

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 8, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 8, 2017 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Robert C. Roberts, Chair; Matthew C. Burril, Vice-Chair; K. Ray Bailey; Stephanie Pace Brown; David Gantt; and George H. Erwin, Jr.

MEMBERS ABSENT: William L. Moyer

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: Eric Rysdon, RS&H; Dillon Davis, Asheville Citizen-Times; Able Allen, Mountain Express

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

WELCOME AND SWEARING IN OF NEW BOARD MEMBER: The Chair welcomed George H. Erwin, Jr. to the Board. Mr. Erwin was sworn in by the Clerk to the Board.

SERVICE RECOGNITION AWARD: Mr. Tate joined the meeting via telephone. The Chair thanked Mr. Tate for his service on the Authority Board and read the following resolution to Mr. Tate:

***Greater Asheville
Regional Airport Authority***

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority was created for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, Andrew T. Tate served as Member of the Greater Asheville Regional Airport Authority from July 2012 to October 2017; and

WHEREAS, Andrew T. Tate resigned his position as Member of the Authority due to a well-deserved promotion in his professional capacity, which required him to transfer from Henderson County; and

WHEREAS, Andrew T. Tate, during his period of service to the Authority, performed his duties with diligence, prudence and astute insight; and

WHEREAS, Andrew T. Tate provided to the Authority his wisdom, especially in connection with matters regarding community relations as well as the perception and growth of the Asheville Regional Airport in Western North Carolina.

NOW, THEREFORE, BE IT RESOLVED that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Andrew T. Tate for his dedicated efforts in serving the needs of the Asheville Regional Airport.

Adopted this 8th day of December, 2017.

Greater Asheville Regional Airport Authority

Mr. Tate thanked the Board and stated that he was thankful of the opportunity to serve and was proud of all that has been accomplished.

PRESENTATION: John Coon began his presentation with a brief background on the leadership of the Operations, Maintenance, and Custodial Departments. Mr. Coon presented an overview that detailed the percentage of the Authority budget allocated to the overall department as well as the specific job functions performed by each department. The Board thanked Mr. Coon for his presentation.

FINANCIAL REPORT: The Director reported on the airport activity for the month of October which included enplanements, aircraft operations, and general aviation activity. The Director was pleased to note that October saw the most enplanements in the history of the airport. Janet Burnette reported on the financial activity for the month of October.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority November 9, 2017 Regular Meeting Minutes:

B. Approval of Amendment to the FY17/18 Budget:

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>
Executive Department	_____	\$50,000
Totals	=====	\$50,000

This will result in a net increase of \$50,000 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$50,000
Totals	=====	\$50,000

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 8th day of December, 2017.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

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

OLD BUSINESS: None

NEW BUSINESS:

A. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2019-2023: Michael Reisman informed the Board that the Federal Aviation Administration (FAA) requires that all airports submit a Five-Year CIP to be eligible for federal funding of projects. Mr. Reisman stated that the Five-Year CIP is a planning tool for staff, the FAA, and the NC Department of Transportation (NCDOT) and does not sanction award of contracts for design or construction. Mr. Reisman briefly reviewed the projects included on the CIP which amounts to an overall program of \$57.7 million.

The Director reminded the Board that the NCDOT funded \$2 million to the airport this year and is scheduled to disburse this amount again next year. The Director advised the Board that the NCDOT is fairly confident that the funding the aviation projects will remain in the state's budget. The Director further stated that the \$28 million allocated on the CIP from airport funds will come from PFCs and other sources that staff has not yet identified. PFC's collected through 2024 are earmarked for the airfield re-development project.

Mr. Burril questioned if the Authority's \$16 million in unrestricted funds would be available for these types of projects. The Director responded that approximately \$12.5 million is unrestricted, undesignated. \$14.3 million is restricted and is primarily the remaining bonds for the parking garage or PFC money that has already been collected and planned for the Authority's portion on the airfield project costs.

Ms. Brown moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan for FY2019-2023. Mr. Burril seconded the motion and it carried unanimously.

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

A. Allegiant Summer Flight Schedule: The Director stated that Allegiant has done very well in Asheville over the past few years and has contributed to the growth the airport has experienced. The Director reviewed the increase in the number of flights to existing service that Allegiant has planned for the summer months.

B. Budget Changes: The Director stated that he had the following items to report:

1. Transfer from contingency in the amount of \$7,500 to capital projects for the re-bidding of the north apron project in the amount of \$10,250. This project was originally planned for the previous summer, but cancelled due to high bids received.

2. A change order for an additional \$20,000 for engineering costs for the garage project resulting from delays earlier on in the project.

C. Industry Conferences: The Director advised the Board that staff will soon begin the budget process and typically plans between \$10,000 and \$15,000 for Board Member participation in industry conferences. The Director requested the Board notify staff of any interest in any of the conferences that were included in the conference schedule distributed at the November meeting.

D. Discussion Of Key Priorities: The Director advised the Board that staff would provide updates on the Master Plan and Long Term Economic Development.

Michael Reisman reminded the Board that the Master Plan was conducted in 2012 and completed in 2013 and that the data he would review was based on information compiled at that time. Mr. Reisman reviewed the projects that were included on the Capital Improvement Plan (CIP) from 2013 through 2017 and identified them as completed or still in progress. The Board was also updated on the status of projects included on the Master Plan CIP for 2018-2022 as well as 2023-2032. A brief discussion on the possibility of a new air traffic control tower ensued. Mr. Reisman then highlighted enplanement, aircraft operations, and terminal space projections from the 2012 Master Plan and informed the Board that the airport is already 6-8 years ahead of these projections.

From an economic and land development standpoint, the Director identified the aeronautical and non-aeronautical sites available for development on airport property. There are 92 acres of aeronautical sites and 127 acres of non-aeronautical sites available for development. A land rent study was updated earlier in the year, so the current land rent figures are available when needed. The Director reported that a request for qualifications from companies that develop land is being prepared. Staff has also been working with Western LLC over the last couple of years to develop the aeronautical property in the northeast area of the airport. Extensive work with the economic development coalitions from Buncombe and Henderson counties as well as Carolina West in ongoing to market the land.

The Chair questioned if there was ingress and egress for the northwest area of the airport. The Director responded that the aeronautical portion was accessible from the airfield. The remaining acres to the west could be accessible from Pinner Road. Staff would also work with the state to determine if access from Ferncliff Park Drive could be attained if a developer becomes interested in developing the property.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: Staff did not believe the meeting scheduled for January 19, 2018 would be necessary, but the Board was asked to keep the date available on their calendars. The next regular meeting of the Authority Board will be held on February 16, 2018.

CLOSED SESSION: At 9:44 a.m. Ms. Brown moved to go into Closed Session Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel Regarding, Among Other Things, That Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Thalle Construction Co., Inc. and Liberty Mutual Insurance Company and vs. Defendant & Third-Party Plaintiff, Greater Asheville Regional Airport Authority, vs. Third-Party Defendant, Avcon, Inc. d/b/a Avcon Engineers and Planners, Inc. in Order to Preserve the Attorney-Client Privilege, and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Burril 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 10:20 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 8, 2017

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. Gantt seconded the motion and it carried unanimously.

RESOLUTION TO RATIFY THE TERMINATION OF THE CONTRACT WITH CEDAR PEAKS ENTERPRISES, INC. FOR PERMANENT RUNWAY 17-35 CONSTRUCTION – BID PACKAGE 4 – PAVING, LIGHTING AND NAVAIDS AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY ACTIONS ASSOCIATED WITH MITIGATION OF DAMAGES AND COMPLETION OF THE WORK ASSOCIATED WITH BID PACKAGE 4: Mr. Bailey moved to adopt the following resolution. Ms. Brown seconded the motion and it carried unanimously:

RESOLUTION TO RATIFY THE TERMINATION OF THE CONTRACT WITH CEDAR PEAKS ENTERPRISES, INC. FOR PERMANENT RUNWAY 17-35 CONSTRUCTION – BID PACKAGE 4 – PAVING, LIGHTING AND NAVAIDS AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY ACTIONS ASSOCIATED WITH MITIGATION OF DAMAGES AND COMPLETION OF THE WORK ASSOCIATED WITH BID PACKAGE 4.

WHEREAS, in or around 2014 the Greater Asheville Regional Airport Authority ("GARAA") undertook a runway redevelopment project, which project was divided into four bid packages and phases;

WHEREAS, Bid Package 4 or Phase 4 of the runway redevelopment project generally consisted of paving, lighting and the installation of navigational aids ("Phase 4");

WHEREAS, on or about March 1, 2017, the GARAA entered into a contract with Cedar Peaks Enterprises, Inc. ("Cedar Peaks") for the Phase 4 work ("Project"), including, but not limited to, all work shown on the plans and specifications for Permanent Runway 17-35 Construction – Bid Package 4 – Paving, Lighting and NAVAIDS ("Contract");

WHEREAS, there were significant problems with and delays in Cedar Peaks work on the Project and on or about September 28, 2017 RS&H issued a Notice of Pending Default to Cedar Peaks;

WHEREAS, on or about October 30, 2017 the GARAA also notified Cedar Peaks of its numerous breaches of the Contract;

WHEREAS, Cedar Peaks failed to cure its defaults under the Contract within the time allowed;

WHEREAS, the GARAA elected to terminate the Contract with Cedar Peaks effective November 7, 2017;

WHEREAS, Travelers is the surety ("Surety") on the Project and the GARAA has asserted a claim with the Surety against the Performance Bond on the Project;

WHEREAS, the GARAA has learned that several subcontractors have not been paid by Cedar Peaks for their work on the Project and that they have submitted claims against the Payment Bond on the Project;

WHEREAS, the GARAA is now actively working with the Surety to mitigate its damages associated with Cedar Peaks' default and the subsequent termination of the Contract; and

WHEREAS, over the course of the next few months it is anticipated that the GARAA will need to, among other things: continue to work with the Surety; act quickly to make decisions regarding completion of the Project; engage one or more contractors to complete various minor aspects of the Project; and re-bid and enter into a contract for the completion of the Project.

NOW THEREFORE, BE IT RESOLVED, by the Board of the Greater Asheville Regional Airport Authority as follows:

1) The Board hereby ratifies the termination of the contract with Cedar Peaks Enterprises, Inc. for Permanent Runway 17-25 Construction – Bid Package 4 – Paving, Lighting and NAVAIDS effective November 7, 2017.

2) The Executive Director, after consultation with the Board Chair or the Board Vice Chair and the GARAA legal counsel, is hereby authorized and directed to take such action as is necessary to mitigate the damages of the GARAA caused by the default of Cedar Peaks and as is necessary to complete the Project in a timely and cost-effective manner. Such action may include, by way of example, but would not be limited to: engaging other contractors to complete or to correct various smaller, time-sensitive aspects of the Project; entering into agreements with the Surety and Cedar Peaks regarding materials to be used on the Project; making payment to the Surety for such materials; and engaging additional engineering services as may be needed for the completion of the Project. The Executive Director shall keep the Board Chair and Board Vice Chair regularly informed of all such action taken and shall notify the full Board of all such action taken at the next meeting of the Board.

3) The Executive Director and the Board Chair are each hereby authorized and directed to execute and deliver, at the appropriate time or times, all agreements, contracts, or other documents necessary for the undertaking of all action contemplated above for the purpose of mitigating the damages of the GARAA or for the purpose of completion of the Project, but it shall only be necessary for either the Executive Director or the Board Chair to execute any such agreement, contract or document. The Executive Director shall provide the Board with a copy of all agreements, contracts or other documents executed at the next meeting of the Board.

4) Notwithstanding the foregoing, prior approval from the Board of the GARAA shall be required for the acceptance, execution and delivery of a contract for the overall completion of the Project.

Adopted this the ___ day of December, 2017.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: Robert C. Roberts, Chair

ATTESTED BY:

Ellen M. Heywood, Clerk to the Board

AUTHORITY MEMBER REPORTS

The Chair requested that Board Members keep in mind that items discussed in Closed Session are confidential. Ms. Rice agreed and added that in order to protect the attorney-client privilege, the items discussed in Closed Session need to stay confidential.

The Chair reminded the Board Members that the schedule of industry conferences had been distributed and if a Board Member would like to attend a conference, to please mention at the next Board meeting.

The Chair suggested that while Board Members are attending functions and having conversations, it would be in the best interest of the Authority to share the news that enplanements were at a record high in October, more flights are being added, and that the long-range plan for the airport is growth and staff is planning well. The Authority is looking for major things to come from our airport.

ADJOURNMENT: Mr. Burril moved to adjourn the meeting at 10:25 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair