



## REVISED AGENDA

Greater Asheville Regional Airport Authority Regular Meeting

Friday, June 8, 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. Kelly Smith – 10 Years
  - B. Tony Souther – 10 Years
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority April 13, 2018 Regular Meeting Minutes ([document](#))
  - B. Approval of the Greater Asheville Regional Airport Authority April 13, 2018 Closed Session Minutes
- VI. OLD BUSINESS: None
- VII. NEW BUSINESS:
  - A. Approval of Resolution Accepting Grants ([document](#))



- B. Approval of Contract Award with Guard-One Protective Services for Premium Passenger Check Point Security Lane Services ([document](#))
- C. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
- D. Approval of New Food Concept Concession and Concession Agreement Amendment with Paradies Lagardere ([document](#))
- E. Approval of Revised Administration Policies and Procedures Section 117.00 – Commercial Ground Transportation Regulation ([document](#))
- F. Approval of Amendment to Supplemental Fees and Charges Schedule ([document](#))
- G. Approval of Uniform Guidance Procurement Policy ([document](#))
- H. Approval of Supplemental Agreement No. 2 to Agreement for Professional Consulting Services with Reynolds, Smith and Hills, Inc. (RS&H) ([document](#))
- I. Approval of Supplemental Agreement No. 2 to Agreement for Professional Consulting Services with Avcon Engineers and Planners, Inc. ([document](#))
- J. Approval of Scope of Services No. 19 with Avcon Engineers and Planners, Inc. ([document](#))
- K. Approval of Public Safety Body-Worn Camera Policy ([document](#))
- L. Approval of Revised Business Insurance Renewals ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Update to Parking
- B. TNC Monitoring Agreement with AAAE
- C. Authority Funds Bank Transfer

IX. INFORMATION SECTION:

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

- A. April 2018 Traffic Report ([document](#))





- B. April 2018 Monthly Financial Report ([document](#))
- C. June 2018 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
  - Public Hearing and Final Approval of Amended Ordinance of Airline Rates, Fees and Charges
- X. PUBLIC AND TENANTS' COMMENTS
- XI. CALL FOR NEXT MEETING
- XII. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3), (4), and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations, and to Consider Personnel Matters.
- XIII. AUTHORITY MEMBER REPORTS:
  - A. Election of Authority Board Officers – Nominating Committee Report
  - B. Key Strategic Elements ([document](#))
- XIV. SERVICE RECOGNITION AWARD:
  - A. Robert C. Roberts
- XV. 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  
April-18**

**AIRPORT ACTIVITY**

|                               | Month  | Variance to<br>Prior Year | Calendar<br>Year to Date | Variance to<br>Prior Year |
|-------------------------------|--------|---------------------------|--------------------------|---------------------------|
| <b>Passenger Enplanements</b> | 42,025 | 21.0%                     | 145,134                  | 23.5%                     |
| <b>Aircraft Operations</b>    |        |                           |                          |                           |
| Commercial                    | 1,407  | 1.2%                      | 4,781                    | 1.8%                      |
| Scheduled Flights             | 599    | 4.4%                      |                          |                           |
| Flight Cancellations          | 2      |                           |                          |                           |
| Seats                         | 49,298 | 11.5%                     | 177,271                  | 15.4%                     |
| Load Factor                   | 85.2%  | 8.5%                      | 81.9%                    | 7.1%                      |
| General Aviation              | 3,332  | 23.9%                     | 11,480                   | (1.9%)                    |
| Military                      | 361    | 6.5%                      | 990                      | (13.5%)                   |

**FINANCIAL RESULTS**

|   | Month               | Variance<br>to Budget | Fiscal<br>Year to Date | Variance<br>to Budget |
|---|---------------------|-----------------------|------------------------|-----------------------|
| <b>Operating Revenues</b>                         | \$ 1,089,449        | 36.9%                 | \$ 10,081,381          | 18.6%                 |
| <b>Operating Expenses</b>                         | 622,562             | (13.6%)               | 6,881,011              | (6.1%)                |
| <b>Net Operating Revenues before Depreciation</b> | <u>\$ 466,887</u>   | 522.1%                | <u>\$ 3,200,370</u>    | 172.5%                |
| <b>Net Non-Operating Revenues</b>                 | <u>\$ 277,805</u>   | 25.3%                 | <u>\$ 2,715,056</u>    | 24.2%                 |
| <b>Grants:</b>                                    |                     |                       |                        |                       |
| FAA AIP Grants                                    | \$ 769,996          |                       | \$ 4,553,939           |                       |
| NC Dept of Transportation Grants                  | 2,026,331           |                       | 2,026,331              |                       |
| Total   | <u>\$ 2,796,327</u> |                       | <u>\$ 6,580,270</u>    |                       |

**CASH**

|                                 |                      |
|---------------------------------|----------------------|
| Restricted                      | \$ 12,131,622        |
| Designated for O&M Reserve      | 4,517,470            |
| Designated for Emergency Repair | 650,000              |
| Unrestricted, Undesignated      | 14,289,701           |
| Total                           | <u>\$ 31,588,793</u> |

**RECEIVABLES PAST DUE**

|                        | Total             | 1-30 Days         | 31-60 Days      | Over 60 Days      |
|------------------------|-------------------|-------------------|-----------------|-------------------|
| Advertising Customers  | 21,507            | 6,275             | 6,705           | 8,527             |
| Allegiant              | 9,876             | -                 | 404             | 9,472             |
| American               | 6,564             | -                 | -               | 6,564             |
| Avis                   | 60,733            | 58,336            | -               | 2,397             |
| Delta                  | 65,586            | 12,710            | -               | 52,876            |
| Enterprise             | 10,042            | 6,836             | -               | 3,206             |
| TSA                    | 22,550            | 11,135            | -               | 11,415            |
| FAA                    | 13,259            | -                 | -               | 13,259            |
| Hertz                  | 21,588            | 20,260            | -               | 1,328             |
| Paradies               | 22,726            | 17,234            | -               | 5,492             |
| Signature              | 4,084             | 247               | -               | 3,837             |
| Skywest                | 55,353            | 17,664            | -               | 37,689            |
| United                 | 22,633            | -                 | -               | 22,633            |
| Vanguard               | 14,931            | 11,055            | -               | 3,876             |
| Miscellaneous          | 7,389             | 2,875             | -               | 4,514             |
| Total                  | <u>\$ 358,821</u> | <u>\$ 164,627</u> | <u>\$ 7,109</u> | <u>\$ 187,085</u> |
| % of Total Receivables | <u>43.48%</u>     |                   |                 |                   |

Note: Excludes balances paid subsequent to month-end.

**REVENUE BONDS PAYABLE**

|   | Original Amount      | Current Balance      |
|---|----------------------|----------------------|
| 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 | \$ 13,205,889 |

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
April 13, 2018**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 13, 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. Burril, Vice-Chair; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and David Gantt

**MEMBERS ABSENT:** George H. Erwin, Jr.

**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; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Mike Darcangelo, Avcon; Paul Puckli, CHA Consulting; Vijay Kapoor, Asheville City Council; Ken Moody, Delta Airport Consultants; Victoria Marvco, UNCA

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

**SERVICE AWARD PRESENTATION:** The Chair recognized the Director with a service recognition award and gift for his 10 years of service with the Authority.

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

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 9, 2018 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority March 9, 2018 Regular Meeting Minutes:**

C. Approval of Insurance Renewals:

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

The Director reported that staff was just notified that the Delta Dental renewal was reduced to a 5% increase rather than a 7.5% as indicated in the agenda package.

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

**OLD BUSINESS:**

A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2018/2019 Budget: The Chair opened the floor to public comments at 8:40 a.m. There being no public comments, the Chair closed the floor at 8:40 a.m.

Mr. Bailey moved to adopt the following Fiscal Year 2018/2019 Budget Ordinance. Mr. Burril seconded the motion and it carried unanimously:

**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:

[THIS SECTION LEFT BLANK INTENTIONALLY]

## 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                    |
| <b>Total Expenditures</b>                       | <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     | 15,217,606                 |
| <b>Total Revenues</b>                    | <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

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Robert C. Roberts, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

**B. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601 for Airline Rates, Fees and Charges for the Asheville Regional Airport:**

The Chair opened the floor to public comments at 8:42 a.m. There being no public comments, the Chair closed the floor at 8:42 a.m.

Mr. Burril moved to adopt the Amended Ordinance 201601 to implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2018/2019. Mr. Bailey seconded the motion and it carried unanimously.

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 (1<sup>st</sup>) day of each calendar month.

9.2 On or before the fifteenth (15<sup>th</sup>) 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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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 &amp; 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  |
| <br>  |          |          |
| Turn Fees <sup>1</sup>                          |          |          |
| 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 |
| <br>  |          |          |
| Average AVL CPE                                 | \$6.61   | \$5.92   |

<sup>1</sup> 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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.

<sup>1</sup> 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**

| <b>TERMINAL SPACE (s.f.)</b>                |         | <b>GARAA</b> |         |
|---|---------|--------------|---------|
| (Fiscal Years Ending June 30)               |         |              |         |
|   |         | Budget       | Budget  |
|   |         | 2018         | 2019    |
| <u>Preferential Space:</u> <sup>1</sup>     |         |              |         |
| 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.

<sup>1</sup> Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

**Table 3**

| <b>DEPRECIATION, AMORTIZATION, &amp; CAPITAL OUTLAY</b> |       | <b>GARAA</b> |             |
|---|-------|--------------|-------------|
| (Fiscal Years Ending June 30)                           |       |              |             |
|   |       | Budget       | Budget      |
|   |       | 2018         | 2019        |
| <u>Depreciation:</u> <sup>1</sup>                       |       |              |             |
| 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%    |
| <br><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  |
| <br><u>Capital Outlay:</u>          |       |           |           |
| Capital Outlay                      | [M]   | \$100,000 | \$100,000 |
| <br><u>By Cost Center (%):</u>      |       |           |           |
| Airfield Area                       | [N]   | 50.0%     | 50.0%     |
| Terminal Building                   | [O]   | 50.0%     | 50.0%     |
| <br><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.

<sup>1</sup> Depreciation is based on the prior year's actual depreciation

Source: Airport management records

Compiled by Trillion Aviation, February 2018

**Table 4**

| <b>OPERATION AND MAINTENANCE EXPENSES</b> |  | <b>GARAA</b> |  |
|---|--|--------------|--|
| (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]   | <u>\$8,868,140</u> | <u>\$8,987,070</u> |
| <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                               |       | <u>100.0%</u>      | <u>100.0%</u>      |
| <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]   | <u>\$8,868,140</u> | <u>\$8,987,070</u> |

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**

|   |              |
|---|--------------|
| <b>TERMINAL RENTAL RATE AND REVENUE</b> | <b>GARAA</b> |
| (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 &amp; 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 <sup>1</sup>                     |                | \$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             |
| <b>Total</b>                                    | <b>[A]</b>     | <b>\$1,834,742</b> | <b>\$1,940,259</b> |
| <b>Total Departures</b>                         | <b>[B]</b>     | <b>6,486</b>       | <b>7,482</b>       |
| <b>Average Per Turn Cost</b>                    | <b>[C=A/B]</b> | <b>\$282.88</b>    | <b>\$259.32</b>    |
| 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.

<sup>1</sup> Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018

**NEW BUSINESS:** None

**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. Staff Recognition:** The Director recognized Tina Kinsey's election as President of the North Carolina Airports Association.

**B. FAA Funding Update:** The Director informed the Board that over the years, airports across the country have been asking Congress to raise the PFC's from the current \$4.50. The airlines have a strong lobbyist group that has been fighting an increase. At the end of the omnibus discussions, airports did not receive an increase for PFC's. The Director highlighted some of the measures Congress approved including an additional \$1 billion in airport improvement discretionary funds, leaving TSA's law enforcement officer reimbursement program intact, funding to deploy CT scanners at security checkpoints, reimbursement to airports for past investments in inline baggage systems that were installed in the wake of 9/11, and additional funding for 328 customs and border protection officers at air and land ports of entry. This measure extends the authorization for FAA programs through September 30<sup>th</sup>.

**C. Meeting with TSA:** While attending a conference in Washington, DC in March, the Director met with TSA to discuss the airport's security checkpoint and wait times as well as equipment being removed from the baggage screening operation. Staff was led to believe by the Charlotte office that a third lane and pre-check at the security checkpoint could be in place by the summer. However, there was no commitment from DC and they are still waiting to see if the airport's passenger numbers increase. The Director stated that staff is also working with the airlines to install an elite lane for frequent flyers that will merge into the document checking station. The airlines would be billed for the cost of staffing this lane with a uniformed employee. Staff has had discussions with security firms to gather information and pricing and the hours of staffing are being reviewed to try to narrow down the costs.

**D. Medicine Drop-off:** Public Safety will participate in Operation Medicine Drop-off on April 28<sup>th</sup> from 10:00 a.m. to 2:00 p.m.

**E. NCDOT Grant:** The airport received the \$2 million grant agreement from the NCDOT and staff expects to receive the funds within the next 30 days. This grant will be used for the north apron expansion, south apron environmental assessment, and the terminal assessment study.

F. **Airfield Project**: The Director advised the Board that the Authority had finalized the Takeover Agreement with Travelers. As required by North Carolina General Statutes § 143-318.11(a)(3), the terms of the settlement of the Authority's claim filed with Travelers are hereby made a matter of public record and the Clerk to the Authority is instructed to note such settlement in the official meeting minutes and to incorporate a copy of the Takeover Agreement into said minutes. An update was given on the progress made by Cedar Peaks as well as the concerns staff has on the project.

## TAKEOVER AGREEMENT

This Takeover Agreement (the "Agreement") is made and entered into by and among GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY ("Owner"), TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA ("Surety") and CEDAR PEAKS ENTERPRISES, INC. ("Principal") (hereinafter collectively the "Parties") on this 3rd day of April, 2018 ("Effective Date").

### W I T N E S S E T H:

**WHEREAS**, Principal entered into a construction contract with Owner (the "Bonded Contract") with respect to certain construction work on a project known as Bid Package 4—Permanent Runway 17-35 Paving, Lighting, and NAVAIDs (the "Project");

**WHEREAS**, Surety issued Performance Bond No. 106674877 (the "Performance Bond") and Payment Bond No. 106674877 (the "Payment Bond") (the Performance Bond and the Payment Bond collectively, the "Bonds") on behalf of Principal in relation to the Bonded Contract in their respective penal limits of \$33,703,095.70;

**WHEREAS**, Surety issued the Bonds on behalf of Principal in the favor of the Owner;

**WHEREAS**, in accordance with the Bonded Contract, on or about September 28, 2017, RS&H Architects-Engineers-Planners, Inc. ("RS&H"), as an Engineer, Project Manager and Resident Project Representative ("RPR") on the Project issued a Notice of Pending Default to Principal;

**WHEREAS**, on or about October 30, 2017 Owner declared Principal to be in default under the Bonded Contract;

**WHEREAS**, Principal disputes that it was in default under the Bonded Contract and asserts that Owner breached the Bonded Contract;

**WHEREAS**, on or about November 7, 2017 Owner terminated the Bonded Contract;

**WHEREAS**, Owner has terminated Principal's right to complete the Project and has requested that Surety perform its obligations under the Performance Bond;

**WHEREAS**, following Owner's termination of the Bonded Contract, remaining and/or remedial work remains to be performed under the Bonded Contract (the "Remaining Work");

**WHEREAS**, Surety has elected to arrange for completion of the Remaining Work by utilizing WK Dickson & Co., Inc. (the "Construction Administrator") for project administration and JS Held, LLC ("Held") for daily oversight and coordination and Principal as the General Contractor;

WHEREAS, the Bonded Contract called for the new permanent runway to be open by December 7, 2017, and the Owner is currently utilizing a temporary runway;

**WHEREAS**, in an effort of cooperation with the Surety, and to expedite the progress of completion of the Remaining Work such that the new permanent runway can be opened in 2018, Owner consents to Surety's arrangement for completion of the Remaining Work, subject to the terms and conditions of the Bonded Contract and this Agreement; and

**WHEREAS**, in an effort of cooperation with Owner, and to expedite the progress of completion of the Remaining Work, and to minimize the costs and inconvenience to those involved, and pursuant to the terms of the Bonds, Surety is willing and desirous of exercising its election to complete the Remaining Work and/or to procure the completion of the Remaining Work, provided it can be assured that in doing so it will receive the total amount payable by Owner to Principal under the Bonded Contract and any amendments thereto, less the amount previously paid by Owner to Principal or to third parties.

**NOW, THEREFORE**, in consideration of the foregoing, other good and valuable considerations, and the mutual covenants set forth herein, the receipt and sufficiency of all of which are hereby acknowledged, the Parties hereto agree as follows:

1. Recitals. The above Recitals and the following terms and conditions are contractual and not merely recitals.

2. Incorporation of the Bonded Contract. The Bonded Contract, which includes all drawings, specifications, Proposal made by Principal, Instructions to Bidders, Mandatory Contract Provisions, Special Conditions, General Provisions, Technical Specifications, and all addenda and modifications to those documents, and all approved Change Orders and backcharges, is incorporated herein by reference into this Agreement. While the Principal will serve as the General Contractor for the completion of the Remaining Work, for purposes of this Agreement the term "Contractor" as used in the Bonded Contract shall be deemed, after the Effective Date of this Agreement, to refer to the Surety rather than the Principal. Except to the extent modified in this Agreement, Owner shall have all of its rights under the Bonded Contract with respect to Surety, to the same extent and effect as if Surety had executed the Bonded Contract initially as the Contractor instead of Principal.

3. Surety to Perform Remaining Work. Surety agrees to arrange for Principal to perform the Remaining Work in accordance with the terms of the Bonded Contract and this Agreement, and pursuant to and subject to Surety's obligations under the Performance Bond and this Agreement. The Remaining Work shall also include, but shall not be limited to, the work identified on **Exhibit B**, which is attached hereto and incorporated herein by reference. Owner acknowledges and agrees that items 1, 2 and 6 on the attached **Exhibit B** are items that are added to the original scope of work under the Bonded Contract and Owner will issue a change order to Surety for the reasonable price for the performance of the additional work. The Owner further acknowledges that some of the work described in **Exhibit B** has been partially completed. The Owner acknowledges that, as the items listed on **Exhibit B** are performed and accepted by

Owner, it will pay sums due for the related work under the Bonded Contract and in accordance with the terms thereof.

Insofar as Owner has any right, title, or interest in and to any subcontract, purchase order, contract, equipment, materials, inventory, and appurtenances furnished or supplied to Principal for the Bonded Contract, however derived, Owner hereby irrevocably assigns all such rights, title, or interest to Surety and/or agrees that Surety and/or Principal shall have the right to utilize the same without charge. However, nothing in this provision will relieve Surety from the obligation to pay for materials, supplies, equipment or personal property to the extent that such is required by the terms of the Bonded Contract.

Owner and Surety agree to extend the dates for completion of designated milestones pursuant to the revised milestones set forth in **Exhibit A** (the "Revised Completion Milestones"). Surety shall be entitled to further extensions of the Revised Completion Milestones in accordance with the procedures set forth in the Bonded Contract and to the extent provided in the Bonded Contract. Surety acknowledges that, as of the Effective Date, no circumstances exist that would be a proper basis for such further extensions.

Any modifications to the Remaining Work must be addressed by a change order executed in accordance with the Bonded Contract. Surety shall not be responsible for any modifications to the Remaining Work that are not reflected in a change order approved by Owner in accordance with the Bonded Contract. Surety shall not unreasonably withhold approval of any change order submitted.

4. Rights of Surety. By Surety's execution of this Agreement, Owner acknowledges that Surety is acting in its capacity as surety for Principal in making arrangements for the performance and completion of the Remaining Work, and not as a completion contractor, and that Surety is not assuming any obligations or liabilities beyond those set forth in the Bonds or the Bonded Contract or this Agreement. As to the completion of the Remaining Work, Surety is entitled to all rights, title, and interest of Principal in and to the Bonded Contract.

5. Completion by Construction Administrator, Held and Principal. Pursuant to Surety's obligations under the Performance Bond, Surety is making arrangements with the Construction Administrator, Held, and Principal for the performance of the Remaining Work. A copy of the contract between Surety and Held is attached hereto as **Exhibit C** ("Held Contract"). A copy of the contract between Surety and the Construction Administrator is attached hereto as **Exhibit D** ("Administration Agreement").

During the progress of the Remaining Work, Owner shall have the right to deal directly with the Construction Administrator and Held, with the exception that neither the Construction Administrator nor Held shall be authorized, without Surety's prior written approval, to execute or enter into any pay estimates, change orders or extensions or reductions of time, relating to any work within the scope of the Bonded Contract. Surety's representative must execute pay estimates, change orders, and extensions or reductions of time, as may be required under the Bonded Contract, on behalf of Surety. All documents pertaining to pay estimates, progress and

final payments, change orders, extensions or reductions of time, and all other notices shall be sent to the Surety as follows:

**SURETY:**

**Travelers Casualty and Surety Company of America**

c/o Ann Marie Donahue  
Claim Counsel  
Construction Services Claim  
Bond & Specialty Insurance  
1500 Market Street  
29<sup>th</sup> Floor West Tower (Mail Code 1166)  
Philadelphia, PA 19102  
ADONAHU2@travelers.com

**with a copy to:**

**Manier & Herod**

ATTN: Jeffrey S. Price  
2200 One Nashville Place  
150 Fourth Avenue North  
Nashville, TN 37219  
JPrice@manierherod.com

Owner's Engineer, Project Manager, and RPR will work with the Construction Administrator and Held; however, the involvement of the Construction Administrator and Held shall not alter the roles of the Owner's Engineer, Project Manager and RPR in connection with the Project.

Surety is solely responsible for seeing that the Remaining Work is completed by the Revised Completion Milestones and in accordance with the Bonded Contract and this Agreement. In connection with such obligation, Surety shall ensure that:

- a. Principal has adequate equipment and adequate, qualified personnel on site to complete the Remaining Work by the Revised Completion Milestones;
- b. Principal, Construction Administrator, Held and representatives for Surety are onsite for a meeting with Owner and RS&H within) three (3) business days of a missed Revised Completion Milestone to discuss how Surety shall make up time lost;
- c. Principal completes the Remaining Work pursuant to the specifications contained in the Bonded Contract and pursuant to the direction and instruction of the Construction Administrator and Surety;
- d. Held is on the Project site daily to observe and coordinate Principal's work and to attend the Project meetings with RS&H, Principal and Owner;



- e. Construction Administrator is on site no less often than weekly to inspect and evaluate the status and quality of the Remaining Work and, when possible, to attend the Project meetings with Held, RS&H, Principal and Owner;
- f. Surety is available for a conference call and/or site meeting if Owner and/or RS&H believe that Principal's work does not comply with the Bonded Contract or the revised project schedule or that Principal's failure to meet a Revised Completion Milestone is likely.
- g. Owner and RS&H are available for a conference call and/or site meeting if Surety believes that Principal's work is being negatively impacted or delayed by Owner and/or RS&H.

6. Principal's Rights & Obligations. Principal agrees to complete the Remaining Work pursuant to the Bonded Contract and this Agreement under the direction and instruction of Surety, the Construction Administrator, and Held. Principal agrees that David Rifenburg shall not be on site at any time or direct Principal's employees regarding completion of the Remaining Work. Principal shall follow the direction of Surety, Construction Administrator and Held in completion of the Remaining Work. Principal will remain responsible for all warranties under the Bonded Contract, which warranties and related obligations are hereby fully ratified by Principal. Surety acknowledges that its financial responsibility for any warranty obligations under the Bonded Contract shall be the same as if the Bonded Contract and Principal were never terminated by Owner. Principal and Owner acknowledge that there are 269 airfield barricades that belong to Owner being used on the Project, as well as airfield barricades that belong to Principal. Principal will leave all of Owner's airfield barricades on the site during the completion of the Project and upon demobilization from the Project.

7. Contract Sum. Owner and Surety acknowledge that the original Bonded Contract sum was in the amount of \$33,703,095.70 and said amount has not been modified by change order. As of the date of this Agreement, Principal has performed, and Owner has approved and accepted work and billings in the amount of \$9,973,049.61, of which the Principal has been paid \$8,343,589.40 and of which \$997,304.96 is presently held as retainage. Pay Application No. 6 in the amount of \$632,155.25 (as revised by the Owner) was submitted pursuant to the Bonded Contract, and will be paid to Surety upon execution of this Agreement (the "Initial Completion Payment"). Owner and Surety further acknowledge that, since termination of the Bonded Contract, Owner has also paid, with the prior authorization of Surety, \$32,275.00 to a third-party and that such payment shall be a credit to Owner and further reduce the contract balance. Owner further acknowledges that the balance of the contract price (after payment of the Initial Completion Payment) available for completion of the Project, including any retainage, is in the amount of \$24,695,076.05, subject to further increases or decreases in accordance with the provisions of the Bonded Contract (the "Balance of the Contract Price"). Surety and Owner acknowledge that the Bonded Contract is based on unit prices and the final amount of the Bonded Contract and, therefore, the Balance of the Contract Price may be adjusted upon a determination of final unit quantities performed and installed in the Project.

8. Payments to Surety. The Balance of the Contract Price shall be paid to Surety as: (i) Principal completes the Remaining Work in accordance with the amounts and procedures of the Bonded Contract, based on the value of the work in place, or stored, calculated in accordance with the unit and/or lump sum prices set forth in the Bonded Contract, less retainage withheld in accordance with the Bonded Contract; and (ii) in a final payment once the Remaining Work is complete, based on Owner's final review, quantification and acceptance of the Remaining Work, in accordance with the procedures of the Bonded Contract and valued in accordance with the unit and/or lump sum prices set forth in the Bonded Contract. In order to meet Federal Aviation Administration ("FAA") requirements, in all pay applications submitted by the Surety to the Owner, whether for the Remaining Work or any change order, the Surety shall invoice the Owner utilizing the unit prices contained in the Bonded Contract. All payments due to Surety shall be sent payable to Travelers Casualty and Surety Company of America and sent to:

**Travelers Casualty and Surety Company of America**  
c/o Ann Marie Donahue  
Claim Counsel  
Construction Services Claim  
Bond & Specialty Insurance  
1500 Market Street  
29<sup>th</sup> Floor West Tower (Mail Code 1166)  
Philadelphia, PA 19102  
ADONAHU2@travelers.com

Surety asserts a right to the Balance of the Contract Price otherwise due from Owner to Principal and makes such assertion by reason of Surety's rights of subrogation as to Principal and Owner, by reason of its contractual assignment contained in a general agreement of indemnity executed by Principal, and pursuant to the Bonds. Owner agrees that it will not acknowledge or honor any claims or charges against the Balance of the Contract Price by Principal and/or its assignees, successors, creditors or transferees, or of any other party making claim to any of such proceeds or balances, without the consent of Surety.

Surety shall submit to Owner whatever information or documentation is required regarding the performance of the Remaining Work in order to conform with the procedures set forth in the Bonded Contract. Owner recognizes that Surety shall be arranging for completion of the Remaining Work through the services of Principal, Construction Administrator, and Held. Accordingly, Surety authorizes Owner to accept the representations and certifications of Principal, Construction Administrator and/or Held (as appropriate and/or applicable) with respect to all aspects of the work, progress of the work, quality of the work, payments to others, warranty and maintenance of the work, and all other matters pertinent to completion of the Remaining Work, as if those representations had been made by Surety.

9. No Offsets. All payments due to Surety pursuant to this Agreement including, without limitation, progress payments, payments for extra work or work performed pursuant to change orders, retention and final payment, for work on behalf of Surety by Principal, shall be made to Surety unconditionally and without offset including, but not limited to, any offset for

claims: (i) made by Principal's creditors; or (ii) made by parties claiming funds due or that may become due in completion of the Remaining Work.

10. Changes in Remaining Work. Owner reserves the right, to the extent appropriate for completion of the Remaining Work, to issue further change orders. The terms of these change orders, including extensions of time and valuation of the change order work, shall be determined as set forth in the Bonded Contract. Surety reserves the right to refuse to perform work pursuant to additional change orders if such work changes the total Bonded Contract cost or the cost of any major Bonded Contract item by more than 25% (total cost being based on unit prices and estimated quantities in the Bonded Contract). Further, in the event Owner seeks the performance of additional work pursuant to change order(s) which is not subject to valuation by application of the unit and/or lump sum prices set forth in the Bonded Contract, Owner and Surety shall negotiate, in good faith, the appropriate, commercially reasonable value for such work.

11. Waiver of Delay Damages. Owner waives all right to assert damages relating to or arising from the failure to timely complete the Project in accordance with the completion dates set forth in the Bonded Contract including, but not limited to, any damages alleged for lost profits, interest, fees assessed by third-parties, and liquidated damages arising prior to the Revised Completion Milestones ("Delay Damages"). Nothing herein is intended to waive any damages for breach of this Takeover Agreement or for liquidated damages arising due to the failure to meet the Revised Completion Milestones.

12. Additional Payments by Surety. Notwithstanding Section 11 above, Surety agrees to reimburse Owner for the actual out of pocket expenses incurred by Owner due to the termination of Principal under the Bonded Contract, which expenses shall include, but shall not be limited to, additional fees for the services of RS&H, additional fees for the services of Avcon, Inc., legal fees incurred by the Owner, and the additional force account expenses and personnel costs of Owner, accruing until the Remaining Work is completed ("Delay Costs"). Surety's payment for Delay Costs shall not exceed the total sum of \$1,800,000. However, in the event the permanent runway is not reopened in 2018 due to inexcusable delay caused by or attributable to Principal and/or Surety, in accordance with the Revised Completion Milestones, the cap on Delay Costs shall be inapplicable (provided that Surety shall be given a credit for any Delay Costs paid against any claims asserted by Owner). Surety shall then be responsible for the full amount of all Delay Costs, subject to the penal limit of the Performance Bond. Surety shall not be liable for any damages it would not be liable for absent the execution of this Agreement. If, and only if, Owner elects to seek damages in addition to the Delay Costs, Principal and Surety reserve all rights and defenses to any such claim including, any and all claims or counterclaims Surety or Principal may have against the Owner including, but not limited to, the right to recoup the Delay Costs paid by the Surety, if it is determined that Owner would not have been entitled to said payment under the Performance Bond.

13. Penal Limit of Bonds and Payments by Surety. Surety shall be solely responsible for all payments to Principal, Construction Administrator, Held and all subcontractors and suppliers for all labor and materials associated with completion of the Remaining Work. To the

extent that Surety expends such of its own funds as may be necessary to pay for completion of the Remaining Work, any and all costs and expenses paid or incurred by Surety in the course of completing the Remaining Work or in the course of paying those sums owed to subcontractors, materialmen and/or suppliers for labor, materials and equipment furnished after Owner's termination of Principal, shall in no event exceed, and it is hereby expressly limited to, the expenditure of the penal amount of the Performance Bond (\$33,703,095.70), which will be further reduced by all amounts expended by Surety including all expenditures made to complete the Remaining Work or to satisfy Surety's obligations under the Performance Bond. A list of sums already paid by Surety and credited against the penal limit of the Bonds, and a list of those sums the Surety forecasts will be paid by Surety and subsequently credited against the penal limit of the Bonds is attached hereto and incorporated herein by reference collectively as **Exhibit E**. The sums listed on **Exhibit E** are estimates based on the information available to Surety at this time and the amounts listed do not represent a cap of the reduction of the penal limit of the Performance Bond.

14. Effect of the Bonds. The Bonds will remain in full force and effect pursuant to the Bonds' terms and conditions, and nothing provided in this Agreement shall waive any right, defense, or obligation the parties may have pursuant to the Bonds or otherwise, other than as set forth herein. Owner acknowledges that Surety's obligations and performance under this Agreement are pursuant to its obligations under the Bonds, and all payments by Surety for labor and/or materials or for the performance of the Remaining Work are in discharge of Surety's obligations under the Bonds. Acceptance of the Remaining Work by Owner in accordance with the Bonded Contract or expenditures by Surety of the penal limit of the Performance Bond, whichever comes first, shall satisfy Surety's performance obligations under the Performance Bond and this Agreement.

15. Payment Bond. Surety agrees to investigate claims made against the Payment Bond, but shall have the right to settle, compromise, defend, appeal, pay, or dispute such claims as it, in its sole and complete discretion, may deem appropriate. In no event shall Owner withhold any portion of the Balance of the Contract Price on account of claims, liens, suits, or demands by persons or entities furnishing or alleging to have furnished labor and/or materials to the Project; provided, however, that Surety shall defend, indemnify, and hold harmless Owner from any loss which may arise by virtue of such claims, liens, suits, and demands, subject to the penal limit of the Bonds, as reduced by the payments made by Surety pursuant thereto.

16. No Third-Party Rights. Nothing in this Agreement shall be deemed to create any rights in favor of, or to inure to the benefit of, any third party or parties, or to waive or release any defense or limitation against third party claims. The Parties each acknowledge that as of the Effective Date of this Agreement there has been no assignment of rights or obligations under the Performance Bond or Bonded Contract to any third party, and the Parties agree that there will be no assignment of rights or obligations under the Performance Bond, Bonded Contract or this Agreement on or after the Effective Agreement, absent the written authorization of all Parties hereto.

17. No Modification Except in Writing. This Agreement contains the entire understanding and agreement among Surety, Owner and Principal with respect to the subject matter contained herein and may not be modified or amended except in writing and signed by all

Parties. As between Principal and Surety, nothing herein supersedes the separate agreements between Surety and Principal including, but not limited to, that certain Term Sheet and that certain General Agreement of Indemnity neither of which are modified by this Agreement.

18. Surety's Role as Surety and not Completion Contractor. Owner agrees and acknowledges: (i) Surety is entering into this Agreement not as a contractor, but as a means of satisfying Surety's obligations under the Bonds and (ii) that Owner hereby forever releases any and all claims that Surety is an unlicensed contractor. All Parties agree that Owner is not a party to the contract between Surety and Principal for completion of the Remaining Work and Owner shall look only to Surety for ensuring completion of the Remaining Work in accordance with the terms of this Agreement and the Bonded Contract, subject to the penal limit of the Bonds.

19. No Admission of Liability. Without limiting the obligations of the Parties as set forth in this Agreement, this Agreement shall not be deemed or construed as an admission or concession of liability of any kind or nature by Principal, Surety, or Owner.

20. Release from Liability. Principal and Surety hereby release and waive any rights, claims, actions or damages against Owner in anyway related to the Project, and arising or accruing up through the Effective Date of this Agreement, including, but not limited to, Principal's claims for damages, additional compensation and/or for wrongful termination of the Bonded Contract (the "Released Claims"). However, if, and only if, Owner elects to seek damages in addition to the Delay Costs, as described in Paragraph 12 above, then this waiver shall be void and Surety and Principal fully reserve all rights, claims, actions or damages against the Owner and defenses under the Bonds, the Bonded Contract, at law or in equity in relation to the Released Claims or otherwise.

21. Severability. The invalidity or enforceability of any particular provision of this Agreement shall not affect the other provisions of this Agreement and the Agreement shall be construed as if the invalid or unenforceable provisions were omitted.

22. Counterparts. This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be deemed to an original with all the counterparts constituting but one and the same Agreement. The execution of this Agreement by any Parties hereto will not become effective until all the counterparts hereof have been executed by all the Parties.

23. Construction. Owner, Surety, and Principal have been represented by counsel who have mutually participated in the authorship of this Agreement. With this understanding, Owner, Surety, and Principal agree that the rule of construction that a written agreement is construed against the party drafting or preparing such an agreement shall not apply to the interpretation of this Agreement.

24. Governing Law. This agreement, including its interpretation and enforcement, shall be governed by the laws of the State of North Carolina.

25. Additional Actions that May be Required. The Parties shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated hereby.

26. Headings. The headings of this Agreement are inserted for convenience only and shall not control or affect the meaning, construction or effect of this Agreement, or any provisions hereof.

27. Authority. Each of the undersigned persons executing this Agreement represents and warrants that: (a) he or she is fully empowered and duly authorized by all necessary action of the respective Parties to execute and deliver this Agreement; (b) he or she has full capacity, power, and authority to enter into and carry out this Agreement; and (c) this Agreement is the legal, valid, and binding obligation of the respective Parties.

28. FAA Approval. The Parties acknowledge that the FAA must approve this Agreement, and that Owner's execution of this Agreement is not effective until such time as FAA approval has been obtained.

**WHEREFORE**, Surety, Owner, and Principal have executed this Agreement by their authorized representatives.

**[SIGNATURE PAGE TO FOLLOW]**





OWNER:

**GREATER ASHEVILLE REGIONAL AIRPORT  
AUTHORITY**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

SURETY:

**TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA**

BY: Ann Duke

ITS: claim counsel

DATE: 4/3/18

PRINCIPAL:

**CEDAR PEAKS ENTERPRISES, INC.**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

This the \_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Janet Burnette, Finance Officer  
Greater Asheville Regional  
Airport Authority



OWNER:

**GREATER ASHEVILLE REGIONAL AIRPORT  
AUTHORITY**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

SURETY:

**TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA**

BY: Andrew \_\_\_\_\_

ITS: CLAIM COUNSEL \_\_\_\_\_

DATE: April 2, 2018 \_\_\_\_\_

PRINCIPAL:

**CEDAR PEAKS ENTERPRISES, INC.**

BY: Danny \_\_\_\_\_

ITS: President \_\_\_\_\_

DATE: 4/3/18 \_\_\_\_\_

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

This the \_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Janet Burnette, Finance Officer  
Greater Asheville Regional  
Airport Authority

## EXHIBIT A

| Critical Milestone / Schedule  | Liquidated Damages Cost  | Allowed Duration   |
|--|--|--|
| Night Closures   | \$1,000 per 30 minute increment (or portion thereof)   | 12:00 AM – 5:30 AM   |
| Notice of Violation Issued by NCDEQ  | \$2,000 per calendar day from issuance of NOV until NOV is formally lifted by NCDEQ in writing | N/A  |
| August 10, 2018<br><b>Critical Milestone:</b><br>Construction of permanent Runway 17-35 and temporary runway markings to allow NAVAIDs flight inspection activities* | \$2,000 per calendar day   | N/A  |
| November 8, 2018<br><b>Critical Milestone:</b><br>Runway 17-35 Open, ILS Runway 35 Approach Charted  | \$2,000 per calendar day   | N/A  |
| November 16, 2018<br><b>Critical Milestone:</b><br>Runway 17 Glide Slope Facility Complete   | \$2,000 per calendar day   | N/A  |
| January 11, 2019<br><b>Critical Milestone:</b><br>Runway 35 Glide Slope Facility Relocation Complete   | \$2,000 per calendar day   | N/A  |
| Project Completion   | \$2,000 per calendar day   | Volume 2 Work: 234 Calendar Days<br>Volume 3 Work: 194 Calendar Days |
| Project Phases Completion  | \$2,000 per calendar day   | As shown for on contract phasing plans for each phase.               |

## EXHIBIT B

### Additional Work to be Completed as Part of the Remedial Work

- 1) Airport Control Cable - Sheet G-12A
- 2) Drainage improvements on North End - Sheet C-42 & Sheet C-57
  - a. Remove Existing FES
  - b. Remove existing riprap
  - c. Backfill slope
  - d. Seed & mat slope
  - e. Install structures S-44 through s-47
  - f. Demo and re-construct concrete apron in ditch for pipe outfall
- 3) Basin L
  - a. Re-excavate soils
  - b. Remove temporary drainage structures (risers)
  - c. Seal existing pipes abandoned under TW A
  - d. Back fill basin with structural fill
  - e. Back fill around pipe
  - f. Install drainage structures
  - g. Seed & mulch stabilization
- 4) Basin K
  - a. Re-excavate soils
  - b. Remove temporary drainage structures (riser)
  - c. Remove existing pipe abandoned under TW A/ TW P
  - d. Seal existing pipe abandoned under TW A
  - e. Back fill basin with structural fill
  - f. Back fill around pipe
  - g. Install drainage structures
  - h. Seed & mulch stabilization
- 5) TW A/A1/A2/B2
  - a. Mill and replace final lift P-401
  - b. Re-mark TW permanent & Temporary markings
  - c. Temporarily remove TW edge lights
  - d. Finish grade & compact TW shoulders
- 6) FAA MH Adjustment,
  - a. RWY 17 MALSR Threshold MH to be raised to proposed pavement grades
  - b. Sheet C-69 & Sheet C-62 for proposed grades
  - c. Remove box top section and install riser to raise structure

## EXHIBIT C



### Travelers Bond & Specialty Insurance Surety Claim CONSULTANT AGREEMENT

Date: 2/28/2018

Consultant: JS Held, LLC  
Address: 135 W Central Blvd 720  
Orlando FL, 32801  
Contact: Richard Sexton, Vice President

Surety: Travelers Casualty & Surety

Legal Counsel for Surety: Manier & Herod, P.C. ("Counsel")

Principal: Cedar Peaks Enterprise, Inc.  
Obligee: Greater Asheville Regional Airport Authority  
Project(s): New Runway 17-35, Bid Package 4 – Paving, Lighting and Nav aids  
Claim No.: **T1711974**  
Bond No.: 106674877

1. This Consultant Agreement, Exhibits A through F and related attachments, constitutes the formal Agreement between Surety and Consultant to perform services and meet requirements as defined herein.
2. Consultant shall, within 21 calendar days after receipt of this Agreement, submit a written Budget for review and approval by Surety. The budget shall include a breakdown of estimated work hours, travel hours, lodging, mileage, meals and other expenses and anticipated costs associated with Consultant's work on the Project and shall be submitted to Surety in a format similar to that provided as Exhibit E "Consultant Budget Format".
3. The execution and completion of Consultant's anticipated work activities, as briefly defined in Exhibit A "Scope of Work" shall be in accordance with normal and accepted construction industry practices and principles. Consultant shall not assign this work scope or subcontract any part thereof, without prior written consent of Surety.
4. All available documents, records, specifications and key personnel, directly related with the work, will be made accessible to Consultant, as requested.
5. Consultant shall communicate their observations of the Contract Work to Surety verbally, and will provide communications in writing (reports, correspondence,

emails, etc.) if directed by Surety. Consultant's written communications shall be transmitted in a format as approved by Surety. Written communication, if directed and approved by Surety, shall be transmitted to street address(s), email address(s) and/or fax number(s) which are provided in Exhibit C "Project Information". In some instances it may be required that Consultant communicates with Surety, Principal and/or Obligee through Counsel.

6. This assignment shall commence on or about March 5, 2018, and shall be completed with due diligence. It is currently anticipated that the initial assignment will last through December 2018.
7. Surety reserves its right to terminate this agreement upon twenty-four (24) hours verbal notice from Counsel or Surety to Consultant. In such case, Surety shall pay Consultant for time and expenses incurred up through the time of effective termination, for work completed in accordance with normal and accepted construction industry practices and principles. Within forty-eight (48) hours after termination, the consultant shall surrender to Counsel any and all documents, records, reports, work papers, etc. which have been developed and obtained during this assignment, and are considered part thereof.
8. Consultant shall indemnify and hold Surety harmless from any loss, cost or expense, including attorneys' fees, arising from consultant's negligence, fraud, or breach of contract occurring in relation to or arising out of this agreement.
9. Payment for professional services rendered in the performance of this assignment will be on a rate basis, as per the following approved fee schedule. This fee schedule will remain firm for one year. Travel time portal to portal shall be billed and reimbursed at 50% of the approved professional fee rate, and shall not be included in the daily maximum rate. Any proposed modification to the travel time policy described herein must be approved by the surety prior to the commencement of the assignment. Surety will not reimburse professional fees to any interoffice conferences and/or duplication of effort.

APPROVED FEE SCHEDULE

| <u>Consultant</u> | <u>Rate per hour</u> |
|-------------------|----------------------|
| Sexton            | \$170                |
| Field Personnel   | \$155                |

10. Consultant shall adhere to the requirements of Exhibit D "Travelers Guidelines for Consultant Billings and Expense Reimbursement".
11. Reasonable, out-of-pocket costs, expenses, etc. incurred by the consultant will be reimbursed at cost and should not include any markups. Any invoiced in-house office charges as denoted on Exhibit B "Office Costs" will be reimbursed at the not to exceed amount as indicated. All invoices submitted for payment must be accompanied with appropriate backup (i.e. time sheets, material receipts, vouchers greater than \$10.00, etc.), and shall be submitted for approval and payment to the Surety with each billing. ALL INVOICES must be accompanied by the form provided in Exhibit F "Consultant Invoice Reconciliation Form" filled out in it's entirety by the Consultant. Failure to do so will result in the invoice being returned to the Consultant and a delay in payment.
12. STANDARD OF CARE AND WARRANTY: Consulting services provided by Consultant will be performed, findings obtained, and recommendations prepared in accordance with accepted construction industry principles and practices. THIS WARRANTY IS IN ADDITION TO ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED.
13. CERTIFICATE OF INSURANCE: Surety may require consultant to provide proof of insurance coverage under a general liability, professional errors and assignment, or some other instrument. If such is required, Consultant shall submit a copy of the required policy coverage naming Surety as an additional insured, where applicable.
14. RELATIONSHIP: This Agreement creates a relationship and obligations by and between only the Surety, Counsel and Consultant. This Agreement does not in any way establish or intend to establish a relationship or obligations between Consultant and the Oblige, its designers, consultants or other representatives.
15. CONFIDENTIALITY: Consultant agrees that all work product and communications between Consultant and Counsel and/or Surety shall be considered confidential and any such communications, documents, work materials, etc., shall be disclosed by Consultant only at Surety's request, or pursuant to valid order to judicial process from a properly constituted tribunal, court or administrative entity with full power, authority and jurisdiction to so order such disclosure. Consultant agrees to notify Surety IMMEDIATELY of any such demand upon your receipt of same, so that we may oppose same on behalf of Surety and Consultant as confidential material. Surety agrees to provide or pay for legal representation of Consultant in such event Surety opposes disclosure.

3/2/2018

In order to ensure consistent, accurate delivery of company information and compliance with all applicable laws and regulations, no consulting firm is authorized to speak to the media as a representative of Travelers (or in a circumstance in which the consulting firm might be perceived to be acting in a representative capacity) or disseminate Travelers information to the media, including via online social media forums, without prior approval from Counsel and Travelers Corporate Communications department. This includes requests that may come from partner organizations, associations or companies.

16. If the foregoing is in accordance with Consultant's understanding, please execute and return one original to the Surety address and contact person provided in Exhibit C, "Project Information".

CONSULTANT

TRSP

RICHARD SEXTON - VICE PRESIDENT  
Name & Title

Dated: MARCH 2, 2018

SURETY

Ann Donahue

Ann Donahue - Claim Counsel  
Name & Title

Dated: March 2, 2018

**EXHIBIT A**  
**SCOPE OF WORK**

Travelers's Principal, Cedar Peaks Enterprises ("Principal") entered into a Contract with the Greater Asheville Regional Airport Authority ("Obligee") on January 27, 2017 to perform certain paving and runway lighting work in connection with Greater Asheville Regional Airport Authority's New Runway 17-35 Project (Phase 4). Travelers issued a Performance Bond for the Project in the amount of \$33,703,095.70. On or around October 28<sup>th</sup>, 2017, Obligee formally declared the Principal in default of the Contract and called upon Travelers to perform under the Bond. Travelers opted to complete the Project with Cedar Peaks Enterprises as general contractor.

To that end, Travelers is engaging JS Held, LLC to assist in overseeing the work of the Project to completion. Although the schedule for resumption of the work has not yet been finalized, it is anticipated that two (2) 11-hour shifts will be employed, seven days a week. Travelers anticipates, as a minimum, the following tasks will be required:

- Preliminary visit with completing contractor's personnel for familiarization and discussion;
- Review Project documents for familiarity;
- Provide daily full-time observations of the Contract Work;
- Maintain daily reports and logs;
- Assist in preparation of Project correspondence and Project documentation as required at the request of Travelers;
- Attend weekly Project progress meetings;
- Provide verbal and/or written updates to Travelers as circumstances dictate, but not less than weekly;
- Consultant shall be prepared to provide any additional technical assistance, as requested and/or required by Travelers.



**EXHIBIT B**  
**OFFICE COSTS**

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Photocopy:                        | \$0.10 per page   |
| 2. | Mileage:                          | \$0.515 per mile  |
| 3. | Telephone:                        | Actual long distance telephone line charges local telephone charges are reimbursable.               |
| 4. | Postage:                          | Reimbursable, at cost   |
| 5. | Facsimile Charges:                | Reimbursable. The Surety is to be charged only the actual telephone line charge for outgoing faxes. |
| 6. | Federal Express/Express Mail/etc. | At invoiced cost  |
| 7. | Messenger/Courier Services:       | Reimbursable, at cost   |
| 8. | Office Supplies:                  | Non-reimbursable  |
| 9. | Plans / Specifications:           | At invoiced cost  |

3/2/2018

**EXHIBIT C**  
**PROJECT INFORMATION**

**Principal:** Cedar Peaks Enterprise  
**Obligee:** Greater Asheville Regional Airport Authority.

**Project:** New Runway 17-35, Phase 4 – Paving, Lighting and Nav aids  
**Project Address:** 61 Terminal Drive Suite 1  
Fletcher, NC 28732

**Claim No.:** T1711974  
**Bond No.:** 106674877

**Surety:** Travelers Casualty & Surety  
**Surety Contact:** Kevin J. Kreitzer  
**Address:** 1500 Market Street  
West Tower  
Philadelphia, PA 19102  
**Telephone No.:** 267-675-3059  
**Mobile No.:** 267-438-9626  
**Fax No.:** 267-675-3107  
**Email Address:** kkreitze@travelers.com

**Surety Claim Manager:** Ann Marie Donahue  
**Address:** 1500 Market Street  
West Tower  
Philadelphia, PA 19102  
**Telephone No.:** 267-675-3084  
**Mobile No.:** 215-687-8175  
**Fax No.:** 267-675-3107  
**Email Address:** adonahu2@travelers.com

**Legal Counsel for Surety:** Manier & Herod, P.C.  
**Contact:** Jeffrey S. Price  
**Address:** 1201 Demonbreun Street  
Suite 900  
Nashville, TN 37203  
**Telephone No.:** 615-742-9358  
**Email Address:** jprice@manierherod.com

**Principal:**  
**Contact:** Brian Birdsall, P.E.  
**Address:** 2717 Kearney Road  
Wake Forest, NC 27587

3/2/2018

Telephone No.: (919)623-6014  
Email Address: BIRDSALL.CEDARPEAKS@gmail.com

**Obligee:** **Greater Asheville Regional Airport Authority**  
Contact: Michael Reisman, Deputy Executive Director  
Address: 61 Terminal Drive, Suite 1  
Fletcher, NC, 28732  
Telephone No.: 828-654-3253

## EXHIBIT D

### Guidelines for Consultant Billings and Expense Reimbursement

The following guidelines pertain to Consultant expenses, which are or are not considered appropriate for reimbursement:

Air travel is limited to coach class of service. Airport departure taxes paid in connection with the business travel are reimbursable. Excess baggage fees are not reimbursable unless the excess is specifically required for the business equipment. Consultant may retain frequent flier mileage. Airline club memberships are not reimbursable.

Mileage allowance for use of a personal vehicle is as noted in Exhibit B. Incidental expenses (gas, oil, etc.) are not reimbursable; they are factored into the mileage allowance.

Car rentals should be appropriately sized for the number of people to be transported. For 1-2 people, an Intermediate car, or 3-4 people, a Full-Size car. Gas and oil are reimbursable.

Meals are reimbursable in conjunction with overnight stays. Meal expenses cannot be reimbursed when business travel does not require an overnight stay. Spending guidelines are \$45/day. Suggested amounts are breakfast and lunch, \$10 each; dinner, \$25. Beverages are reimbursable only when consumed with meals or directly preceding a meal. Reasonable tips are reimbursable and should be included with the cost of meals on the expense account.

Lodging is reimbursable for a standard room (e.g., non-concierge floor, and suite) Room service is reimbursable, but only at the cost of a normal hotel meal. Mini-bars, health clubs, and movies are not reimbursable. Reasonable tips are reimbursable.

Required attachments to expense billings include:

- Air/train ticket passenger receipts
- Itemized hotel bills marked paid. If not marked paid, submit evidence of payment (e.g., charge card receipt) with the itemized hotel bill
- Car rental agreements
- Original receipts for expenses of \$10 and more

Photography expense, (e.g., film, development, CDs/DVDs) are reimbursable.

Photocopying "in house" is not to exceed \$0.10 a copy. Outside photocopying where necessary is reimbursable at cost.

3/2/2018

Fax transmittals are reimbursable at actual telephone line costs.

No mark up on any expense item is reimbursable.

Any expenses, which are not addressed in the above listing, should be discussed with Surety Contact prior to incurring the expense, if at all possible.

### Consultant Billings

The following principles are to be followed in preparing and submitting an Invoice:

Invoices shall be submitted once each month. ALL INVOICES must be accompanied by the form provided in Exhibit F "Consultant Invoice Reconciliation Form" filled out in its entirety by the Consultant. Failure to do so will result in the invoice being returned to the Consultant and a delay in payment. (Note – This form is an example and may be modified with the approval of the Surety Contact).

Invoices' hourly billings shall be in 1/2 hour increments. Time billed should be recorded contemporaneously with the tasks performed. Time billed should not be reconstructed or "reverse engineered" at the end of the day.

Each task and its associated time must be listed separately on the statement (no standard or block billing).

Individual time sheets (including the time and tasks required for other clients' work) and pre-bills, both handwritten and computer generated, must be retained for at least one year after the closure of the matter. Computer reports of daily, monthly and annual total hours billed by firm personnel must also be retained. Surety reserves the right to conduct audits of the firm's records to assure compliance with these requirements. By accepting assignment of matter, the firm agrees to cooperate with any audit and provide the auditor with access to the above mentioned records.

Surety will not pay for preparation of invoices/billings, secretarial work, word processing, file organization or other overhead costs. Time for individuals assigned to a matter without prior approval by the Surety Contact will not be recompensed. Any reassignment of work must be pre-approved.

No duplicative tasks will be reimbursed. If two or more individuals perform the same task, (e.g., attendance at job meetings) without prior approval of the Surety Contact, the task will be recompensed for only one individual.

**EXHIBIT E**  
**CONSULTANT BUDGET FORMAT**

**Consultant Budget**

**Date:**

**Consultant:**

**Principal:**

**Claim No.:**

**Bond No.:**

**Project:**

| <b><u>Task</u></b>                                | <b><u>Original</u></b> | <b><u>Revisions</u></b> | <b><u>Revised</u></b> |
|---|------------------------|-------------------------|-----------------------|
|   | <b><u>Budget</u></b>   |                         | <b><u>Budget</u></b>  |
| Site Visits, Site Investigations                  |                        |                         |                       |
| Attend Meetings                                   |                        |                         |                       |
| Review of documents                               |                        |                         |                       |
| Prepare Cost To Complete                          |                        |                         |                       |
| Prepare Bid Packages, Relet Projects, Inventories |                        |                         |                       |
| Monitor Project Status, Status Reports            |                        |                         |                       |
| Drawing Analysis                                  |                        |                         |                       |
| Schedule Analysis                                 |                        |                         |                       |
| Payment Bond Claim Analysis, Ratifications        |                        |                         |                       |
| Travel, meals, hotel, telephone, comm.            |                        |                         |                       |
| Fuel for travel, meals, rental                    |                        |                         |                       |
| Duplication                                       |                        |                         |                       |
| <b>TOTALS</b>                                     | <input type="text"/>   | <input type="text"/>    | <input type="text"/>  |

Exhibit F  
Consultant Invoice Reconciliation

**Consultant Invoice Reconciliation**

Consultant: Your Company Name  
Obligee Name: Obligee  
Principal Name: Principal  
Project Name: The Project  
Claim File Number: TXXXXXXXXXX  
Invoice #: 123456789  
Invoice Period through: December 25, 2011

|  |                                     |
|--|-------------------------------------|
| Submitted Consulting Fees:                             | \$100.00                            |
| Submitted Consulting Expenses:                         | \$50.00                             |
| Total Submitted Invoice (A):                           | <hr/> \$150.00                      |
| Previously Submitted and Not Paid Invoice Amounts (B): | \$250.00                            |
| <b>Total Outstanding Amount Due (A+B):</b>             | <hr/> <b><u><u>\$400.00</u></u></b> |
| Total Amount Invoiced to Date:                         | \$1,500.00                          |
| Estimated Budget:                                      | \$6,000.00                          |
| Percent Invoiced to date:                              | 25%                                 |

Comments:

3/2/2018

Cc: Brian Fern  
Ann Marie Donahue  
Kevin Kreitzer  
File



## EXHIBIT D

### CONSTRUCTION ADMINISTRATION AGREEMENT Bid Package 4—Permanent Runway 17-35 Paving, Lighting and NAVAIDs Bond No. 106674877

This Construction Administration Agreement (hereinafter "Agreement") is entered into this \_\_\_\_\_ day of March, 2018 by and between Travelers Casualty & Surety Company of America (hereinafter "Surety"), a corporation organized and existing under the laws of the State of Connecticut, and WK Dickson & Co., Inc. (hereinafter "Construction Administrator"), a corporation organized and existing under the laws of the State of North Carolina \_.

WHEREAS, the Greater Asheville Regional Airport Authority (hereinafter "Obligee" or "Owner") awarded a Contract (hereinafter the "Construction Contract"), for the performance of certain construction work known as Bid Package 4—Permanent Runway 17-35 Paving, Lighting and NAVAIDs (the "Project") to Cedar Peaks Enterprises, Inc. (hereinafter the "Principal" or "Contractor"). As required by the Construction Contract, and pursuant to the request of the Principal, Surety issued a Performance Bond and a Payment Bond with Principal as principal and Owner as obligee in the penal sum of \$33,703,095.70. By letter dated November 7, 2017, Principal was declared in default and subsequently terminated and Owner called upon Surety to perform under the Performance Bond as Surety. Surety has agreed with Owner to complete certain work at the Project (hereinafter the "Remaining Work" or "Work") utilizing Principal. In turn, the Construction Administrator has agreed to administer the completion of the Remaining Work for the Surety subject to the terms and conditions of this Agreement.

WHEREAS, it is the intent of the parties hereto to provide for the prompt and orderly completion of the Construction Contract and the Remaining Work in accordance with the Construction Contract and the Takeover Agreement executed between Surety and Owner.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein and intending to be legally bound thereby, Surety and Construction Administrator agree as follows:

#### ARTICLE I Relationship, Duties and Responsibilities

1.1 The Construction Administrator shall furnish its services in a manner consistent with that degree of skill, effort, care and judgment ordinarily exercised by practicing design professionals performing similar services in the same locality and under the same or similar circumstances and conditions in administering the completion of the Construction Contract. The Construction Administrator makes no other representations or warranties, whether express or implied, with respect to the services rendered hereunder.

1.2 The Construction Administrator shall perform the scope of services set forth in the attached Exhibit A, which are hereafter referred to as the "Services."

1.3 All payments from Owner under the Construction Contract shall be paid directly to Travelers, and Construction Administrator shall not have any responsibility relating to the receipt, processing or distribution of any such payments and shall have no obligation to Principal or any of Principal's subcontractor or suppliers regarding payment for their labor, materials or other services.

1.4 Construction Administrator shall be responsible for preparing weekly progress reports and shall attend and participate in weekly Project status meetings as required under the Construction Contract during the completion of the Project.

1.5 The Construction Administrator shall review Contractor's submittals, shop drawings, requests for information and other administrative paperwork required by the Construction Contract for completeness and compliance with the Construction Contract prior to Surety's review and submission to the Owner.

1.6 The Construction Administrator acknowledges its expertise in construction administration and agrees to work with Surety, Principal, and the Surety's scheduling consultant to monitor the project schedules utilized to complete the Construction Contract. Construction Administrator does not assume any responsibility or liability for any liquidated damages or other delay damages arising from Principal's failure to maintain the Project schedule or meet Project milestones or deadlines.

1.7 In consideration for the performance by the Construction Administrator of its obligations hereunder, Surety agrees to pay the Construction Administrator in accordance with the provisions of this Agreement.

1.8 The Construction Administrator and the Surety acknowledge that this Agreement is solely between the signatory parties and in no way creates or intends to create an agreement with the Owner.

## ARTICLE II Payment

2.1 Surety shall pay the Construction Administrator its "Fee," which is defined as the sum of (i) the actual hours spent and travel expenses incurred and charged at the rates set forth on **Exhibit B** and (ii) a lump sum (the "Lump Sum") intended to compensate the Construction Administrator for its Costs of Services, as defined below. The Fee will be billed by Construction Administrator to Surety on a monthly basis and paid by Surety within thirty (30) days of receipt of the monthly billing. The Lump Sum shall be due and owing to Construction Administrator upon execution of this Agreement by all parties, regardless of whether either party later terminates this Agreement. Notwithstanding the foregoing, Construction Administrator will invoice Surety for the Lump Sum in two equal shares on the first two invoices.

2.2 The term "Cost of the Services" refers to those out-of-pocket costs necessarily incurred by the Construction Administrator in the proper performance of the Services.

ARTICLE III  
Miscellaneous

3.1 Indemnity. To the fullest extent permitted by applicable law, the Construction Administrator shall hold harmless and indemnify Surety for claims by third parties for damage (including purely economic loss) or injury of any nature (including death) to persons and property, to the extent arising out of or related to Construction Administrator's breach of its obligations under this Agreement and/or breach of its obligations relating to the Project.

3.2 Insurance. The Construction Administrator shall obtain, pay for and maintain in full force and effect the insurance coverages and limits set forth below:

|                      |             |   |
|----------------------|-------------|---|
| Employer's Liability | \$1,000,000 | Limit Each Accident   |
|                      | \$1,000,000 | Limit Disease Policy Aggregate  |
|                      | \$1,000,000 | Limit Disease Each Employee   |
| General Liability    | \$2,000,000 | Bodily Injury & Property Damage Liability<br>(Combined Single Limit Each Occurrence<br>and Aggregate) |
| Automobile Liability | \$2,000,000 | Bodily Injury & Property Damage Liability<br>(Combined Single Limit Each Accident)                    |
| Umbrella Liability   | \$5,000,000 | Bodily Injury & Property Damage Liability<br>(Combined Single Limit Each Occurrence<br>and Aggregate) |

The Construction Administrator shall provide Surety with insurance certificates demonstrating coverage complying therewith. The Construction Administrator shall add Surety as an additional insured under all applicable policies (except Workers Compensation and Professional Liability) for the purpose of this Project.

3.3 Termination. This Agreement also may be terminated in whole or in part by either party at any time for convenience, provided the terminating party provides the other party no less than seven (7) calendar days written notice of intent to terminate and an opportunity for consultation prior to termination. Upon receipt of a termination notice, the Construction Administrator shall promptly discontinue all Services (unless the notice directs otherwise) and deliver or otherwise make available to the Surety all data, drawings, specifications, reports, estimates, summaries, and such other information and materials that may have been accumulated by the Construction Administrator related to the Project. The termination of the Agreement for any reason, whether for convenience or for cause, shall not relieve the either party of its responsibilities under the Agreement for the Services performed and materials supplied.

3.4 The Construction Administrator represents to Surety that it has the power and authority to execute, deliver and perform this Agreement, and that this Agreement represents its valid, legal and binding obligation to provide the construction services set forth herein. The Construction Administrator represents that it has the financial and technical capacity and ability to fulfill all of the requirements under this Agreement.

3.5 The Construction Administrator represents that it has reviewed all data made available to it related to this Agreement or the Construction Contract. Construction Administrator shall be entitled to rely, without liability, on the accuracy and completeness of any and all information provided by Surety, Oblige, or either of their consultants and contractors, and information from public records, without the need for independent verification.

3.6 Each of the parties hereto is commercially and legally sophisticated regarding construction contracting. Each has been independently advised by counsel and each has cooperated and participated in the drafting and preparation of this Agreement. Accordingly, the parties hereby acknowledge and agree that this Agreement shall not be construed or interpreted in favor of or against any party by virtue of the identity of any alleged preparer.

3.7 Surety and Construction Administrator agree that all disputes of any kind whatsoever relating directly or indirectly to this Agreement or to its execution by either party, whether such a dispute arises in tort, contract(s) or otherwise, including all statutorily based claims of any kind, may, at the discretion of the parties, be submitted to binding arbitration.

3.8 Surety and Construction Administrator waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement, the Services or the Project. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement.

3.9 Surety and Construction Administrator agree that the services provided pursuant to this Agreement involve risks of liability which cannot be adequately compensated for by the payments Surety will make under this Agreement, and without this limitation of liability, Construction Administrator would not be willing to enter into this Agreement. Therefore, notwithstanding the policy limits of any insurance carried by Construction Administrator, its total cumulative liability for this Project, the Services and this Agreement shall be limited to the coverage provided under Construction Administrator's errors and omissions policy for damages due to its negligent acts, errors, omissions, breach of contract, or any other cause related to or arising from the Services, this Agreement or the Project.

3.10 The parties hereto agree to execute such other documents and to enter into such other agreements as may be reasonably necessary to carry out the terms of this Agreement.

3.11 All notices, or demands hereunder shall be in writing and shall be addressed to the party of such notice or demand at the address set forth herein and such other addresses as such parties shall furnish in writing:

Travelers Casualty & Surety Company of America  
Travelers Bond & Specialty Insurance  
1500 Market Street, West Tower  
Suite 2900  
Philadelphia, PA 19102  
Attention: Kevin J. Kreitzer, Senior Construction Manager  
Copy to: Ann Marie Donahue, Claims Counsel

WK Dickson  
W.K. Dickson & Co., Inc.  
720 Corporate Center Drive  
Raleigh, NC 27607  
Attention: Paul Smith, Vice President  
Copy to: David Peeler, President/CEO

3.12 This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

3.13 The failure of either party hereto to insist upon strict performance of any of the terms or conditions of this Agreement shall not constitute a waiver of any of its rights hereunder.

3.14 The Construction Administrator may not assign any of its rights, obligations or duties hereunder without the prior written consent of Surety.

3.15 This Agreement binds, inures to the benefit of, and is enforceable by and against any successors of either party.

3.16 This Agreement is not intended nor shall it be deemed to confer any rights upon any person or entity other than the parties hereto, including specifically, but without limitation, any obligee under Surety bonds, or any party to the Construction Contracts.

3.17 This agreement may be executed in any number of counterparts, all of which taken together, shall constitute one instrument.

3.18 Any materials, tools, equipment, parts and supplies purchased by Construction Administrator on behalf of Surety during the course of the Services for which the cost thereof is reimbursed by Surety are the property of Surety. The Construction Administrator will assist Surety with any necessary relocation, shipment, sale or disposal of such items.

IN WITNESS WHEREOF, intending to be legally bound, the parties have signed this Agreement on the \_\_ day of March, 2018.

**Construction Administrator**

**Surety**

By: David Peeler

By: \_\_\_\_\_

Its: PRESIDENT/CEO

Its: \_\_\_\_\_

Date: 3-1-18

Date: \_\_\_\_\_

## **Exhibit A – Scope of Work**

### **to CONSTRUCTION ADMINISTRATION AGREEMENT Bid Package 4 – Permanent Runway 17-35 Paving, Lighting and NAVAIDS Bond No. 106674877**

The CONSTRUCTION ADMINISTRATOR shall provide the following services:

1. Make weekly visits to the site to observe as an experienced and qualified professional the progress and quality of the executed work of Contractor(s) and to determine in general if such work is proceeding in accordance with the contract documents. CONSTRUCTION ADMINISTRATOR shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of such work. CONSTRUCTION ADMINISTRATOR shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). CONSTRUCTION ADMINISTRATOR's efforts will be directed toward providing a greater degree of confidence for SURETY that the completed work of Contractor(s) will conform to the contract documents, but CONSTRUCTION ADMINISTRATOR shall not be responsible for the failure of Contractor(s) to perform the work in accordance with the contract documents. During such visits and on the basis of on-site observations, CONSTRUCTION ADMINISTRATOR shall keep SURETY informed of the progress of the work, shall endeavor to guard SURETY against defects and deficiencies in such work and may disapprove or reject work failing to conform to the contract documents.
2. Recommend to SURETY change orders and/or supplemental agreements to the construction contract incidental to existing field conditions or improvements in the project design. Prepare estimates of cost or savings from proposed order(s), prepare change order(s) along with basis for recommendation and negotiate on behalf of SURETY with the Contractor to arrive, if possible, at an appropriate compensation resulting from the proposed revisions. The CONSTRUCTION ADMINISTRATOR is not required by this provision to accomplish extensive design revisions and drawings resulting from a change in project scope or major changes in design concept previously accepted by the SURETY where changes are due to causes beyond the CONSTRUCTION ADMINISTRATOR's control.
3. Advise the SURETY of any needed special services and assist the SURETY in acquisition of such services as appropriate.
4. Based upon CONSTRUCTION ADMINISTRATOR's on site observations as an experienced and qualified professional and on review of applications for payment and the accompanying data and schedules, determine the amounts owing to Contractor(s) and recommend in writing payments to Contractor(s) in such amounts; such recommendations of payment will constitute a representation to SURETY, based on such observation and review, that the work has progressed to the point indicated, that, to the best of CONSTRUCTION ADMINISTRATOR's knowledge, information and belief, the quality of such work is in accordance with the contract documents (subject to an evaluation of such work as a functioning project upon substantial completion, to the results of any subsequent tests called for in the contract documents, and to any qualifications stated in his recommendation),



and that payment of the amount recommended is due Contractor(s); but by recommending any payment CONSTRUCTION ADMINISTRATOR will not thereby be deemed to have represented that continuous or exhaustive examinations have been made by CONSTRUCTION ADMINISTRATOR to check the quality or quantity of the work or to review the means, methods, sequences, techniques or procedures of construction or safety precautions or programs incident thereto or that CONSTRUCTION ADMINISTRATOR has made an examination to ascertain how or for what purposes any Contractor has used the monies paid on account of the contract price, or that title to any of the work, materials or equipment has passed to SURETY free and clear of any lien, claims, security interests or encumbrances, or that Contractor(s) have completed their work exactly in accordance with the contract documents.

5. Conduct an inspection to determine if the Project is substantially complete and a final inspection to determine if the work has been completed in accordance with the contract documents and if each Contractor has fulfilled all of his obligations thereunder so that CONSTRUCTION ADMINISTRATOR may recommend, in writing, final payment to each Contractor and may give written notice to SURETY and the Contractor(s) that the work is acceptable (subject to any conditions therein expressed), but such recommendation and notice shall be subject to the limitations expressed herein.
6. The CONSTRUCTION ADMINISTRATOR shall not be responsible for the acts of omissions of any Contractor, or subcontractor, or any of the Contractor(s) or subcontractor(s)' agents or employees or any other persons (except CONSTRUCTION ADMINISTRATOR's own employees and agents) at the site or otherwise performing any of the contractor(s)' work; however, nothing contained herein shall be construed to release the CONSTRUCTION ADMINISTRATOR from liability for failure to perform properly duties undertaken by the CONSTRUCTION ADMINISTRATOR under this Contract.

**Exhibit B - CONSTRUCTION ADMINISTRATOR AND RATES**

**to CONSTRUCTION ADMINISTRATION AGREEMENT  
Bid Package 4 – Permanent Runway 17-35 Paving, Lighting and NAVAIDS  
Bond No. 106674877**

**PERSONNEL**

|                           |                                    |            |
|---------------------------|------------------------------------|------------|
| Principal                 | Paul Smith, PE<br>David Peeler, PE | \$250/hour |
| Senior Project<br>Manager | Mick Metcalf, PE                   | \$200/hour |
| Admin Support             | Theresa Bill                       | \$65/hour  |

**ESTIMATED FEE**

Based on 30 weeks of service:

|                    |                             |                 |
|--------------------|-----------------------------|-----------------|
| Principal          | 2 hours/week                | \$15,000        |
| Sr Project Manager | 10 hours/week               | \$60,000        |
| Admin Support      | 2 hours/week                | \$3,900         |
|                    | <b>Subtotal - Estimated</b> | <b>\$78,900</b> |
| Expenses (travel)  |                             |                 |
|                    | Mileage                     | \$.545/mile     |
|                    | Meals                       | at cost         |
|                    | <b>Subtotal – Estimated</b> | <b>\$6,000</b>  |
| Cost of Services   | <b>Lump Sum</b>             | <b>\$9,000</b>  |
|                    | <b>Estimated Fee</b>        | <b>\$93,900</b> |

Note: Construction Administrator travel time to be billed at 50% of above rates with the maximum not to exceed 8 hours total (including travel & regular hours) for any individual on any given day without prior approval by the Surety.



**EXHIBIT E**

| <b>Category</b>                                   |    | <b>Amount</b>         |
|---|----|-----------------------|
| CPE Job Cost To Complete<br>(Excluding Equipment) | \$ | 23,223,025.00         |
| WK Dickson & JS Held Budget                       | \$ | 1,200,000.00          |
| Equipment Costs                                   | \$ | 3,300,000.00          |
| Material Supplier Costs (Paid to<br>Date)         | \$ | 2,750,000.00          |
| CPE Overhead and Miscellaneous                    | \$ | 2,250,000.00          |
| Less Contract Balance                             | \$ | (\$ 24,695,076.05)    |
| Max. Delay Costs                                  | \$ | 1,800,000.00          |
| <b>Net</b>  | \$ | <b>\$9,827,948.95</b> |

**G. PA System:** The Director advised the Board that staff did not move forward with the PA system upgrade project that was included in the FY16/17 budget for \$130,000. The funds were rolled over into the FY17/18 budget, however, a consultant has given a full assessment and determined that there are a lot of problems with the wiring. Staff's original estimate for the whole project is low and the project is likely to be in the \$300,000 range. Staff does not want to make a lot of changes to wiring until more information is learned from the terminal assessment study. The Director reported that staff will enter into a new service contract with the current PA system vendor and will also purchase some new pieces that will be able to adapt to the new PA system when it is installed. Staff will delay this project until more decisions are made for the terminal building.

**H. Ground Transportation Update:** The Director reported that the new ground transportation lot became operational in mid-March resulting in reduced congestion on the curb in front of the terminal. Although the airport welcomes and wants TNC's to operate at the airport, the TNC's have elected not to work with the airport's system as they do not want to comply with the badge requirement for their drivers to access the ground transportation lot. The TNC's have an electronic geo-fence system that can report the number of vehicles and trips, however, there is some national concern with under-reporting by 10-15%. The Director reported that he has personally met with Uber and Uber has stated that they have thousands of drivers and do not want to inconvenience the drivers by obtaining a badge to access the ground transportation lot. Uber is proposing staging in the cell phone lot and using the two spots in front of the ground transportation lot for use to pick up passengers. Staff does not feel this is an adequate amount of space, will create congestion and lead to drivers picking up the passengers in front of the terminal. The Director highlighted some of the technology used by the TNC's and reviewed how it could potentially be used in Asheville. Uber also has issue with the pick-up fee and staff is working with Uber to come to an equitable fee arrangement. The Director advised the Board that there is a local TNC operator in Asheville with approximately 70 drivers that operates similar to Uber and Lyft and is willing to operate out of the ground transportation lot. The Director advised the Board that staff will continue discussions with Uber to hopefully reach an agreement.

**I. Passenger Parking:** Staff has received some complaints regarding the lack of available spaces in the long-term surface lot with passengers being forced to park in the parking garage and pay a higher fee. The Director updated the Board on some of the issues and stated that staff is obtaining quotes for electronic car counters to display available parking spaces in the surface lots. Staff will also analyze the parking revenue to see if the cost for the parking garage can be lowered while still supporting bond payments.

**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 May 18, 2018 was not necessary, and therefore cancelled. The next regular meeting of the Authority Board will be held on June 8, 2018.

**CLOSED SESSION:** At 10:03 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 10:50 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 13, 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 MARCH 9, 2018**

**CLOSED SESSION MINUTES:** Ms. Brown moved to approve the minutes for the March 9, 2018 Closed Session, and to seal and withhold the minutes for the March 9, 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.

**ADJOURNMENT**: Mr. Moyer moved to adjourn the meeting at 10:51 a.m. Ms. Brown seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

Robert C. Roberts  
Chair



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item A

Approval of Resolution Accepting Grants

### BACKGROUND

The Federal Aviation Administration (“FAA”) and the North Carolina Division of Aviation (“DOA”) distributes both entitlement and discretionary grants on an annual basis. The grants requests are submitted by staff each year and are a component of the annual budget based on the Greater Asheville Regional Airport Authority’s (“Authority”) capital improvement program. The grants, once awarded, must be accepted by the Authority and the attached resolution will provide the ability to do so.

### ISSUES

None

### ALTERNATIVES

None

### FISCAL IMPACT

The fiscal impact has a direct correlation to the capital improvement program, the initial grant request per project, and the amount of either entitlement or discretionary funds available each year from the FAA or DOA. Any amount not received due to untimely acceptance and signature is detrimental to the Authority.

### RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board approve the attached Resolution.

Attachment

New Business – Item A

# *Greater Asheville Regional Airport Authority*

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## *~ Resolution ~*

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A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR

**WHEREAS**, the Greater Asheville Regional Airport Authority (“Authority”) is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act (“Act”); and

**WHEREAS**, the Authority operates the Asheville Regional Airport (“Airport”); and

**WHEREAS**, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

**WHEREAS**, the Federal Aviation Administration (“FAA”), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

**WHEREAS**, the Airport is eligible for such grants; and

**WHEREAS**, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

**WHEREAS**, the Executive Director recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

**NOW, THEREFORE, BE IT RESOLVED** and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., Executive Director of the Greater Asheville Regional Airport Authority, Michael Reisman, Deputy Executive Director – Development and Operations, the Chair of the Authority, and/or the Vice Chair of the Authority, or any of them or their successors in office (each an “Authorized Officer”) be, and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 8<sup>th</sup> day of June, 2018

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Robert C. Roberts, Chair

Attested by:

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Ellen M. Heywood, Clerk to the Board



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item B

Approval of Contract Award with Guard-One Protective Services for Premium Passenger Check Point Security Lane Services

### BACKGROUND

The Asheville Regional Airport has seen tremendous growth over the past several years which has resulted in record breaking passenger traffic. Because of this growth, the TSA security checkpoint frequently has wait lines in excess of 30 minutes. Staff has met with TSA officials in Washington, DC and our passenger numbers are not quite to the volume that will promulgate a third checkpoint lane. In the interim, the airlines along with Authority staff would like to implement a premium flyer checkpoint lane which will reduce the wait times for the most frequent travelers of the airport. A separate lane will be established and will merge into the document checking station area of TSA's checkpoint. This new lane will require personnel to be positioned at the entrance to the premium passenger lane where boarding passes will be checked for admittance. The airlines do not want to staff this lane with their own personnel so the Authority will contract this service out. Staff received quotes from two companies. The lowest bid was received from Guard-One Protective Services with an hourly billable rate of \$16.37. The initial service for the premium passenger lane is anticipated to be from 4:30am to 5:30pm, seven days per week. Hours will be adjusted in accordance with the airlines schedule. On an annual basis, the contract is estimated to be approximately \$80,000.

### ISSUES

The recently approved amended airlines rates and charges ordinance effective July 1, 2018, has the average cost per enplanement at approximately \$5.92. With the addition of this new service, the cost per enplanement is estimated to increase to approximately \$6.07 which is still below the FY 2018 of \$6.61. To keep the cost per enplanement at or

New Business – Item B



below \$6.00, the Authority would have to either subsidize the expense of this new service or pay for it in total.

## **ALTERNATIVES**

The Board could elect not to move forward with this service; select another service provider; or use Authority staff, which would come at a much higher cost.

## **FISCAL IMPACT**

On an annual basis, it is estimated to cost approximately \$80,000. This will be an unbudgeted expense but there is enough revenue to cover the expenditure. Staff also plans to add this expense to the airline's rate and charges, with an amendment to the Rates and Charges Ordinance. Based on the total number of estimated passengers, the cost will be approximately \$0.15 per enplanement.

## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board (1) approve the contract with Guard-One Protective Services for a premium passenger checkpoint security lane in the amount of \$80,000; and (2) authorize the Executive Director to execute the necessary documents.

Attachment





# Service Agreement

THIS AGREEMENT, made by and between Greater Asheville Regional Airport Authority, hereinafter referred to as the “Client”, and Guard-One Protective Services, hereinafter referred to as “Guard-One” having been duly entered into with an effective date of \_\_\_\_\_. This agreement shall remain in force for a period of one year. This agreement will automatically renew for up to two additional one-year periods unless terminated by either party by giving thirty days notice to the other party.

Whereas, the Client desires that Guard-One furnish personnel for document inspection services at the Asheville Regional Airport, now therefore, in consideration of the terms and conditions contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, both Parties agree as follows:

- 1) During the period of this Agreement, the Client agrees to hire Guard-One and Guard-One agrees to furnish document inspection services as described in attached Addendum and Client agrees to pay Guard-One in accordance with the following rate index:

## Billing and Wage Rates

| <u>Position</u>         | <u>Wage Rate</u>         | <u>Bill Rate</u>        | <u>Premium Rate</u>     |
|-------------------------|--------------------------|-------------------------|-------------------------|
| <b>Security Officer</b> | <b>\$ 12.00 per hour</b> | <b>\$16.37 per hour</b> | <b>\$24.55 per hour</b> |

- All new personnel will receive paid vacation after one year’s service and vacation rate(s) will be direct billed to Client. For all incumbent personnel paid vacation will be paid and billed based on original start date at location.
- All personnel will receive premium pay (time-and-a-half) for all selected Holidays. Client to be billed premium rate by position for all selected Holidays. Selected Holidays (24-hour periods) to include New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
- Premium rate(s) will be billed for all nonscheduled hours of service requested by Client with less than twenty-four (24) hours notification.
- Premium rate(s) will be billed for all overtime hours incurred at the request of the Client.

The above rates shall become effective as of the commencement date listed in Paragraph 2, and shall remain in force for the term period of this Agreement. Thirty (30) days prior to the expiration date of this Agreement, written notice may be provided to either party of the desire to extend, conclude or begin rate negotiations for Agreement renewal. In the absence of such written notice, the Agreement will automatically renew from year to year with a three (3) percent rate increase per year to offset the increased cost of living.

- 2) The services to be furnished to Client by Guard-One shall begin on the \_\_\_\_\_ day of \_\_\_\_\_, 2018 and shall continue during the term as indicated above. This Agreement may be canceled by either party with or without cause in thirty (30) days by delivering written notice of intent to cancel to the office of either party. Delivery shall be accomplished by first class, certified U.S. mail. Guard-One shall be paid for said thirty (30) day period and shall continue to provide services to Client for said thirty (30) days. If Client does not desire to have Guard-One to continue its services during said thirty (30) day period, Guard-One will honor the request, yet still be entitled to payment nonetheless.
- 3) The type and nature of services provided may not be changed without a prior written amendment to the Agreement, executed by both properties. Additional services are available at additional

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- costs. The furnishing of the services to Client shall not be, in any way, construed as a guarantee of protection against any or all contingencies or occurrences that may arise out of, or be connected with, the furnishing of services. It is expressly understood by Client that Guard-One is only providing the number of personnel, unarmed, and hours of service requested by the Client. Guard-One has made no representation that the service requested by Client is reasonably adequate for the Client's purposes. The Client is relying on its own knowledge and examination as to the necessary number and type of personnel required.
- 4) The individuals used to perform such services shall be employees of Guard-One, an independent contractor. The payment of Federal State and /or Common Wealth taxes and wages, less applicable sales taxes, shall be the responsibility of Guard-One, not the Client. Sales tax shall be applied to all invoices where applicable.
  - 5) Contract Comprehensive Liability Insurance and Worker's Compensation Insurance shall be carried to satisfy applicable statutory requirements. It is hereby understood that Guard-One is not an insurer of persons or property guarded. In case a claim is made by any person, entity, or corporation, including Client, against Guard-One, Client shall not be entitled to retain the amount of any such claim or of any monies owed or due to Guard-One under this agreement. Furthermore, if Client is dissatisfied with the quality of services, it may not unilaterally deduct any amount(s) from invoices, but shall be governed by the following: If Client wishes to cancel because of an alleged breach of contract, such right shall only accrue in the event of a material breach. A material breach shall be deemed as one that is continuous, and which Guard-One fails to remedy after reasonable written notice sent by first class certified U.S mail to the company's office. Isolated breaches in performance by individual personnel shall not of itself be grounds for termination of the Agreement. Guard-One must be notified in writing, as above, of said breaches and be given the opportunity to rectify same within three days.
  - 6) If, at the request of Client, a Guard-One employee is assigned duties other than those duties set forth by this Agreement, regulations and guidelines, the Client hereby assumes complete responsibility thereof.
  - 7) Guard-One shall invoice Client weekly and payment is due within thirty (30) days of receipt of the invoice. Invoices shall be deemed correct and accurate, unless notice in writing is given to Guard-One, specifically stating any objections to same, delivered to the office at Guard-One's address via email. Said notice must be given within seven days of receipt of the invoice or it will be deemed waived. Delivery of said notice to our personnel at any place other than our offices shall not be valid. If an objection is taken, the invoice billed shall be paid, unless otherwise agreed and all credits, if any, will be credited toward the next invoice. The only objection to invoices considered valid should be the hours worked, and not as to the quality of the services rendered. No deductions shall be taken for any reason other than those stated herein. The parties to this agreement agree that in the event a dispute should arise to any of the terms of this agreement, the venue for any action shall be in the state of NC. Guard-One shall have the option to terminate services upon twenty-four (24) hour notice for failure to pay invoices when due. Failure to demand payment or remit a timely invoice shall not be deemed as a waiver by Guard-One of any rights it has pursuant to this Agreement.
  - 8) Should a condition arise, which in the Clients consideration, requires a substantial increase in the number of personnel assigned, or degree of services initially estimated, Guard-One should have a reasonable time within which to provide such services. In the event of a strike, walkout, slowdown, work stoppage, or labor dispute or issues by Client's employees or Guard-One employees, whether contrary to a labor agreement or not; Guard-One and Client agree to negotiate a settlement by change in conditions of work or rates charged as set forth in the Paragraph One. Further, if the Federal or State Minimum Wage is raised above the wages set forth in Article One during the term of this Agreement, the Client agrees that the hourly rate per applicable position specified in this Agreement shall increase by an amount equal to the minimum wage increase.
  - 9) Guard-One and Client agree to comply with all applicable Federal, State and Local laws, including:

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- ✓ The Civil Rights Act of 1964 as amended
  - ✓ The Equal Employment Opportunity Clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended, relative to Equal Opportunity Employment, and the implementing Rules and Regulations of the Office of Federal Contract Compliance Programs as incorporated herein by specific reference.
  - ✓ The Affirmative Action Clause in 38 USC Section 2012 of the Vietnam Veterans Readjustment Assistance Act of 1974, relative to Equal Employment Opportunity for the special disabled veteran and veterans of the Vietnam era, is incorporated herein by specific reference.
  - ✓ The affirmative Action Clause in Section 503 of the Rehabilitation Act of 1973, as amended, relative to Equal Opportunity Employment for the handicapped is incorporated herein by specific reference.
- 10) This Agreement, together with all documents incorporated herein physically, or by reference, constitutes the entire Agreement between the Parties, and supersedes all other documents and correspondence.
- 11) Client hereby agrees that both Parties shall not be bound by, or liable for any statement(s), covenant(s), representation(s), promises(s), inducements(s), or understanding(s) not set forth herein. The contents of any and all bids or proposals, including any descriptions, discussions, or exceptions, offered or taken, which are not specifically incorporated herein, are not part of this contract, and shall have no effect of influence upon its interpretation. No amendments or modifications of any of the terms or conditions shall be valid unless reduced to writing and executed by both Parties.

All payments under this Agreement shall be sent to the following address:

Guard-One Protective Services  
20 Mansell Ct. East  
Alpharetta, GA 30076

All other correspondence under this Agreement shall be sent to the same above address to the attention of Robert F. Copeland, President.

Greater Asheville Regional Airport  
Authority

For Guard-One Protective Services

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Address and License Number**



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CHARLES MCCURRY DISTRICT MANAGER**

***ADDENDUM TO CONTRACT WITH THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY***

***IN ADDITION TO THE CONTENTS OF THE ATTACHED CONTRACT, GUARD ONE PROTECTIVE SERVICES WILL PROVIDE ONE UNARMED UNIFORMED OFFICER FOR THE HOURS OF 0430 DAILY UNTIL 1730 OR LATER IF NECESSARY. THE OFFICER WILL BE IN CLASS A UNIFORM AND WILL BE POSTED ADJACANT TO THE PREMIUM PASSENGER CHECKPOINT LANE INSIDE THE TERMINAL TO ASSIST TRAVELERS WITH DIRECTION TO CHECK IN AND ASSIST THOSE WITH SPECIAL BOARDING PASSES AND PRE-BOARD PASSES TO THE APPROPRIATE AREA IN ORDER TO EXPEDITE THE FLOW OF PASSENGERS.***

***THE OFFICER WILL ASSIST PASSENGERS WITH DIRECTIONS WHEN ASKED AND WILL REMAIN WATCHFUL DURING THE DURATION OF THEIR ASSIGNED SHIFT REPORTING ANY UNUSUAL ACTIVITY TO THE APPROPRIATE PERSON IN A TIMELY MANNER.***

***THE OFFICER WILL COMPLETE OTHER ASSIGNED DUTIES AS REQUESTED BY OFFICIALS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY.***



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: June 8, 2018

### **ITEM DESCRIPTION – New Business Item C**

Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport

### **BACKGROUND**

The Authority Board adopted a Schedule of Airline Rates, Fees and Charges for FY2018-2019 at the meeting held on April 13, 2018. As a result of the decision to establish a new premium passenger checkpoint lane and the estimated contract cost to staff this lane, an additional fee should be included in the Airline Rates, Fees and Charges for FY2018-2019 to cover this cost.

Based on anticipated airline passenger traffic for the upcoming year, a fee of \$.15 per enplanement will be needed to cover the cost of this contract.

### **ISSUES**

The Authority's ordinance process requires a public hearing prior to adoption of this new fee.

### **ALTERNATIVES**

The Authority Board could choose to cover some, or all of this fee, thus passing on only a portion, or none of the cost to the airlines.

### **FISCAL IMPACT**

The proposed fee would not increase revenue, but simply cover the additional, unbudgeted cost.

New Business - Item C



## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board (1) consider and approve the proposed Amended Ordinance of Airline Rates, Fees and Charges; (2) schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges; and (3) following the minimum period for public comment and public hearing, adopt the Amended Ordinance of Airline Rates, Fees and Charges for FY2018-2019, at the next regularly scheduled Authority Board meeting which is scheduled for August 10, 2018.

Attachment

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 (1<sup>st</sup>) day of each calendar month.

9.2 On or before the fifteenth (15<sup>th</sup>) 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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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 &amp; 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       |
| <b>Checkpoint Lane Fee (per EP)</b>             |          | <b>\$0.15</b> |
| Turn Fees <sup>1</sup>                          |          |               |
| 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   | <b>\$6.07</b> |

<sup>1</sup> Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives, and

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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 <sup>1</sup>                  | 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.

<sup>1</sup> 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 (Updated June 2018)

**Table 2**

| <b>TERMINAL SPACE (s.f.)</b>                |         | <b>GARAA</b> |         |
|---|---------|--------------|---------|
| <b>(Fiscal Years Ending June 30)</b>        |         |              |         |
|   |         | Budget       | Budget  |
|   |         | 2018         | 2019    |
| <u>Preferential Space:</u> <sup>1</sup>     |         |              |         |
| 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.

<sup>1</sup> Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018)

**Table 3**

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

|                                     |       | Budget      | Budget      |
|-------------------------------------|-------|-------------|-------------|
|                                     |       | 2018        | 2019        |
| <u>Depreciation:</u> <sup>1</sup>   |       |             |             |
| 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%    |
| <br><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  |
| <br><u>Capital Outlay:</u>          |       |           |           |
| Capital Outlay                      | [M]   | \$100,000 | \$100,000 |
| <br><u>By Cost Center (%):</u>      |       |           |           |
| Airfield Area                       | [N]   | 50.0%     | 50.0%     |
| Terminal Building                   | [O]   | 50.0%     | 50.0%     |
| <br><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.

<sup>1</sup> Depreciation is based on the prior year's actual depreciation

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018)

**Table 4**

| <b>OPERATION AND MAINTENANCE EXPENSES</b> |  | <b>GARAA</b> |  |
|---|--|--------------|--|
| (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]   | <u>\$8,868,140</u> | <u>\$8,987,070</u> |
| <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                               |       | <u>100.0%</u>      | <u>100.0%</u>      |
| <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]   | <u>\$8,868,140</u> | <u>\$8,987,070</u> |

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 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 (Updated June 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 (Updated June 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 (Updated June 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 &amp; 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 (Updated June 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 (Updated June 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 (Updated June 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       |
| <b>Checkpoint Lane Fee</b>         |         |             | <b>77,400</b> |
| Deicing Chemicals                  |         | 68,000      | 70,040        |
| Total                              | [A]     | \$2,809,007 | \$3,132,690   |
| Enplaned Passengers                | [B]     | 425,118     | 516,000       |
| Cost Per Enplaned Passenger        | [C=A/B] | \$6.61      | <b>\$6.07</b> |

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 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 <sup>1</sup>                     |                | \$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             |
| <b>Total</b>                                    | <b>[A]</b>     | <b>\$1,834,742</b> | <b>\$1,940,259</b> |
| <b>Total Departures</b>                         | <b>[B]</b>     | <b>6,486</b>       | <b>7,482</b>       |
| <b>Average Per Turn Cost</b>                    | <b>[C=A/B]</b> | <b>\$282.88</b>    | <b>\$259.32</b>    |
| 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.

<sup>1</sup> Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018)



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item D

Approval of New Food Concept Concession and Concession Agreement Amendment with Paradies Lagardere

### BACKGROUND

The Paradies Shops, LLC., (Paradies) entered into the Food and Beverage/Sundries/Vending/Gift Concession Agreement at Asheville Regional Airport back in 2010. With the passenger growth the airport has experienced over the past few years, Paradies is wanting to expand their food offerings and concession space within the terminal building. Paradies would like to add an Auntie Anne's and Cinnabon Café which will offer breakfast items, panini sandwiches, gourmet pretzel hot dogs, bakery treats, as well as their signature fresh pretzels and cinnamon rolls. The new concession space will total approximately 167 square feet and is located at the beginning of Gates 1-3 area. The requested location currently is being used for an artist advertisement. Paradies will have a capital expenditure of not less than \$250,000 for the new space.

### ISSUES

The current agreement requires Paradies to expend a minimum of \$250,000 to refurbish the existing facilities prior to February 28, 2021, for the first five-year renewal option to take effect. Since Paradies is expending a minimum of \$250,000 for the new concession space, Paradies has requested to reduce the refurbishment amount as described in the agreement from \$250,000 to \$125,000 and then expend another \$125,000 prior to the last five-year renewal option in February 28, 2026. Staff agrees with Paradies as long as they keep their leased facilities clean and well maintained throughout the remainder of the agreement term.

New Business – Item D





## **ALTERNATIVES**

The Board could deny Paradies' request for additional concession space, and changes to the refurbishment amounts as condition to the renewal options.

## **FISCAL IMPACT**

There is no direct fiscal impact to the Authority, but additional revenues are anticipated with the new concession concept.

## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board (1) approve the new concession concept and Concession Agreement Amendment to the Food and Beverage/Sundries/Vending/Gift Concession Agreement at Asheville Regional Airport with The Paradies Shops, LLC; and (2) authorize the Executive Director to execute the necessary documents.

Attachment

**AMENDMENT No. 2**

**TO FOOD AND BEVERAGE/SUNDRIES/VENDING/GIFT  
CONCESSION AGREEMENT  
ASHEVILLE REGIONAL AIRPORT**

THIS SECOND AMENDMENT made and entered into this \_\_\_\_ day of June, 2018, by and between THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, f/k/a Asheville Regional Airport Authority, (the "Authority"), and THE PARADIES SHOPS, LLC., a Georgia limited liability company, (the "Company").

W I T N E S S E T H:

WHEREAS, Authority and Company entered into that certain Food and Beverage/Sundries/Vending/Gift Concession Agreement dated December 31, 2010 (the "Concession Agreement"): and

WHEREAS, The Greater Asheville Regional Airport Authority ("GARAA") was created pursuant to Session Law 2012-121 by the General Assembly of North Carolina on June 28, 2012; and

WHEREAS, The Company desires to add additional concession space and food offerings; and

WHEREAS, the parties wish to amend the Concession Agreement as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereby agree that the Concession Agreement be amended, effective upon execution, as follows:

**1. Article 2 – RIGHTS AND PRIVILEGES GRANTED TO COMPANY,  
Paragraph A. Rights and Premises is hereby deleted and replaced with  
the following:**

**A. Rights and Premises.**

1. The Authority hereby grants to Company the non-exclusive right and privilege, and Company hereby assumes the obligation, to rent, occupy, equip, furnish, and maintain the facilities for the operation of food and beverage/sundries/vending/gift services in the Terminal Complex, shown in Exhibit "A" hereto, and in accordance with

the provisions of this Agreement consisting of approximately 7,908 square feet of space as follows:

- a. Landside – approximately 3,244 square feet (Exhibit “A-1”).
- b. Airside - approximately 4,497 square feet (Exhibit “A-2”).
- c. Airside – approximately 167 square feet (Exhibit “A-3”).

2. Authority hereby grants to Company the non-exclusive right and obligation to sell food, non-alcoholic and alcoholic beverages, sundries, and gifts as listed in Exhibit “B” which is attached hereto. While Company may be the primary supplier of food, beverages and retail goods in the Terminal Complex, the same provides no exclusivity or advantage in dealings with Authority for Company. Price parameters for each of the product categories to be offered are listed in Exhibit “B”.

3. Company shall not use or permit the Premises to be used for any purposes other than as described in this Article 2.A. without the prior written approval of the Authority or for any use in violation of any applicable building codes, zoning regulations, municipal, county, state or federal laws, ordinances or regulations.

**2. Article 4, TERM, Paragraph B. Option Term is hereby deleted and replaced with the following:**

**B. Option Term.** If no Event of Default, as defined below, has occurred, and Company has expended a minimum of \$250,000 to expand its Premises with the addition of an Auntie Anne’s and Cinnabon Café or other Authority approved branded concept, Company may extend the term for an additional five-year period, provided however; Company exercises this option before February 28, 2020. Furthermore, Company and the Authority shall agree on a scope of work for Company to refurbish the existing facilities with a capital expenditure to be not less than \$125,000, and the refurbishing completed before February 28, 2021. This Agreement shall automatically be extended for a second five-year period unless either party gives written notice to the other party of its intent not to renew for such additional period at least 180 days prior to the end of the then current term. If the second five-year period is exercised, Company and the Authority shall agree on a scope of work for Company to refurbish the existing facilities with a capital expenditure to be not less than \$125,000, and the refurbishing completed before February 28, 2026. Further, none of the Original Improvements shall be removed by Company unless so directed by Authority. Notwithstanding anything to the contrary elsewhere herein, upon the occurrence of an Event of Default, Authority has absolutely no obligation to pay any sums of any kind to Company and no Original Improvements, as defined below, nor any other Improvement may be removed from the Premises by or for Company nor shall Authority have any obligation to pay for the same.

3. All other terms of this Food and Beverage/Sundries/Vending/Gift Concession Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Amendment to be executed effective as of the day and year first above written.

**THE PARADIES SHOPS, LLC.**

**THE GREATER ASHEVILLE  
REGIONAL AIRPORT AUTHORITY**

BY: \_\_\_\_\_

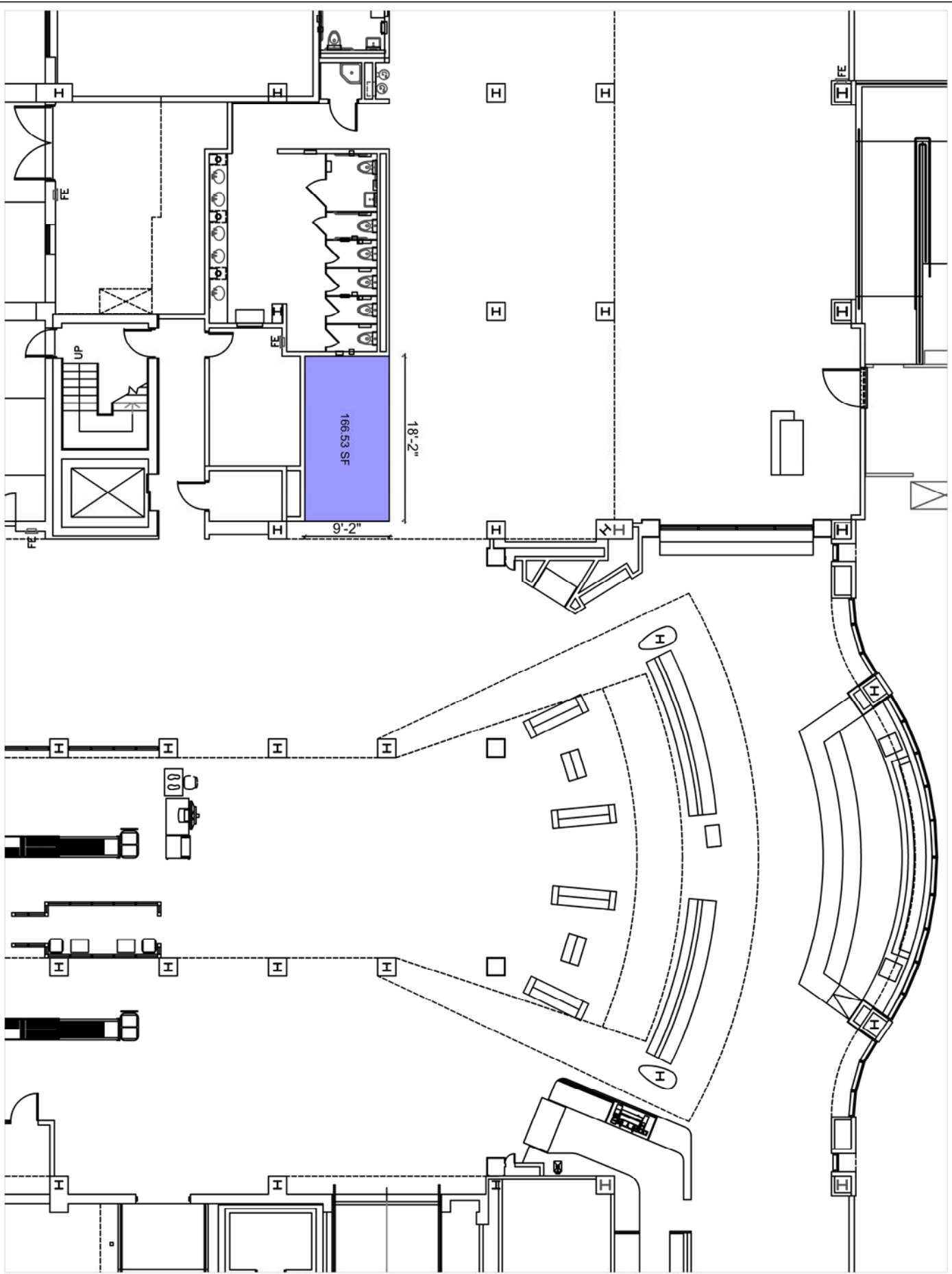
BY: \_\_\_\_\_

NAME: \_\_\_\_\_

Lew Bleiweis, AAE

TITLE: \_\_\_\_\_

Executive Director



5/29/2018



# Asheville Regional Airport

EXHIBIT A-3



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item E

Approval of Revised Administration Policies and Procedures Section 117.00 – Commercial Ground Transportation Regulation.

### BACKGROUND

Section 117.00 of the Administration Policies and Procedures – Commercial Ground Transportation Regulations was most recently revised by the Board at its February 16, 2018 meeting pending commissioning of the new ground transportation pick up lot. Upon the lot's commissioning, TNC/Rideshare companies serving the airport suspended operations in protest to the requirement to operate the same as other commercial ground transportation operators. On-going discussions and negotiations have resulted in an agreement that will end this suspension of service, while ensuring that all ground transportation companies are being treated fair and equitable.

Primary revisions include the flexibility for the Executive Director to establish areas or spaces outside of the Ground Transportation Staging Lot for certain categories of commercial ground transportation operators to utilize, and the inclusion of geo-fencing in the description of revenue control features that may not be circumvented by a driver or company.

### ISSUES

None.

### ALTERNATIVES

None. Authority staff can continue to negotiate other compromises or continue to require TNC/Rideshare companies to operate as previously required.

New Business – Item E



## **FISCAL IMPACT**

There is no expenditure related fiscal impact to the Authority as a result of this action. Separately, revisions to the Authority's Supplemental Fees and Charges are necessary to establish or revise certain permit and per trip fees for TNC/Rideshare commercial ground transportation operators. Also, the Authority intends to enter into an agreement with the American Association of Airport Executives (AAAE) for use of its electronic based services that provide revenue control and payment functions for TNC/Rideshare operations at airports. The cost of this service is five percent of the revenue payments identified through the use of the service, and will be absorbed through the increased ground transportation fees collected from TNC/Rideshare operators.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the revised Administration Policies and Procedures Section 117.00 – Commercial Ground Transportation Regulation.

**OBJECTIVE** To promote and enhance the quality of Commercial Ground Transportation, the public convenience, the safe and efficient movement of passengers and their luggage to and from the Airport.

**METHOD OF OPERATION** It is necessary for the maintenance, operation, regulation and improvement of the Airport that Commercial Ground Transportation be regulated for the safe and efficient use of the Airport's limited space and facilities, particularly the limited space at curbside in front of the Terminal Building; to enhance safety and reduce congestion in front of the Terminal Building; and to make the Airport as self-sustaining as possible. Operational Directive 14 will be updated and used to manage and implement day to day changes and procedures from time to time to meet shifting industry standards.

**Definitions** The following words, terms and phrases shall have the meanings herein given, unless otherwise specifically defined:

**Airline Personnel Transportation Service.** The transportation, on a recurring basis, of airline employees (including but not necessarily limited to pilots and flight attendants) to or from the Airport pursuant to an agreement between an airline and an Operator, whether such agreement is written or oral or a combination thereof.

**Commercial Ground Transportation.** Any and all of the following: the act of providing the carriage of airport users, passengers or luggage in a Commercial Vehicle to or from the Airport, including but not limited to the Terminal Building or the premises of any fixed base operation; the act of using a Private Vehicle to provide Commercial Ground Transportation to or from the Airport for the owner or other person in possession thereof, when such owner or other person is engaging in air travel, and when the Private Vehicle is to be placed in a commercial off-Airport parking lot or facility; the transportation, on a recurring basis, of airline employees (including but not necessarily limited to pilots and flight attendants) to or from the Airport pursuant to an agreement between an airline and an Operator (whether such agreement is written or oral or a combination thereof).

**Commercial Ground Transportation Operator ("Operator").** Any partnership, corporation, limited liability company, enterprise, person, or other entity engaged in any



type or form of Commercial Ground Transportation. (For purposes of gender, the word "it" when used in lieu of the "Operator" in this Policy shall be deemed to also include "he and "she".)

**Commercial Vehicle.** Any vehicle, other than a Private Vehicle, which transports passengers, with their luggage (if any), to or from the Airport, and it includes specifically Courtesy Vehicles, Limousines and Taxicabs; and any vehicle which is used by an Operator for the provision of Airline Personnel Transportation Service or Luggage Transportation Service. Vehicles used by drivers who work for Transportation Network Companies are considered commercial vehicles.

**Courtesy Vehicle.** A Commercial Vehicle of any size, with or without a meter, which is operated by, for, or for the benefit of, on behalf of, or pursuant to any contractual arrangement with a hotel, motel, off-Airport rent-a-car business, camp or off-Airport Parking lot or facility.

**Limousine.** A Commercial Vehicle that carries fifteen or fewer passengers for a fare, not determined by a meter.

**Loading Area.** A parking lot, parking area, or other spaces designated by the Executive Director, or designee for the loading of Commercial Vehicles.

**Luggage Transportation Service.** The transportation, on a recurring basis, of luggage from the Airport pursuant to an agreement between an airline and an Operator, whether such agreement is written or oral or a combination thereof.

**Park or to be Parked.** To put or leave or let a Commercial Vehicle stand or stop in any location on the Airport, whether the driver thereof leaves or remains in such vehicle, when such standing or stopping is in a place other than a parking space in a public parking lot and is not required: by a traffic control device, Executive Director or designee, or conditions beyond the control of the driver; or to enable a passenger, with his or her luggage (if any), to get into or out of such Commercial Vehicle.

**Pre-reservation.** A passenger reservation, accommodation or arrangement for Commercial Ground Transportation made, provided for or arranged prior to the Commercial Vehicle's

entry onto the Airport, or in an authorized staging area by the Authority.

**Private Vehicle.** A vehicle which transports a person or persons to or from the Airport at no charge, either direct or indirect, to such person or persons or to any other person or entity. A vehicle which is operated by, for, or for the benefit of, on behalf of, or pursuant to any contractual arrangement with a hotel, motel, off-Airport rent-a-car business, camp or off-Airport parking lot or facility, and which carries passengers with Pre-reservations is not a Private Vehicle.

**Solicitation.** Either directly or indirectly, actively or passively, and at the Airport, to ask, request, seek or try to obtain a passenger or passengers for Commercial Ground Transportation. Commercial Drivers who are found out of the approved areas without permission, or in an area not authorized by Airport Authority Employees will be deemed solicitation.

**Taxicab.** A Commercial Vehicle that carries fifteen or fewer passengers for a fare, determined by a meter.

**Transportation Network Company (TNC)/Ride Share.** Citizens utilizing a privately owned or leased Motor Vehicle for commercial ground transportation purposes that are dispatched through electronic means by a company App.

**Bidding Option**

The Authority may from time to time request bids for the carriage of passengers, with their luggage (if any), in a Commercial Vehicle to or from the Airport. In addition, the Authority may from time to time enter into an agreement with the successful bidder (Contract Operator) for such specific Commercial Ground Transportation; and in its sole discretion, and without bidding, the Authority may, from time to time, award an agreement to a Contract Operator for such specific Commercial Ground Transportation. No such agreement (whether awarded with or without bidding) shall be exclusive; however, the Airport Authority reserves the right to determine the timing of how and when more than one contract operator is needed and when the service level can be sustained. The Contract Operator's rights are non-exclusive, and the Authority has, and shall continue to have, the absolute right to enter into agreements with third parties for such specific Commercial Ground Transportation, and such agreements may be on the same or different terms than those set forth in any other agreement.

Nothing in an agreement with the Contract Operator or this Policy prohibits or restricts the City of Asheville, the Asheville Transit Authority or any other governmental agency, department or subdivision from providing mass transportation services.

**Loading Areas**

The Loading Area (which shall be designated from time to time by the Executive Director or designee) shall be used by all Commercial Vehicle Operators. Passenger pick-up by Commercial Vehicle Operators is not permitted on the front terminal curbside, except as otherwise authorized by the Executive Director or designee.

Except for Commercial Vehicles of the Contract Operator or except as may be permitted from time to time by a written agreement with the Authority or by the Executive Director or designee, no Commercial Vehicle shall be Parked on the Airport. The Executive Director may establish at his/her sole discretion, designated passenger pickup areas for commercial ground transportation vehicles. Passenger pickup areas may be designated ground transportation pick up lots, areas, or spaces in other locations, and may be specifically designated only for use by certain categories of commercial ground transportation vehicles. No commercial ground transportation vehicle shall drop off or pick up a passenger at the airport without having first made arrangements for the proper payment of all current fees for same, and without utilizing the proper procedures or methods for same, as determined in the sole discretion of the Executive Director or designee, and contained within the Operational Directives of the Asheville Regional Airport. Access cards issued for ingress/egress to designated lots expire at the end of the ground transportation Permit Year and are renewed upon payment and issuance of a ground transportation permit for the ensuing year. Any Commercial Operator, Driver, or both, shall be banned from airport property, and temporarily or permanently restricted or banned from conducting commercial ground transportation activities at the airport, for damaging, circumventing, or sabotaging any and all revenue and access control equipment on the airport, or for circumventing any electronic geo-fence established for the use of the airport by Transportation Network or Rideshare companies.

Commercial Vehicle Operators may drop off passengers at the terminal curbside. The Executive Director may also wave the

permitting requirements for such Operators as seasonal or specific delivery companies at his/her sole discretion if in his judgment it is in the best interest of the Airport Authority.

**Solicitation**

The Operators and the Contract Operator shall not engage in Solicitation.

**Passenger Contact**

When on Airport Property while making contact with a passenger who has a Pre-reservation, an Operator may contact passengers in a manner compliant with current Directives, or as permitted by the Executive Director or Designee. The requirement for making contact is subject to change from time to time by the Executive Director or designee, and is not intended to allow unattended vehicles at any time. Passenger assistance may be granted by a Guest Services Clerk only if arranged in advance by the driver. If the Operator wishes to display a placard or sign to contact such passenger, placard or sign no larger than 12" x 12" is permitted and may only set forth thereon the name of the passenger and/or the name of the passenger's organization, association or company. The name, logo type, emblem or symbol of the passenger's destination may be included on a placard or sign when the Operator also identifies at least the event or name of the individuals they intend to transport and verification of a Pre-reservation can be obtained. Airport Operations, Department of Public Safety, and Airport Management employees shall have the right to restrict the Operator from displaying a placard or sign at their sole discretion and Operational Directive 14 will be the guide of how, where, and when the sign may be displayed. The vehicle operator may not leave their vehicle unattended at any time other than in areas designated by the Executive Director or designee.

**Statement of Information**

Each Operator shall forthwith deliver to the Executive Director or designee at his or her office a written statement verified and acknowledged in writing by an officer of the Operator (if a corporation), member or managing member (if a limited liability company), general partner (if a partnership) or owner, stating the Operator's full legal name, assumed name (if any), street address, mailing address, emergency contact, telephone number and email address and/or facsimile number. Contact information must be kept continuously current and up to date. An updated replacement statement shall be delivered to the Executive Director or designee, no later than July 1<sup>st</sup> of each calendar.

**Commercial  
Vehicle/Driver  
Identification and  
Standards**

All Commercial Vehicles shall be clearly identified by at least the Operator's name, assumed name or logo. Each Operator shall deliver to the Executive Director or designee, at his or her office a written list verified and acknowledged in writing by an officer of the Operator (if a corporation), member or managing member (if a limited liability company), general partner (if a partnership), or owner, stating the license plate number, current insurance certificate in the appropriate amounts, model, year, color and markings (such as a name, logo, telephone number, emergency contact, and so forth) of each Commercial Vehicle. Contact and vehicle information must be kept continuously current and up to date. Vehicle and driver inspections may be conducted from time to time for Taxicab, On-Demand Shared Ride Services, and Transportation Network Companies (TNC) to provide a standard for Commercial Vehicles and drivers. TNC drivers shall be familiar with the requirements of their company and with the Authority prior to entering the boundaries of the Airport, or the driver will be asked to immediately leave the property of the Airport and will not be allowed to return until they are familiar with this information. The Executive Director, or designee shall have the Authority to set standards, or may follow, but not limited to a combination thereof, as may be a best practice of the Airport Ground Transportation Association, Carolinas Parking Association, North Carolina Association of Transportation Regulators, and as set forth in the Recommendations for North American Airport Ground Transportation Standards that are adopted from time to time and is deemed in his sole discretion to be in the Airports best interest. If the Commercial Vehicle is used in the provision of Airline Personnel Transportation Service or Luggage Transportation Service, this list shall also state, with the license plate number, the date on which the annual permit fee (which is referred to below) was paid to the Authority. An updated replacement list shall be delivered to the Executive Director or designee, no later than July 1<sup>st</sup> of each calendar year, or when the access card and/or permit is issued; and if a Commercial Vehicle is obtained or utilized after July 1<sup>st</sup>, the Operator shall forthwith provide to the Executive Director, or designee, at his/her office a written notice thereof, stating the information. The Ground Transportation Staging Lot Access Card and Permit shall both expire at the end of the permit year.

**Violations**

While at the Airport, the Commercial Vehicles and the drivers thereof shall be subject to traffic-control directions by the Executive Director, or designee. The following procedures include a process for violations, fines, and suspensions that

are necessary; however, Airport Management is not limited to these procedures and may temporary or permanently suspend companies, drivers, or both immediately and/or while under appeal as deemed in the best interest of the Airport or traveling public. The Executive Director, or designee may suspend companies, drivers, or both as deemed necessary for the orderly operation of the Airport and for the safety of passengers. The Department of Public Safety, Airport Operations, and Airport Management will continuously monitor for unattended ground transportation vehicles and other violations of Airport Policies and Procedures, and Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded for violations on the Airport, and will provide enforcement to ensure this requirement meets security guidelines as may change from time to time. Further, Public Safety Officers and Authority Management may issue Violation Notices, and fines in accordance with the Authority Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded for violations of this policy.

In the event that an Operator or one of its drivers violates any provision of this policy or the Authority's Rules and Regulations, the Executive Director, or designee, may prohibit the Operator or the driver, or both of them, from entering upon the Airport property to provide Commercial Ground Transportation for a period not exceeding ten (10) days and impose a fine in accordance with the Authority's Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded. In the event that an Operator or one of its drivers violates any provision of this Policy within ninety (90) days of a previous violation, the Executive Director, or designee, may in his or her sole discretion prohibit the Operator or the driver, or both of them, from entering upon the Airport property to provide Commercial Ground Transportation for a period not exceeding thirty (30) days and impose a fine in accordance with Authority's Airport Ordinances No. 201701 Airport Rules and Regulations, as amended or superseded. If after the third offense, the Operator or one of its drivers violates any provision of this policy within the remainder of the permit year, or within one hundred eighty (180) days of the previous violation, the Executive Director may in his or her sole discretion prohibit the Operator or the driver, or both of them, from entering upon the Airport to provide Commercial Ground Transportation for a period not to exceed six (6) months, and impose a fine in accordance with the Authority's Airport Ordinances No. 201701 Airport Rules and Regulations as



amended or superseded. The Operator and the driver will be given the opportunity to appear before the Executive Director at an informal hearing to present information and evidence in opposition to such a prohibition; however, the company, operator, or both may be required to cease operations immediately as instructed by Airport Management at any time during the appeal process. A letter must be sent to the Executive Director by certified mail within five (5) business days stating the reasons for the appeal. The Executive Director will respond to the appeal within thirty (30) days with a final decision. If the Operator or one of its drivers do not request an appeal in writing within five business days, the Operator, driver or both shall immediately cease operation on Airport Property as originally notified by the Executive Director, or Airport Management. (This provision is in addition to, and not in limitation of, the Authority's other rights and remedies.)

**Annual Permit Fee**

An annual permit fee and/or a combination of trip fees consistent with approved rates and charges shall be paid by each Operator which is engaged in the provision of Commercial Ground Transportation, including Airline Personnel Transportation Service, Luggage Transportation Service or any other vehicle engaged in transporting airport passengers with pre-reservations or their luggage. This annual permit fee and trip fees shall be paid to the Authority at the Authority's office in advance and no later than July 1<sup>st</sup> of each Permit Year. This annual permit and trip fees shall be for a period of twelve (12) months, commencing on July 1<sup>st</sup> and ending on June 30<sup>th</sup>. No annual permit fee or portion thereof shall be refundable. If the Operator discontinues such Commercial Ground Transportation or a Commercial Vehicle is no longer utilized, the permit is non-transferable. Should a vehicle be replaced during the permit year, a new permit may be issued at a replacement cost of \$50.00, as well as, lost access cards that is consistent with approved rates and charges. This cost is to cover the administrative time necessary for the replacement, including vehicle inspection. If the permit or card cannot be returned, the full cost must be paid to replace the permit or access card consistent with the rates and charges.

The Authority may from time to time change the amount of the permit fee, or change fee. The Authority may also add other fees such as a trip fee to and/or from the Airport, application fee, or dwell time fee, with due regard to such matters as, for example, the Authority's property and improvements and the costs thereof, and the Authority's

operational and maintenance expenses. Such fees will be consistent with approved rates and charges.

An airline shall forthwith provide to the Authority a copy of any agreement between the airline and an Operator relative to Airline Personnel Transportation Service or Luggage Transportation Service. If the entire agreement is not in written form, the airline shall provide to the Authority a written summary of the agreement, current insurance certificate in the appropriate amounts, the names of the contract parties and sub-contract parties (if any) the term of the agreement, and all consideration from the airline to the Operator by July 1st, or the permit application may be denied.

**Compliance**

The Operators and the Contract Operator shall comply with all Airport Ordinances, Policies and Procedures, Rules and Regulations, applicable laws and regulations of the State of North Carolina and the United States of America and their respective agencies, departments and subdivisions. All fines must be paid and the operator must be in good standing with the Authority, or the permits in effect will be suspended until the operator pays all fines and corrects all deficiencies, including, but not limited to vehicle inspections.

**RIGHT TO AMEND  
POLICY**

The Greater Asheville Regional Airport Authority reserves the right to adopt such amendments to this policy from time to time as it determines is necessary or desirable to reflect current trends of airport activity for the benefit of the public or the operation of the Airport.

**APPROVAL AND  
UPDATE HISTORY**

**Approval**

June 8, 2018

**Supersedes**

February 16, 2018, August 8, 2014, July 1, 2012, June 11, 2010, January 24, 2005, March 15, 2004; September 15, 1997; December 1, 1991; July 16, 1990; September 22, 1986; Enacted, June 23, 1986





## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: June 8, 2018

### **ITEM DESCRIPTION – New Business Item F**

Approval of Amendment to Supplemental Fees and Charges Schedule

### **BACKGROUND**

During our meeting on February 16<sup>th</sup>, the Authority Board approved a Supplemental Fees and Charges Schedule which included a per trip fee in the amount of \$3.50 for Transportation Network Companies (TNCs). Since that time, negotiations have resulted in new fees in the amount of \$2.50 per pick-up, plus .50 per drop-off. This fee schedule is acceptable to the TNCs and, for the convenience of passengers, has been in effect on an interim basis since May 25<sup>th</sup>, awaiting long term action by the Board.

### **ISSUES**

This rate will still result in the necessary revenue to meet budget requirements.

### **ALTERNATIVES**

None recommended.

### **FISCAL IMPACT**

We anticipate a slight adjustment in revenues as a result of this change to our fee structure.



## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) ratify the Executive Director's interim action of amending this fee on May 25, 2018 and (2) approve the amended changes to the FY 2017/2018 Annual Budget Supplemental Fees and Charges Schedule, as well as the FY 2018/2019 Annual Budget Supplemental Fees and Charges Schedule.

Attachment

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
SUPPLEMENTAL FEES AND CHARGES  
FY 2017/2018 ANNUAL BUDGET**

|  | FY 2017/2018<br>Current Fees |        |             | FY 2017/2018<br>Proposed Fees |        |             |
|--|------------------------------|--------|-------------|-------------------------------|--------|-------------|
|  | Cost                         |        | Per         | Cost                          |        | Per         |
| <b><u>Maintenance</u></b>                            |                              |        |             |                               |        |             |
| Scissor Lift   | \$                           | 100.00 | day         | \$                            | 100.00 | day         |
| Large ADA Ramp Rental                                | \$                           | 100.00 | use         | \$                            | 100.00 | use         |
| Air Stair Rental                                     | \$                           | 100.00 | use         | \$                            | 100.00 | use         |
| Volvo Wheel Loader                                   | \$                           | 150.00 | use         | \$                            | 150.00 | use         |
| Fork-lift  | \$                           | 100.00 | use         | \$                            | 100.00 | use         |
| Pallet Jack  | \$                           | 50.00  | use         | \$                            | 50.00  | use         |
| Tenant Sweeper                                       | \$                           | 125.00 | hour        | \$                            | 125.00 | hour        |
| Service Truck  | \$                           | 50.00  | hour        | \$                            | 50.00  | hour        |
| Backhoe  | \$                           | 100.00 | hour        | \$                            | 100.00 | hour        |
| Lighted X  | \$                           | 200.00 | day         | \$                            | 200.00 | day         |
| Light Tower  | \$                           | 150.00 | day         | \$                            | 150.00 | day         |
| Paint Stripper                                       | \$                           | 100.00 | hour        | \$                            | 100.00 | hour        |
| Large Aircraft Removal Dolly                         | \$                           | 200.00 | day         | \$                            | 200.00 | day         |
| Small Aircraft Removal Dolly                         | \$                           | 100.00 | day         | \$                            | 100.00 | day         |
| Aircraft Jack  | \$                           | 100.00 | use         | \$                            | 100.00 | use         |
| Cores  | \$                           | 40.00  | each        | \$                            | 40.00  | each        |
| Keys   | \$                           | 12.00  | each        | \$                            | 12.00  | each        |
| Large Dump Truck                                     | \$                           | 200.00 | hour        | \$                            | 200.00 | hour        |
| Small Broom  | \$                           | 200.00 | hour        | \$                            | 200.00 | hour        |
| Large Broom  | \$                           | 300.00 | hour        | \$                            | 300.00 | hour        |
| Pressure Washer                                      | \$                           | 125.00 | hour        | \$                            | 125.00 | hour        |
| Maintenance Labor Rate (1)                           | \$                           | 45.00  | hour        | \$                            | 45.00  | hour        |
| Security Escort Rate (1)                             | \$                           | 45.00  | hour        | \$                            | 45.00  | hour        |
| <b><u>Department of Public Safety</u></b>            |                              |        |             |                               |        |             |
| ARFF Apparatus for 1500 gal. or greater              | \$                           | 250.00 | hour        | \$                            | 250.00 | hour        |
| ARFF Apparatus for less than 1500 gal.               | \$                           | 150.00 | hour        | \$                            | 150.00 | hour        |
| Command, Police, and Ops support vehicles            | \$                           | 100.00 | hour        | \$                            | 100.00 | hour        |
| Aircraft recover dolly                               | \$                           | 150.00 | day         | \$                            | 150.00 | day         |
| Maintenance Labor Rate (1)                           | \$                           | 45.00  | hour        | \$                            | 45.00  | hour        |
| Mutual Aid Agencies collected on their behalf        |                              |        | as incurred |                               |        | as incurred |
| Replacement charges for AVL equipment/supplies       |                              |        | as incurred |                               |        | as incurred |
| <b><u>Information Technology (IT) Department</u></b> |                              |        |             |                               |        |             |
| IT Labor Rate - Non-Network (1)                      | \$                           | 40.00  | hour        | \$                            | 40.00  | hour        |
| IT Labor Rate - Network Related (1)                  | \$                           | 60.00  | hour        | \$                            | 60.00  | hour        |
| Cable Television (CATV) Signal Transport Fee         | \$                           | 10.00  | month       | \$                            | 10.00  | month       |
| Cable Television-150+ Channels (2 & 3)               | \$                           | 45.00  | month       | \$                            | 45.00  | month       |
| Dark Fiber per strand per 0-1000 ft                  | \$                           | 20.00  | month       | \$                            | 20.00  | month       |
| Dark Fiber per strand per 0-2000 ft                  | \$                           | 22.00  | month       | \$                            | 22.00  | month       |
| Dark Fiber per strand per 0-3000 ft                  | \$                           | 24.00  | month       | \$                            | 24.00  | month       |
| WiFi & SSID (required for WiFi Access) (2)           | \$                           | 70.00  | month       | \$                            | 70.00  | month       |
| Internet Bandwidth-Not Dedicated (2 MB) (2)          | \$                           | 50.00  | month       | \$                            | 50.00  | month       |
| Internet Bandwidth-Not Dedicated (5 MB) (2)          | \$                           | 70.00  | month       | \$                            | 70.00  | month       |
| Internet Bandwidth-Not Dedicated (10 MB) (2)         | \$                           | 125.00 | month       | \$                            | 125.00 | month       |
| Internet Bandwidth-Not Dedicated (15 MB) (2)         | \$                           | 170.00 | month       | \$                            | 170.00 | month       |
| Internet Bandwidth-Not Dedicated (20 MB) (2)         | \$                           | 200.00 | month       | \$                            | 200.00 | month       |
| Telephone Service - Per Telephone Number             | \$                           | 50.00  | month       | \$                            | 50.00  | month       |
| Fax Service - Per Fax Machine/Phone Number           | \$                           | 22.13  | month       | \$                            | 22.13  | month       |
| Cisco IP Phone - Model 7911G                         | \$                           | 5.67   | month       | \$                            | 5.67   | month       |
| Cisco IP Phone - Model 7945G                         | \$                           | 11.57  | month       | \$                            | 11.57  | month       |
| Cisco 1 Port Analog Line Converter-ATA186            | \$                           | 4.86   | month       | \$                            | 4.86   | month       |
| Cisco 2 Port Analog Line Converter-VG202             | \$                           | 22.13  | month       | \$                            | 22.13  | month       |
| AIRIT Shared Use Network Charge - Per Airline        | \$                           | 50.00  | month       | \$                            | 50.00  | month       |

**Notes:**

- (1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.
- (2) Add \$120 for 2 hours of IT Labor for Setup & Configuration. Fees may be reduced when bundled with other services.
- (3) Add additional upgrades at cost.

| <u>Identification Badge Fees and Charges</u> | FY 2017/2018<br>Current Fees |     | FY 2017/2018<br>Proposed Fees |     |
|--|------------------------------|-----|-------------------------------|-----|
|  | Cost                         | Per | Cost                          | Per |
| Initial Badge Issuance                       |                              |     |                               |     |
| SIDA Badge                                   | \$ 70.00                     |     | \$ 70.00                      |     |
| Non-SIDA Badge                               | \$ 37.00                     |     | \$ 37.00                      |     |
| Renewal of Badge                             |                              |     |                               |     |
| SIDA Badge                                   | \$ 70.00                     |     | \$ 70.00                      |     |
| Non-SIDA Badge                               | \$ 37.00                     |     | \$ 37.00                      |     |
| Lost Badge Replacement                       |                              |     |                               |     |
| SIDA Badge (4)                               | \$ 85.00 / \$ 100.00         |     | \$ 85.00 / \$ 100.00          |     |
| Non-SIDA Badge (5)                           | \$ 60.00 / \$ 75.00          |     | \$ 60.00 / \$ 75.00           |     |
| Damaged Badge                                |                              |     |                               |     |
| SIDA Badge (6)                               | \$ 37.00 / \$ 45.00          |     | \$ 37.00 / \$ 45.00           |     |
| Non-SIDA Badge (6)                           | \$ 37.00 / \$ 45.00          |     | \$ 37.00 / \$ 45.00           |     |
| Security Escort Training                     | \$ 25.00                     |     | \$ 25.00                      |     |
| Lock-out Service (7)                         | \$ 25.00                     |     | \$ 25.00                      |     |

**Notes:**

- (4) \$85.00 for the first replacement badge, \$100.00 for the second replacement badge.  
(5) \$60.00 for the first replacement badge, \$75.00 for the second replacement badge.  
(6) \$37.00 for a damaged badge, \$45.00 if badge damaged due to negligence.  
(7) \$25.00 Lock-out Service Charge applies after the first 2 free service calls.

**Parking**

|                              |                |                     |                |             |
|------------------------------|----------------|---------------------|----------------|-------------|
| Long term                    | \$ 1.50        | 0 - 1 hour          |                |             |
|                              | \$ 1.50        | each add'l hour     |                |             |
|                              | \$ 8.00        | day                 |                |             |
|                              | 0 \$ 48.00     | week                |                |             |
| Long term - Surface Lot      |                |                     | \$ 2.00        | hour        |
|                              |                |                     | \$ 9.00        | day         |
|                              |                |                     | \$ 54.00       | week        |
| Parking Garage               |                |                     | \$ 2.00        | hour        |
|                              |                |                     | \$ 13.00       | day         |
|                              |                |                     | \$ 78.00       | week        |
| Short term                   | \$ 1.00        | 1/2 hour (4 hr max) | \$ 1.00        | 1/2 hour    |
|                              | \$ 25.00       | day                 | \$ 20.00       | day         |
| Employee Parking Rate        | \$ 60 / \$50   | new/renewal         | \$ 60 / \$50   | new/renewal |
| Commuter Parking Rate        | \$ 290 / \$275 | new/renewal         | \$ 290 / \$275 | new/renewal |
| Non-Tenant Aviation Commuter |                |                     | \$ 900.00      | annual      |
| Fines                        | up to \$1,000  | day                 | up to \$1,000  | day         |

**Ground Transportation**

|   |          |                  |             |                  |
|---|----------|------------------|-------------|------------------|
| Charter Bus Company (8)                           | \$ 4,000 | annual           | \$ 4,000.00 | annual           |
| Airport Ground Transportation Permit (9)          | \$ 300   | annual           | \$ 50.00    | annual           |
| Airport Ground Transportation Pick-up Fee (9)     |          |                  | \$ 2.50     | per trip         |
| <b>Transp. Network Company (TNC) Pick-up Fee</b>  | \$ 7,500 | annual           | \$ 2.50     | <b>per trip</b>  |
| <b>Transp. Network Company (TNC) Drop-off Fee</b> |          |                  | \$ 0.50     | <b>per trip</b>  |
| Off-Airport Rental Car Fee                        | 7.50%    | of gross revenue | 7.50%       | of gross revenue |

**Notes:**

- (8) Companies with a vehicle fleet inclusive of a minimum of 5 charter coach vehicles with seating capacity greater than 20 seats.  
(9) All Ground Transportation operators except TNCs and charter bus companies

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
SUPPLEMENTAL FEES AND CHARGES  
FY 2018/2019 ANNUAL BUDGET**

|  | FY 2017/2018 |        |             | FY 2018/2019  |        |             |
|--|--------------|--------|-------------|---------------|--------|-------------|
|  | Current Fees |        |             | Proposed Fees |        |             |
|  | Cost         |        | Per         | Cost          |        | Per         |
| <b><u>Maintenance</u></b>                            |              |        |             |               |        |             |
| Scissor Lift   | \$           | 100.00 | day         | \$            | 100.00 | day         |
| Large ADA Ramp Rental                                | \$           | 100.00 | use         | \$            | 100.00 | use         |
| Air Stair Rental                                     | \$           | 100.00 | use         | \$            | 100.00 | use         |
| Volvo Wheel Loader                                   | \$           | 150.00 | use         | \$            | 150.00 | use         |
| Fork-lift  | \$           | 100.00 | use         | \$            | 100.00 | use         |
| Pallet Jack  | \$           | 50.00  | use         | \$            | 50.00  | use         |
| Tenant Sweeper                                       | \$           | 125.00 | hour        | \$            | 125.00 | hour        |
| Service Truck  | \$           | 50.00  | hour        | \$            | 50.00  | hour        |
| Backhoe  | \$           | 100.00 | hour        | \$            | 100.00 | hour        |
| Lighted X  | \$           | 200.00 | day         | \$            | 200.00 | day         |
| Light Tower  | \$           | 150.00 | day         | \$            | 150.00 | day         |
| Paint Stripper                                       | \$           | 100.00 | hour        | \$            | 100.00 | hour        |
| Large Aircraft Removal Dolly                         | \$           | 200.00 | day         | \$            | 200.00 | day         |
| Small Aircraft Removal Dolly                         | \$           | 100.00 | day         | \$            | 100.00 | day         |
| Aircraft Jack  | \$           | 100.00 | use         | \$            | 100.00 | use         |
| Cores  | \$           | 40.00  | each        | \$            | 40.00  | each        |
| Keys   | \$           | 12.00  | each        | \$            | 12.00  | each        |
| Large Dump Truck                                     | \$           | 200.00 | hour        | \$            | 200.00 | hour        |
| Small Broom  | \$           | 200.00 | hour        | \$            | 200.00 | hour        |
| Large Broom  | \$           | 300.00 | hour        | \$            | 300.00 | hour        |
| Pressure Washer                                      | \$           | 125.00 | hour        | \$            | 125.00 | hour        |
| Maintenance Labor Rate (1)                           | \$           | 45.00  | hour        | \$            | 45.00  | hour        |
| Security Escort Rate (1)                             | \$           | 45.00  | hour        | \$            | 45.00  | hour        |
| <b><u>Department of Public Safety</u></b>            |              |        |             |               |        |             |
| ARFF Apparatus for 1500 gal. or greater              | \$           | 250.00 | hour        | \$            | 250.00 | hour        |
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| Internet Bandwidth-Not Dedicated (2 MB) (2)          | \$           | 50.00  | month       | \$            | 50.00  | month       |
| Internet Bandwidth-Not Dedicated (5 MB) (2)          | \$           | 70.00  | month       | \$            | 70.00  | month       |
| Internet Bandwidth-Not Dedicated (10 MB) (2)         | \$           | 125.00 | month       | \$            | 125.00 | month       |
| Internet Bandwidth-Not Dedicated (15 MB) (2)         | \$           | 170.00 | month       | \$            | 170.00 | month       |
| Internet Bandwidth-Not Dedicated (20 MB) (2)         | \$           | 200.00 | month       | \$            | 200.00 | month       |
| Telephone Service - Per Telephone Number             | \$           | 50.00  | month       | \$            | 50.00  | month       |
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| AirIT Shared Use Network Charge - Per Airline        | \$           | 50.00  | month       | \$            | 50.00  | month       |

**Notes:**

- (1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.
- (2) Add \$120 for 2 hours of IT Labor for Setup & Configuration. Fees may be reduced when bundled with other services.
- (3) Add additional upgrades at cost.

| <u>Identification Badge Fees and Charges</u> | FY 2017/2018<br>Current Fees |     | FY 2018/2019<br>Proposed Fees |     |
|--|------------------------------|-----|-------------------------------|-----|
|  | Cost                         | Per | Cost                          | Per |
| Initial Badge Issuance                       |                              |     |                               |     |
| SIDA Badge                                   | \$ 70.00                     |     | \$ 70.00                      |     |
| Non-SIDA Badge                               | \$ 37.00                     |     | \$ 37.00                      |     |
| Renewal of Badge                             |                              |     |                               |     |
| SIDA Badge                                   | \$ 70.00                     |     | \$ 70.00                      |     |
| Non-SIDA Badge                               | \$ 37.00                     |     | \$ 37.00                      |     |
| Lost Badge Replacement                       |                              |     |                               |     |
| SIDA Badge (4)                               | \$ 85.00 / \$ 100.00         |     | \$ 85.00 / \$ 100.00          |     |
| Non-SIDA Badge (5)                           | \$ 60.00 / \$ 75.00          |     | \$ 60.00 / \$ 75.00           |     |
| Damaged Badge                                |                              |     |                               |     |
| SIDA Badge (6)                               | \$ 37.00 / \$ 45.00          |     | \$ 37.00 / \$ 45.00           |     |
| Non-SIDA Badge (6)                           | \$ 37.00 / \$ 45.00          |     | \$ 37.00 / \$ 45.00           |     |
| Security Escort Training                     | \$ 25.00                     |     | \$ 25.00                      |     |
| Lock-out Service (7)                         | \$ 25.00                     |     | \$ 25.00                      |     |

**Notes:**

- (4) \$85.00 for the first replacement badge, \$100.00 for the second replacement badge.  
(5) \$60.00 for the first replacement badge, \$75.00 for the second replacement badge.  
(6) \$37.00 for a damaged badge, \$45.00 if badge damaged due to negligence.  
(7) \$25.00 Lock-out Service Charge applies after the first 2 free service calls.

**Parking**

|                              |                |             |                |             |
|------------------------------|----------------|-------------|----------------|-------------|
| Long term - Surface Lot      | \$ 2.00        | hour        | \$ 2.00        | hour        |
|                              | \$ 9.00        | day         | \$ 9.00        | day         |
|                              | \$ 54.00       | week        | \$ 54.00       | week        |
| Parking Garage               | \$ 2.00        | hour        | \$ 2.00        | hour        |
|                              | \$ 13.00       | day         | \$ 13.00       | day         |
|                              | \$ 78.00       | week        | \$ 78.00       | week        |
| Short term                   | \$ 1.00        | 1/2 hour    | \$ 1.00        | 1/2 hour    |
|                              | \$ 20.00       | day         | \$ 20.00       | day         |
| Employee Parking Rate        | \$ 60 / \$50   | new/renewal | \$ 60 / \$50   | new/renewal |
| Commuter Parking Rate        | \$ 290 / \$275 | new/renewal | \$ 290 / \$275 | new/renewal |
| Non-Tenant Aviation Commuter | \$ 900.00      | annual      | \$ 900.00      | annual      |
| Fines                        | up to \$1,000  | day         | up to \$1,000  | day         |

**Ground Transportation**

|   |             |                  |                |                  |
|---|-------------|------------------|----------------|------------------|
| Charter Bus Company (8)                           | \$ 4,000.00 | annual           | \$ 4,000.00    | annual           |
| Airport Ground Transportation Permit (9)          | \$ 50.00    | annual           | \$ 50.00       | annual           |
| Airport Ground Transportation Pick-up Fee (9)     | \$ 2.50     | per trip         | \$ 2.50        | per trip         |
| <b>Transp. Network Company (TNC) Pick-up Fee</b>  | \$ 3.50     | per trip         | <b>\$ 2.50</b> | per trip         |
| <b>Transp. Network Company (TNC) Drop-off Fee</b> |             |                  | <b>\$ 0.50</b> | <b>per trip</b>  |
| Off-Airport Rental Car Fee                        | 7.50%       | of gross revenue | 7.50%          | of gross revenue |

**Notes:**

- (8) Companies with a vehicle fleet inclusive of a minimum of 5 charter coach vehicles with seating capacity greater than 20 seats.  
(9) All Ground Transportation operators except TNCs and charter bus companies



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: June 8, 2018

### **ITEM DESCRIPTION – New Business Item G**

Approval of Uniform Guidance Procurement Requirements Policy

### **BACKGROUND**

The federal government, through the Uniform Guidance, has issued new procurement requirements. These requirements apply to entities that receive federal funding and who are required to comply with the single audit act. While we already comply with most of these requirements, this policy outlines additional details. These requirements go into effect on July 1, 2018.

### **ISSUES**

None.

### **ALTERNATIVES**

None.

### **FISCAL IMPACT**

No direct fiscal impact.

### **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to approve the new policy for the Uniform Guidance Requirements.

Attachment

New Business - Item G

**OBJECTIVE**

To establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract.

**METHOD OF OPERATION**

**Policy**

- A. **Application of Policy.** This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any subrecipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

- B. **Compliance with Federal Law.** All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The Authority will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should the Authority have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.
- C. **Contract Award.** All contracts shall be awarded only to the lowest responsive responsible bidder



possessing the ability to perform successfully under the terms and conditions of the contract.

- D. **No Evasion.** No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.
- E. **Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
- F. **Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
- G. **Approval and Modification.** The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

**General  
Procurement  
Standards and  
Procedures**

The Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.

- B. Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a “Not to Exceed” amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.
- F. Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate

description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.

- G. Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- H. Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.
- I. Documentation.** Documentation must be maintained by the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.
- J. Cost Estimate.** For all procurements costing \$150,000 or more, the Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

- K. Contract Requirements.** The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this Policy.
- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder's list.
- M. Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.
- O. Geographic Preference.** No contract shall be awarded on the basis of a geographic preference.

**Specific  
Procurement  
Procedures**

The Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

- A. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing less than \$3,500** shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:

  - 1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.

2. To the extent practicable, purchases must be distributed among qualified suppliers.

**B. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing \$3,500 up to \$90,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids.
4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
5. Award the contract to the lowest responsive, responsible bidder.

**C. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a

newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”

4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.

Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

**D. Service Contracts** (except for A/E professional services) **costing \$150,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes

from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.

3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

**E. Construction and repair contracts costing less than \$3,500** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, contracts must be distributed among qualified suppliers.

**F. Construction and repair contracts costing \$3,500 up to \$150,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes

from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.

3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
4. Award the contract on a fixed-price or not-to-exceed basis.
5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

**G. Construction and repair contracts costing \$150,000 up to \$500,000** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.



7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

**H. Construction and repair contracts costing \$500,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be

counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.

7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject any and all bids only for “sound documented reasons.”

**I. Construction or repair contracts involving a building costing \$300,000 and above must comply with the following additional requirements under state law:**

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

**J. Contracts for Architectural and Engineering Services costing under \$150,000 shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:**

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.

3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

**K. Contracts for Architectural and Engineering Services costing \$150,000 or more shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:**

1. Publically advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ

to the maximum extent practical.

7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

### Exceptions

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
- B. Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.

- C. Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
- D. Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
- E. Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

**APPROVAL AND  
UPDATE HISTORY**

**Approval**

June 8, 2018



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item H

Approval of Supplemental Agreement No. 2 to Agreement for Professional Consulting Services with Reynolds, Smith and Hills, Inc. (RS&H)

### BACKGROUND

The Authority entered into an Agreement for professional consulting services with RS&H on September 2, 2008, and Supplemental Agreement No. 1 to this Agreement on December 19, 2012. Supplemental Agreement No. 1 extended the term of the Agreement through the end of the current Airfield Re-development Project, or September 2, 2018, whichever came first. As a result of the delays experienced on this project, and its completion date now expected in 2019, it is necessary to again extend the term of this agreement for the continuation of engineering services beyond the current contract period, until completion of the project.

### ISSUES

None.

### ALTERNATIVES

None.

### FISCAL IMPACT

There is no fiscal impact associated with this action.



## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Supplemental Agreement No. 2 to the Agreement for Professional Consulting Services with Reynolds, Smith and Hills, Inc.; and (2) authorize the Executive Director to execute the necessary documents.

**SUPPLEMENTAL AGREEMENT NO. 2  
TO AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AND  
REYNOLDS, SMITH AND HILLS, INC.**

**THIS SUPPLEMENTAL AGREEMENT NO. 2** (“Supplemental Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by and between **Greater Asheville Regional Airport Authority**, with offices located at 61 Terminal Drive, Suite 1, Fletcher, North Carolina, 28732 (the “CLIENT”), and **RS&H Architects-Engineers-Planners, Inc.**, a North Carolina corporation with offices located at 8008 Corporate Center Drive, Charlotte, North Carolina, 28226 (“RS&H”) (CLIENT and RS&H are collectively referred to as “the Parties”).

**P R E M I S E S**

**WHEREAS**, the Parties entered into an Agreement for Professional Services dated September 2, 2008 (the “Agreement”) whereby the Client retained RS&H to furnish certain services therein described; and

**Whereas**, 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<sup>th</sup>, 2012; and

**Whereas**, the Asheville Regional Airport Authority has assigned the Agreement dated August 26<sup>th</sup>, 2008, with all rights and privileges to Client; and

**Whereas**, the Parties entered into Supplemental Agreement No. 1 to the Agreement on December 19<sup>th</sup>, 2012 for the extension of these services ending on September 2<sup>nd</sup>, 2018, or when all work associated with Program Management and Resident Project Engineering Services for the AVL Airfield Re-development Project were completed, closed out, and no additional billable work remained, whichever came first.

**WHEREAS**, the Client has determined it necessary to amend the Agreement to extend the services for the additional term noted below;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the Parties agree as follows:

1. The term of the Agreement shall be extended until such time as all work associated with Program Management and Resident Project Engineering services for the AVL Airfield Redevelopment Project is completely closed out, and no additional billable work remains. The Scope of Services associated with this extension of the Agreement shall be limited solely to work items directly related to Program Management and Resident Project Engineering services for the AVL Airfield Redevelopment Project.

Except as hereby modified, amended, or changed all of the remaining terms and conditions of the Agreement and Supplemental Agreement No. 1 shall remain in full force and effect.



**IN WITNESS WHEREOF**, the Parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives, under seal, as of the day and year first above written.

**RS&H:**

RS&H Architects-Engineers-Planners, Inc.

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

**CLIENT:**

Greater Asheville Regional Airport Authority

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item I

Approval of Supplemental Agreement No. 2 to Agreement for Professional Consulting Services with Avcon Engineers and Planners, Inc.

### BACKGROUND

The Authority entered into an Agreement for professional consulting services with Avcon on August 26, 2008, and Supplemental Agreement No. 1 to this Agreement on April 26, 2013. Supplemental Agreement No. 1 extended the term of the Agreement through the end of the current Airfield Re-development Project, or August 26, 2018, whichever came first. As a result of the delays experienced on this project, and its completion date now expected in 2019, it is necessary to again extend the term of this agreement for the continuation of engineering services beyond the current contract period, until completion of the project.

### ISSUES

None.

### ALTERNATIVES

None.

### FISCAL IMPACT

There is no fiscal impact associated with this action. Additional expenses associated with the continuation of engineering services are included in a separate action for the Board's consideration.

New Business – Item I



## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Supplemental Agreement No. 2 to the Agreement for Professional Consulting Services with Avcon Engineers and Planners, Inc.; and (2) authorize the Executive Director to execute the necessary documents.

**SUPPLEMENTAL AGREEMENT NO. 2  
TO AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AND  
AVCON ENGINEERS AND PLANNERS, INC.**

**THIS SUPPLEMENTAL AGREEMENT NO. 2** (“Supplemental Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by and between **Greater Asheville Regional Airport Authority**, with offices located at 61 Terminal Drive, Suite 1, Fletcher, North Carolina, 28732 (the “CLIENT”), and **ACVON Engineers-Planners, Inc.**, a corporation with offices located at **8604 Cliff Cameron Drive, Suite 145, Charlotte, NC 28269**.

**P R E M I S E S**

**WHEREAS**, the Parties entered into an Agreement for Professional Services dated August 26th, 2008 (the “Agreement”) whereby the Client retained to furnish certain services therein described; and

**Whereas**, the Parties entered into Supplemental Agreement No. 1 to the Agreement on April 26<sup>th</sup>, 2013 for the extension of these services ending on August 26<sup>th</sup>, 2018, or when all work associated with Engineering Design and Construction Administration Services for the AVL Airfield Re-development Project were completed, closed out, and no additional billable work remained, whichever came first.

**Whereas**, 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<sup>th</sup>, 2012; and

**Whereas**, the Asheville Regional Airport Authority has assigned the Agreement dated August 26<sup>th</sup>, 2008, with all rights and privileges to Client; and

**WHEREAS**, the Client has determined it necessary to amend the Agreement to extend the services for the additional term noted below;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the Parties agree as follows:

1. The term of the Agreement shall be extended until such time as all work associated with Engineering Design and Construction Administration Services for the AVL Airfield Redevelopment Project is completely closed out, and no additional billable work remains. The Scope of Services associated with this extension of the Agreement shall be limited solely to work items directly related to Engineering Design and Construction Administration Services for the AVL Airfield Redevelopment Project.

Except as hereby modified, amended, or changed, all of the remaining terms and conditions of the Agreement and Supplemental Agreement No. 1 shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives, under seal, as of the day and year first above written.

**RS&H:**

AVCON Engineers-Planners, Inc.

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

**CLIENT:**

Greater Asheville Regional Airport Authority

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item J

Approval of Scope of Services No. 19 with Avcon Engineers and Planners, Inc.

### BACKGROUND

The Authority entered into an Agreement for Professional Consulting Services with Avcon Engineers and Planners, Inc. on August 26, 2008. The scope of services included design and engineering services associated with the Airport Re-development Project presently underway. Supplemental Agreement No. 1 to this Agreement was approved and executed on April 26, 2013, and Supplemental Agreement No. 2 is presented for approval today, June 8, 2018 and extends the term of the contract through the end of the project. Expenses associated with Scope of Services No. 19 are the direct result of delays in completion of the BP-4 project, and the termination of the contractor in 2017. Additional work to be performed by Avcon is primarily construction administration services in support of the continuation of the project.

### ISSUES

Action on this item is contingent upon approval of Supplemental Agreement No. 2 to Agreement for Professional Consulting Services with Avcon Engineers and Planners, Inc.

### ALTERNATIVES

None.

### FISCAL IMPACT

The Not to Exceed fee for this work is \$86,653.00. These expenditures are included in the overall damages contained in the agreement for the contractor's surety to complete the project and are reimbursable to the Authority by the surety company.



**RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Scope of Services No. 19 with Avcon Engineers and Planners, Inc.; and (2) to authorize the Executive Director to sign the necessary documents; and (3) to amend the FY2017/2018 budget by adopting the following budget ordinance amendment:

**BE IT ORDAINED** by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2018:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

|                      | <u>Decrease</u> | <u>Increase</u> |
|----------------------|-----------------|-----------------|
| Capital Improvements |                 | \$86,653        |
| Totals               | <u>\$0</u>      | <u>\$86,653</u> |

This will result in a net increase of \$86,653.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

|                          | <u>Decrease</u> | <u>Increase</u> |
|--------------------------|-----------------|-----------------|
| Transfer from GARAA Cash |                 | \$86,653        |
| Totals                   | <u>\$0</u>      | <u>\$86,653</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 8<sup>th</sup> day of June, 2018.

\_\_\_\_\_  
 Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
 Ellen Heywood, Clerk to the Board

**Consultant Scope of Services**

**Greater Asheville Regional Airport Authority**

Scope of Services Number **19** for Professional Consulting Services, as referenced in the Professional Consulting Agreement between the Asheville Regional Airport Authority and **AVCON Engineers & Planners, Inc.**, dated **August 26, 2008**, and by Supplemental Agreement NO.1 dated **April 26, 2013**.

Project: **Airfield Re-Development Program**

The Airfield Re-Development Project at Asheville Regional Airport (AVL) consists of three (3) major components, namely the design and construction of a new parallel taxiway / alternate runway (including site work, paving, lighting, NAVAIDS, and the conversion back to a parallel taxiway following its use as a temporary runway), the design for a shift and reconstruction of Runway 16-34 (including site work, paving, lighting, and NAVAIDS), and the overall resident construction management including full-time inspection, construction administration and QA material testing during construction of all work.

BP4, the element of the overall Airfield Re-Development Project that remains to be completed, includes, in general, the paving and lighting of the new permanent runway, related NAVAIDS, and the conversion project. The completion of the original BP4 Project at Asheville Regional Airport was shut down in late 2017. Subsequent services were provided, and remaining elements of the BP4 Project are now scheduled to be constructed in 2018 and 2019 beyond the original construction schedule completion date.

AVCON has been asked by AVL to continue providing related Construction Administrative Services for the remainder of the BP4 project, beyond its original construction schedule as AVCON has been providing up until the shut down in late 2017.

The scope and fee for this additional construction administrative effort is attached as Exhibit A.

Consultant Team: AVCON, Inc.

Original Schedule: October 10, 2014 through June 30, 2018 (estimated)

Original Project Budget: \$64,000,000 (estimated for entire Airfield Re-Development Program)

Fees: The Lump Sum (LS) Fee for this additional work is \$86,653.00.

**Authority:**

Greater Asheville Regional Airport Authority

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**Consultant:**

AVCON Engineers & Planners, Inc.

By: \_\_\_\_\_  
President

Date: \_\_\_\_\_

This instrument has been pre-audited in the manner required by local government and fiscal control.

\_\_\_\_\_  
Finance Manager  
Attachment: Exhibit A - Scope of Services and Fee



**EXHIBIT A**

**SCOPE OF SERVICES AND FEE**

**CONSTRUCTION ADMINISTRATION SERVICES  
BP4 CONTINUATION AND TIME EXTENSION PROJECT**

## **Greater Asheville Regional Airport Authority**

### **EXHIBIT A**

**for**

### **BP4 CONTINUATION AND TIME EXTENSION**

#### **Airfield Re-Development Project Parallel Taxiway – Alternate Runway**

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#### **Consultant Scope of Services and Fee**

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#### **Overall Project Description - Airfield Re-Development Project**

The Airfield Re-Development Project at Asheville Regional Airport (AVL) consists of three (3) major components, namely the design and construction of a new parallel taxiway / alternate runway (including site work, paving, lighting, NAVAIDS, and the conversion back to a parallel taxiway following its use as a temporary runway), the design for a shift and reconstruction of Runway 16-34 (including site work, paving, lighting, and NAVAIDS), and the overall resident construction management including full-time inspection, construction administration and QA material testing during construction of all work.

BP4, the element of the overall Airfield Re-Development Project that remains to be completed, includes, in general, the paving and lighting of the new permanent runway, related NAVAIDS, and the conversion project.

Background:

The completion of the original BP4 Project at Asheville Regional Airport was shut down in late 2017. Subsequent services were provided, and remaining elements of the BP4 Project are now scheduled to be constructed in 2018 and 2019 beyond the original construction schedule completion date.

AVCON has been asked by AVL to continue providing related Construction Administrative Services for the remainder of the BP4 project, beyond its original construction schedule as AVCON has been providing up until the shut down in late 2017. The services to be provided include:

#### **Services for BP4 Continuation and Time Extension Project**

The continuation of Construction Administrative Phase Services will be handled by AVL's consultant for program/construction management (RS&H). AVCON's role in the continuation of BP4 is to provide the technical support to the program/construction manager regarding the re-packaging the plans, specifications, and construction documents, considering work previously completed by the original BP4 contractor, and as managed and directed by program/construction manager and AVL for use in re-bidding the remaining work, or for use by the Surety in ensuring completion of the project. AVCON's BP4 continuation of Construction Administrative Phase Services include the following:

1. Update construction plans, specifications, quantities, and related documents to reflect construction completed previously, with that updated information generally provided by the program/construction manager, as AVL's full-time representation in the field.
2. Support and assist AVL and program/construction manager during the re-bid phase for the BP4 Continuation and Time Extension Project.
3. Attend one (1) pre-bid meeting at AVL for the Re-Bid of the BP4 Continuation and Time Extension Project and provide any meeting notes to AVL and program/construction manager for incorporation into related addenda.
4. Provide/prepare information to the AVL and program/construction manager for their issuance of subsequent addenda as appropriate to answer questions and address other issues brought up during the re-bid process.

The BP4 Re-Bid Phase will be considered complete upon AVL's award of a construction contract for the BP4 Continuation and Time Extension Project, or the Surety's actions to hire its own contractor or undertake responsibility for the project's completion.

### **Construction Administration Services for BP4 Continuation and Time Extension Project**

In general, the lead for Construction Administration Phase Services will be handled by AVL's consultant for program/construction management. Construction Administration Phase Services Scope Items by AVCON for the BP4 Continuation and Time Extension Project include, but may not necessarily be limited to, the following:

1. Pre-Construction Conference: Prepare for and attend a Pre-Construction Conference led by AVL and program/construction manager for the BP4 Continuation and Time Extension Project. Support and assist AVL and program/construction manager with project information and meeting notes for their issuance of formal meeting notes.
2. Site Visits: At the request of AVL, make visits to the site at intervals of approximately 2 times monthly, or as directed by AVL in order to observe the progress of the work. Such visits and observations by AVCON are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the work based on AVCON's exercise of professional judgment. Based on information obtained during such visits and such observations, AVCON, in cooperation with the program/construction manager and AVL, will determine if Contractor's work is generally proceeding in accordance with the Contract Documents. AVCON shall keep AVL and program/construction manager informed of the general progress of the Work as observed during those site visits.

The purpose of AVCON's visits to the site will be to enable AVCON to better carry out the duties and responsibilities assigned to AVCON during the construction phase by AVL, and, in addition, by the exercise of AVCON's efforts, to provide AVL a greater degree of

confidence that the completed work will conform in general to the Contract Documents and that the integrity of the design concept of the completed project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. AVCON shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall AVCON have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, AVCON neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

3. Recommendations with Respect to Defective Work: Recommend to AVL and program/construction manager that Contractor's work be disapproved and rejected while it is in progress if, on the basis of such observations, AVCON believes that such work will not produce a completed project that conforms generally to Contract Documents or that it will prejudice the integrity of the design concept of the completed project as a functioning whole as indicated in the Contract Documents.
4. Clarifications and Interpretations: Issue necessary clarifications and interpretations of the Contract Documents to AVL and program/construction manager as requested and appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field Orders authorizing variations from the requirements of the Contract Documents will be made by AVL and program/construction manager.
5. Requests for Information (RFIs): AVCON will support and assist AVL and program/construction manager by addressing contractor RFIs (through the program/construction manager) and the interpretation and clarification of details, specifications or notes on the construction drawings that may be needed to allow contractor to continue to progress the work; provide further clarification of the intentions of the plans, details and specifications.
6. Shop Drawings and Samples: AVCON will support and assist AVL and program/construction manager with the review, approval or take other appropriate action in respect to shop drawings and samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
7. Substitutes and "or-equal": AVCON will support and assist AVL and program/construction manager in the evaluation and determination of the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract

Documents, but subject to the provisions of applicable standards of state or local government entities. Per FAA Advisory Circular 150/5370-10F, Standards for Specifying Construction of Airports, GP 60-03 Certification of Compliance, "When it is necessary to specify a material or assembly by "brand name or equal," the technical requirements (performance, testing, quality, or dimensions) must be accurately described in enough detail to ensure a suitable product while not restricting competition unduly."

8. Change Orders: AVCON, when requested, will support and assist AVL and program/construction manager with the review, evaluation and recommendations of change orders submitted by the Contractor.
9. Inspections and Tests: AVCON will support and assist AVL and program/construction manager with the review of field test/inspection reports conducted by others as related to the Contract Documents. AVCON's review of such field test/inspection reports will be for the purpose of determining that the results indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. AVCON shall be entitled to rely on the results of such tests and the facts being submitted.
10. Disagreements between AVL and Contractor: AVCON will support and assist AVL and program/construction manager as necessary, to help them render written decision on all claims of AVL and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In assistance with rendering such decisions, AVCON shall be fair and not show partiality to AVL or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
11. Substantial Completion: AVCON will support and assist AVL and program/construction manager after notice from Contractor that Contractor considers the entire work ready for its intended use; in company with AVL, program/construction manager and Contractor, conduct a site visit to determine if the work is substantially complete.
12. Final Notice of Acceptability of the Work: AVCON will support and assist AVL and program/construction manager with a final site visit to determine if the completed work of Contractor is generally in accordance with the Contract Documents and the final punch list, thereby allowing AVL and program/construction manager to process final payment to Contractor.
13. Record Plans: AVCON will support and assist AVL and program/construction manager by preparing and submitting record plan drawings of the construction project using 'red line markups' of the plans provided by the contractor, through the program/construction manager. It is the contractor's responsibility to maintain current documentation of field changes and use that information in his 'red line markups'.

## **Assumptions**

The following assumptions have been made in the development of this Scope of Services:

- AVL and program/construction manager will be responsible for all resident inspection and quality assurance testing of materials during construction of all construction packages.
- At the request of AVL, it is the intent of AVCON to attend all weekly construction meetings in person at AVL or by phone. It is anticipated that AVCON will attend approximately 33% of the construction meetings in person at AVL.
- At the request of AVL, it is the intent of AVCON to conduct, on average, 2 site visits per month for the duration of construction. These site visits may or may not coincide with weekly construction meetings, with the site visits scheduled and tied to actual construction activities.
- Project drawings will be prepared in AutoCAD 2012 format.

## **Deliverables**

Per Original Agreement.

## **Services Not Included In This Task Order**

Per Original Agreement.

## **Schedule**

The Pre-Construction Meeting for the BP4 Continuation and Time Extension Project was held March 19, 2018 at AVL. It is understood the contract time for this project is 404 consecutive calendar days from Notice to Proceed. This contract amendment will supplement, as required, the scope and remaining fee of the original construction administration task of the original agreement.

| Scope    | POSITION  | Principal   |         | Sr. PROJECT MANAGER |          | PROJECT MANAGER |      | SR. ENGINEER / SR. PLANNER |          | PROJECT ENGINEER |          | DESIGN ENGINEER / PLANNER |       | SENIOR CADD DESIGNER |         | CADD TECH   |         | ADMINISTRATIVE |      | TOTAL       |          |                  |
|----------|---|-------------|---------|---------------------|----------|-----------------|------|----------------------------|----------|------------------|----------|---------------------------|-------|----------------------|---------|-------------|---------|----------------|------|-------------|----------|------------------|
|          | AVCON, INC.   | \$212       |         | \$202               |          | \$160           |      | \$137                      |          | \$110            |          | \$95                      |       | \$90                 |         | \$80        |         | \$65           |      | labor hours | Cost     | Avg. Hourly Rate |
| Task No. | Rate (\$/Hour)  | labor hours | Cost    | labor hours         | Cost     | labor hours     | Cost | labor hours                | Cost     | labor hours      | Cost     | labor hours               | Cost  | labor hours          | Cost    | labor hours | Cost    | labor hours    | Cost | labor hours | Cost     | Avg. Hourly Rate |
|          | Construction period = 404 days for BP4 Re-Bid and Time Extension  |             |         |                     |          |                 |      |                            |          |                  |          |                           |       |                      |         |             |         |                |      |             |          |                  |
| 1        | Re-Bid Process  | 1           | \$212   | 33                  | \$6,666  |                 |      | 1                          | \$137    | 51               | \$5,610  | 2                         | \$190 | 1                    | \$90    |             |         | 1              | \$65 | 90          | \$12,970 | \$144            |
| 2        | Pri-Construction Conference   |             | \$0     | 8                   | \$1,616  | 0               | \$0  | 0                          | \$0      | 8                | \$880    |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 16          | \$2,496  | \$156            |
| 3        | Site Visits (say 2 per month....say 9 months for 18 total; assume 50%...so 9 visits under this amendment                                      | 12          | \$2,544 | 66                  | \$13,332 | 0               | \$0  | 0                          | \$0      | 8                | \$880    |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 86          | \$16,756 | \$195            |
| 4        | Weekly Construction Meetings and/or Call-ins (say 12 meetings and 24 call-ins) assume 50%...so 6 meetings and 6 call-ins under this amendment | 10          | \$2,120 | 50                  | \$10,100 | 0               | \$0  | 0                          | \$0      | 12               | \$1,320  |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 72          | \$13,540 | \$188            |
| 5        | Recommendations with Respect to Defective Work  |             | \$0     | 8                   | \$1,616  | 0               | \$0  | 0                          | \$0      | 0                | \$0      |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 8           | \$1,616  | \$202            |
| 6        | Clarifications and Interpretations  |             | \$0     | 16                  | \$3,232  | 0               | \$0  | 0                          | \$0      | 24               | \$2,640  |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 40          | \$5,872  | \$147            |
| 7        | Requests for Information (RFIs)   |             | \$0     | 16                  | \$3,232  | 0               | \$0  | 40                         | \$5,480  | 40               | \$4,400  |                           | \$0   |                      | \$0     | 16          | \$1,280 |                | \$0  | 112         | \$14,352 | \$129            |
| 8        | Shop Drawings and Samples   |             | \$0     |                     | \$0      | 0               | \$0  | 24                         | \$3,288  | 16               | \$1,760  |                           | \$0   | 16                   | \$1,440 |             | \$0     |                | \$0  | 56          | \$8,488  | \$116            |
| 9        | Substitutes and "Or-Equal"  |             | \$0     |                     | \$0      | 0               | \$0  | 8                          | \$1,096  | 0                | \$0      |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 8           | \$1,096  | \$137            |
| 10       | Charge Orders   |             | \$0     | 8                   | \$1,616  | 0               | \$0  | 0                          | \$0      | 16               | \$1,760  |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 24          | \$3,376  | \$141            |
| 11       | Inspections and Tests   |             | \$0     | 4                   | \$808    |                 | \$0  | 8                          | \$1,096  | 8                | \$880    |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 20          | \$2,784  | \$139            |
| 12       | Disagreements between AVL and Contractor  |             | \$0     | 8                   | \$1,616  |                 | \$0  | 0                          | \$0      | 0                | \$0      |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 8           | \$1,616  | \$202            |
| 13       | Substantial Completion (1 visit)  |             | \$0     | 0                   | \$0      | 0               | \$0  | 0                          | \$0      | 0                | \$0      |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 0           | \$0      | #DIV/0!          |
| 14       | Final Notice of Acceptability of the Work   |             | \$0     | 0                   | \$0      |                 | \$0  | 0                          | \$0      | 0                | \$0      |                           | \$0   |                      | \$0     |             | \$0     |                | \$0  | 0           | \$0      | #DIV/0!          |
| 15       | Record Plans  |             | \$0     |                     | \$0      |                 | \$0  | 0                          | \$0      | 0                | \$0      |                           | \$0   | 0                    | \$0     | 0           | \$0     |                | \$0  | 0           | \$0      | #DIV/0!          |
|          | Direct Reimbursable Expenses (from Add'l Direct Exp)  |             |         |                     |          |                 |      |                            |          |                  |          |                           |       |                      |         |             |         |                |      |             | \$3,651  |                  |
|          | TOTAL LUMP SUM FEE:   | 23          | \$4,876 | 217                 | \$43,834 | 0               | \$0  | 81                         | \$11,097 | 183              | \$20,130 | 2                         | \$190 | 17                   | \$1,530 | 16          | \$1,280 | 1              | \$65 | 640         | \$86,653 | \$160            |







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## MEMORANDUM

TO: Members of the Airport Authority

FROM: M. Kevan Smith, Public Safety Chief

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item K

Approval of Public Safety Body-Worn Camera (BWC) Policy

### BACKGROUND

Various incidents in the United States over the last few years involving negative police officer interaction with the public have drawn increased attention for law enforcement officers to wear body-worn cameras to record public interactions. Complaints of excessive force, rudeness, and poor customer service have been brought to light on video both exonerating and confirming officer misconduct complaints. In 2014 the Police Executive Research Forum, with support from the US Department of Justice's Office of Community Oriented Policing Services, listed the perceived benefits of body-worn cameras:

- Strengthening police accountability
- Preventing confrontational situation
- Resolving officer-involved incidents and complaints
- Improving agency transparency
- Identifying and correcting internal agency problems
- Strengthen officer performance
- Improving evidence documentation

Recent issues with a North Carolina police agency have shown how body-worn cameras can show officer misconduct so it can be dealt with by department administration as well as how well officers have responded in the face of adversity.

### ISSUES

Body-worn cameras are devices that will show members of the public interacting with AVL Public Safety Officers. To protect the interest of the Authority, its' Public Safety

New Business – Item K



Officers, other employees, as well as members of the public, strict policies must be implemented to regulate the use of body-worn cameras, as well as the video images recorded.

The North Carolina Association of Chiefs of Police has provided NC Law Enforcement agencies with a sample policy that AVL staff has reviewed and slightly modified to make it applicable to our agency.

### **ALTERNATIVES**

Table this item for further review and have staff submit a different policy for consideration.

### **FISCAL IMPACT**

None.

### **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) adopt the attached Body-Worn Camera policy; and (2) authorize the use of body-worn cameras by Department of Public Safety personnel.

Attachment

**OBJECTIVE** To establish the procedures and guidelines for the use of body-worn cameras (BWCs) by Airport Public Safety Officers. The purpose of the devices will be to gather recorded evidence for prosecution of violators of criminal laws. Additionally, these devices will assist the Greater Asheville Regional Airport Authority (GARAA) Department of Public Safety (DPS) in the defense of complaints against personnel, quality assessment of officer-citizen contacts and officer safety.

**METHOD OF OPERATION** The intent of this policy is to; give clear guidelines on the use of this technology, ensure that it does not undermine the agency goals of establishing greater accountability without jeopardizing the privacy of the public and the officer, and enhance the law enforcement effectiveness of the agency while balancing and maintaining public trust and confidence in the agency's law enforcement efforts. This policy establishes procedures for the use, maintenance and control of the department's BWC Systems.

**DEFINITIONS** Airport Security: Any issue, item, or measure that addresses the security equipment or procedures, all or in part, in place at Asheville Regional Airport (AVL)

Body Worn Camera (BWC): An "on-the-body" video and audio recording system.

Evidentiary Recordings: Any image, including, but not limited to photographs, photograph negatives, videos, video images, audio recordings, or other digital media that is related to crime scenes, traffic stops, arrests, or any investigative action via departmental devices.

Investigative actions: Any contact with a citizen or suspect that occurs on any call whether self-initiated or dispatched.

Non-Committed Times: Any time in which the officer is not on a call for service or self-initiated activity.

SSI: Sensitive Security Information

TSA: Transportation Security Administration

**Administration** The Public Safety Captain shall be the program manager for the BWC program. The program manager will be responsible for the overall maintenance of the program and equipment, including but not limited to:

- a. Coordinating maintenance of the equipment and ensuring functionality
- b. Inventory and issuance of equipment
- c. Setting administration rights

**Training**

The Public Safety Captain will be responsible for developing and providing all initial training and annual refresher training on BWC usage and protocols for all agency personnel involved in the BWC program.

All officers will receive instruction and demonstrate proficiency in the proper operation and use of BWC.

Suggested BWC training may include the following:

- a. All practices and protocols covered by this policy
- b. An overview of relevant state laws governing consent, evidence, privacy, and public disclosure
- c. Procedures for operating the equipment safely and effectively
- d. Scenario-based exercises that replicate situations that officers might encounter in the field
- e. Procedures for preparing and presenting the digital evidence in court
- f. Procedures for documenting and reporting any malfunctioning device or supporting system

**Operational Procedures**

The BWC equipment is the responsibility of the officer assigned to use that piece of equipment and will be maintained according to manufacturer's recommendations.

Prior to the beginning of a shift, and throughout their shift, the officer shall determine if the BWC is working properly, is charged and has sufficient storage to begin their shift. If a malfunction or problem is found the officer shall promptly notify their supervisor and notify the Public Safety Captain by email. .

Officers shall make sure the BWC is properly mounted in such a way to ensure the best chance of capturing the event.

**Activation**

The BWC shall be activated upon being dispatched to, and/or when responding to assist on, any and all calls for service, during all traffic stops, pursuits, arrests, investigative actions, and any other relevant interactions with the public except a call handled via telephone.

All significant encounters with the public and/or enforcement actions shall be recorded in their entirety, which is generally until the event is terminated and/or the officer or violator has left the scene.

When practical, officers should inform individuals that they are being recorded; however, this discretion remains with the individual officer. If a citizen inquires as to whether a Body Camera is in use or whether a recording is being made, officers shall provide a prompt and truthful response.

Any BWC recorded incident shall be documented in the associated departmental incident reports, field interview entries, or on traffic citations (if this is the only documentation). Officers who did not record any of the situations or there is a break in the recording listed above must indicate the reason(s) in the narrative portion of the incident report, if an incident report is required, or the field interview entry or the traffic citation if they are the sole documentation. Some incidents may not have been recorded due to exigent circumstances that would have prevented an officer from activating the BWC. In some circumstances it is not possible to capture images of the incident due to conditions or the location of the camera. However, the audio portion can be valuable evidence and is subject to the same requirements as the BWC. Any instance where an officer assigned a BWC is accused of misconduct and/or fails to record required incidents could create an evidentiary presumption against the officer.

### **Deactivation**

The equipment may be manually deactivated during non-enforcement activities such as traffic control.

Officers may deactivate the BWC during “non-committed times” when not engaged in investigative or enforcement activity.

Officers may deactivate the BWC prior to discussing a case on-scene with other officers or during on-scene tactical planning.

While taking statements from victims and witnesses, officers shall have the discretion to deactivate a recording at the request of a non-suspect. The citizen's request should be captured on the Body Camera recording prior to deactivation.

Officers must carefully consider deactivation of the BWC and must be prepared to justify deactivation in the event that an incident occurs while the BWC is deactivated.

Officers will verbally state their intention to deactivate the BWC on the audio portion of the BWC prior to it being deactivated.

Officers will document the deactivation including their justifications for the deactivation in the associated report/notes.

Intentional deactivation during incidents where the use of the BWC is required by this policy may initiate disciplinary action. Obstructing, shielding, or any act of interference with the BWC is not permitted.

#### **Data Management**

All BWC recordings shall be uploaded only to a secured server in accordance with manufacturer recommendations and department training at the end of each shift to maintain the fewest number of files on the BWC at any given time. If there is a circumstance when this cannot be accomplished, a supervisor must give approval.

Officers directly or indirectly involved in any recorded incident that requires written administrative documentation (i.e. use of force, vehicle pursuits, collisions involving departmental vehicles, injury, damage to city property, citizen complaints, etc.), shall download/upload the files at the first opportunity following the end of the incident.

Officers may review a recording to further their investigation into a criminal or an administrative matter. Viewing of recordings will be conducted inside the department and at the discretion of the on-duty supervisor.

Data recordings that contain material deemed beneficial for training may, with the approval of the Public Safety Chief, be utilized for training purpose after the case has been prosecuted or any civil litigation has been resolved. Data recordings used for training shall remain confidential and be restricted to AVL personnel.

The Public Safety Chief and Captain, as well as the Executive Director and Deputy Executive Director shall have access to all BWC data recordings for reviewing complaints filed against officers. The Public Safety Chief and the Executive or Deputy Executive Director will have the

authority to grant permission to view footage to other members of the GARAA staff as warranted.

A supervisor will physically take custody of the officer's BWC at the scene of an officer involved shooting or at another serious incident in which the officer was involved and will assume responsibility for downloading the data. If the officer is remaining on patrol, a spare camera will be issued to the officer.

**Digital Video File Storage**

The officer will label the events on their BWC in accordance to manufacturer's recommendation and departmental training. Suggested labels include, but are not limited to the following:

- a. Arrest
- b. Assist Motorist
- c. Citizen Contact
- d. DWI
- e. Emergency Response
- f. Felony/Major Case
- g. Investigation
- h. Officer Injury
- i. Pursuit
- j. Traffic Crash
- k. Traffic Stop – Citation
- l. Traffic Stop – No action
- m. Use of Force
- n. Uncategorized

When digital files become evidence, they will be treated as any other evidentiary items in accordance with evidence procedures.

All recordings are subjected to being erased after the designated retention period unless a longer retention period has been identified for court or investigative purposes.

Evidentiary recordings that have not been classified, marked as evidence, made part of a case file, or been requested for "burning to DVD" will be removed/deleted from the system when they are 30 days old, in accordance with the State of North Carolina Municipal Records Retention Schedule. Purging of other recordings should be done according to the rules set forth in the State schedule, depending on the type of recording.

**Data Security and  
Dissemination**

Unless authorized by the Public Safety Chief non-criminal recordings shall not be duplicated or disseminated to any person outside of the agency.

Requests for recorded events to be provided to persons or agencies outside of the criminal justice system shall be reviewed on a case-by-case basis and in accordance to the North Carolina Public Records Law, NCGS 132-1.4 and the North Carolina Personnel Privacy statutes, NCGS 160A-168 and 153A-98.

Any recordings associated with a criminal investigation may be released to the District Attorney upon request and Defense Attorney upon receipt of judicial notice. The distribution of the video recording will be documented on the appropriate departmental form and the form will be placed in the master case file. The distribution and/or dissemination of the video will be logged in a manner that can be produced for court if necessary.

All public records requests shall abide by NC Law and GARAA policy.

**Restrictions**

All digital recordings generated by officers are the property of the department, and no digital recordings generated by officers shall be reproduced without permission of the Public Safety Chief.

Officers shall not erase, reuse, alter or tamper with recordings obtained by the BWC.

Recordings obtained using the BWC may only be viewed by persons outside the department with the authorization of the Executive or Deputy Executive Director or the Public Safety Chief and in accordance with prevailing State statutes.

Officers will not have access to view other officer's video recordings unless authorized by the Public Safety Captain or Chief.

The utilization of the BWC is prohibited as stated below;

- a. To surreptitiously gather intelligence information or surreptitiously record private conversations.
- b. To record strip searches; however, officers may video the location of the search immediately prior to beginning. While officers may not video the search



- itself, the camera may remain recording, but be turned away from the suspect so that an audio recording of the event may be captured.
- c. Conversations with confidential informants and undercover officers (to protect confidentiality and officer safety)
  - d. Places where a reasonable expectation of privacy exists, i.e., bathrooms or locker rooms)
  - e. To record activities which are not official law enforcement functions.
  - f. Recording other agency personnel during routine, non-enforcement related activities unless recording is required by a court order or is authorized as part of an administrative or criminal investigation authorized by the Chief of Police.
  - g. Department personnel will not access BWC data for personal use and will not upload BWC data onto public and social media websites or record data with personal video equipment such as a cellular telephone.

**Officer Responsibilities**

The officer will inspect the BWC on a daily basis to ensure functionality and proper care of the device.

The Public Safety Captain or his designee will conduct random reviews of officers' recorded BWC events to ensure they are being properly utilized and maintained. These reviews will be documented by email to the Public Safety Chief. Additionally, this review will serve as an opportunity to evaluate an officer in the performance of their duties. These events will be randomly selected and must be a separate event from any pursuit or use of force which already require a review.

The Public Safety Captain will cause a forensic review to be conducted by IT staff of the BWC if an officer fails to record a required incident because they claim the device malfunctioned.

**Policy and Program Evaluation**

This policy will be reviewed on an annual basis to determine continued compliance with Federal and State laws, GARAA standards, and DPS practices and protocols.

**APPROVAL AND  
UPDATE HISTORY**

**Approval**                      June 8, 2018

## **§ 153A-98. Privacy of employee personnel records.**

(a) Notwithstanding the provisions of G.S. 132-6 or any other general law or local act concerning access to public records, personnel files of employees, former employees, or applicants for employment maintained by a county are subject to inspection and may be disclosed only as provided by this section. For purposes of this section, an employee's personnel file consists of any information in any form gathered by the county with respect to that employee and, by way of illustration but not limitation, relating to his application, selection or nonselection, performance, promotions, demotions, transfers, suspension and other disciplinary actions, evaluation forms, leave, salary, and termination of employment. As used in this section, "employee" includes former employees of the county.

(b) The following information with respect to each county employee is a matter of public record:

- (1) Name.
- (2) Age.
- (3) Date of original employment or appointment to the county service.
- (4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the county has the written contract or a record of the oral contract in its possession.
- (5) Current position.
- (6) Title.
- (7) Current salary.
- (8) Date and amount of each increase or decrease in salary with that county.
- (9) Date and type of each promotion, demotion, transfer, suspension, separation or other change in position classification with that county.
- (10) Date and general description of the reasons for each promotion with that county.
- (11) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the county. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the county setting forth the specific acts or omissions that are the basis of the dismissal.
- (12) The office to which the employee is currently assigned.

(b1) For the purposes of this subsection, the term "salary" includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation paid by the employing entity.

(b2) The board of county commissioners shall determine in what form and by whom this information will be maintained. Any person may have access to this information for the purpose of inspection, examination, and copying, during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the board of commissioners may have adopted. Any person denied access to this information may apply to the appropriate division of the General Court of Justice for an order compelling disclosure, and the court shall have jurisdiction to issue such orders.

(c) All information contained in a county employee's personnel file, other than the information made public by subsection (b) of this section, is confidential and shall be open to inspection only in the following instances:

(1) The employee or his duly authorized agent may examine all portions of his personnel file except (i) letters of reference solicited prior to employment, and (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to his patient.

(2) A licensed physician designated in writing by the employee may examine the employee's medical record.

(3) A county employee having supervisory authority over the employee may examine all material in the employee's personnel file.

(4) By order of a court of competent jurisdiction, any person may examine such portion of an employee's personnel file as may be ordered by the court.

(5) An official of an agency of the State or federal government, or any political subdivision of the State, may inspect any portion of a personnel file when such inspection is deemed by the official having custody of such records to be necessary and essential to the pursuance of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution of the employee, or for the purpose of assisting in an investigation of the employee's tax liability. However, the official having custody of such records may release the name, address, and telephone number from a personnel file for the purpose of assisting in a criminal investigation.

(6) An employee may sign a written release, to be placed with his personnel file, that permits the person with custody of the file to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.

(7) The county manager, with concurrence of the board of county commissioners, or, in counties not having a manager, the board of county commissioners may inform any person of the employment or nonemployment, promotion, demotion, suspension or other disciplinary action, reinstatement, transfer, or termination of a county employee and the reasons for that personnel

action. Before releasing the information, the manager or board shall determine in writing that the release is essential to maintaining public confidence in the administration of county services or to maintaining the level and quality of county services. This written determination shall be retained in the office of the manager or the county clerk, is a record available for public inspection and shall become part of the employee's personnel file.

(c1) Even if considered part of an employee's personnel file, the following information need not be disclosed to an employee nor to any other person:

(1) Testing or examination material used solely to determine individual qualifications for appointment, employment, or promotion in the county's service, when disclosure would compromise the objectivity or the fairness of the testing or examination process.

(2) Investigative reports or memoranda and other information concerning the investigation of possible criminal actions of an employee, until the investigation is completed and no criminal action taken, or until the criminal action is concluded.

(3) Information that might identify an undercover law enforcement officer or a law enforcement informer.

(4) Notes, preliminary drafts and internal communications concerning an employee. In the event such materials are used for any official personnel decision, then the employee or his duly authorized agent shall have a right to inspect such materials.

(c2) The board of county commissioners may permit access, subject to limitations they may impose, to selected personnel files by a professional representative of a training, research, or academic institution if that person certifies that he will not release information identifying the employees whose files are opened and that the information will be used solely for statistical, research, or teaching purposes. This certification shall be retained by the county as long as each personnel file so examined is retained.

(c3) Repealed by Session Laws 2016-108, s. 2(g), effective July 22, 2016.

(c4) Even if considered part of an employee's personnel file, the following information regarding any sworn law enforcement officer shall not be disclosed to an employee or any other person, unless disclosed in accordance with G.S. 132-1.4, or in accordance with G.S. 132-1.10, or for the personal safety of that sworn law enforcement officer or any other person residing in the same residence:

(1) Information that might identify the residence of a sworn law enforcement officer.

(2) Emergency contact information.

(3) Any identifying information as defined in G.S. 14-113.20.

(d) The board of commissioners of a county that maintains personnel files containing information other than the information mentioned in subsection (b) of this section shall establish procedures whereby an employee who objects to material in his file on grounds that it is inaccurate or misleading may seek to have the material removed from the file or may place in the file a statement relating to the material.

(e) A public official or employee who knowingly, willfully, and with malice permits any person to have access to information contained in a personnel file, except as is permitted by this section, is guilty of a Class 3 misdemeanor and upon conviction shall only be fined an amount not more than five hundred dollars (\$500.00).

(f) Any person, not specifically authorized by this section to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined in the discretion of the court but not in excess of five hundred dollars (\$500.00). (1975, c. 701, s. 1; 1981, c. 926, ss. 1, 5-8; 1993, c. 539, ss. 1059, 1060; 1994, Ex. Sess., c. 24, s. 14(c); 2007-508, s. 6; 2008-194, s. 11(d); 2010-169, s. 18(e); 2015-225, s. 1; 2016-108, s. 2(g).)

**§ 132-1.4. Criminal investigations; intelligence information records; Innocence Inquiry Commission records.**

(a) Records of criminal investigations conducted by public law enforcement agencies, records of criminal intelligence information compiled by public law enforcement agencies, and records of investigations conducted by the North Carolina Innocence Inquiry Commission, are not public records as defined by G.S. 132-1. Records of criminal investigations conducted by public law enforcement agencies or records of criminal intelligence information may be released by order of a court of competent jurisdiction.

(b) As used in this section:

(1) "Records of criminal investigations" means all records or any information that pertains to a person or group of persons that is compiled by public law enforcement agencies for the purpose of attempting to prevent or solve violations of the law, including information derived from witnesses, laboratory tests, surveillance, investigators, confidential informants, photographs, and measurements. The term also includes any records, worksheets, reports, or analyses prepared or conducted by the North Carolina State Crime Laboratory at the request of any public law enforcement agency in connection with a criminal investigation.

(2) "Records of criminal intelligence information" means records or information that pertain to a person or group of persons that is compiled by a public law enforcement agency in an effort to anticipate, prevent, or monitor possible violations of the law.

(3) "Public law enforcement agency" means a municipal police department, a county police department, a sheriff's department, a company police agency commissioned by the Attorney General pursuant to G.S. 74E-1, et seq., and any State or local agency, force, department, or unit responsible for investigating, preventing, or solving violations of the law.

(4) "Violations of the law" means crimes and offenses that are prosecutable in the criminal courts in this State or the United States and infractions as defined in G.S. 14-3.1.

(5) "Complaining witness" means an alleged victim or other person who reports a violation or apparent violation of the law to a public law enforcement agency.

(c) Notwithstanding the provisions of this section, and unless otherwise prohibited by law, the following information shall be public records within the meaning of G.S. 132-1.

(1) The time, date, location, and nature of a violation or apparent violation of the law reported to a public law enforcement agency.

(2) The name, sex, age, address, employment, and alleged violation of law of a person arrested, charged, or indicted.

(3) The circumstances surrounding an arrest, including the time and place of the arrest, whether the arrest involved resistance, possession or use of weapons, or pursuit, and a description of any items seized in connection with the arrest.

(4) The contents of "911" and other emergency telephone calls received by or on behalf of public law enforcement agencies, except for such contents that reveal the natural voice, name, address, telephone number, or other information that may identify the caller, victim, or witness. In order to protect the identity of the complaining witness, the contents of "911" and other emergency telephone calls may be released pursuant to this section in the form of a written transcript or altered voice reproduction; provided that the original shall be provided under process to be used as evidence in any relevant civil or criminal proceeding.

(5) The contents of communications between or among employees of public law enforcement agencies that are broadcast over the public airways.

(6) The name, sex, age, and address of a complaining witness.

(d) A public law enforcement agency shall temporarily withhold the name or address of a complaining witness if release of the information is reasonably likely to pose a threat to the mental health, physical health, or personal safety of the complaining witness or materially compromise a continuing or future criminal investigation or criminal intelligence operation. Information temporarily withheld under this subsection shall be made available for release to the public in accordance with G.S. 132-6 as soon as the circumstances that justify withholding it cease to exist. Any person denied access to information withheld under this subsection may apply to a court of competent jurisdiction for an order compelling disclosure of the information. In such action, the court shall balance the interests of the public in disclosure against the interests of the law enforcement agency and the alleged victim in withholding the information. Actions brought pursuant to this subsection shall be set down for immediate hearing, and subsequent proceedings in such actions shall be accorded priority by the trial and appellate courts.

(e) If a public law enforcement agency believes that release of information that is a public record under subdivisions (c)(1) through (c)(5) of this section will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation, it may seek an order from a court of competent jurisdiction to prevent disclosure of the information. In such action the law enforcement agency shall have the burden of showing by a preponderance of the evidence that disclosure of the information in question will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation. Actions brought pursuant to this subsection shall be set down for immediate hearing, and subsequent proceedings in such actions shall be accorded priority by the trial and appellate courts.

(f) Nothing in this section shall be construed as authorizing any public law enforcement agency to prohibit or prevent another public agency having custody of a public record from permitting the inspection, examination, or copying of such public record in compliance with G.S. 132-6. The use of a public record in connection with a criminal investigation or the gathering of criminal intelligence shall not affect its status as a public record.



(g) Disclosure of records of criminal investigations and criminal intelligence information that have been transmitted to a district attorney or other attorney authorized to prosecute a violation of law shall be governed by this section and Chapter 15A of the General Statutes.

(h) Nothing in this section shall be construed as requiring law enforcement agencies to disclose the following:

(1) Information that would not be required to be disclosed under Chapter 15A of the General Statutes; or

(2) Information that is reasonably likely to identify a confidential informant.

(i) Law enforcement agencies shall not be required to maintain any tape recordings of "911" or other communications for more than 30 days from the time of the call, unless a court of competent jurisdiction orders a portion sealed.

(j) When information that is not a public record under the provisions of this section is deleted from a document, tape recording, or other record, the law enforcement agency shall make clear that a deletion has been made. Nothing in this subsection shall authorize the destruction of the original record.

(k) The following court records are public records and may be withheld only when sealed by court order: arrest and search warrants that have been returned by law enforcement agencies, indictments, criminal summons, and nontestimonial identification orders.

(l) Records of investigations of alleged child abuse shall be governed by Article 29 of Chapter 7B of the General Statutes. (1993, c. 461, s. 1; 1998-202, s. 13(jj); 2006-184, s. 7; 2010-171, s. 5; 2011-321, s. 1; 2013-360, s. 17.6(o).)

**§ 160A-168. Privacy of employee personnel records.**

(a) Notwithstanding the provisions of G.S. 132-6 or any other general law or local act concerning access to public records, personnel files of employees, former employees, or applicants for employment maintained by a city are subject to inspection and may be disclosed only as provided by this section. For purposes of this section, an employee's personnel file consists of any information in any form gathered by the city with respect to that employee and, by way of illustration but not limitation, relating to his application, selection or nonselection, performance, promotions, demotions, transfers, suspension and other disciplinary actions, evaluation forms, leave, salary, and termination of employment. As used in this section, "employee" includes former employees of the city.

(b) The following information with respect to each city employee is a matter of public record:

- (1) Name.
- (2) Age.
- (3) Date of original employment or appointment to the service.
- (4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the city has the written contract or a record of the oral contract in its possession.
- (5) Current position.
- (6) Title.
- (7) Current salary.
- (8) Date and amount of each increase or decrease in salary with that municipality.
- (9) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that municipality.
- (10) Date and general description of the reasons for each promotion with that municipality.
- (11) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the municipality. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the municipality setting forth the specific acts or omissions that are the basis of the dismissal.
- (12) The office to which the employee is currently assigned.

(b1) For the purposes of this subsection, the term "salary" includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation paid by the employing entity.

(b2) The city council shall determine in what form and by whom this information will be maintained. Any person may have access to this information for the purpose of inspection, examination, and copying, during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the city council may have adopted. Any person denied access to this information may apply to the appropriate division of the General Court of Justice for an order compelling disclosure, and the court shall have jurisdiction to issue such orders.

(c) All information contained in a city employee's personnel file, other than the information made public by subsection (b) of this section, is confidential and shall be open to inspection only in the following instances:

- (1) The employee or his duly authorized agent may examine all portions of his personnel file except (i) letters of reference solicited prior to employment, and (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to his patient.

- (2) A licensed physician designated in writing by the employee may examine the employee's medical record.
- (3) A city employee having supervisory authority over the employee may examine all material in the employee's personnel file.
- (4) By order of a court of competent jurisdiction, any person may examine such portion of an employee's personnel file as may be ordered by the court.
- (5) An official of an agency of the State or federal government, or any political subdivision of the State, may inspect any portion of a personnel file when such inspection is deemed by the official having custody of such records to be inspected to be necessary and essential to the pursuance of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution (of the employee), or for the purpose of assisting in an investigation of (the employee's) tax liability. However, the official having custody of such records may release the name, address, and telephone number from a personnel file for the purpose of assisting in a criminal investigation.
- (6) An employee may sign a written release, to be placed with his personnel file, that permits the person with custody of the file to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.
- (7) The city manager, with concurrence of the council, or, in cities not having a manager, the council may inform any person of the employment or nonemployment, promotion, demotion, suspension or other disciplinary action, reinstatement, transfer, or termination of a city employee and the reasons for that personnel action. Before releasing the information, the manager or council shall determine in writing that the release is essential to maintaining public confidence in the administration of city services or to maintaining the level and quality of city services. This written determination shall be retained in the office of the manager or the city clerk, and is a record available for public inspection and shall become part of the employee's personnel file.

(c1) Even if considered part of an employee's personnel file, the following information need not be disclosed to an employee nor to any other person:

- (1) Testing or examination material used solely to determine individual qualifications for appointment, employment, or promotion in the city's service, when disclosure would compromise the objectivity or the fairness of the testing or examination process.
- (2) Investigative reports or memoranda and other information concerning the investigation of possible criminal actions of an employee, until the investigation is completed and no criminal action taken, or until the criminal action is concluded.
- (3) Information that might identify an undercover law enforcement officer or a law enforcement informer.
- (4) Notes, preliminary drafts and internal communications concerning an employee. In the event such materials are used for any official personnel decision, then the employee or his duly authorized agent shall have a right to inspect such materials.

(c2) The city council may permit access, subject to limitations they may impose, to selected personnel files by a professional representative of a training, research, or academic institution if that person certifies that he will not release information identifying the employees

whose files are opened and that the information will be used solely for statistical, research, or teaching purposes. This certification shall be retained by the city as long as each personnel file examined is retained.

(c3) Repealed by Session Laws 2016-108, s. 2(h), effective July 22, 2016.

(c4) Even if considered part of an employee's personnel file, the following information regarding any sworn law enforcement officer shall not be disclosed to an employee or any other person, unless disclosed in accordance with G.S. 132-1.4, or in accordance with G.S. 132-1.10, or for the personal safety of that sworn law enforcement officer or any other person residing in the same residence:

(1) Information that might identify the residence of a sworn law enforcement officer.

(2) Emergency contact information.

(3) Any identifying information as defined in G.S. 14-113.20.

(d) The city council of a city that maintains personnel files containing information other than the information mentioned in subsection (b) of this section shall establish procedures whereby an employee who objects to material in his file on grounds that it is inaccurate or misleading may seek to have the material removed from the file or may place in the file a statement relating to the material.

(e) A public official or employee who knowingly, willfully, and with malice permits any person to have access to information contained in a personnel file, except as is permitted by this section, is guilty of a Class 3 misdemeanor and upon conviction shall only be fined an amount not more than five hundred dollars (\$500.00).

(f) Any person, not specifically authorized by this section to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined in the discretion of the court but not in excess of five hundred dollars (\$500.00). (1975, c. 701, s. 2; 1981, c. 926, ss. 1-4; 1993, c. 539, ss. 1084, 1085; 1994, Ex. Sess., c. 24, s. 14(c); 2007-508, s. 7; 2008-194, s. 11(e); 2010-169, s. 18(f); 2015-225, s. 2; 2016-108, s. 2(h).)



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Suzie Baker, Director of Administration

DATE: June 8, 2018

### ITEM DESCRIPTION – New Business Item L

Approval of Revised Business Insurance Renewals

### BACKGROUND

In April, the Authority Board approved our Business Insurance for FY18/19. The amounts approved at that time were provided by USI, our business insurance broker. We have now received actual renewal information and while the overall total cost is still less than the estimated cost, the cost for property insurance has come in at \$60,100 which is an increase over our estimated cost of \$46,500. This increase is due to the overall property insurance market and the addition of the parking garage, which our broker had not included in the initial estimates provided.

### ISSUES

The Executive Director needs to execute the necessary renewal documents.

### ALTERNATIVES

None

### FISCAL IMPACT

Due to a decrease in the Worker's Compensation renewal, and the actual cost of all other coverages being less than estimated, there is no overall increase in cost.

### RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) authorize the insurance amount changes for these two lines of business insurance, and (2) authorize the Executive Director to execute the necessary documents.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**Business Insurance Expense - Revised June 2018**

|                        | FY2018            |                   | FY2019            |                   | FY2019 Actual vs Budget<br>Over/(Under) |               | FY2019 vs FY2018 Actuals<br>Over/(Under) |             |
|------------------------|-------------------|-------------------|-------------------|-------------------|---|---------------|--|-------------|
|                        | FY2018<br>Budget  | FY2018<br>Actual  | FY2019<br>Budget  | FY2019<br>Actual  | Amount                                  | %             | Amount                                   | %           |
|                        | <b>Insurance</b>  |                   |                   |                   |   |               |  |             |
| Property & Casualty    | \$ 50,400         | \$ 43,700         | \$ 47,000         | \$ 60,100         | \$ 13,100                               | 27.9%         | \$ 16,400                                | 37.5%       |
| 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            | 77,000            | (18,000)                                | (18.9%)       | (7,800)                                  | (9.2%)      |
| Service Fee            | 15,000            | 15,000            | 15,000            | 15,000            | -                                       | 0.0%          | -  | 0.0%        |
| <b>Total Insurance</b> | <b>\$ 267,700</b> | <b>\$ 227,900</b> | <b>\$ 249,000</b> | <b>\$ 238,000</b> | <b>\$ (11,000)</b>                      | <b>(4.4%)</b> | <b>\$ 10,100</b>                         | <b>4.4%</b> |



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: June 8, 2018

### **ITEM DESCRIPTION – Information Section Item A**

April, 2018 Traffic Report – Asheville Regional Airport

### **SUMMARY**

April, 2018 overall passenger traffic numbers were up 22.1% compared to the same period last year. Passenger traffic numbers reflect a 21.0% increase in passenger enplanements from April, 2017. Enplanements for Fiscal Year to Date total 426,645 which is a 17.6% increase over the same period last year.

### **AIRLINE PERFORMANCE**

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in April 2018 were up by 35.6%. There were no flight cancellations for the month.

American Airlines: American's April 2018 passenger enplanements represent a 28.3% increase over the same period last year. There was one (1) flight cancellation for the month.

Delta Airlines: Delta's April 2018 enplanements increased by 16.3% compared to April 2017. There were no flight cancellations for the month.

United Airlines: In April 2018, United Airlines saw a decrease in enplanements by 3.2% over the same period last year. There was one (1) flight cancellation for the month.

# Monthly Traffic Report

## Asheville Regional Airport

### April 2018



| Category                   | Apr 2018       | Apr 2017       | Percentage Change | *CYTD-2018       | *CYTD-2017       | Percentage Change | *MOV12-2018      | *MOV12-2017      | Percentage Change |
|----------------------------|----------------|----------------|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| <b>Passenger Traffic</b>   |                |                |                   |                  |                  |                   |                  |                  |                   |
| Enplaned                   | 42,025         | 34,745         | 21.0%             | 145,134          | 117,493          | 23.5%             | 505,038          | 431,466          | 17.1%             |
| Deplaned                   | <u>42,932</u>  | <u>34,842</u>  | 23.2%             | <u>144,079</u>   | <u>118,491</u>   | 21.6%             | <u>504,825</u>   | <u>430,898</u>   | 17.2%             |
| <b>Total</b>               | <b>84,957</b>  | <b>69,587</b>  | <b>22.1%</b>      | <b>289,213</b>   | <b>235,984</b>   | <b>22.6%</b>      | <b>1,009,863</b> | <b>862,364</b>   | <b>17.1%</b>      |
| <b>Aircraft Operations</b> |                |                |                   |                  |                  |                   |                  |                  |                   |
| Airlines                   | 737            | 557            | 32.3%             | 2,477            | 2,266            | 9.3%              | 8,051            | 7,191            | 12.0%             |
| Commuter /Air Taxi         | <u>670</u>     | <u>834</u>     | -19.7%            | 2,304            | 2,431            | -5.2%             | 10,853           | 9,509            | 14.1%             |
| <b>Subtotal</b>            | <u>1,407</u>   | <u>1,391</u>   | 1.2%              | <u>4,781</u>     | <u>4,697</u>     | 1.8%              | <u>18,904</u>    | <u>16,700</u>    | 13.2%             |
| General Aviation           | 3,332          | 2,690          | 23.9%             | 11,480           | 11,699           | -1.9%             | 42,622           | 41,067           | 3.8%              |
| Military                   | <u>361</u>     | <u>339</u>     | 6.5%              | <u>990</u>       | <u>1,144</u>     | -13.5%            | <u>4,535</u>     | <u>4,126</u>     | 9.9%              |
| <b>Subtotal</b>            | <u>3,693</u>   | <u>3,029</u>   | 21.9%             | <u>12,470</u>    | <u>12,843</u>    | -2.9%             | <u>47,157</u>    | <u>45,193</u>    | 4.3%              |
| <b>Total</b>               | <b>5,100</b>   | <b>4,420</b>   | <b>15.4%</b>      | <b>17,251</b>    | <b>17,540</b>    | <b>-1.6%</b>      | <b>66,061</b>    | <b>61,893</b>    | <b>6.7%</b>       |
| <b>Fuel Gallons</b>        |                |                |                   |                  |                  |                   |                  |                  |                   |
| 100LL                      | 7,904          | 8,576          | -7.8%             | 41,521           | 42,300           | -1.8%             | 162,517          | 158,489          | 2.5%              |
| Jet A (GA)                 | 103,542        | 96,404         | 7.4%              | 318,720          | 280,526          | 13.6%             | 1,472,464        | 1,287,425        | 14.4%             |
| <b>Subtotal</b>            | <u>111,446</u> | <u>104,980</u> | 6.2%              | <u>360,241</u>   | <u>322,826</u>   | 11.6%             | <u>1,634,981</u> | <u>1,445,914</u> | 13.1%             |
| Jet A (A/L)                | <u>304,949</u> | <u>244,634</u> | 24.7%             | <u>1,149,926</u> | <u>847,432</u>   | 35.7%             | <u>3,856,715</u> | <u>2,873,945</u> | 34.2%             |
| <b>Total</b>               | <b>416,395</b> | <b>349,614</b> | <b>19.1%</b>      | <b>1,510,167</b> | <b>1,170,258</b> | <b>29.0%</b>      | <b>5,491,696</b> | <b>4,319,859</b> | <b>27.1%</b>      |

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

Tuesday, May 29, 2018



# Airline Enplanements, Seats, and Load Factors

## Asheville Regional Airport

April 2018



|                          | Apr 2018 | Apr 2017 | Percentage Change | *CYTD-2018 | *CYTD-2017 | Percentage Change |
|--------------------------|----------|----------|-------------------|------------|------------|-------------------|
| <b>Allegiant Air</b>     |          |          |                   |            |            |                   |
| Enplanements             | 14,099   | 10,394   | 35.6%             | 49,513     | 34,045     | 45.4%             |
| Seats                    | 16,461   | 12,992   | 26.7%             | 60,678     | 41,834     | 45.0%             |
| Load Factor              | 85.7%    | 80.0%    | 7.1%              | 81.6%      | 81.4%      | 0.3%              |
| <b>American Airlines</b> |          |          |                   |            |            |                   |
| Enplanements             | 9,137    | 7,121    | 28.3%             | 32,735     | 26,976     | 21.3%             |
| Seats                    | 10,855   | 10,374   | 4.6%              | 40,745     | 37,494     | 8.7%              |
| Load Factor              | 84.2%    | 68.6%    | 22.6%             | 80.3%      | 71.9%      | 11.7%             |
| <b>Delta Air Lines</b>   |          |          |                   |            |            |                   |
| Enplanements             | 11,991   | 10,310   | 16.3%             | 43,409     | 38,103     | 13.9%             |
| Seats                    | 14,100   | 12,681   | 11.2%             | 50,709     | 50,467     | 0.5%              |
| Load Factor              | 85.0%    | 81.3%    | 4.6%              | 85.6%      | 75.5%      | 13.4%             |
| <b>Elite Airways</b>     |          |          |                   |            |            |                   |
| Enplanements             | 102      | 0        | #Div/0!           | 102        | 0          | #Div/0!           |
| Seats                    | 320      | 0        | #Div/0!           | 320        | 0          | #Div/0!           |
| Load Factor              | 31.9%    | #Num!    | #Type!            | 31.9%      | #Num!      | #Type!            |
| <b>United Airlines</b>   |          |          |                   |            |            |                   |
| Enplanements             | 6,696    | 6,920    | -3.2%             | 19,375     | 18,369     | 5.5%              |
| Seats                    | 7,562    | 8,165    | -7.4%             | 24,819     | 23,861     | 4.0%              |
| Load Factor              | 88.5%    | 84.8%    | 4.5%              | 78.1%      | 77.0%      | 1.4%              |
| <b>Totals</b>            |          |          |                   |            |            |                   |
| Enplanements             | 42,025   | 34,745   | 21.0%             | 145,134    | 117,493    | 23.5%             |
| Seats                    | 49,298   | 44,212   | 11.5%             | 177,271    | 153,656    | 15.4%             |
| Load Factor              | 85.2%    | 78.6%    | 8.5%              | 81.9%      | 76.5%      | 7.1%              |

Tuesday, May 29, 2018

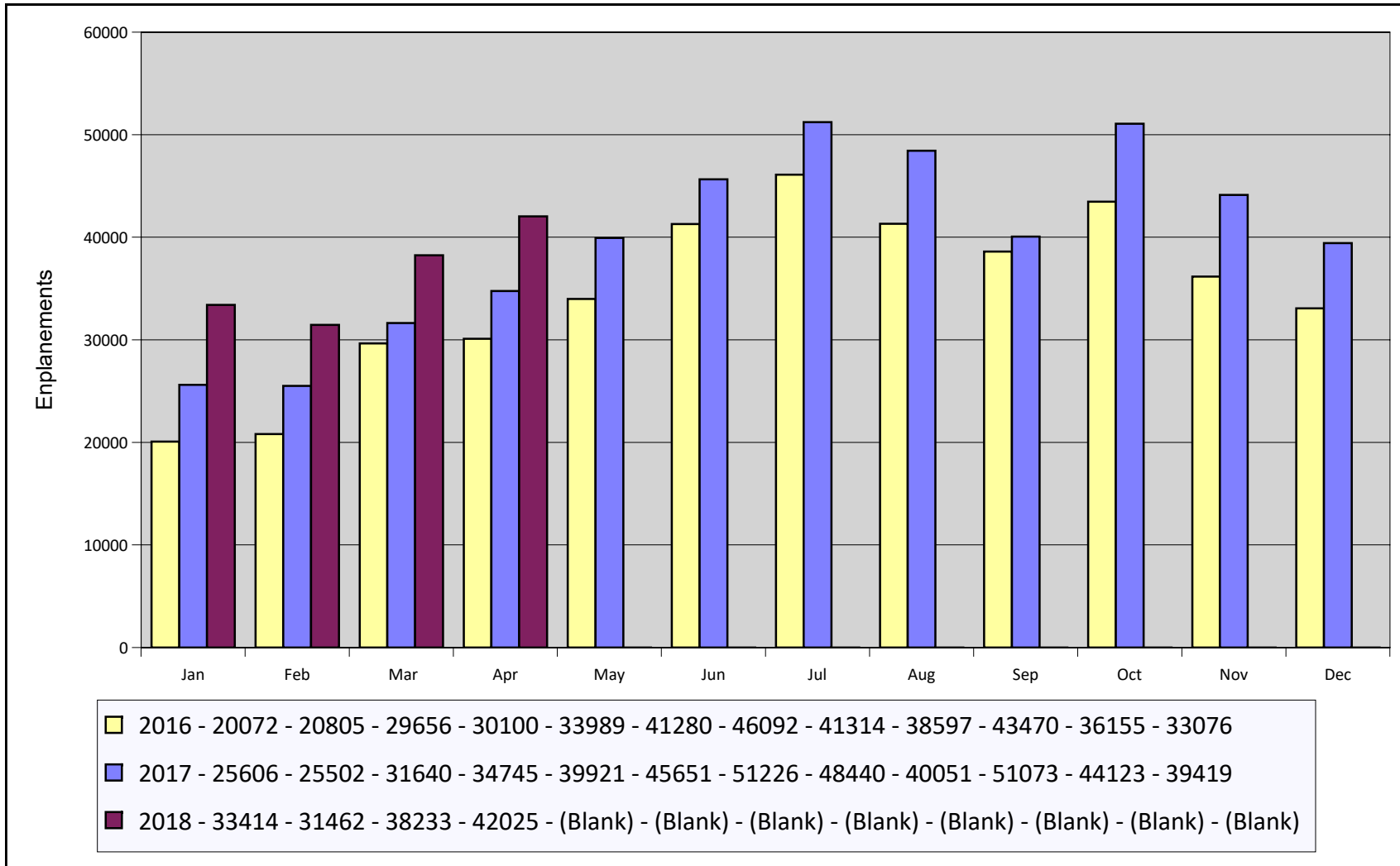
\*CTYD = Calendar Year to Date and \*Mov12 = Moving Twelve Months

# Airline Flight Completions Asheville Regional Airport April 2018

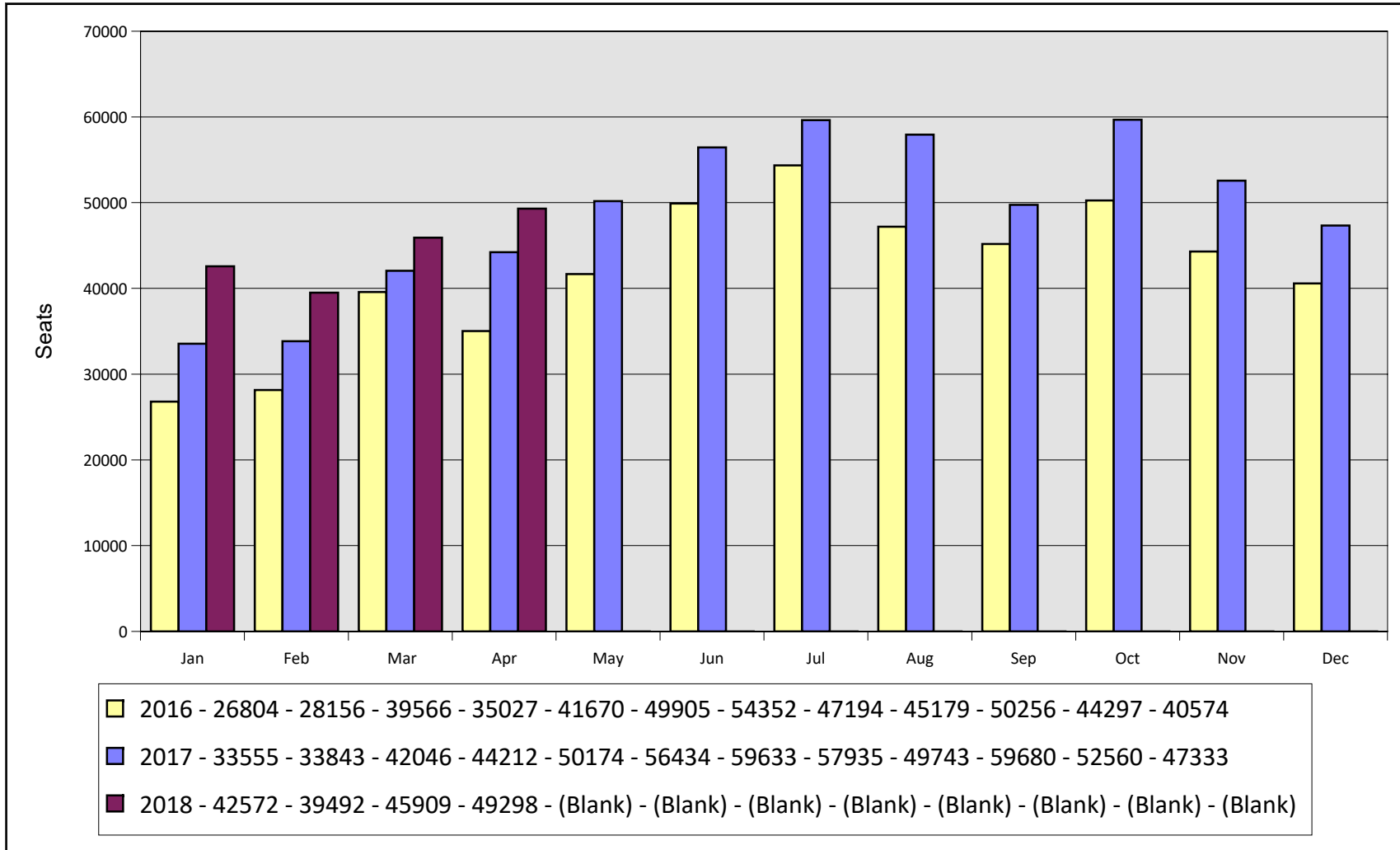


| Airline           | Scheduled Flights | Field    | Cancellations Due To |          |          | Total Cancellations | Percentage of Completed Flights |
|-------------------|-------------------|----------|----------------------|----------|----------|---------------------|---------------------------------|
|                   |                   |          | Mechanical           | Weather  | Other    |                     |                                 |
| Allegiant Air     | 93                | 0        | 0                    | 0        | 0        | 0                   | 100.0%                          |
| American Airlines | 176               | 0        | 1                    | 0        | 0        | 1                   | 99.4%                           |
| Delta Air Lines   | 202               | 0        | 0                    | 0        | 0        | 0                   | 100.0%                          |
| Elite Airways     | 6                 | 0        | 0                    | 0        | 0        | 0                   | 100.0%                          |
| United Airlines   | 122               | 0        | 0                    | 1        | 0        | 1                   | 99.2%                           |
| <b>Total</b>      | <b>599</b>        | <b>0</b> | <b>1</b>             | <b>1</b> | <b>0</b> | <b>2</b>            | <b>99.7%</b>                    |

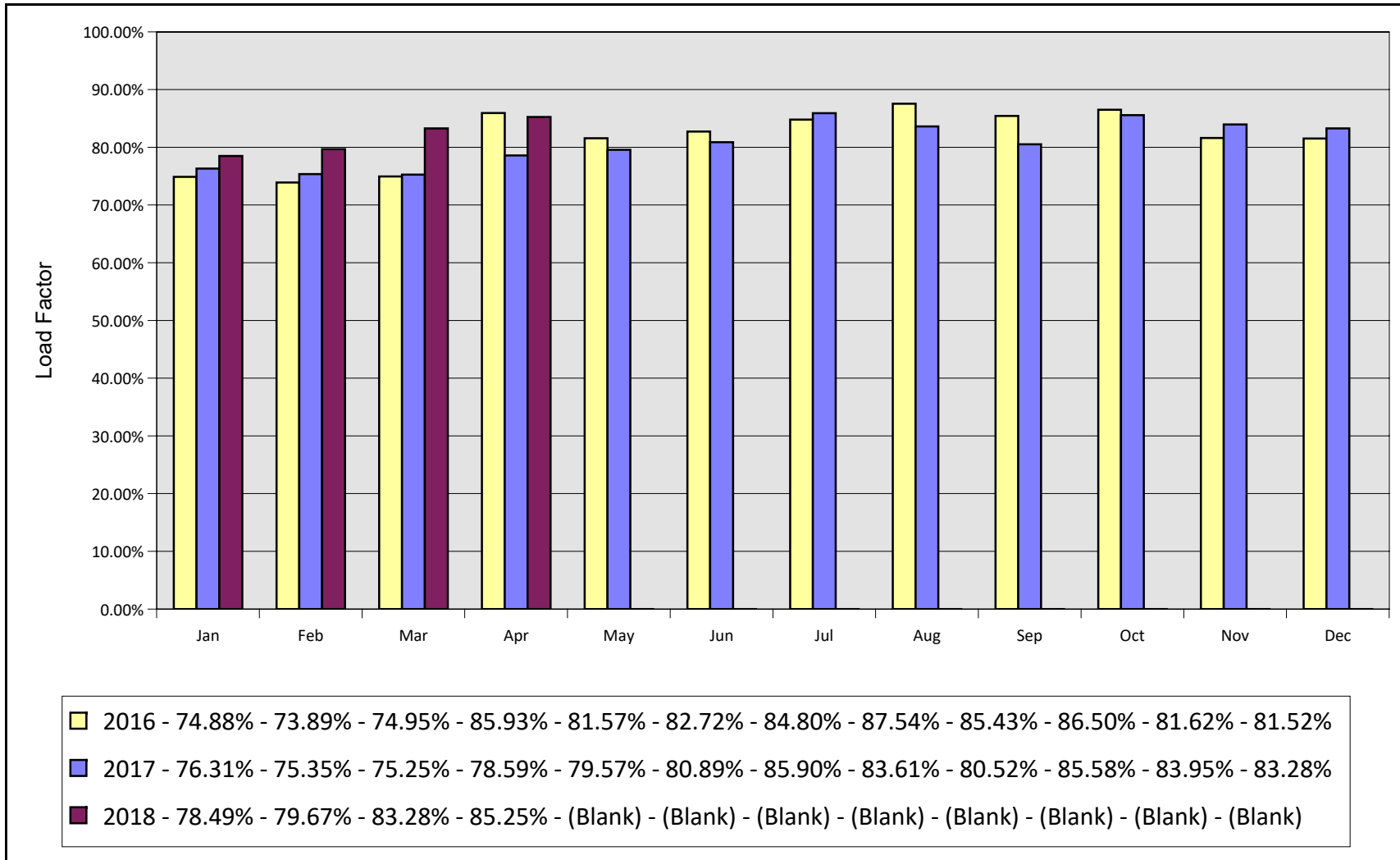
# Monthly Enplanements By Year Asheville Regional Airport



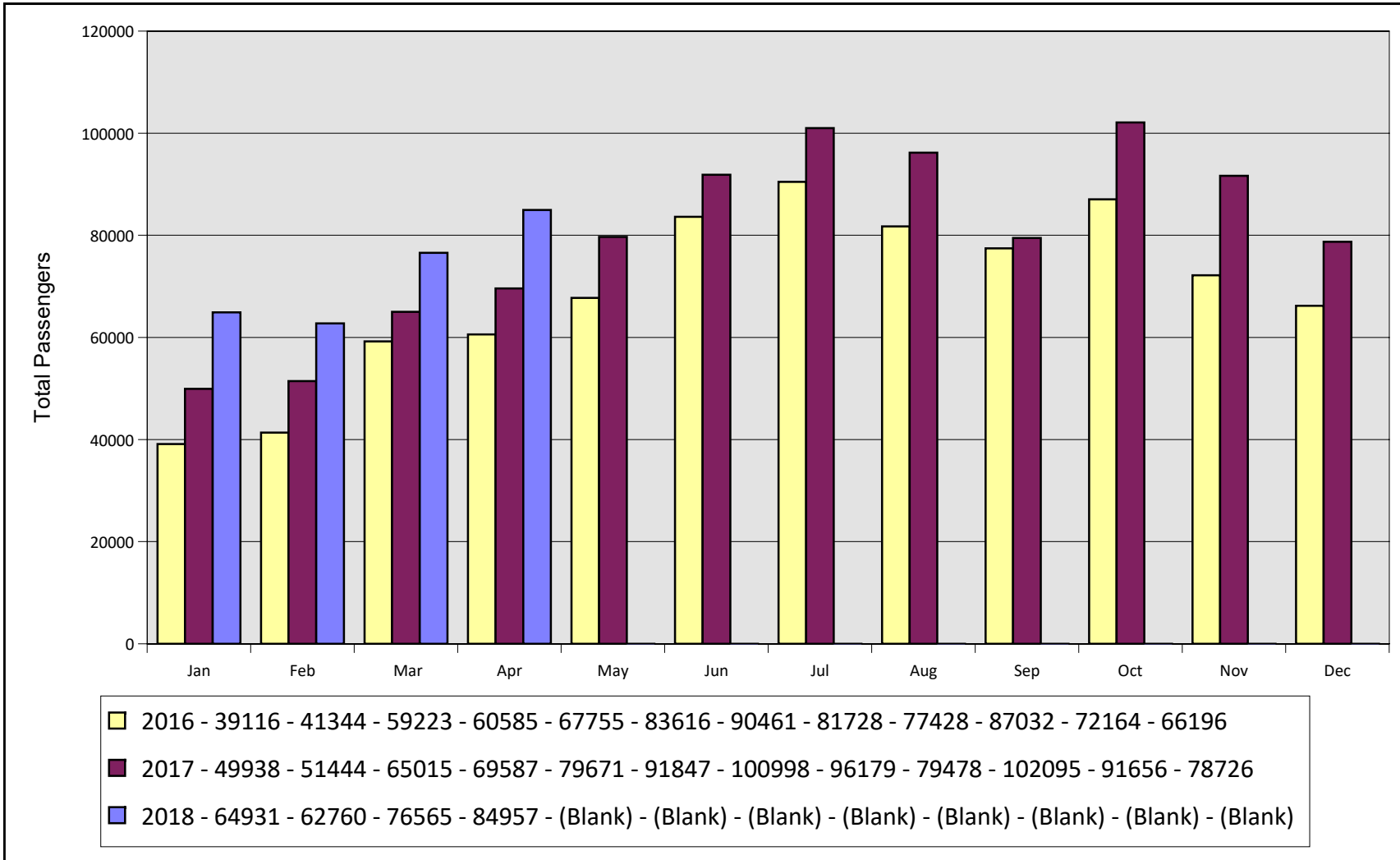
# Monthly Seats By Year Asheville Regional Airport



# Monthly Load Factors By Year Asheville Regional Airport

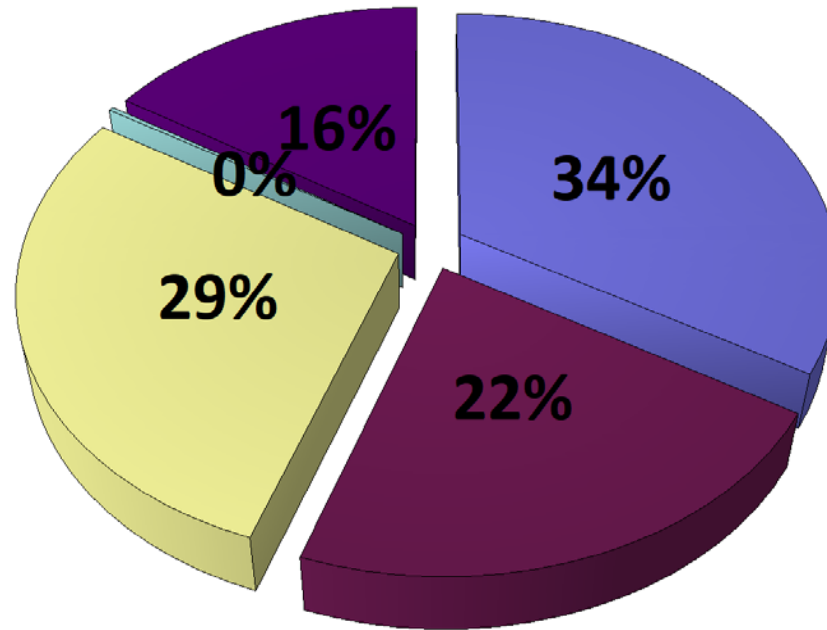


# Total Monthly Passengers By Year Asheville Regional Airport



# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From April 2018 Through April 2018



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

| June 2018 vs. June 2017 |               |      |                |               |                |               |                |              |                |             |
|-------------------------|---------------|------|----------------|---------------|----------------|---------------|----------------|--------------|----------------|-------------|
| Mkt AI                  | Travel Period |      | Jun-18         |               | Jun-17         |               | Diff           |              | Percent Diff   |             |
|                         | 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  | 54             | 3,503         | 47             | 3,680         | 7              | (177)        | 14.9%          | (4.8%)      |
| DL                      | AVL           | ATL  | 54             | 3,503         | 47             | 3,680         | 7              | (177)        | 14.9%          | (4.8%)      |
| 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              | 1,218         | 5              | 852           | 2              | 366          | 40.0%          | 43.0%       |
| G4                      | PIE           | AVL  | 7              | 1,218         | 5              | 852           | 2              | 366          | 40.0%          | 43.0%       |
| 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%       |
| <b>TOTAL</b>            |               |      | <b>348</b>     | <b>29,376</b> | <b>320</b>     | <b>26,754</b> | <b>28</b>      | <b>2,622</b> | <b>8.7%</b>    | <b>9.8%</b> |

| July 2018 vs. July 2017 |               |      |            |               |            |               |           |              |              |             |
|-------------------------|---------------|------|------------|---------------|------------|---------------|-----------|--------------|--------------|-------------|
| Mkt AI                  | Travel Period |      | Jul-18     |               | Jul-17     |               | Diff      |              | Percent Diff |             |
|                         | Orig          | Dest | Ops/Week   | Seats         | Ops/Week   | Seats         | Ops/Week  | Seats        | Ops/Week     | 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  | 54         | 3,556         | 53         | 3,854         | 1         | (298)        | 1.9%         | (7.7%)      |
| DL                      | AVL           | ATL  | 54         | 3,556         | 53         | 3,854         | 1         | (298)        | 1.9%         | (7.7%)      |
| DL                      | AVL           | LGA  | 1          | 50            | 1          | 69            | 0         | (19)         | 0.0%         | (27.5%)     |
| DL                      | LGA           | AVL  | 1          | 50            | 1          | 69            | 0         | (19)         | 0.0%         | (27.5%)     |
| 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  | 4          | 708           | 4          | 675           | 0         | 33           | 0.0%         | 4.9%        |
| G4                      | PGD           | AVL  | 4          | 708           | 4          | 675           | 0         | 33           | 0.0%         | 4.9%        |
| G4                      | AVL           | PIE  | 7          | 1,239         | 6          | 1,007         | 1         | 232          | 16.7%        | 23.0%       |
| G4                      | PIE           | AVL  | 7          | 1,239         | 6          | 1,007         | 1         | 232          | 16.7%        | 23.0%       |
| G4                      | AVL           | SFB  | 7          | 1,228         | 5          | 852           | 2         | 376          | 40.0%        | 44.1%       |
| G4                      | SFB           | AVL  | 7          | 1,228         | 5          | 852           | 2         | 376          | 40.0%        | 44.1%       |
| UA                      | AVL           | EWR  | 8          | 1,000         | 7          | 1,028         | 1         | (28)         | 14.3%        | (2.7%)      |
| UA                      | EWR           | AVL  | 8          | 1,000         | 7          | 1,028         | 1         | (28)         | 14.3%        | (2.7%)      |
| UA                      | AVL           | ORD  | 28         | 1,400         | 28         | 1,400         | 0         | 0            | 0.0%         | 0.0%        |
| UA                      | ORD           | AVL  | 28         | 1,400         | 28         | 1,400         | 0         | 0            | 0.0%         | 0.0%        |
| <b>Total</b>            |               |      | <b>354</b> | <b>30,564</b> | <b>342</b> | <b>28,042</b> | <b>12</b> | <b>2,522</b> | <b>3.5%</b>  | <b>9.0%</b> |

| August 2018 vs. August 2017 |               |      |            |               |            |               |           |              |              |              |
|-----------------------------|---------------|------|------------|---------------|------------|---------------|-----------|--------------|--------------|--------------|
| Mkt AI                      | Travel Period |      | Aug-18     |               | Aug-17     |               | Diff      |              | Percent Diff |              |
|                             | Orig          | Dest | Ops/Week   | Seats         | Ops/Week   | Seats         | Ops/Week  | Seats        | Ops/Week     | 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         | 3,564         | 48         | 3,304         | 5         | 260          | 10.4%        | 7.9%         |
| DL                          | AVL           | ATL  | 53         | 3,564         | 48         | 3,338         | 5         | 226          | 10.4%        | 6.8%         |
| DL                          | AVL           | LGA  | 1          | 50            | 1          | 69            | 0         | (19)         | 0.0%         | (27.5%)      |
| DL                          | LGA           | AVL  | 1          | 50            | 1          | 69            | 0         | (19)         | 0.0%         | (27.5%)      |
| G4                          | AVL           | BWI  | 3          | 531           | 3          | 498           | 0         | 33           | 0.0%         | 6.6%         |
| G4                          | BWI           | AVL  | 3          | 531           | 3          | 498           | 0         | 33           | 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           | 3          | 498           | 1         | 210          | 33.3%        | 42.2%        |
| G4                          | EWR           | AVL  | 4          | 708           | 3          | 498           | 1         | 210          | 33.3%        | 42.2%        |
| G4                          | AVL           | FLL  | 9          | 1,593         | 5          | 885           | 4         | 708          | 80.0%        | 80.0%        |
| G4                          | FLL           | AVL  | 9          | 1,593         | 5          | 885           | 4         | 708          | 80.0%        | 80.0%        |
| G4                          | AVL           | PGD  | 4          | 708           | 4          | 697           | 0         | 11           | 0.0%         | 1.6%         |
| G4                          | PGD           | AVL  | 4          | 708           | 4          | 697           | 0         | 11           | 0.0%         | 1.6%         |
| G4                          | AVL           | PIE  | 7          | 1,239         | 4          | 686           | 3         | 553          | 75.0%        | 80.6%        |
| G4                          | PIE           | AVL  | 7          | 1,239         | 4          | 686           | 3         | 553          | 75.0%        | 80.6%        |
| G4                          | AVL           | SFB  | 4          | 697           | 3          | 509           | 1         | 188          | 33.3%        | 36.9%        |
| G4                          | SFB           | AVL  | 4          | 697           | 3          | 509           | 1         | 188          | 33.3%        | 36.9%        |
| UA                          | AVL           | EWR  | 8          | 1,000         | 7          | 1,050         | 1         | (50)         | 14.3%        | (4.8%)       |
| UA                          | EWR           | AVL  | 8          | 1,000         | 7          | 1,050         | 1         | (50)         | 14.3%        | (4.8%)       |
| UA                          | AVL           | ORD  | 28         | 1,400         | 28         | 1,400         | 0         | 0            | 0.0%         | 0.0%         |
| UA                          | ORD           | AVL  | 28         | 1,400         | 28         | 1,400         | 0         | 0            | 0.0%         | 0.0%         |
| <b>Total</b>                |               |      | <b>348</b> | <b>29,872</b> | <b>324</b> | <b>25,802</b> | <b>24</b> | <b>4,070</b> | <b>7.4%</b>  | <b>15.8%</b> |





**MEMORANDUM**

TO: Members of the Airport Authority  
 FROM: Janet Burnette, Director of Finance & Accounting  
 DATE: June 8, 2018

**ITEM DESCRIPTION – Information Section Item B**

Greater Asheville Regional Airport – Explanation of Extraordinary Variances  
 Month of April 2018 (Month 10 of FY2018)

**SUMMARY**

Operating Revenues for the month of April were \$1,089,449, 36.88% over budget. Operating Expenses for the month were \$622,562, 13.63% under budget. As a result, Net Operating Revenues before Depreciation were \$466,887, 522.08% over budget. Net Non-Operating Revenues were \$277,805, 25.26% over budget.

Year-to-date Operating Revenues were \$10,081,381, 18.56% over budget. Year-to-date Operating Expenses were \$6,881,011, 6.11% under budget. Year-to-date Net Operating Revenues before Depreciation were \$3,200,370, 172.52% over budget. Net Non-Operating Revenues for the year were \$2,715,056, 24.16% over budget.

**REVENUES**

Significant variations to budget for April were:

|                               |           |         |  |
|-------------------------------|-----------|---------|--|
| Terminal Space Rental-Airline | \$44,925  | 41.02%  | Enplanements over budget                 |
| Concessions                   | \$11,831  | 28.44%  | Enplanements over budget                 |
| Auto Parking                  | \$185,546 | 74.67%  | Enplanements over budget & rate increase |
| Ground Transportation         | \$9,385   | 375.40% | New fee schedule                         |
| Landing Fees                  | \$27,771  | 56.61%  | Airline operations over budget           |



## **EXPENSES**

Significant variations to budget for April were:

|                      |            |          |                               |
|----------------------|------------|----------|-------------------------------|
| Contractual Services | (\$8,847)  | (15.05%) | Timing of contracts           |
| Travel & Training    | (\$11,983) | (38.88%) | Timing of travel expenditures |
| Utility Services     | \$13,102   | 27.48%   | Utility costs remain low      |

## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$2,496k mainly due to receipt of NC DOT grant funds.

Grants Receivable – Grants Receivable increased by \$770k due to the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$313k mainly due to the Airfield Redevelopment project.

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

**ASHEVILLE REGIONAL AIRPORT  
INVESTMENT AND INTEREST INCOME SUMMARY  
As of April 30, 2018**

| <b><u>Institution:</u></b>                   | <b><u>Interest<br/>Rate</u></b> | <b><u>Investment<br/>Amount</u></b> | <b><u>Monthly<br/>Interest</u></b> |
|--|---------------------------------|-------------------------------------|------------------------------------|
| Bank of America - Operating Account          | 0.20%                           | \$ 9,960,889                        | 1,344                              |
| First Citizens - Money Market Account        | 0.05%                           | 6,397,833                           | 0                                  |
| NC Capital Management Trust - Cash Portfolio |                                 | 17,442                              | 22                                 |
| NC Capital Management Trust - Term Portfolio |                                 | 3,080,732                           | 4,772                              |
| Petty Cash                                   |                                 | 275                                 |                                    |
| <br><b><u>Restricted Cash:</u></b>           |                                 |                                     |                                    |
| BNY Mellon                                   |                                 | 2,176,696                           |                                    |
| Bank of America - PFC Revenue Account        | 0.20%                           | 8,779,868                           | 1,441                              |
|  |                                 | 1,175,057                           |                                    |
| <b>Total</b>                                 |                                 | <b><u>\$ 31,588,792</u></b>         | <b><u>\$ 7,579</u></b>             |

**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 April 30, 2018**

|   | <b>Current<br/>Month</b>    | <b>Prior<br/>Period</b>     |
|---|-----------------------------|-----------------------------|
| <b>Cash and Investments Beginning of Period</b> | <u>\$ 29,092,744</u>        | <u>\$ 29,835,282</u>        |
| Net Income/(Loss) Before Capital Contributions  | 355,395                     | 204,973                     |
| Depreciation                                    | 389,296                     | 389,296                     |
| Decrease/(Increase) in Receivables              | (886,094)                   | (367,420)                   |
| Increase/(Decrease) in Payables                 | 97,639                      | (9,453)                     |
| Decrease/(Increase) in Prepaid Expenses         | 16,163                      | 16,756                      |
| Decrease/(Increase) in Fixed Assets             | (313,317)                   | (1,015,494)                 |
| Principal Payments of Bond Maturities           | 40,639                      | 40,639                      |
| Capital Contributions                           | 2,796,327                   | (1,835)                     |
| <b>Increase(Decrease) in Cash</b>               | <u>2,496,048</u>            | <u>(742,538)</u>            |
| <b>Cash and Investments End of Period</b>       | <u><u>\$ 31,588,792</u></u> | <u><u>\$ 29,092,744</u></u> |

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Month Ending April 30, 2018**

|  | <u>Current Month<br/>Actual</u> | <u>Current Month<br/>Budget</u> | <u>Variance \$</u> | <u>Variance %</u> | <u>YTD<br/>Actual</u> | <u>YTD<br/>Budget</u> | <u>Variance \$</u> | <u>Variance %</u> | <u>Annual<br/>Budget</u> |
|--|---------------------------------|---------------------------------|--------------------|-------------------|-----------------------|-----------------------|--------------------|-------------------|--------------------------|
| <b>Operating Revenue:</b>                |                                 |                                 |                    |                   |                       |                       |                    |                   |                          |
| Terminal Space Rentals - Non Airline     | \$20,378                        | \$20,377                        | \$1                | 0.00%             | \$205,762             | \$202,289             | \$3,473            | 1.72%             | \$243,049                |
| Terminal Space Rentals - Airline         | 154,442                         | 109,517                         | 44,925             | 41.02%            | 1,463,879             | 1,310,582             | 153,297            | 11.70%            | 1,571,724                |
| Concessions                              | 53,438                          | 41,607                          | 11,831             | 28.44%            | 478,998               | 355,445               | 123,553            | 34.76%            | 444,480                  |
| Auto Parking                             | 434,046                         | 248,500                         | 185,546            | 74.67%            | 3,450,458             | 2,655,500             | 794,958            | 29.94%            | 3,270,000                |
| Rental Car - Car Rentals                 | 139,541                         | 131,787                         | 7,754              | 5.88%             | 1,574,796             | 1,313,070             | 261,726            | 19.93%            | 1,579,656                |
| Rental Car - Facility Rent               | 55,773                          | 52,381                          | 3,392              | 6.48%             | 555,371               | 522,747               | 32,624             | 6.24%             | 627,526                  |
| Commercial Ground Transportation         | 11,885                          | 2,500                           | 9,385              | 375.40%           | 87,334                | 48,000                | 39,334             | 81.95%            | 75,000                   |
| Landing Fees                             | 76,832                          | 49,061                          | 27,771             | 56.61%            | 747,210               | 654,461               | 92,749             | 14.17%            | 774,903                  |
| FBO'S                                    | 82,690                          | 83,584                          | (894)              | (1.07%)           | 841,024               | 848,435               | (7,411)            | (0.87%)           | 1,021,005                |
| Building Leases                          | 6,100                           | 5,998                           | 102                | 1.70%             | 88,286                | 101,826               | (13,540)           | (13.30%)          | 113,820                  |
| Land Leases                              | 4,997                           | 4,915                           | 82                 | 1.67%             | 49,889                | 49,140                | 749                | 1.52%             | 58,968                   |
| Other Leases/Fees                        | 49,327                          | 45,674                          | 3,653              | 8.00%             | 538,374               | 441,475               | 96,899             | 21.95%            | 528,639                  |
| <b>Total Operating Revenue</b>           | <b>\$1,089,449</b>              | <b>\$795,901</b>                | <b>\$293,548</b>   | <b>36.88%</b>     | <b>\$10,081,381</b>   | <b>\$8,502,970</b>    | <b>\$1,578,411</b> | <b>18.56%</b>     | <b>\$10,308,770</b>      |
| <b>Operating Expenses:</b>               |                                 |                                 |                    |                   |                       |                       |                    |                   |                          |
| Personnel Services                       | \$378,970                       | \$425,766                       | (\$46,796)         | (10.99%)          | \$3,965,740           | \$4,404,960           | (\$439,220)        | (9.97%)           | \$5,400,329              |
| Professional Services                    | 22,782                          | 24,893                          | (2,111)            | (8.48%)           | 183,714               | 202,162               | (18,448)           | (9.13%)           | 312,250                  |
| Accounting & Auditing                    | -                               | 2,600                           | (2,600)            | (100.00%)         | 16,200                | 10,600                | 5,600              | 52.83%            | 16,200                   |
| Other Contractual Services               | 49,920                          | 58,767                          | (8,847)            | (15.05%)          | 971,713               | 845,169               | 126,544            | 14.97%            | 960,194                  |
| Travel & Training                        | 18,838                          | 30,821                          | (11,983)           | (38.88%)          | 161,067               | 160,250               | 817                | 0.51%             | 209,650                  |
| Communications & Freight                 | 6,578                           | 8,325                           | (1,747)            | (20.98%)          | 84,336                | 86,247                | (1,911)            | (2.22%)           | 103,900                  |
| Utility Services                         | 34,573                          | 47,675                          | (13,102)           | (27.48%)          | 338,946               | 426,640               | (87,694)           | (20.55%)          | 520,817                  |
| Rentals & Leases                         | -                               | 1,033                           | (1,033)            | (100.00%)         | 18,452                | 9,930                 | 8,522              | 85.82%            | 12,000                   |
| Insurance                                | 17,337                          | 21,058                          | (3,721)            | (17.67%)          | 167,785               | 210,580               | (42,795)           | (20.32%)          | 252,700                  |
| Repairs & Maintenance                    | 20,509                          | 23,878                          | (3,369)            | (14.11%)          | 213,914               | 221,880               | (7,966)            | (3.59%)           | 266,530                  |
| Advertising, Printing & Binding          | 24,000                          | 25,939                          | (1,939)            | (7.48%)           | 164,994               | 154,930               | 10,064             | 6.50%             | 257,790                  |
| Promotional Activities                   | 2,393                           | 8,025                           | (5,632)            | (70.18%)          | 70,799                | 70,700                | 99                 | 0.14%             | 108,950                  |
| Other Current Charges & Obligations      | 3,926                           | 8,250                           | (4,324)            | (52.41%)          | 95,637                | 87,575                | 8,062              | 9.21%             | 104,000                  |
| Office Supplies                          | 699                             | 750                             | (51)               | (6.80%)           | 5,071                 | 7,500                 | (2,429)            | (32.39%)          | 9,000                    |
| Operating Supplies                       | 33,677                          | 31,576                          | 2,101              | 6.65%             | 244,267               | 373,046               | (128,779)          | (34.52%)          | 476,793                  |
| Books, Publications, Subscriptions & Mem | 860                             | 1,492                           | (632)              | (42.36%)          | 47,212                | 56,420                | (9,208)            | (16.32%)          | 59,870                   |
| Contingency                              | 7,500                           | -                               | 7,500              | 100.00%           | 7,500                 | -                     | 7,500              | 100.00%           | 100,000                  |
| Emergency Repair                         | -                               | -                               | -                  | 100.00%           | 32,184                | -                     | 32,184             | 100.00%           | 50,000                   |
| Business Development                     | -                               | -                               | -                  | 100.00%           | 91,480                | -                     | 91,480             | 100.00%           | 300,000                  |
| <b>Total Operating Expenses</b>          | <b>\$622,562</b>                | <b>\$720,848</b>                | <b>(\$98,286)</b>  | <b>(13.63%)</b>   | <b>\$6,881,011</b>    | <b>\$7,328,589</b>    | <b>(\$447,578)</b> | <b>(6.11%)</b>    | <b>\$9,520,973</b>       |

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**

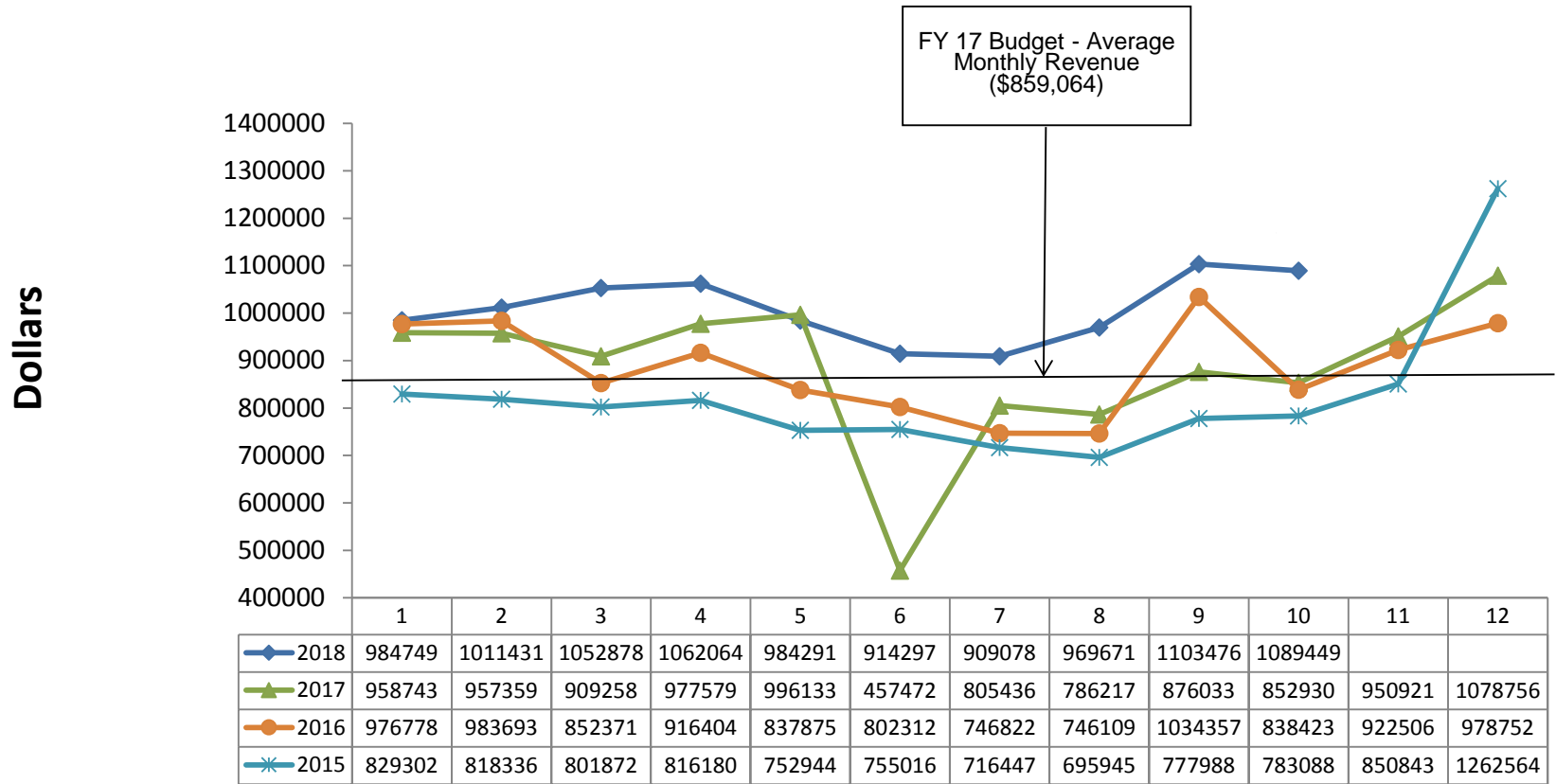
**For the Month Ending April 30, 2018**

|   | Current Month<br>Actual | Current Month<br>Budget | Variance \$ | Variance % | YTD<br>Actual | YTD<br>Budget | Variance \$   | Variance % | Annual<br>Budget |
|---|-------------------------|-------------------------|-------------|------------|---------------|---------------|---------------|------------|------------------|
| <b>Operating Revenue before<br/>Depreciation</b>                                | \$466,887               | \$75,053                | \$391,834   | 522.08%    | \$3,200,370   | \$1,174,381   | \$2,025,989   | 172.52%    | \$787,797        |
| Depreciation  | 389,296                 | -                       | 389,296     | 100.00%    | 3,892,609     | -             | \$3,892,609   | 100.00%    | -                |
| <b>Operating Income(Loss)<br/>Before Non-Operating Revenue<br/>and Expenses</b> | \$77,591                | \$75,053                | \$2,538     | 3.38%      | (\$692,239)   | \$1,174,381   | (\$1,866,620) | (158.95%)  | \$787,797        |
| <b>Non-Operating Revenue<br/>and Expense</b>                                    |                         |                         |             |            |               |               |               |            |                  |
| Customer Facility Charges   | \$119,128               | \$94,500                | \$24,628    | 26.06%     | \$1,203,715   | \$1,120,500   | \$83,215      | 7.43%      | \$ 1,350,000     |
| Passenger Facility Charges  | 189,979                 | 165,000                 | 24,979      | 15.14%     | 1,816,543     | 1,443,500     | 373,043       | 25.84%     | 1,788,500        |
| Interest Revenue  | 7,579                   | 2,917                   | 4,662       | 159.82%    | 65,428        | 29,167        | 36,261        | 124.32%    | 35,000           |
| Interest Expense  | (40,639)                | (40,639)                | -           | 0.00%      | (406,388)     | (406,388)     | -             | 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   | 1,758                   | 0                       | 1,758       | 0.00%      | 29,419        | 0             | 29,419        | 0.00%      | -                |
| <b>Non-Operating Revenue-Net</b>  | \$277,805               | \$221,778               | \$56,027    | 25.26%     | \$2,715,056   | \$2,186,779   | \$528,277     | 24.16%     | \$2,685,834      |
| <b>Income (Loss) Before<br/>Capital Contributions</b>                           | \$355,396               | \$296,831               | \$58,565    | 19.73%     | \$2,022,817   | \$3,361,160   | (\$1,338,343) | (39.82%)   | \$3,473,631      |
| <b>Capital Contributions</b>  | \$2,796,327             | \$0                     | \$2,796,327 | 100.00%    | \$6,580,270   | \$0           | \$6,580,270   | 100.00%    | \$0              |
| <b>Increase in Net Assets</b>   | \$3,151,723             | \$296,831               | \$2,854,892 | 961.79%    | \$8,603,087   | \$3,361,160   | \$5,241,927   | 155.96%    | \$3,473,631      |

**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of April 30, 2018**

|   | <u>Current<br/>Month</u> | <u>Last<br/>Month</u> |
|---|--------------------------|-----------------------|
| <b><u>ASSETS</u></b>                                    |                          |                       |
| <b>Current Assets:</b>                                  |                          |                       |
| <b>Unrestricted Net Assets:</b>                         |                          |                       |
| Cash and Cash Equivalents                               | \$19,457,171             | \$17,269,432          |
| Accounts Receivable                                     | 853,207                  | 768,456               |
| Passenger Facility Charges Receivable                   | 375,000                  | 350,000               |
| Refundable Sales Tax Receivable                         | 241,773                  | 235,426               |
| Grants Receivable                                       | 1,250,474                | 480,478               |
| Prepaid Expenses  | 34,255                   | 50,418                |
| Total Unrestricted Assets                               | 22,211,880               | 19,154,210            |
| <b>Restricted Assets:</b>                               |                          |                       |
| Cash and Cash Equivalents                               | 12,131,622               | 11,823,313            |
| Total Restricted Assets                                 | 12,131,622               | 11,823,313            |
| Total Current Assets                                    | 34,343,502               | 30,977,523            |
| <b>Noncurrent Assets:</b>                               |                          |                       |
| Construction in Progress                                | 74,662,046               | 74,348,730            |
| Net Pension Asset - LGERS                               | (1,061,652)              | (1,061,652)           |
| Contributions in Current Year                           | 944,231                  | 944,231               |
| Property and Equipment - Net                            | 54,071,891               | 54,461,187            |
| Total Noncurrent Assets                                 | 128,616,516              | 128,692,496           |
|   | \$162,960,018            | \$159,670,019         |
| <b><u>LIABILITIES AND NET ASSETS</u></b>                |                          |                       |
| <b>Current Liabilities:</b>                             |                          |                       |
| <b>Payable from Unrestricted Assets:</b>                |                          |                       |
| Accounts Payable & Accrued Liabilities                  | \$1,266,096              | \$512,634             |
| Customer Deposits                                       | 10,510                   | 10,510                |
| Unearned Revenue  | 527,196                  | 470,822               |
| Construction Contract Retainages                        | 1,367,841                | 2,080,038             |
| Revenue Bond Payable - Current                          | 1,215,000                | 1,215,000             |
| Interest Payable  | 162,555                  | 121,916               |
| Total Payable from Unrestricted Assets                  | 4,549,198                | 4,410,920             |
| Total Current Liabilities                               | 4,549,198                | 4,410,920             |
| <b>Noncurrent Liabilities:</b>                          |                          |                       |
| 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                                       | 25,379,698               | 25,241,420            |
| <b>Net Assets:</b>                                      |                          |                       |
| Invested in Capital Assets                              | 108,688,937              | 108,764,917           |
| Restricted  | 12,131,622               | 11,823,313            |
| Unrestricted  | 16,759,761               | 13,840,369            |
| Total Net Assets  | 137,580,320              | 134,428,599           |
|   | \$162,960,018            | \$159,670,019         |

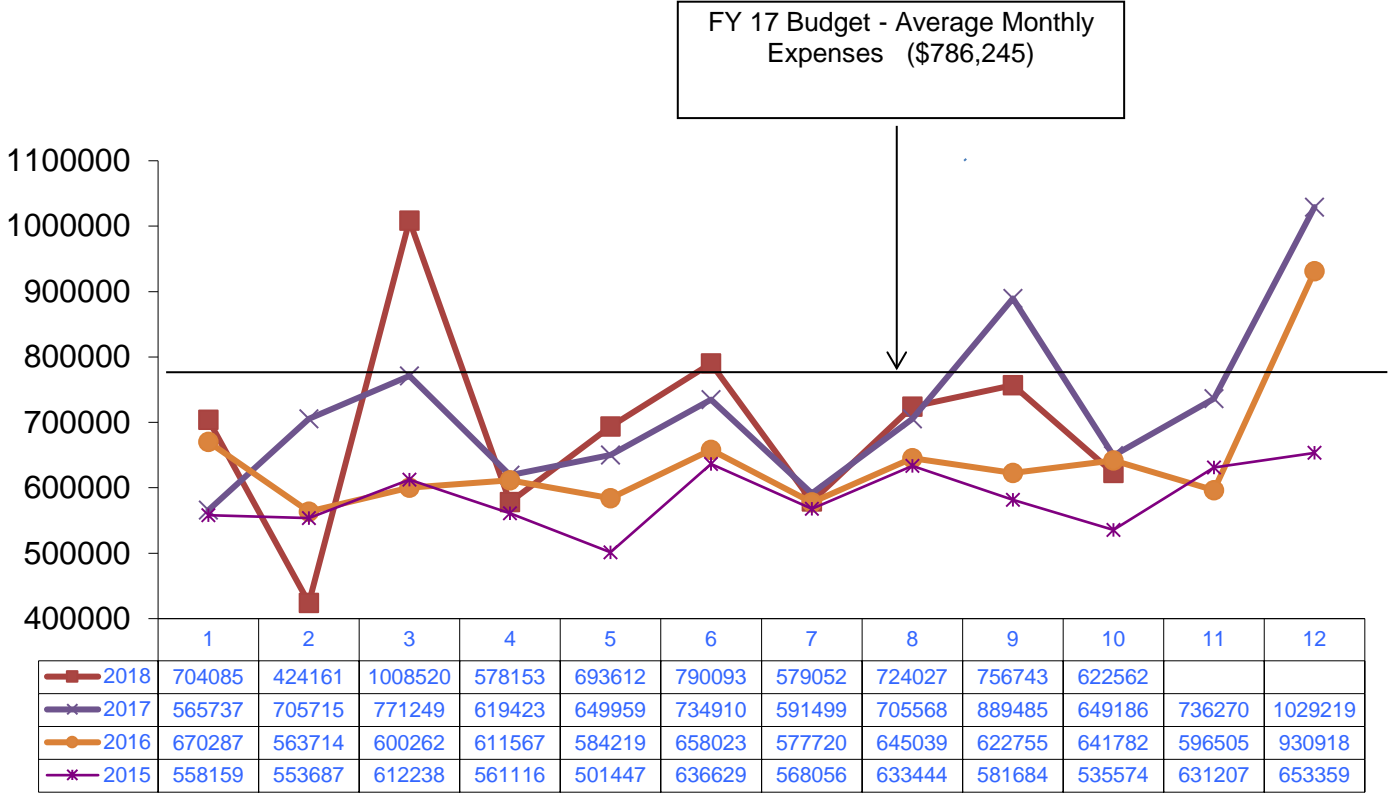
# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month April 2018



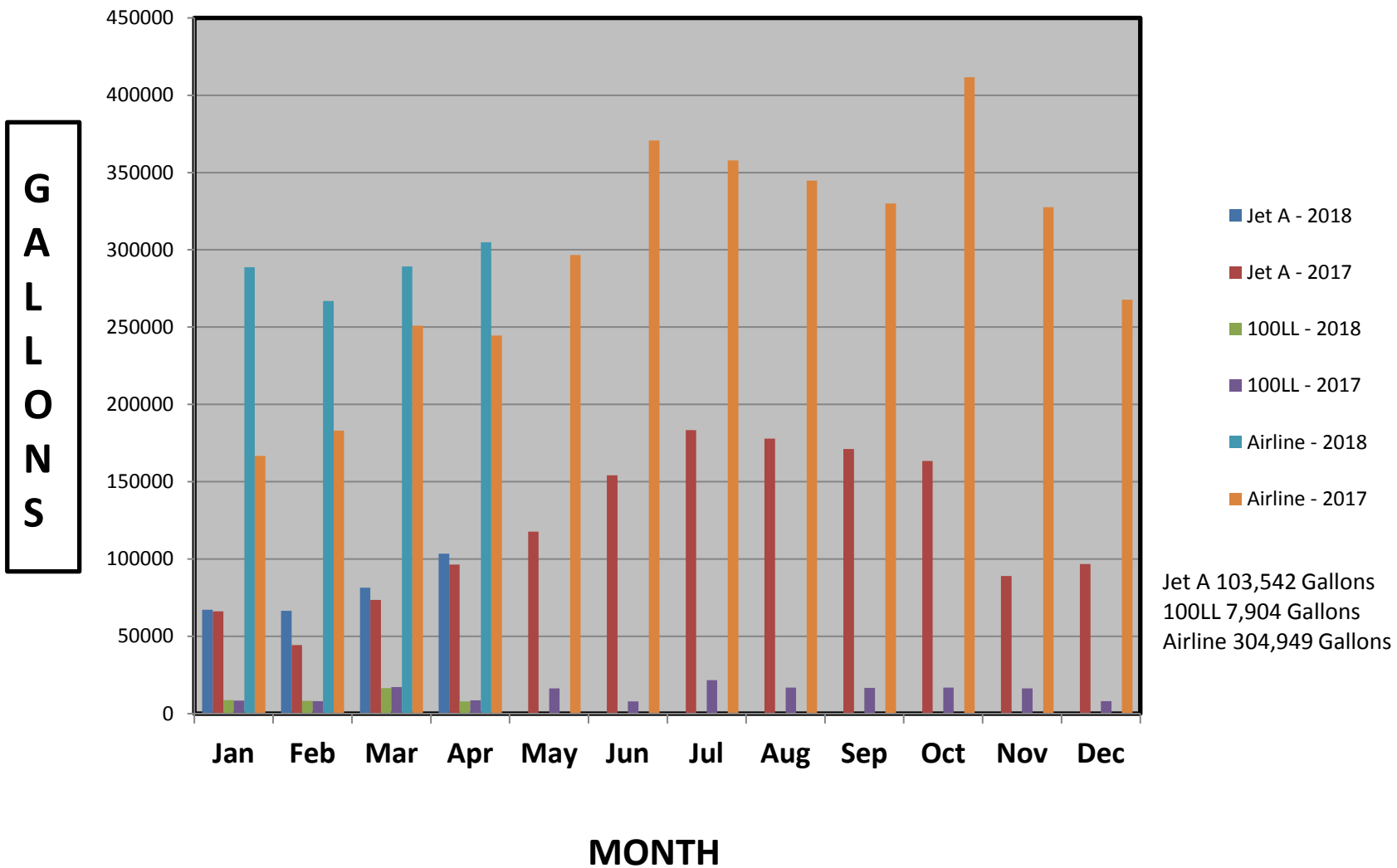


# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month April 2018

Dollars

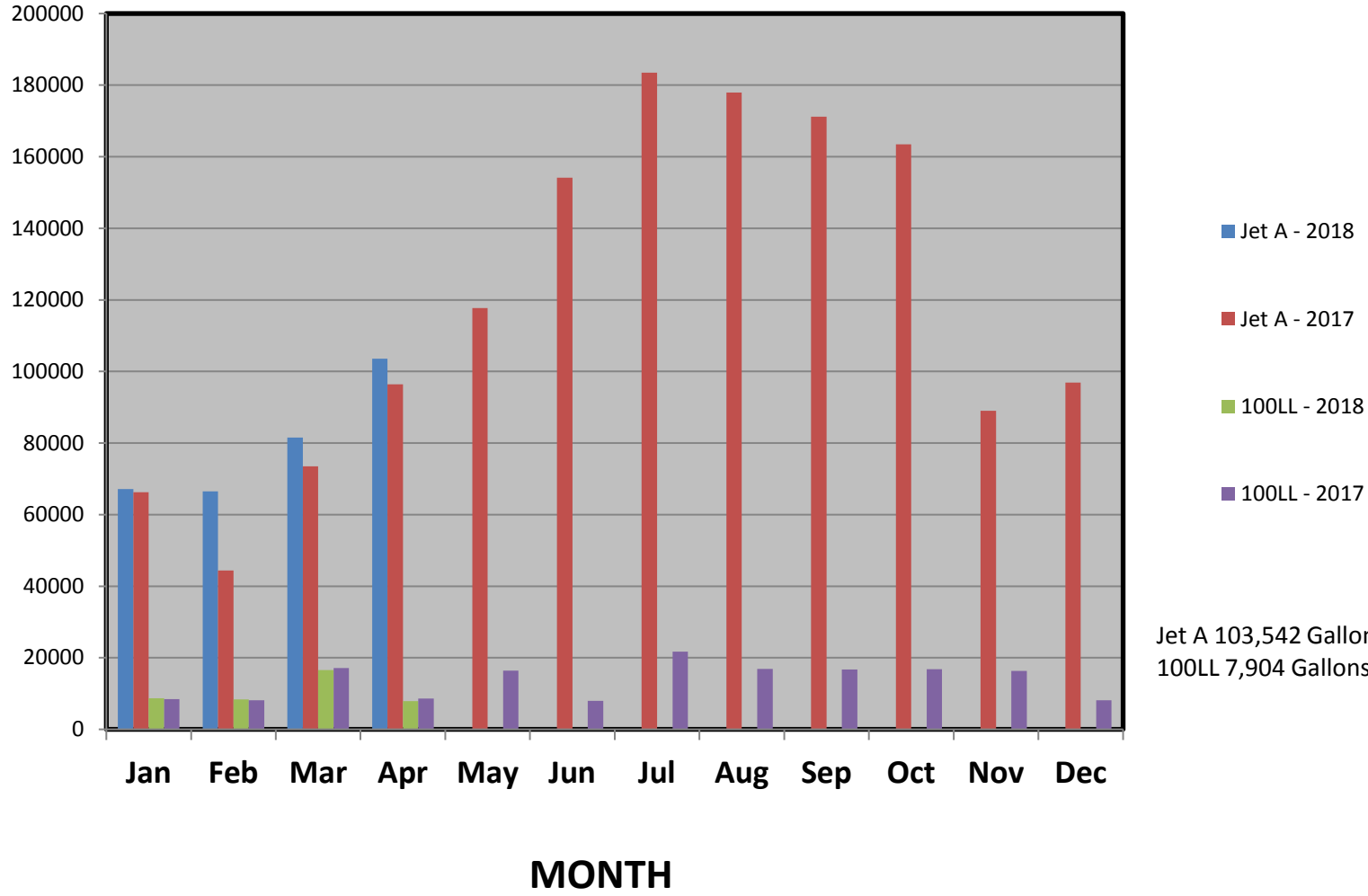


**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
April 2018**



**ASHEVILLE REGIONAL AIRPORT  
GENERAL AVIATION FUEL SALES - GALLONS  
April 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 06/01/2018) | Percent of Original Contract | Board Approved Project Cost              | Percent Complete | Expensed to Date (thru 06/01/2018) | Start Date | End Date | Current Project Status (as of 06/01/2018)  |
|----------------|---|--|----------------------------------|--------------------------------|--------------------|--------------------------------|---------------------------------|------------------------------|--|------------------|------------------------------------|------------|----------|--|
| 1              | Airfield Re-Development Project                                   | Budget for the complete project  |                                  |                                |                    | \$64,100,000.00                | \$15,900,000.00                 |                              | \$80,000,000.00                          | 70%              | \$56,058,475                       |            |          | 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%                        | (Overall total included in above number) | 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%                        | (Overall total included in above number) | 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%                        | (Overall total included in above number) | 87.7%            | \$2,105,693                        | Dec-14     | Jun-19   | Phase IV Project Management continues.   |
| 1D             | Airfield Re-Development Project                                   | Phase IV-A Design Services and Project Management                                    | RS&H                             | \$1,469,611.00                 | N/A                | N/A                            | \$0.00                          | 0.00%                        | (Overall total included in above number) | 14.1%            | \$207,637                          | Apr-18     | Dec-19   | Phase IV Project Management continues. (Represents additional costs due to delay.)                 |
| 1E             | Airfield Re-Development Project                                   | New Runway Design  | AVCON                            | \$1,967,476.00                 | N/A                | N/A                            | \$0.00                          | 0.00%                        | (Overall total included in above number) | 95.3%            | \$1,875,707                        | Mar-13     | Jun-19   | Phase IV Project Management continues.   |
| 1F             | Airfield Re-Development Project                                   | Miscellaneous and Administrative Expenses  |                                  |                                | N/A                | N/A                            | \$0.00                          | 0.00%                        | (Overall total included in above number) |                  | \$5,264,058                        | Jan-13     | Dec-17   | Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition                 |
| 2              | 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                             | 57.0%            | \$117,893                          | Feb-17     | Jun-18   | Notice to Proceed issued.  |
| 3              | 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                             | 57.2%            | \$314,912                          | Jan-18     | Jun-18   | Draft documents being assembled or reviewed.   |
| 4              | 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                              | 84.5%            | \$38,056                           | Oct-17     | Apr-18   | Draft EA submitted for review to FAA.  |

**Construction Phase**

| Project Number | Project Name  | Project Description  | Professional Services Consultant | Professional Services Contract         | General Contractor      | Original Construction Contract | Change Orders (thru 06/01/2018) | Percent of Original Contract | Board Approved Project Cost | Percent Complete | Expensed to Date (thru 06/01/2018) | Start Date | End Date | Current Project Status (as of 06/01/2018)                |
|----------------|---|--|----------------------------------|--|-------------------------|--------------------------------|---------------------------------|------------------------------|-----------------------------|------------------|------------------------------------|------------|----------|--|
| 1              | 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 | Travelers / Cedar Peaks | \$33,703,095.70                | \$0.00                          | 0.00%                        | \$34,703,095.70             | 26.6%            | \$8,975,745                        | Mar-17     | Jun-19   | Grading, basin fill-in, lighting beginning on South end. |
| 2              | 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   | NTP issued. Work to start in mid-June.                   |

(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