff is trying to be consistent with how it operates for all ground transportation providers. Staff is having discussions and working with every possibility, but there has to be a compromise by all parties.

G. Discussion of Key Priorities: The Chair remarked that presentations have been made on all of the key priorities that were previously identified. The Chair requested input on any additional items the Board would like to see included as a key priority. Mr. Burril stated that he was appreciative of the broadness of the discussion of topics. The consensus of the Board was that the items had been covered and it would be best to wait until new members of the Board were appointed. The Board could then determine what items needed to be addressed.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: It was determined that the meeting of the Authority Board scheduled for March 23, 2018 was not necessary, and therefore cancelled. The next regular meeting of the Authority Board will be held on April 13, 2018.

CLOSED SESSION: At 9:44 a.m. Ms. Brown 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 Regarding, Among Other Things, That Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Thalle Construction Co., Inc. and Liberty Mutual Insurance Company and vs. Defendant & Third-Party Plaintiff,

Greater Asheville Regional Airport Authority, vs. Third-Party Defendant, Avcon, Inc. d/b/a Avcon Engineers and Planners, Inc. 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 11:27 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 9, 2018

CLOSED SESSION MINUTES: Ms. Brown 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 16, 2018

CLOSED SESSION MINUTES: Ms. Brown moved to approve the minutes for the February 16, 2018 Closed Session, and to seal and withhold the minutes for the February 16, 2018 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.

NEW BUSINESS

The Director advised the Board that the following item needed to be added to the agenda:

E. Approve Scope of Services No. 15 with RS&H: Michael Reisman informed the Board that RS&H has been providing program management services throughout the course of the Airfield Re-development project and the fees for these services were previously approved by the Board. With the unfinished work in Bid Package 4, RS&H is required to continue providing services through completion of the project beyond the original schedule and contract amount. Fees for continuation of their services would be billed at the same rates, with allowable annual adjustments, as contained in the original agreement. The not-to-exceed cost for Scope of Services No. 15 is \$1,469,611. Mr. Reisman advised the Board that all expenses associated with the continued services beyond the original contract amount are considered damages incurred by the Authority

and are intended to be included with other damages claimed against the performance bond to the surety company. Approval of Scope of Services No. 15 requires the following budget 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, 2018:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	<u>\$0</u>	<u>\$1,469,611</u>
Total	<u><u>\$0</u></u>	<u><u>\$1,469,611</u></u>

This will result in a net increase of \$1,469,611 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	<u>\$0</u>	<u>\$1,469,611</u>
Total	<u><u>\$0</u></u>	<u><u>\$1,469,611</u></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 9th day of March, 2018.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

The Director advised the Board that the budget for the Airfield Re-development project was approved at \$80 million. Staff may need to bring an increase to that total budget back to the Board in the near future.

Mr. Bailey moved to approve Scope of Services No. 15 with RS&H in the amount of \$1,469,611, contingent upon approval of a takeover agreement with Travelers, authorize the Executive Director to execute the necessary documents, and amend the FY2017/2018 budget by adopting the budget ordinance amendment as presented by staff. Mr. Erwin seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 11:35 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Robert C. Roberts
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Suzie Baker, Director of Administration

DATE: April 13, 2018

ITEM DESCRIPTION – Consent Item C

Approval of Insurance Renewals

BACKGROUND

Health Insurances

CIGNA has provided the Authority's employees with medical insurance coverage for the past eight years. The renewal trend has been very good and this is somewhat due to the plan structure that limits our large claims to a \$25,000 liability. The level funded plan allows us to see our claim history and help tailor our Wellness Program to meet the needs of our employees. CIGNA quoted a 2% increase in rates. BB&T, our broker, recommended we renew with CIGNA. With FY2018/2019's employee and retiree headcounts, total premiums will be approximately \$872,318. Offset by employee contributions of \$114,312, the Authority's net cost for medical insurance will be approximately \$758,006.

Delta Dental has provided our dental coverage for the past two years with a two-year lock-in rate. Last year was the final year for the lock-in rate. Delta Dental has quoted a renewal of a 7.5% increase. After shopping the market, our broker recommended we renew with Delta Dental for FY2018/2019. With FY2018/2019's employee headcount, total premiums will be approximately \$46,730. Offset by employee contributions of \$3,703, the Authority's net cost for dental insurance will be approximately \$43,027.

Superior Vision has provided our vision coverage for the past two years with a four-year lock-in rate. This will be our third year for the lock-in rate. With FY 2018/2019's employee headcount, total premiums will be approximately \$4,154.



Mutual of Omaha has provided benefits for life insurance and accidental death & dismemberment for the past four years. Due to an increase in several different factors with our demographics, Mutual of Omaha has quoted an 8% renewal with a two-year lock in rate. After shopping the market, our broker recommended we renew with Mutual of Omaha. With FY2018/2019's employee headcount, total premiums will be approximately \$12,950. Mutual of Omaha has also provided coverage for short-term and long-term disability for the past four years. Mutual of Omaha has quoted a flat renewal and again after shopping the market, our broker recommended we renew with Mutual of Omaha. With FY2018/2019's employee headcount, total premiums will be approximately \$22,197.

Business Insurances

USI, our business insurance broker, is in the process of finalizing quotes for our business insurances. They have presented the following estimated costs, which are below the budgeted amounts in the FY2018/2019 budget. USI will be placing our property coverage with Alliant at approximately \$46,500, general liability coverage with ACE USA at a locked-in rate, for one more year, of \$31,200, auto coverage with American Southern Insurance at approximately \$17,200, worker's compensation coverage with AmTrust at approximately \$92,000, and commercial crime coverage with National Union Fire at approximately \$800. Our public official's coverage and professional liability coverage will both be placed with Greenwich at a total of approximately \$36,700. The annual service fee is \$15,000, in lieu of commission. Our total estimated FY2018/2019 business insurance cost is approximately \$240,200. This is an increase of \$12,300 from FY2017/2018's cost of \$227,900.

ISSUES

Because time is of the essence for the renewal process, the Director needs to execute the necessary renewal documents to prepare for open enrollment for health insurances for Authority employees.

ALTERNATIVES

Brokers presented some other alternatives that ended up being more expensive and/or had less coverage. The Board could decide to reduce employee benefits coverage to lower expenses or make other changes to the insurance coverages.



FISCAL IMPACT

The costs for the health and business insurance coverages outlined above were provided in the Authority's FY2018/2019 budget for a total of \$1,269,017. Spreadsheets comparing the quoted actual costs to the FY2018/2019 budget amounts and to the prior year's actual costs are provided.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the renewal of Authority's insurance coverages in an amount not to exceed premiums outlined above, and (2) authorize the Executive Director to execute the necessary documents.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Health Insurance Expense

	FY2018		FY2019		FY2019 Actual vs Budget Over/(Under)		FY2019 vs FY2018 Actuals Over/(Under)	
	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	Amount	%	Amount	%
	Insurance							
Medical	\$ 895,177	\$ 734,405	\$ 918,045	\$ 751,509	\$ (166,536)	(18.1%)	\$ 17,104	2.3%
Retiree Medical	9,340	6,497	6,497	6,497	-	0.0%	-	0.0%
Dental	43,325	40,025	50,861	43,027	(7,834)	(15.4%)	3,002	7.5%
Vision	4,579	4,154	4,501	4,154	(347)	(7.7%)	-	0.0%
Life & AD&D	12,244	12,000	12,694	12,950	256	2.0%	950	7.9%
Disability	26,237	22,197	27,419	22,197	(5,222)	(19.0%)	-	0.0%
Total Insurance	\$ 990,902	\$ 819,278	\$ 1,020,017	\$ 840,334	\$ (179,683)	(17.6%)	\$ 21,056	2.6%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Business Insurance Expense

	FY2018		FY2019		FY2019 Actual vs Budget Over/(Under)		FY2019 vs FY2018 Actuals Over/(Under)	
	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	Amount	%	Amount	%
	Insurance							
Property & Casualty	\$ 50,400	\$ 43,700	\$ 47,000	\$ 46,500	\$ (500)	(1.1%)	\$ 2,800	6.4%
General Liability	40,000	31,200	35,000	31,200	(3,800)	(10.9%)	-	0.0%
Auto Liability	23,100	17,000	18,000	17,200	(800)	(4.4%)	200	1.2%
Other Insurance	51,200	36,200	39,000	37,500	(1,500)	(3.8%)	1,300	3.6%
Worker's Compensation	88,000	84,800	95,000	92,000	(3,000)	(3.2%)	7,200	8.5%
Service Fee	15,000	15,000	15,000	15,000	-	0.0%	-	0.0%
Total Insurance	\$ 267,700	\$ 227,900	\$ 249,000	\$ 239,400	\$ (9,600)	(3.9%)	\$ 11,500	5.0%



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 13, 2018

ITEM DESCRIPTION – Consent Item D

Approval of Audit Contract with Gould Killian CPA Group, P.A. for Fiscal Year Ending June 30, 2018.

BACKGROUND

In 2016, Authority Staff issued a Request for Proposal for audit services, for up to five years, and the Board chose Gould Killian CPA Group, P.A. as the Authority's auditors. We have been pleased with their services and would now like to engage them for a third year. We are presenting a contract for auditing services with Gould Killian for the annual audit for the fiscal year ended June 30, 2018.

ISSUES

None

ALTERNATIVES

The Board could elect to reject the current contract being presented by Gould Killian CPA Group, P.A. and request staff to seek alternate firms to conduct the fiscal year end audit.

FISCAL IMPACT

The contract fee for services rendered by Gould Killian is \$16,200. The expense for audit services was anticipated and included in the budget for FY 2018 as presented by Authority Staff.

Consent – Item D



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the contract for audit services with Gould Killian CPA Group, P.A. in the amount of \$16,200, and (2) authorize the Board Chair to execute the necessary documents.

Attachment

CONTRACT TO AUDIT ACCOUNTS

Of Greater Asheville Regional Airport Authority
 Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 23rd day of March, 2018

Auditor: Gould Killian CPA Group, P.A. Auditor Mailing Address: 100 Coxe Avenue
Asheville, NC 28801 Hereinafter referred to as The Auditor
 and Board of Directors (Governing Board(s)) of Greater Asheville Regional Airport Authority
 (Primary Government)
 and N/A: hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: **Fees listed on Fees page.**) This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the SLGFD.

The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <http://nctreasurer.slgfd.leapfile.net> No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item #16 for clarification). NONE

SIGNATURE PAGES FOLLOW FEES PAGE

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: \$ Fixed: \$14,700 + \$2,950 per major program over 3

WRITING FINANCIAL STATEMENTS: \$ 1,500

ALL OTHER NON-ATTEST SERVICES: \$ NONE

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ 12,150
**** NA if there is to be no interim billing**

FEES – DPCU (IF APPLICABLE)

AUDIT: \$ N/A

WRITING FINANCIAL STATEMENTS: \$ N/A

ALL OTHER NON-ATTEST SERVICES: \$ N/A

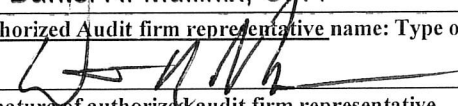
For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ N/A
**** NA if there is to be no interim billing**

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:
Gould Killian CPA Group, P.A.
Name of Audit Firm
By Daniel R. Mullinix, CPA
Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative
Date March 23, 2018

dmullinix@gk-cpa.com
Email Address of Audit Firm

Governmental Unit Signatures:
Greater Asheville Regional Airport Authority
Name of Primary Government
By Bob Roberts, Chair
Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board
Date

By N/A
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson **
Date N/A

** If Governmental Unit has no audit committee, mark this section "N/A"

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

By Janet Burnette, Finance Director
Primary Government Unit Finance Officer:
Type or print name

Primary Government Finance Officer Signature
Date _____
(Pre-audit Certificate must be dated.)

jburnette@flyavl.com
Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units If Applicable ****

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:
N/A
Name of Discretely Presented Component Unit

By _____
DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date _____

By _____
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson **

Date _____
**** If Governmental Unit has no audit committee, mark this section "N/A"**

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

By _____
DPCU Finance Officer:
Type or print name

DPCU Finance Officer Signature

Date _____
*(Pre-audit Certificate **must be dated.**)*

Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government’s audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 –Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence.”*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year’s total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year’s actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx select “audit fees”

Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nctreasurer.com if you have any questions about the fees on this list.

 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

Contract to Audit Accounts (cont.) Greater Asheville Regional Airport Authority

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)
 - If there is to be no interim billing, please indicate N/A instead of leaving the line blank.
8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. **The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a).** If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.
9. Please place the date the Primary Government’s Governing Board and the DPCU’s Governing Board (if applicable) approved the audit contract in the space provided.
- a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit’s Governing Board and the DPCU’s Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor’s signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. **When submitting for approval combine and send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report.** Submit these documents using the most current submission process which can be obtained at the NC Treasurer’s web site
<https://www.nctreasurer.com/slg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf>
13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.

SHARRARD, MCGEE & CO., P.A.

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

1321 LONG STREET • POST OFFICE BOX 5869 • HIGH POINT, NORTH CAROLINA 27262

(336) 884-0410
FAX (336) 884-1580

OFFICES
HIGH POINT
GREENSBORO

Report on the Firm's System of Quality Control

July 28, 2017

To the Owners of
Gould Killian CPA Group, P.A. and the
Peer Review Committee of the North Carolina Association of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Gould Killian CPA Group, P.A. (the firm) in effect for the year ended January 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Gould Killian CPA Group, P.A. in effect for the year ended January 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gould Killian CPA Group, P.A. has received a peer review rating of *pass*.

Shaward, McLean & Co, P.A.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 13, 2018

ITEM DESCRIPTION – Old Business Item A

Public Hearing and Final Adoption of the Authority's Fiscal Year 2018/2019 Budget

BACKGROUND

A proposed preliminary Fiscal Year 2018/2019 Budget was presented to, and approved by, the Authority Board at the Board meeting held on March 9, 2018. The budget documents have remained available for public inspection and comment since March 9, 2018, with no comments being received to date.

ISSUES

A Public Hearing is required under Chapter 159 of the General Statutes of North Carolina before final adoption of the 2018/2019 Budget Ordinance.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2018/2019 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Fiscal Year 2018/2019 Budget that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Fiscal Year 2018/2019 Budget Ordinance.

Enclosure

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2018-2019
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 2018-2019 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, 2018 and ending June 30, 2019 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 666,499
Development Department	449,385
Executive Department	763,626
Finance Department	393,458
Guest Services Department	241,863
Information Technology Department	867,978
Marketing Department	727,820
Operations Department	3,579,441
Public Safety Department	1,476,860
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	19,703,096
Capital Improvement	6,400,000
Equipment and Small Capital Outlay	201,727
Renewal and Replacement	393,635
Business Development	300,000
Debt Service	1,686,931
Contingency	100,000
Total Expenditures	<u><u>\$38,002,319</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

REVENUES

Administration (Interest Income)	\$ 35,000
Terminal	5,035,033
Airfield	1,049,838
General Aviation	1,038,185
Parking Lot	3,694,500
Other	157,157
Passenger Facility Charges	1,850,000
Customer Facility Charges	1,400,000
Federal Grants – AIP Entitlements	1,825,000
Federal Grants – AIP Discretionary Funds	4,700,000
NC Department of Transportation Grants	2,000,000
Transfer from GARAA Cash/Investments	<u>15,217,606</u>
Total Revenues	<u><u>\$38,002,319</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, 2018.

Adopted this 13th day of April, 2018

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 13, 2018

ITEM DESCRIPTION – Old Business Item B

Public Hearing and Final Adoption of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport.

BACKGROUND

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2018-2019 was presented to, and approved by, the Authority Board at the Board meeting held on March 9, 2018. The rate, fees and charges document has remained available for public inspection and comment since March 9, 2018, with no comments being received to date.

ISSUES

A Public Hearing is required in accordance with the Greater Asheville Regional Airport Authority Policy and Procedure for the Adoption of Ordinances.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2018/2019 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Authority's Amended Ordinance for Airline Rates, Fees and Charges that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Amended Ordinance to implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2018/2019.

Enclosure

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601

**AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES
FOR THE ASHEVILLE REGIONAL AIRPORT.**

IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:

Section 1. CITATION.

1.1 This Ordinance may be cited as the "**Airline Rates, Fees & Charges Ordinance**".

Section 2: FINDINGS.

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . . "*

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: *"[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof."*

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: *"[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property."*

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

Section 3. PURPOSE AND SCOPE

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

Section 4. EFFECTIVE DATE

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

Section 5. DEFINITIONS

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just

or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

Section 6. RATE MAKING METHODOLOGY

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

6.4 Terminal Building Operating Requirement.

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

6.5 Airfield Area Operating Requirement.

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage

areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4. [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 Joint Use Space. Airline's share of the Total Terminal Building Rentals for Joint Use Space will be determined as follows: (1) sixty-five percent (65%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) thirty-five percent (35%) of the total rentals due shall be prorated among the Airlines using Joint Use Space based upon Airline's share of aircraft departures.

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the Director.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

Section 7. RENTALS, FEES AND CHARGES

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline's revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2018-2019 Schedule of Rates, Fees and Charges effective July 1, 2018 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1st) day of each calendar month.

9.2 On or before the fifteenth (15th) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15th) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority's invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15th) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

Section 10. PENALTIES AND ENFORCEMENT

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision in accordance with Section 10.6 through 10.7 below.

10.6 The Executive Director shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the Executive Director review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the Executive Director shall be in writing and shall be hand delivered to the Office of the Executive Director and must be signed for by and employee of the Authority, or shall be mailed to the Executive Director by certified mail, return receipt requested.

10.8.2 A request to the Executive Director must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the Executive Director to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the Executive Director shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the Executive Director's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT.

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. ___ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the ___ day of _____, 2018, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Robert C. Roberts, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2018-2019 Fiscal Year

Schedule of Rates, Fees and Charges

(Proposed)

SUMMARY TABLE**RESULTS****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2018	2019
<u>Signatory Airline Rates & Charges:</u>		
Terminal Building Rental Rate (per s.f.)	\$44.61	\$46.35
Passenger-Related Security Fee (per EP)	\$0.72	\$0.67
Landing Fee (per 1,000-lbs)	\$1.69	\$1.60
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.56	\$0.48
Baggage Make-Up & Claim Fee (per bag)	\$1.12	\$0.93
Baggage Make-Up & Claim Fee (per airline)	\$12,238	\$12,715
Gate Area Charge per (enplaned pax)	\$1.67	\$1.43
Gate Area Fee (per airline)	\$31,262	\$32,481
Loading Bridge Fee (per depart.)	\$9.91	\$10.02
Turn Fees ¹		
Per Turn Fee for Exempt Carriers (0-70 seats)	\$297.00	\$272.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$354.00	\$324.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$396.00	\$363.00
Average AVL CPE	\$6.61	\$5.92

¹ Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives,

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 1**AVIATION ACTIVITY****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2018	2019
<u>Enplaned Passengers:</u>		
Allegiant	144,938	180,000
American ¹	98,575	103,000
Delta	137,241	138,000
United	44,364	95,000
Total	425,118	516,000
<u>Estimated Checked Bags:</u>		
Allegiant	53,627	93,600
American ¹	70,974	55,600
Delta	90,579	109,400
United	31,942	52,100
Total	247,122	310,700
<u>Departures:</u>		
Allegiant	987	1,200
American ¹	2,175	2,262
Delta	2,300	2,389
United	1,024	1,631
Total	6,486	7,482
<u>Landed Weight (1,000-lb units):</u>		
Allegiant	145,059	170,000
American ¹	103,761	125,600
Delta	177,231	161,050
United	46,450	108,373
Total	472,501	565,023

Note: Amounts may not add due to rounding.

¹ Includes US Airways activity prior to the merger of the carriers into American Airlines Group.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 2

TERMINAL SPACE (s.f.)		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2018	2019
<u>Preferential Space:</u> ¹			
Allegiant		1,153	1,704
American		2,102	2,102
Delta		2,609	2,609
United		1,593	1,593
Total Preferential Space	[A]	7,457	8,008
<u>Joint Use Space:</u>			
Baggage Make-Up		3,192	3,192
Baggage Claim		4,124	4,124
Gates 1-3 Holdroom		8,517	8,517
Gates 4-7 Holdroom		6,751	6,751
Gates 4-7 Secure Enplanement Corridor		3,421	3,421
Total Joint Use Space	[B]	26,005	26,005
Total Airline Rented	[C=A+B]	33,462	34,013
<u>Other Rentable:</u>			
Ticket Counter (unassigned)		103	103
Queue (unassigned)		193	193
Vacant Airline Preferential Space		3,343	2,792
Concession Space		13,553	13,553
FAA Tower & Related Office Space		4,374	4,374
TSA Offices & Breakroom		2,418	2,418
TSA Passenger Security Screening		2,210	2,210
TSA Offices Adjacent to Passenger Screening		396	396
Total	[D]	26,590	26,039
Total Rentable Space	[E=C+D]	60,052	60,052
Public and Other Areas	[F]	47,797	47,797
Total Terminal Space	[G=E+F]	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records
 Compiled by Trillion Aviation, February 2018

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2018	2019
<u>Depreciation:</u> ¹			
Gross Depreciation		\$4,700,000	\$4,700,000
Less: Grant & PFC Amortization		(3,200,000)	(3,200,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>By Cost Center (%):</u>			
Airfield Area	[B]	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%
Other Area	[F]	7.0%	7.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$210,000	\$210,000
Terminal Building	[A*C]	450,000	450,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000
General Aviation Area	[A*E]	240,000	240,000
Other Area	[A*F]	105,000	105,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>Amortization:</u>			
Gross Amortization		\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY **GARAA**
(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>By Cost Center (%):</u>			
Airfield Area	[H]	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%
Other Area	[L]	0.0%	0.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[G*H]	\$79,581	\$79,581
Terminal Building	[G*I]	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0
General Aviation Area	[G*K]	0	0
Other Area	[G*L]	0	0
Net Amortization	[G]	\$79,581	\$79,581
<u>Capital Outlay:</u>			
Capital Outlay	[M]	\$100,000	\$100,000
<u>By Cost Center (%):</u>			
Airfield Area	[N]	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%
<u>By Cost Center:</u>			
Airfield Area	[M*N]	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

¹ Depreciation is based on the prior year's actual depreciation

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 4

OPERATION AND MAINTENANCE EXPENSES	GARAA
(Fiscal Years Ending June 30)	

		Budget	Budget
		2018	2019
<u>By Category:</u>			
Personnel Services		\$5,283,529	\$5,572,510
Professional Services		368,950	387,450
Utilities		520,817	525,467
Promotional Activities		349,290	317,390
Maintenance and Repairs		251,800	262,200
Contracted Services		884,424	826,723
Insurance Expense		252,700	234,000
Materials and Supplies		452,760	467,425
Other Expenses		503,870	393,905
Total O&M Expenses	[A]	\$8,868,140	\$8,987,070
<u>By Cost Center (%):</u>			
Airfield Area	[B]	26.3%	26.3%
Terminal Building	[C]	47.7%	48.0%
Parking, Roadway, and Ground Trans.	[D]	12.4%	12.0%
General Aviation Area	[E]	9.7%	9.7%
Other Area	[F]	3.9%	4.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$2,329,399	\$2,366,072
Terminal Building	[A*C]	4,233,699	4,313,970
Parking, Roadway, and Ground Trans.	[A*D]	1,100,934	1,074,732
General Aviation Area	[A*E]	858,402	872,685
Other Area	[A*F]	345,705	359,611
Total O&M Expenses	[A]	\$8,868,140	\$8,987,070

Note: Amounts may not add due to rounding.

Source: Airport management records
 Compiled by Trillion Aviation, February 2018

Table 5

LANDING FEE AND REVENUE

GARAA

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>Airfield Requirement:</u>			
O&M Expenses		\$2,329,399	\$2,366,072
Less: Deicing Chemicals		(68,000)	(70,040)
O&M Reserve Requirement		63,007	18,336
Net Depreciation		210,000	210,000
Net Amortization		79,581	79,581
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$2,663,987	\$2,653,949
<u>Landing Fee Credits:</u>			
Non-Airline Revenue	[B]	\$77,000	\$90,000
Other	[C]	0	0
Total Credits	[D=B+C]	\$77,000	\$90,000
Net Landing Fee Requirement	[E=A-D]	\$2,586,987	\$2,563,949
Airline Landed Weight	[F]	472,501	565,023
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$5.48	\$4.54
Revenue Share Credit	[H]	\$1,789,390	\$1,660,376
Adjusted Airline Net Requirement	[I=E-H]	\$797,598	\$903,573
Airline Landing Fee	[J=I/F]	\$1.69	\$1.60
Airline Landing Fee Revenue	[K=F*J]	\$797,598	\$903,573

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 6

TERMINAL RENTAL RATE AND REVENUE **GARAA**
(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>Terminal Requirement:</u>			
O&M Expenses		\$4,233,699	\$4,313,970
O&M Reserve Requirement		114,515	40,136
Net Depreciation		450,000	450,000
Net Amortization		0	0
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$4,848,214	\$4,854,106
<u>Terminal Credits:</u>			
Passenger-Related Security Charges		\$305,873	\$344,750
AirIT Landside Expenses		16,463	16,463
Loading Bridge Fees		64,249	75,000
Total Terminal Credits	[B]	\$386,585	\$436,213
Net Requirement	[C=A-B]	\$4,461,629	\$4,417,893
Rentable Space (s.f.)	[D]	60,052	60,052
Terminal Rental Rate	[E=C/D]	\$74.30	\$73.57
Airline Rented Space (s.f.)	[F]	33,462	34,013
Airline Requirement	[G=E*F]	\$2,486,096	\$2,502,261
Revenue Share Credit	[H]	\$993,487	\$925,880
Adjusted Airline Requirement	[I=G-H]	\$1,492,609	\$1,576,382
Airline Rented Space (s.f.)	[F]	33,462	34,013
Adjusted Airline Terminal Rate	[J=I/F]	\$44.61	\$46.35
Airline Terminal Rentals	[K=F*J]	\$1,492,609	\$1,576,382

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 6A**LOADING BRIDGE FEE AND REVENUE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>Loading Bridge Requirement:</u>			
Operating Expenses		\$64,249	\$75,000
Capital Outlay		0	0
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$64,249	\$75,000
Total Departures	[B]	6,486	7,482
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.91	\$10.02
Total Loading Bridge Revenue	[D=B*C]	\$64,249	\$75,000

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 6B**JOINT USE CHARGES****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
Adjusted Signatory Airline Terminal Rate	[A]	\$44.61	\$46.35
<u>Joint Use Space (s.f.):</u>			
Baggage Make-Up	[B1]	3,192	3,192
Baggage Claim	[B2]	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421
Joint Use Space		26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$326,338	\$339,071
Gate Areas Requirement	[E=A*(C1+C2+C3)]	833,643	866,169
Total Joint Use Requirement	[G=D+E+F]	\$1,159,981	\$1,205,239
<u>Baggage Make-Up & Claim:</u>			
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$277,387	\$288,210
Checked Bags	[I]	247,122	310,700
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$1.12	\$0.93
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$48,951	\$50,861
Number of Airlines	[L]	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$12,238	\$12,715
<u>Gate Area:</u>			
Gate Area Requirement (85%)	[N=E*85%]	\$708,597	\$736,243
Enplaned Passengers	[O]	425,118	516,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.67	\$1.43
Gate Area Requirement (15%)	[Q=E*15%]	\$125,046	\$129,925
Number of Airlines	[L]	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$31,262	\$32,481
Total Joint Use Revenue	[G]	\$1,159,981	\$1,205,239

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 6C**TICKET COUNTER & QUEUE FEES (UNASSIGNED)****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
Adjusted Signatory Airline Terminal Rate	[A]	\$44.61	\$46.35
<u>Ticket Counter and Queue Space (s.f.):</u>			
Ticket Counter		1,755	1,755
Queue Space		3,181	3,181
Ticket Counter and Queue Space	[B]	4,936	4,936
Ticket Counter and Queue Space Requirement	[C=A*B]	\$220,176	\$228,766
AirIT Landside Expenses	[D]	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$236,639	\$245,229
Enplaned Passengers	[F]	425,118	516,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.56	\$0.48
Enplaned Passenger Use	[H]	144,938	180,000
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$80,679	\$85,545

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 7**PASSENGER-RELATED SECURITY CHARGE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
Personnel-Related Security Cost	[A]	\$1,102,750	\$1,230,700
<u>Officer Deployment Hours:</u>			
Total Hours (12 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,169	2,169
Holiday (11 Holidays)		(132)	(132)
Vacation (12 Days)		(144)	(144)
Training (8 hrs per month per officer)		(96)	(96)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(108)	(108)
Available Hours/Officer	[B]	1,689	1,689
Number of Officers	[C]	14	14
Total Available Hours	[D=B*C]	23,648	23,648
Less: Admin Hours Total	[E]	(2,016)	(2,016)
Total Officer Deployment Hours	[F=D-E]	21,632	21,632
Personnel-Related Security Cost per Hour	[G=A/F]	\$50.98	\$56.89
<u>Passenger-Related Security Charge:</u>			
Terminal Airlines (18 hrs/day Security Checkpoint)		\$334,924	\$373,784
Less: TSA Reimbursement		(127,631)	(131,459)
Net Personnel-Related Costs	[H]	\$207,293	\$242,325
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	2,210
Terminal Rental Rate	[J]	\$44.61	\$46.35
Security Checkpoint Space Costs	[K=I*J]	\$98,579	\$102,426
Passenger-Related Security Charges	[L=H+K]	\$305,873	\$344,750
Enplaned Passengers	[M]	425,118	516,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.72	\$0.67
Passenger-Related Security Charges	[O=M*N]	\$305,873	\$344,750

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 8**COST PER ENPLANED PASSENGER****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>Airline Revenue:</u>			
Terminal Rentals		\$1,492,609	\$1,576,382
Loading Bridge Fees		64,249	75,000
Landing Fees		797,598	903,573
Unassigned Ticket Counter Charges		80,679	85,545
Passenger Related Security Charges		305,873	344,750
Deicing Chemicals		68,000	70,040
Total	[A]	\$2,809,007	\$3,055,290
Enplaned Passengers	[B]	425,118	516,000
Cost Per Enplaned Passenger	[C=A/B]	\$6.61	\$5.92

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

Table 9**PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2018	2019
<u>Per Turn Requirement:</u>			
Joint Use Cost ¹		\$1,159,981	\$1,205,239
Loading Bridge Cost		64,249	75,000
Unassigned Ticket Counter Cost		236,639	245,229
Passenger Related Security Charge Cost		305,873	344,750
Deicing Chemicals Cost		68,000	70,040
Total	[A]	\$1,834,742	\$1,940,259
Total Departures	[B]	6,486	7,482
Average Per Turn Cost	[C=A/B]	\$282.88	\$259.32
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$297.00	\$272.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$354.00	\$324.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$396.00	\$363.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: April 13, 2018

ITEM DESCRIPTION – Information Section Item A

February, 2018 Traffic Report – Asheville Regional Airport

SUMMARY

February, 2018 overall passenger traffic numbers were up 22.0% compared to the same period last year. Passenger traffic numbers reflect a 23.4% increase in passenger enplanements from February, 2017. Enplanements for Fiscal Year to Date total 344,833 which is a 16.9% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in February 2018 were up by 51.0%. There were no flight cancellations for the month.

American Airlines: American's February 2018 passenger enplanements represent a 12.2% increase over the same period last year. There were two (2) flight cancellations for the month.

Delta Airlines: Delta's February 2018 enplanements increased by 8.0% compared to February 2017. There were no flight cancellations for the month.

United Airlines: In February 2018, United Airlines saw an increase in enplanements by 25.6% over the same period last year. There were no flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

February 2018



Category	Feb 2018	Feb 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change	*MOV12-2018	*MOV12-2017	Percentage Change
Passenger Traffic									
Enplaned	31,462	25,502	23.4%	64,876	51,108	26.9%	491,165	424,837	15.6%
Deplaned	<u>31,298</u>	<u>25,942</u>	20.6%	<u>62,815</u>	<u>50,274</u>	24.9%	<u>491,778</u>	<u>422,733</u>	16.3%
Total	62,760	51,444	22.0%	127,691	101,382	26.0%	982,943	847,570	16.0%
Aircraft Operations									
Airlines	531	544	-2.4%	1,125	1,075	4.7%	7,890	6,841	15.3%
Commuter /Air Taxi	<u>528</u>	<u>446</u>	18.4%	1,045	951	9.9%	11,074	9,718	14.0%
Subtotal	<u>1,059</u>	<u>990</u>	7.0%	<u>2,170</u>	<u>2,026</u>	7.1%	<u>18,964</u>	<u>16,559</u>	14.5%
General Aviation	2,563	3,242	-20.9%	5,141	5,687	-9.6%	42,295	43,188	-2.1%
Military	<u>171</u>	<u>249</u>	-31.3%	<u>365</u>	<u>552</u>	-33.9%	<u>4,502</u>	<u>4,315</u>	4.3%
Subtotal	<u>2,734</u>	<u>3,491</u>	-21.7%	<u>5,506</u>	<u>6,239</u>	-11.7%	<u>46,797</u>	<u>47,503</u>	-1.5%
Total	3,793	4,481	-15.4%	7,676	8,265	-7.1%	65,761	64,062	2.7%
Fuel Gallons									
100LL	8,349	8,098	3.1%	17,051	16,574	2.9%	163,773	162,042	1.1%
Jet A (GA)	66,469	44,379	49.8%	133,631	110,611	20.8%	1,457,290	1,300,228	12.1%
Subtotal	<u>74,818</u>	<u>52,477</u>	42.6%	<u>150,682</u>	<u>127,185</u>	18.5%	<u>1,621,063</u>	<u>1,462,270</u>	10.9%
Jet A (A/L)	<u>266,978</u>	<u>183,130</u>	45.8%	<u>555,699</u>	<u>351,893</u>	57.9%	<u>3,758,027</u>	<u>2,728,591</u>	37.7%
Total	341,796	235,607	45.1%	706,381	479,078	47.4%	5,379,090	4,190,861	28.4%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Wednesday, March 21, 2018

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

February 2018



	Feb 2018	Feb 2017	Percentage Change	*CYTD-2018	*CYTD-2017	Percentage Change
Allegiant Air						
Enplanements	10,847	7,185	51.0%	21,988	15,127	45.4%
Seats	13,806	8,764	57.5%	28,320	18,428	53.7%
Load Factor	78.6%	82.0%	-4.2%	77.6%	82.1%	-5.4%
American Airlines						
Enplanements	7,193	6,412	12.2%	14,993	12,464	20.3%
Seats	9,127	8,933	2.2%	19,201	17,418	10.2%
Load Factor	78.8%	71.8%	9.8%	78.1%	71.6%	9.1%
Delta Air Lines						
Enplanements	9,398	8,700	8.0%	19,105	17,804	7.3%
Seats	10,810	11,468	-5.7%	22,136	23,774	-6.9%
Load Factor	86.9%	75.9%	14.6%	86.3%	74.9%	15.2%
Elite Airways						
Enplanements	0	0	#Num!	0	0	#Num!
Seats	0	0	#Num!	0	0	#Num!
Load Factor	#Num!	#Num!	#Type!	#Num!	#Num!	#Type!
United Airlines						
Enplanements	4,024	3,205	25.6%	8,790	5,713	53.9%
Seats	5,749	4,678	22.9%	12,407	7,778	59.5%
Load Factor	70.0%	68.5%	2.2%	70.8%	73.5%	-3.5%
Totals						
Enplanements	31,462	25,502	23.4%	64,876	51,108	26.9%
Seats	39,492	33,843	16.7%	82,064	67,398	21.8%
Load Factor	79.7%	75.4%	5.7%	79.1%	75.8%	4.3%

Wednesday, March 21, 2018

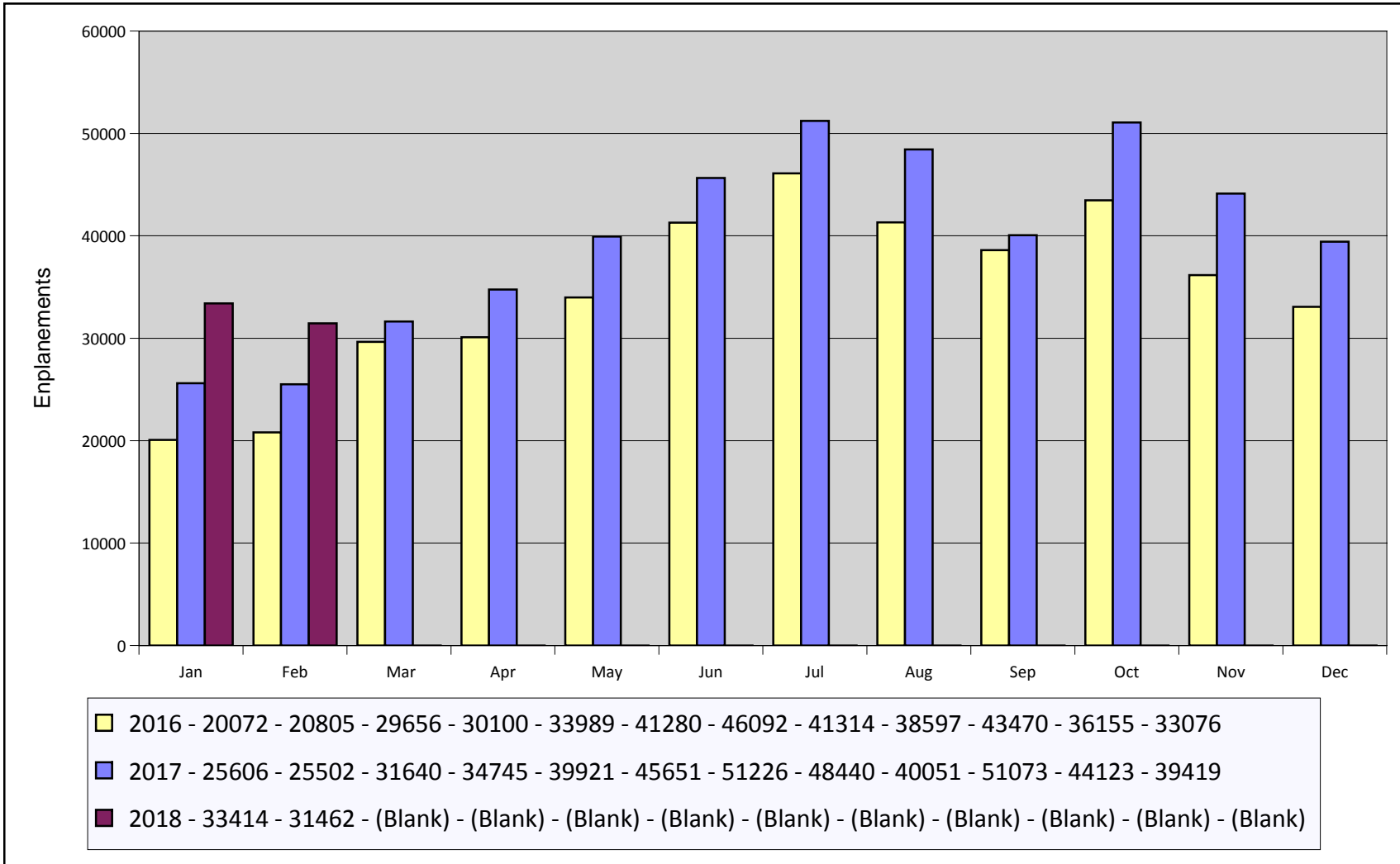
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport February 2018

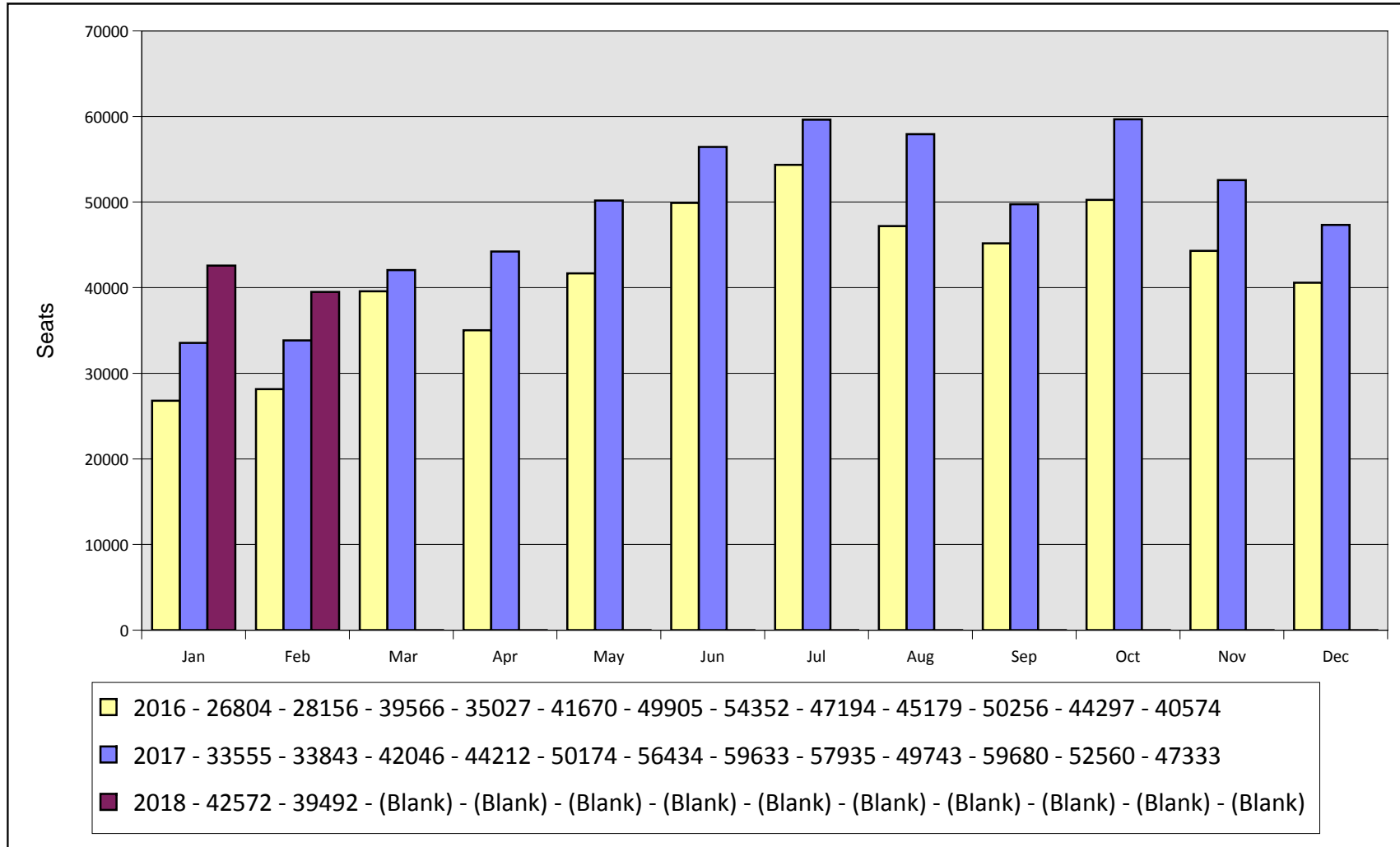


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	77	0	0	0	0	0	100.0%
American Airlines	132	0	2	0	0	2	98.5%
Delta Air Lines	148	0	0	0	0	0	100.0%
Elite Airways	0	0	0	0	0	0	#Num!
United Airlines	77	0	0	0	0	0	100.0%
Total	434	0	2	0	0	2	99.5%

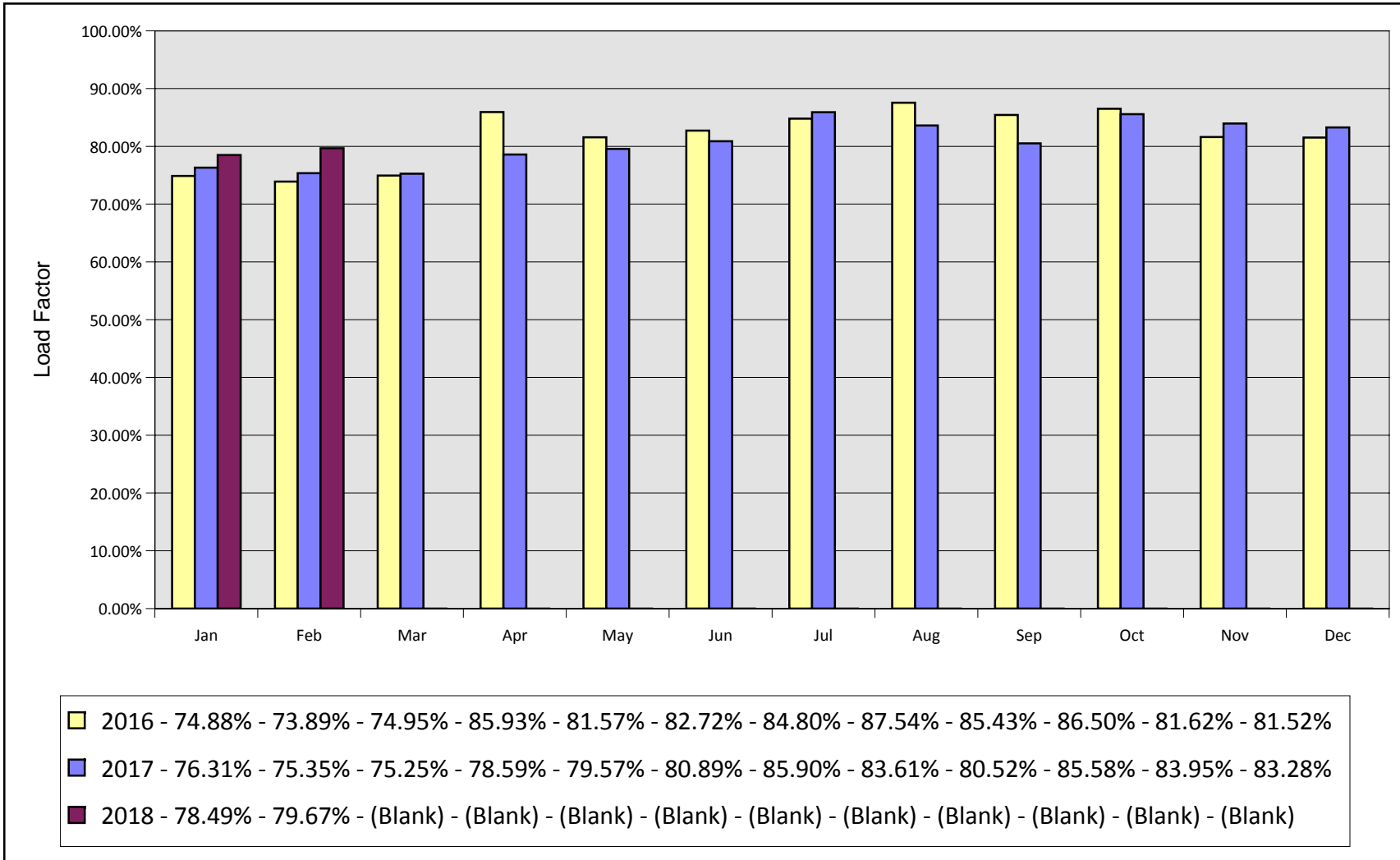
Monthly Enplanements By Year Asheville Regional Airport



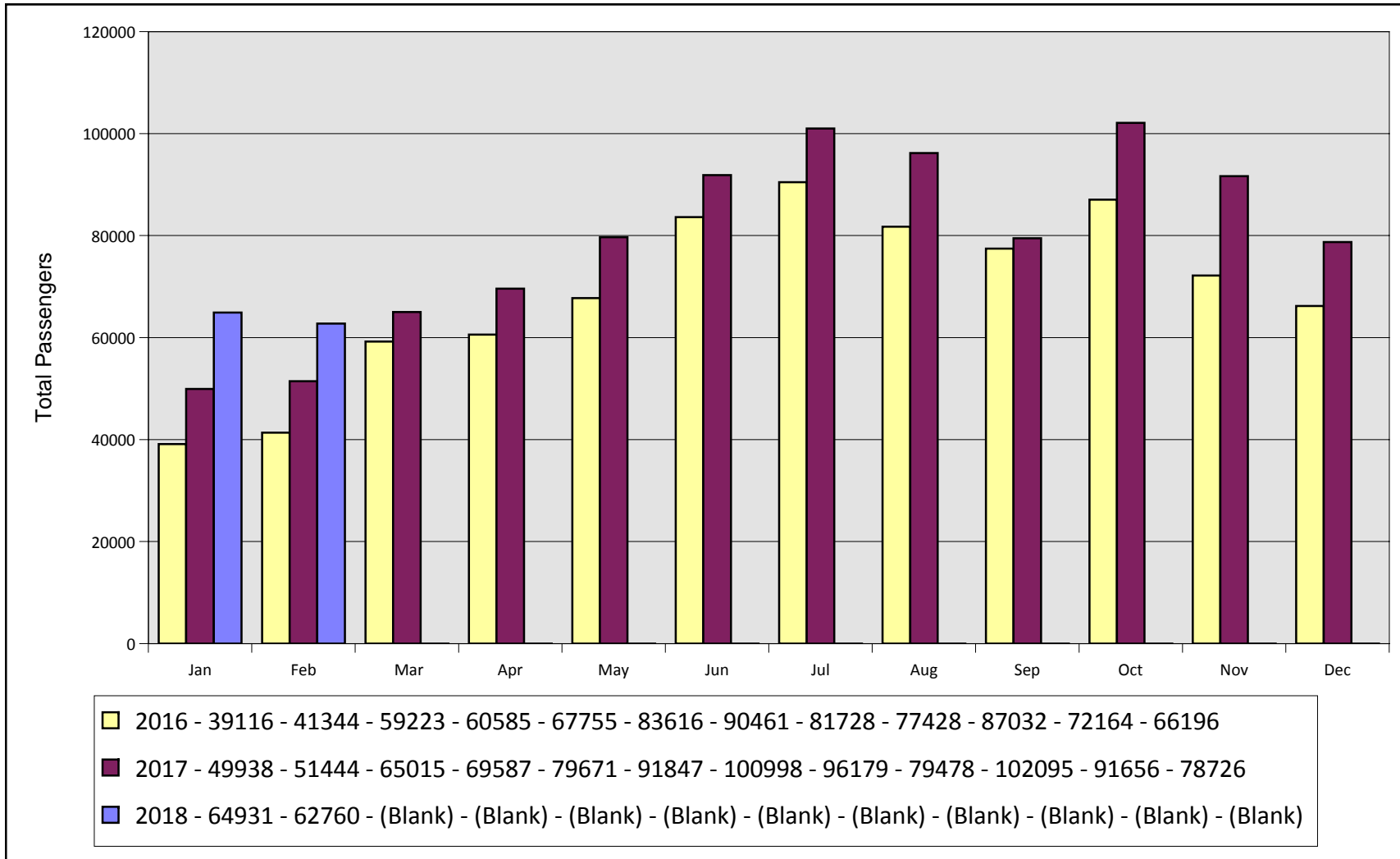
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

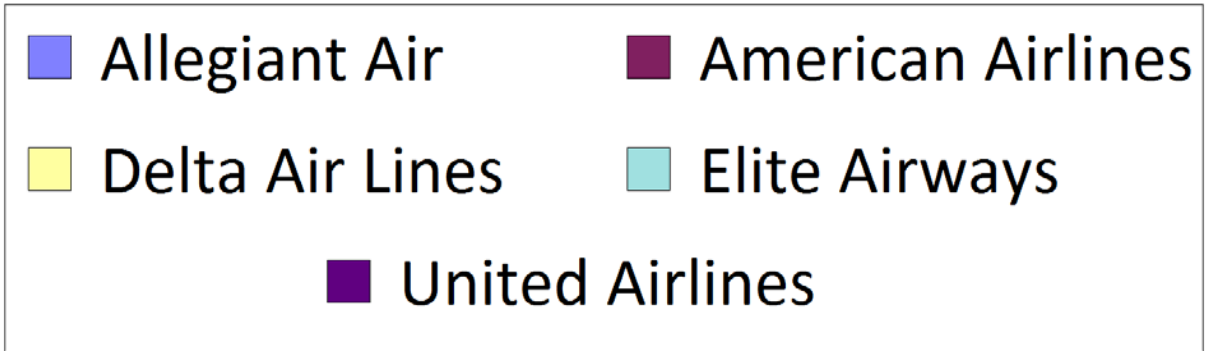
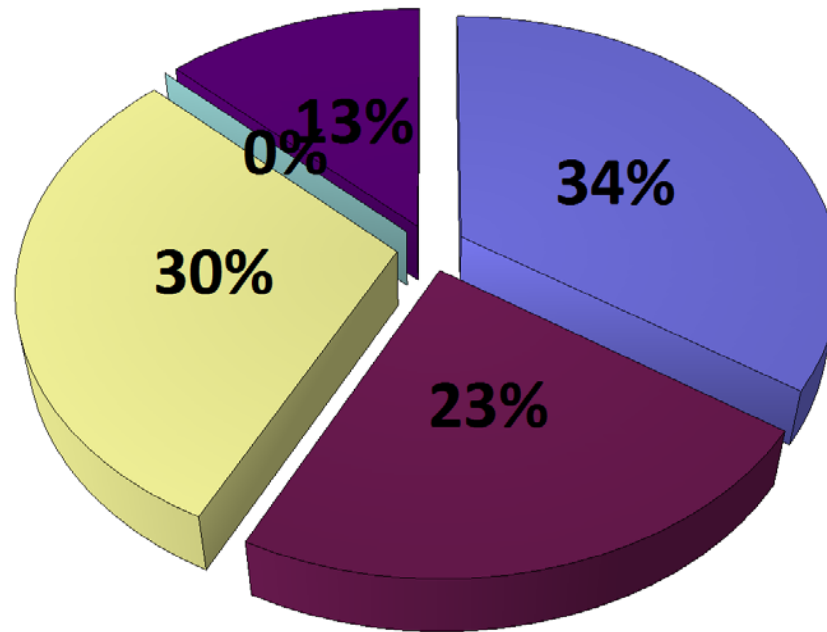


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From February 2018 Through February 2018



AVL - Three month schedule Summary Report
 April - June 2018 vs. 2017

April 2018 vs. April 2017											
Travel Period			Apr-18		Apr-17		Diff		Percent Diff		
Mkt AI	Orig	Dest	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	
7Q	AVL	VRB	2	94	0	0	2	94	0.0%	0.0%	
7Q	VRB	AVL	2	94	0	0	2	94	0.0%	0.0%	
AA	AVL	CLT	42	2,553	46	2,332	(4)	221	(8.7%)	9.5%	
AA	CLT	AVL	42	2,553	46	2,317	(4)	236	(8.7%)	10.2%	
DL	ATL	AVL	47	3,351	46	3,006	1	345	2.2%	11.5%	
DL	AVL	ATL	47	3,351	46	3,006	1	345	2.2%	11.5%	
G4	AVL	BWI	2	354	1	166	1	188	100.0%	113.3%	
G4	BWI	AVL	2	354	1	166	1	188	100.0%	113.3%	
G4	AVL	EWR	2	354	4	664	(2)	(310)	(50.0%)	(46.7%)	
G4	EWR	AVL	2	354	4	664	(2)	(310)	(50.0%)	(46.7%)	
G4	AVL	FLL	6	1,062	4	675	2	387	50.0%	57.3%	
G4	FLL	AVL	6	1,062	4	675	2	387	50.0%	57.3%	
G4	AVL	PGD	3	531	3	498	0	33	0.0%	6.6%	
G4	PGD	AVL	3	531	3	498	0	33	0.0%	6.6%	
G4	AVL	PIE	4	708	3	498	1	210	33.3%	42.2%	
G4	PIE	AVL	4	708	3	498	1	210	33.3%	42.2%	
G4	AVL	SFB	4	708	2	332	2	376	100.0%	113.3%	
G4	SFB	AVL	4	708	2	332	2	376	100.0%	113.3%	
UA	AVL	EWR	8	780	7	858	1	(78)	14.3%	(9.1%)	
UA	EWR	AVL	8	780	7	858	1	(78)	14.3%	(9.1%)	
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%	
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%	
TOTAL			282	23,090	274	20,143	8	2,947	2.9%	14.6%	

May 2018 vs. May 2017											
Travel Period			May-18		May-17		Diff		Percent Diff		
Mkt AI	Orig	Dest	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	
7Q	AVL	VRB	2	94	0	0	2	94			
7Q	VRB	AVL	2	94	0	0	2	94			
AA	AVL	CLT	42	2,932	48	2,583	(6)	349	(12.5%)	13.5%	
AA	CLT	AVL	42	2,932	48	2,596	(6)	336	(12.5%)	12.9%	
DL	ATL	AVL	47	3,676	47	3,680	0	(4)	0.0%	(0.1%)	
DL	AVL	ATL	47	3,676	47	3,680	0	(4)	0.0%	(0.1%)	
G4	AVL	BWI	1	177	2	332	(1)	(155)	(50.0%)	(46.7%)	
G4	BWI	AVL	1	177	2	332	(1)	(155)	(50.0%)	(46.7%)	
G4	AVL	DEN	2	354	0	0	2	354			
G4	DEN	AVL	2	354	0	0	2	354			
G4	AVL	EWR	3	531	4	664	(1)	(133)	(25.0%)	(20.0%)	
G4	EWR	AVL	3	531	4	664	(1)	(133)	(25.0%)	(20.0%)	
G4	AVL	FLL	6	1,062	5	863	1	199	20.0%	23.1%	
G4	FLL	AVL	6	1,062	5	863	1	199	20.0%	23.1%	
G4	AVL	PGD	3	531	4	686	(1)	(155)	(25.0%)	(22.6%)	
G4	PGD	AVL	3	531	4	686	(1)	(155)	(25.0%)	(22.6%)	
G4	AVL	PIE	5	885	3	498	2	387	66.7%	77.7%	
G4	PIE	AVL	5	885	3	498	2	387	66.7%	77.7%	
G4	AVL	SFB	4	697	4	664	0	33	0.0%	5.0%	
G4	SFB	AVL	4	697	4	664	0	33	0.0%	5.0%	
UA	AVL	EWR	7	806	7	826	0	(20)	0.0%	(2.4%)	
UA	EWR	AVL	7	806	7	826	0	(20)	0.0%	(2.4%)	
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%	
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%	
TOTAL			286	25,590	290	23,705	(4)	1,885	(1.4%)	8.0%	

June 2018 vs. June 2017											
Travel Period			Jun-18		Jun-17		Diff		Percent Diff		
Mkt AI	Orig	Dest	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	Weekly Flights	Seats	
7Q	AVL	VRB	2	94	2	94	0	0	0.0%	0.0%	
7Q	VRB	AVL	2	94	2	94	0	0	0.0%	0.0%	
AA	AVL	CLT	48	2,933	54	3,194	(6)	(261)	(11.1%)	(8.2%)	
AA	CLT	AVL	48	2,933	54	3,194	(6)	(261)	(11.1%)	(8.2%)	
AA	AVL	DFW	1	65	0	0	1	65			
AA	DFW	AVL	1	65	0	0	1	65			
DL	ATL	AVL	53	3,574	47	3,680	6	(106)	12.8%	(2.9%)	
DL	AVL	ATL	53	3,574	47	3,680	6	(106)	12.8%	(2.9%)	
DL	AVL	LGA	1	50	0	0	1	50			
DL	LGA	AVL	1	50	0	0	1	50			
G4	AVL	BWI	2	354	2	332	0	22	0.0%	6.6%	
G4	BWI	AVL	2	354	2	332	0	22	0.0%	6.6%	
G4	AVL	DEN	2	354	0	0	2	354			
G4	DEN	AVL	2	354	0	0	2	354			
G4	AVL	EWR	4	708	4	664	0	44	0.0%	6.6%	
G4	EWR	AVL	4	708	4	664	0	44	0.0%	6.6%	
G4	AVL	FLL	9	1,593	5	852	4	741	80.0%	87.0%	
G4	FLL	AVL	9	1,593	5	852	4	741	80.0%	87.0%	
G4	AVL	PGD	3	531	4	664	(1)	(133)	(25.0%)	(20.0%)	
G4	PGD	AVL	3	531	4	664	(1)	(133)	(25.0%)	(20.0%)	
G4	AVL	PIE	7	1,239	5	852	2	387	40.0%	45.4%	
G4	PIE	AVL	7	1,239	5	852	2	387	40.0%	45.4%	
G4	AVL	SFB	5	885	5	841	0	44	0.0%	5.2%	
G4	SFB	AVL	5	885	5	841	0	44	0.0%	5.2%	
UA	AVL	EWR	8	1,000	7	954	1	46	14.3%	4.8%	
UA	EWR	AVL	8	1,000	7	954	1	46	14.3%	4.8%	
UA	AVL	ORD	28	1,400	25	1,250	3	150	12.0%	12.0%	
UA	ORD	AVL	28	1,400	25	1,250	3	150	12.0%	12.0%	
TOTAL			346	29,560	320	26,754	26	2,806	8.1%	10.5%	



MEMORANDUM

TO: Members of the Airport Authority
 FROM: Janet Burnette, Director of Finance & Accounting
 DATE: April 13, 2018

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
 Month of February 2018 (Month 8 of FY2018)

SUMMARY

Operating Revenues for the month of February were \$969,671, 35.03% over budget. Operating Expenses for the month were \$724,027, 5.52% over budget. As a result, Net Operating Revenues before Depreciation were \$245,644, 669.20% over budget. Net Non-Operating Revenues were \$282,316, 117.54% over budget.

Year-to-date Operating Revenues were \$7,888,457, 14.40% over budget. Year-to-date Operating Expenses were \$5,501,705, 4.59% under budget. Year-to-date Net Operating Revenues before Depreciation were \$2,386,752, 111.40% over budget. Net Non-Operating Revenues for the year were \$2,189,717, 24.65% over budget.

REVENUES

Significant variations to budget for February were:

Terminal Space Rental-Airline	\$43,808	49.71%	Enplanements over budget
Concessions	\$9,260	26.39%	Enplanements over budget
Auto Parking	\$122,999	54.48%	Enplanements over budget & rate increase
Other Leases & Fees	\$16,821	53.78%	Miscellaneous tenant assessments/fees
Landing Fees	\$51,785	145.63%	Enplanements over budget



EXPENSES

Significant variations to budget for February were:

Contractual Services	\$87,949	123.22%	Previous month invoice - parking mgmt/shuttle
Advertising & Printing	\$16,152	206.05%	Timing of TV and Web advertising
Operating Supplies	(\$15,902)	(53.32%)	Equipment and supply purchases less than anticipated
Emergency Repair	\$20,184		Airfield erosion control

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$173k mainly due to collection of receivable balances.

Passenger Facility Charges Receivable – Passenger Facility Charges decreased by \$80k due to collections of balances.

Property and Equipment, Net – Property and Equipment, Net decreased by \$389k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of February 28, 2018**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.20%	\$ 8,669,232	1,398
First Citizens - Money Market Account	0.05%	6,397,833	1,718
NC Capital Management Trust - Cash Portfolio		17,400	16
NC Capital Management Trust - Term Portfolio		3,071,625	3,557
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		2,176,696	
Bank of America - PFC Revenue Account	0.20%	8,611,017	1,294
		891,279	
Total		<u>\$ 29,835,282</u>	<u>\$ 7,983</u>

Investment Diversification:

Banks	90%
NC Capital Management Trust	10%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended February 28, 2018

	Current Month	Prior Period
Cash and Investments Beginning of Period	<u>\$ 29,661,969</u>	<u>\$ 30,299,628</u>
Net Income/(Loss) Before Capital Contributions	138,662	128,697
Depreciation	389,296	389,296
Decrease/(Increase) in Receivables	115,861	(124,314)
Increase/(Decrease) in Payables	(507,629)	99,791
Decrease/(Increase) in Prepaid Expenses	16,756	16,756
Decrease/(Increase) in Fixed Assets	(21,831)	(1,031,760)
Principal Payments of Bond Maturities	40,639	(203,194)
Capital Contributions	1,559	87,069
Increase(Decrease) in Cash	<u>173,313</u>	<u>(637,659)</u>
Cash and Investments End of Period	<u><u>\$ 29,835,282</u></u>	<u><u>\$ 29,661,969</u></u>

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets
For the Month Ending February 28, 2018

	<u>Current Month Actual</u>	<u>Current Month Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:									
Terminal Space Rentals - Non Airline	\$20,378	\$20,377	\$1	0.00%	\$165,007	\$161,535	\$3,472	2.15%	\$243,049
Terminal Space Rentals - Airline	131,938	88,130	43,808	49.71%	1,163,066	1,101,640	61,426	5.58%	1,571,724
Concessions	44,347	35,087	9,260	26.39%	374,444	274,236	100,208	36.54%	444,480
Auto Parking	348,749	225,750	122,999	54.48%	2,597,685	2,128,750	468,935	22.03%	3,270,000
Rental Car - Car Rentals	139,027	130,687	8,340	6.38%	1,295,027	1,050,296	244,731	23.30%	1,579,656
Rental Car - Facility Rent	56,941	52,381	4,560	8.71%	447,063	417,984	29,079	6.96%	627,526
Commercial Ground Transportation	1,605	6,500	(4,895)	(75.31%)	74,489	43,000	31,489	73.23%	75,000
Landing Fees	87,344	35,559	51,785	145.63%	596,035	552,151	43,884	7.95%	774,903
FBO'S	80,136	81,384	(1,248)	(1.53%)	677,285	681,467	(4,182)	(0.61%)	1,021,005
Building Leases	6,113	5,998	115	1.92%	76,107	89,830	(13,723)	(15.28%)	113,820
Land Leases	4,997	4,965	32	0.64%	39,896	39,310	586	1.49%	58,968
Other Leases/Fees	48,096	31,275	16,821	53.78%	382,353	355,340	27,013	7.60%	528,639
Total Operating Revenue	\$969,671	\$718,093	\$251,578	35.03%	\$7,888,457	\$6,895,539	\$992,918	14.40%	\$10,308,770
Operating Expenses:									
Personnel Services	\$378,385	\$428,382	(\$49,997)	(11.67%)	\$3,145,152	\$3,405,722	(\$260,570)	(7.65%)	\$5,400,329
Professional Services	15,259	24,893	(9,634)	(38.70%)	148,011	152,376	(4,365)	(2.86%)	312,250
Accounting & Auditing	-	-	-	100.00%	16,200	8,000	8,200	102.50%	16,200
Other Contractual Services	159,325	71,376	87,949	123.22%	790,403	710,531	79,872	11.24%	960,194
Travel & Training	18,834	12,496	6,338	50.72%	119,052	106,128	12,924	12.18%	209,650
Communications & Freight	8,115	8,325	(210)	(2.52%)	65,618	69,097	(3,479)	(5.03%)	103,900
Utility Services	38,304	46,465	(8,161)	(17.56%)	275,521	342,520	(66,999)	(19.56%)	520,817
Rentals & Leases	2,142	1,033	1,109	107.36%	18,418	7,864	10,554	134.21%	12,000
Insurance	16,736	21,058	(4,322)	(20.52%)	133,768	168,464	(34,696)	(20.60%)	252,700
Repairs & Maintenance	16,807	20,773	(3,966)	(19.09%)	173,212	177,229	(4,017)	(2.27%)	266,530
Advertising, Printing & Binding	23,991	7,839	16,152	206.05%	111,483	114,112	(2,629)	(2.30%)	257,790
Promotional Activities	6,522	1,925	4,597	238.81%	65,275	59,950	5,325	8.88%	108,950
Other Current Charges & Obligations	4,501	8,250	(3,749)	(45.44%)	85,773	71,075	14,698	20.68%	104,000
Office Supplies	634	750	(116)	(15.47%)	3,933	6,000	(2,067)	(34.45%)	9,000
Operating Supplies	13,924	29,826	(15,902)	(53.32%)	182,168	313,884	(131,716)	(41.96%)	476,793
Books, Publications, Subscriptions & Mem	364	2,767	(2,403)	(86.84%)	44,054	53,571	(9,517)	(17.77%)	59,870
Contingency	-	-	-	100.00%	-	-	-	100.00%	100,000
Emergency Repair	20,184	-	20,184	100.00%	32,184	-	32,184	100.00%	50,000
Business Development	-	-	-	100.00%	91,480	-	91,480	100.00%	300,000
Total Operating Expenses	\$724,027	\$686,158	\$37,869	5.52%	\$5,501,705	\$5,766,523	(\$264,818)	(4.59%)	\$9,520,973

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets
For the Month Ending February 28, 2018

	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue before Depreciation	\$245,644	\$31,935	\$213,709	669.20%	\$2,386,752	\$1,129,016	\$1,257,736	111.40%	\$787,797
Depreciation	389,296	-	389,296	100.00%	3,114,017	-	\$3,114,017	100.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$143,652)	\$31,935	(\$175,587)	(549.83%)	(\$727,265)	\$1,129,016	(\$1,856,281)	(164.42%)	\$787,797
Non-Operating Revenue and Expense									
Customer Facility Charges	\$76,815	\$67,500	\$9,315	13.80%	\$984,683	\$945,000	\$39,683	4.20%	\$ 1,350,000
Passenger Facility Charges	238,157	100,000	138,157	138.16%	1,445,596	1,113,500	332,096	29.82%	1,788,500
Interest Revenue	7,983	2,917	5,066	173.67%	50,547	23,333	27,214	116.63%	35,000
Interest Expense	(40,639)	(40,639)	-	0.00%	(325,110)	(325,111)	1	(0.00%)	(487,666)
Bond Expense	-	-	-	100.00%	-	-	-	100.00%	-
Reimbursable Cost Revenues	-	-	-	100.00%	-	-	-	100.00%	-
Reimbursable Cost Expenses	-	-	-	100.00%	6,339	-	6,339	100.00%	-
Gain/Loss on Disposal of Assets	-	0	(0)	0.00%	27,662	0	27,662	0.00%	-
Non-Operating Revenue-Net	\$282,316	\$129,778	\$152,538	117.54%	\$2,189,717	\$1,756,722	\$432,995	24.65%	\$2,685,834
Income (Loss) Before Capital Contributions	\$138,664	\$161,713	(\$23,049)	(14.25%)	\$1,462,452	\$2,885,738	(\$1,423,286)	(49.32%)	\$3,473,631
Capital Contributions	\$1,559	\$0	\$1,559	100.00%	\$3,785,778	\$0	\$3,785,778	100.00%	\$0
Increase in Net Assets	\$140,223	\$161,713	(\$21,490)	(13.29%)	\$5,248,230	\$2,885,738	\$2,362,492	81.87%	\$3,473,631

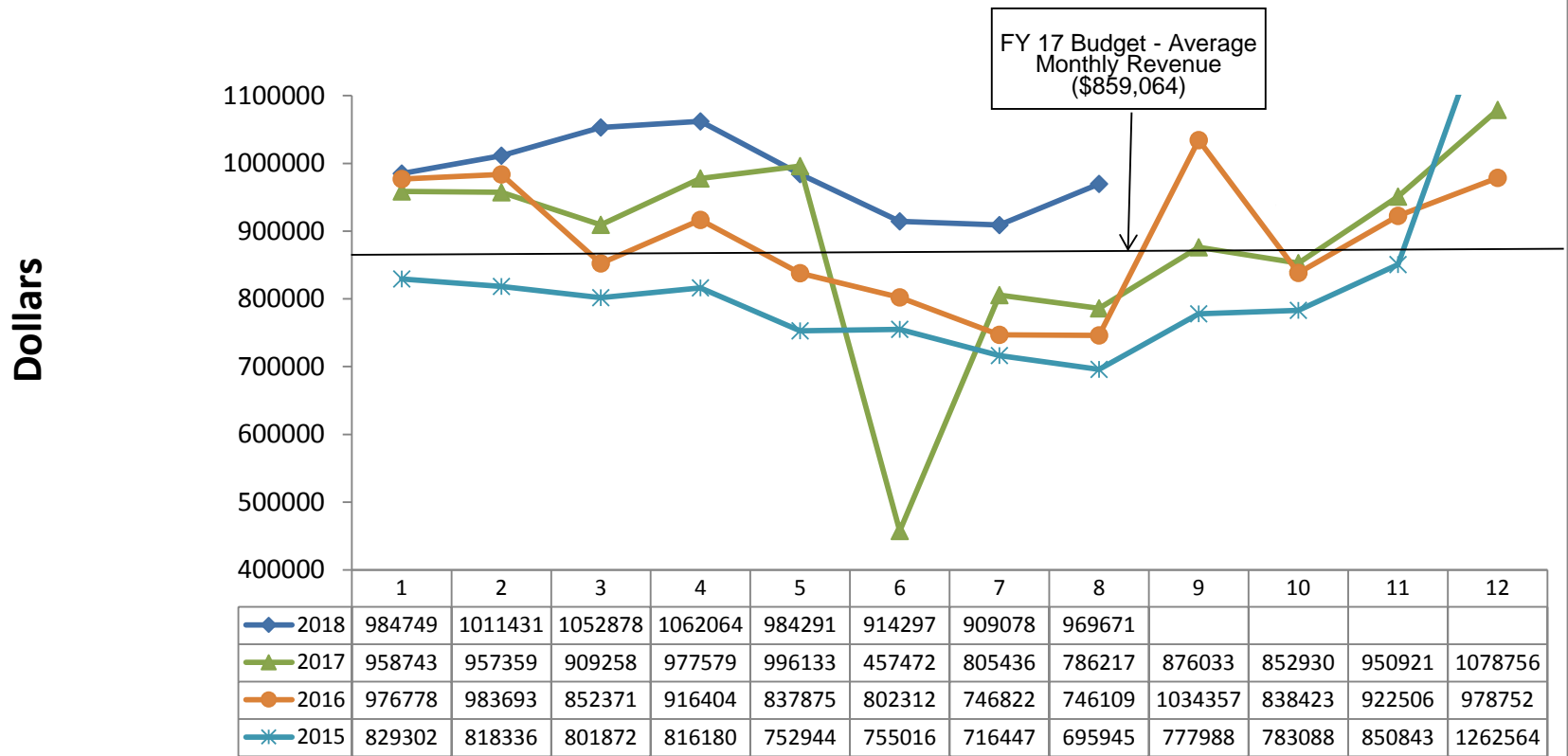
ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of February 28, 2018

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$18,156,289	\$18,444,317
Accounts Receivable	608,229	649,780
Passenger Facility Charges Receivable	170,000	250,000
Refundable Sales Tax Receivable	206,098	201,967
Grants Receivable	482,313	480,754
Prepaid Expenses	67,174	83,931
Total Unrestricted Assets	19,690,103	20,110,749
Restricted Assets:		
Cash and Cash Equivalents	11,678,993	11,217,653
Total Restricted Assets	11,678,993	11,217,653
Total Current Assets	31,369,096	31,328,402
Noncurrent Assets:		
Construction in Progress	73,333,236	73,311,404
Net Pension Asset - LGERS	(1,061,652)	(1,061,652)
Contributions in Current Year	944,231	944,231
Property and Equipment - Net	54,850,483	55,239,779
Total Noncurrent Assets	128,066,298	128,433,762
	\$159,435,394	\$159,762,164
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$505,719	\$1,043,705
Customer Deposits	10,710	17,210
Unearned Revenue	486,989	450,133
Construction Contract Retainages	2,080,038	2,080,038
Revenue Bond Payable - Current	1,215,000	1,215,000
Interest Payable	81,278	40,639
Total Payable from Unrestricted Assets	4,379,734	4,846,725
Total Current Liabilities	4,379,734	4,846,725
Noncurrent Liabilities:		
Other Postemployment Benefits	1,209,372	1,209,372
Compensated Absences	350,006	350,006
Net Pension Obligation-LEO Special Separation Allowance	441,122	441,122
Revenue Bond Payable - Noncurrent	18,830,000	18,830,000
Total Noncurrent Liabilities	20,830,500	20,830,500
Total Liabilities	25,210,234	25,677,225
Net Assets:		
Invested in Capital Assets	108,138,719	108,506,183
Restricted	11,678,993	11,217,653
Unrestricted	14,407,448	14,361,103
Total Net Assets	134,225,160	134,084,939
	\$159,435,394	\$159,762,164

ASHEVILLE REGIONAL AIRPORT

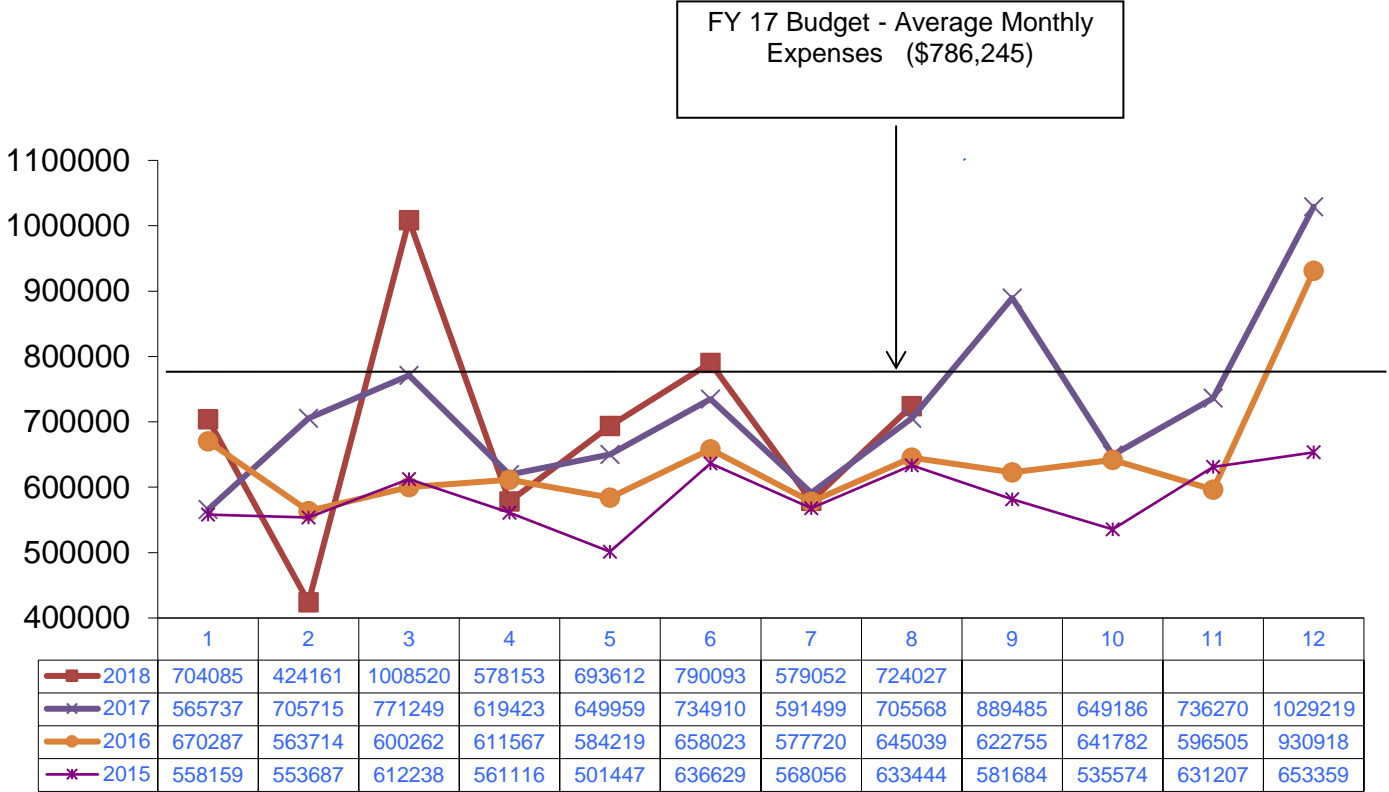
Annual Operating Revenue by Month

February 2018



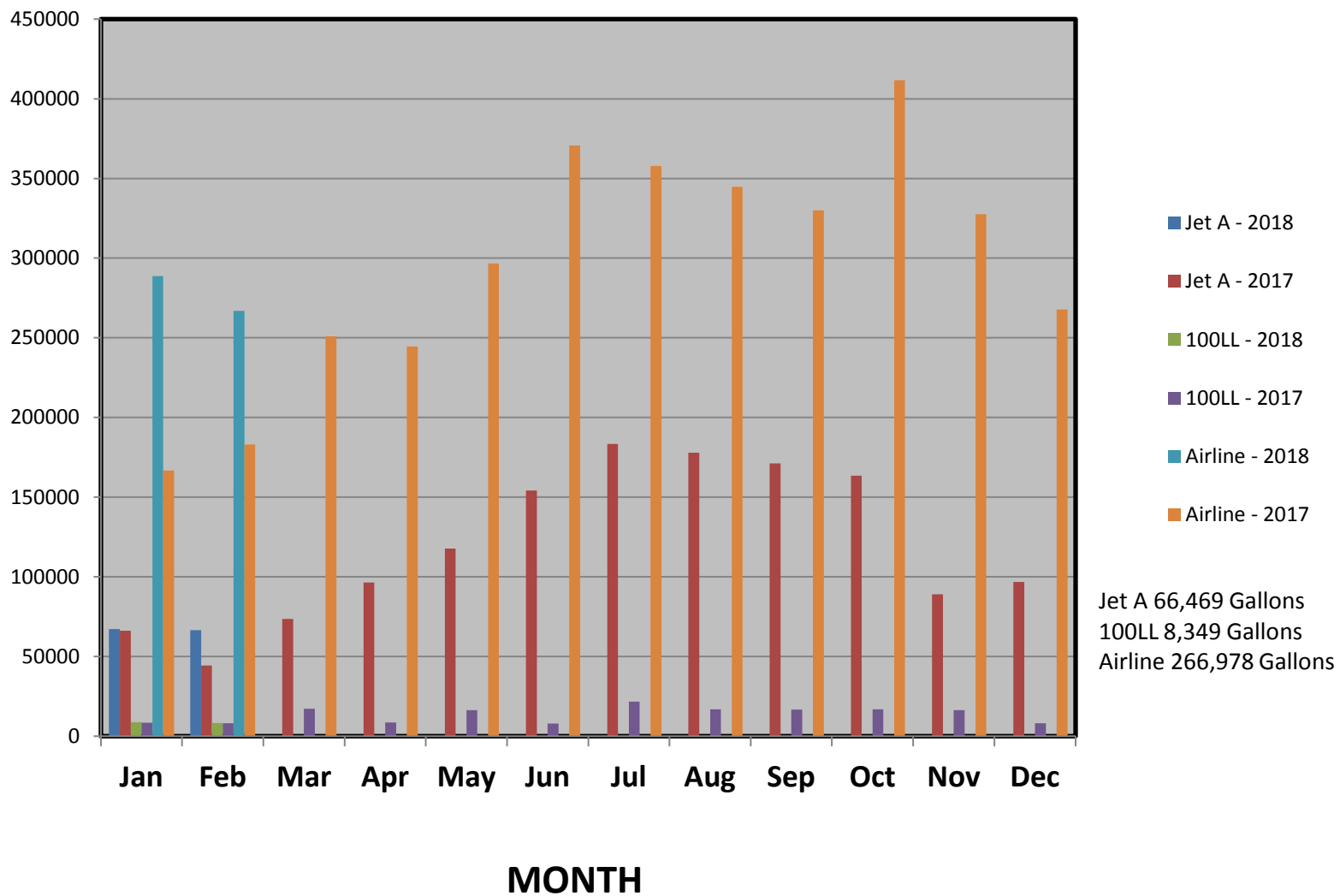
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month February 2018

Dollars



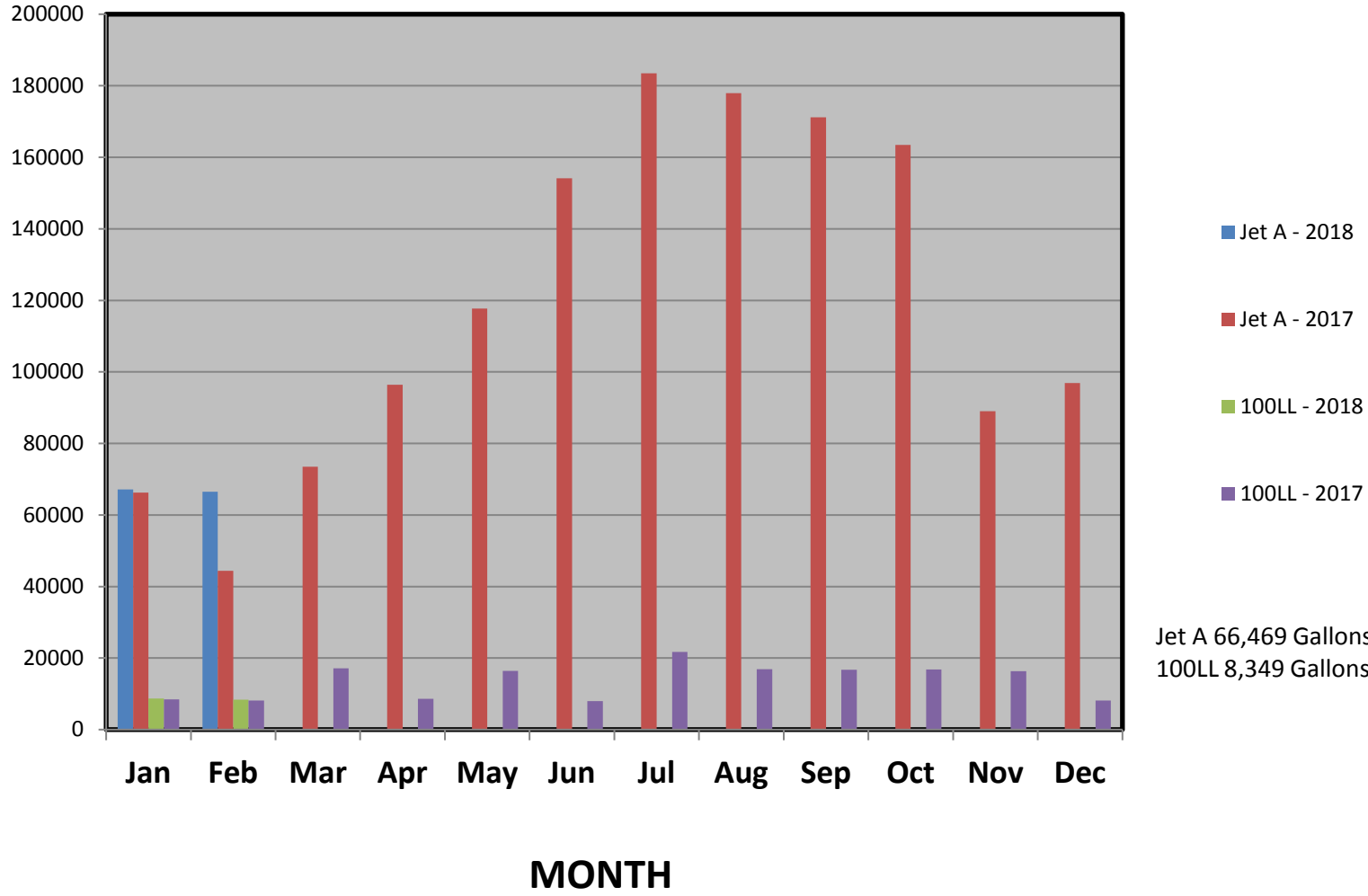
**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
February 2018**

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**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
February 2018**

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Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2018)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2018)	Start Date	End Date	Current Project Status (as of 04/01/2018)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$15,900,000.00		\$80,000,000.00	67.4%	\$53,907,354			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	83%	\$372,161	Dec-12	Jun-16	Project Management work primarily complete.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	95.0%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	87.7%	\$2,105,693	Dec-14	Jun-19	Phase IV Project Management continues.
1D	Airfield Re-Development Project	New Runway Design	AVCON	\$1,967,476.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	95.2%	\$1,874,224	Mar-13	Jun-19	Phase IV Project Management continues.
1E	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>		\$3,766,649	Jan-13	Dec-17	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Parking Garage Project	Design and EA for approximately 1300 spaces of covered parking garage.	Delta Airport Consultants	\$1,627,575.00	N/A	N/A	\$0.00	0.00%	\$1,627,575.00	98.1%	\$1,598,831	Oct-15	Dec-17	Punch List items for Garage continue. Ground Transportation lot completed.
3	Expand Air Carrier Apron	Design additional apron space to hold RON Aircraft. Professional CA and Inspections.	Delta Airport Consultants	\$99,000.00	N/A	N/A	\$107,750.00	0.00%	\$206,750.00	51.2%	\$105,927	Feb-17	Jun-18	Notice of Award submitted. Contract pending.
4	Terminal Building Assessment Study	Terminal infrastructure, interior space and exterior facade assessment.	CHA	\$550,247.00	N/A	N/A	\$0.00	0.00%	\$628,900.00	23.6%	\$129,815	Jan-18	Jun-18	Review team in process of gathering data.
5	Environmental Assessment Services, South Terminal Apron Expansion	Environmental Assessment	Delta Airport Consultants	\$45,000.00	N/A	N/A	\$0.00	0.00%	\$70,000.00	46%	\$32,198	Oct-17	Apr-18	Draft EA submitted for review.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2018)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2018)	Start Date	End Date	Current Project Status (as of 04/01/2018)
1	Parking Garage	Construct a 5 level parking garage for passenger/public parking.	Delta Airport Consultants	\$1,627,575.00	American South General Contractors	\$20,244,000.00	\$393,048	2.2%	\$21,938,700.00	99%	\$21,599,639 <i>(includes Admin fees)</i>	Sep-16	Dec-17	Punch list items. Ground transportation lot completed.
2	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Cedar Peaks	\$33,703,095.70	\$0.00	0.00%	\$34,703,095.70	24.7%	\$8,343,589	Mar-17	Jun-19	Project restart pending.
3	Expand Air Carrier Apron	Construct additional apron pavement for RON Aircraft	Delta Airport Consultants	\$0.00	NHM Constructors	\$1,043,023.50	\$0.00	0.00%	\$1,147,380.85	0.02%	\$273	Mar-18	Jun-18	Notice of Award submitted.

(Construction and Administrative Costs included)

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision