



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, April 12, 2019, 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. Chris Hudson –20 Years
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority February 20, 2019 Special Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority March 8, 2019 Regular Meeting Minutes ([document](#))
 - C. Approval of the Greater Asheville Regional Airport Authority March 8, 2019 Closed Session Minutes
 - D. Approval of Audit Contract with Gould Killian CPA Group, P.A. for Fiscal Year Ending June 30, 2019 ([document](#))
 - E. Approval of Insurance Renewals ([document](#))



VI. OLD BUSINESS:

- A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-5 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
- B. Public Hearing and Final Adoption of the Authority's Fiscal Year 2019/2020 Budget ([document](#))

VII. NEW BUSINESS:

- A. Parking Lot Discussion
- B. Approve Agreement with Kimley-Horn for Engineering Services Associated with Pipe Repair ([document](#))
- C. Award of Contract for Physical Security and Identity Management Project ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Jet Bridge 2 Update

IX. INFORMATION SECTION:

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

- A. February 2019 Traffic Report ([document](#))
- B. February 2019 Monthly Financial Report ([document](#))
- C. April 2019 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:

- None identified at this time

X. PUBLIC AND TENANTS' COMMENTS

XI. CALL FOR NEXT MEETING



XII. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XIII. AUTHORITY MEMBER REPORTS:

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

XIV. ADJOURNMENT

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

**Asheville Regional Airport
Executive Summary
February-19**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	43,707	38.9%	89,477	37.9%
Aircraft Operations				
Commercial	1,321	24.7%	2,640	21.7%
Scheduled Flights	631	45.4%		
Flight Cancellations	7			
Seats	60,000	51.9%	120,265	46.6%
Load Factor	72.8%	(8.6%)	74.4%	(5.9%)
General Aviation	2,670	4.2%	5,610	9.1%
Military	156	(8.8%)	334	(8.5%)

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,081,933		\$ 9,181,769	
Operating Expenses	750,376		5,300,654	
Net Operating Revenues before Depreciation	<u>\$ 331,557</u>		<u>\$ 3,881,115</u>	
Net Non-Operating Revenues	<u>\$ 321,173</u>		<u>\$ 2,198,968</u>	
Grants:				
FAA AIP Grants	\$ 1,125,110		\$ 3,051,948	
NC Dept of Transportation Grants	-		2,294,831	
Total	<u>\$ 1,125,110</u>		<u>\$ 5,346,779</u>	

CASH

Restricted	\$ 11,885,025
Designated for O&M Reserve	4,608,465
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	16,821,061
Total	<u>\$ 33,964,551</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	20,934	3,621	2,746	14,567
Allegiant	33,564	17,407	5,245	10,912
American	5,989	2,648	3,341	-
Avis	7,442	1,151	732	5,559
Budget	927	200	180	547
Delta	18,503	15,533	2,971	-
Elite Airways	9,651	-	-	9,651
Enterprise	5,247	5,150	97	-
TSA	51,584	10,685	10,130	30,769
FAA	13,099	95	70	12,934
Hertz	19,142	1,400	449	17,294
Paradies	30,856	2,320	28,536	-
Signature	3,807	70	-	3,737
Skywest	1,897	1,550	192	155
Spirit	3,308	735	398	2,175
United	2,169	134	991	1,044
Vanguard	34,713	-	-	34,713
Worldwide	3,628	2,251	433	944
Miscellaneous	9,281	404	354	8,523
Total	<u>\$ 275,740</u>	<u>\$ 65,352</u>	<u>\$ 56,865</u>	<u>\$ 153,524</u>
% of Total Receivables	43.03%			

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	3,080,000
	<u>\$ 21,000,000</u>	<u>\$ 18,830,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 31,516,785
Year-to-Date Spending	\$ 5,458,446

**SPECIAL MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
February 20, 2019**

The Greater Asheville Regional Airport Authority ("Authority") met on Wednesday, February 20, 2019 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: Matthew C. Burrell, Chair; K. Ray Bailey, Vice-Chair; William L. Moyer; George H. Erwin, Jr.; and Brad Galbraith

MEMBERS ABSENT: Stephanie Pace Brown; Carl H. Ricker, Jr.

STAFF AND LEGAL COUNSEL PRESENT: Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Frank Wheeler, Director of Administration and Human Resources; Christina Madsen, Airport Properties and Contracts Manager; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Paul Puckli, CHA Consulting; David King, Gresham Smith; Kevin Hopkins, Gresham Smith

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

TERMINAL BUILDING EXPANSION: The Director stated that an initial introduction of a terminal building expansion took place last fall. The size of the current terminal building compared to the passenger loads has accelerated the need for plans to expand the terminal facility. The Director introduced David King and Kevin Hopkins of Gresham Smith and Paul Puckli of CHA Consulting.

Paul Puckli provided background of the infrastructure needs as determined through the terminal assessment study and forecast of passenger enplanements, aircraft operations, and programming analysis of the terminal building CHA Consulting completed last year. Mr. Puckli reviewed the forecasts used to determine expected passenger growth and building size that were completed last May. Mr. Puckli advised the Board that the airport had a growth of 19% and hit the five-year forecast in year one. Mr. Puckli stated that

the forecast was a 20-year program, but due to the unprecedented growth, recommended expediting the 20-year program to be implemented a lot sooner. A discussion of the sustainability of the airport's growth and the continued demand to support the expense for a terminal expansion ensued. The Director informed the Board that Mrs. Burnette had looked into a \$150 million bond issuance at approximately \$10 million a year for 30 years on debt service. The current budget has approximately \$11 million in revenues and while this is a large amount of revenue, staff hopes to have some state and federal funding as well as PFC money to help pay for the project. The Director further stated that the outlook for Congress to increase the PFCs to \$8.50 is promising. The airlines have also been told that there is likely to be an increase in rentals by approximately \$3 per enplaned passenger. The airport may also have to change from rates by ordinance to some type of agreement to ensure the airlines are bound to a rental structure for terminal payments.

Mr. Puckli advised the Board that peak activity forecasts help program the size of the terminal facility. It was originally determined that 12 gates would be needed by 2038, however, it is likely that 12 gates will be necessary much sooner and it would be more cost-effective to build the 12 gates rather than add 2 or 3 gates in a few years. Mr. Puckli further stated that it was originally determined that an additional 100,000 sf would be necessary by 2023, however, the growth experienced in 2018 calls for this space at the present time. Mr. Puckli explained that because the program is sliding faster, it makes more sense to do the 2038 program at the outset. The Director remarked that if construction were to begin in 2021, it will be a 3 to 4-year construction period which brings the growth closer to the numbers predicted for 2038. The airport currently has 7 gates but should be at 9 gates. It doesn't make sense to prolong the expansion for 2 or 3 gates. Mr. Reisman informed the Board that it is expected to cost approximately \$40 million to build 3 gates at a later timeframe, but is only anticipated to cost between \$10 and \$15 million to build the 3 gates at the outset.

Mr. Puckli offered renderings of possible options for expansion and stated that to grow the building, it will be necessary to add a second floor with construction to begin on the south end before expanding to the north. A brief discussion of connecting the parking garage to the second level of the terminal building took place.

David King informed the Board that he would talk about next steps which included phase one of the project, the utility modernization; the project scope, a collaborative process with staff, major stakeholders and the community; as well as the project elements.

A question regarding a new air traffic control tower was raised and a brief discussion took place with respect to the location and funding of a tower. The Director advised the Board that he will continue to have discussions with the FAA headquarters and congressional leaders regarding the plans, location, and funding for a new tower.

Mr. King stated that the design of the terminal building will be a regional design process that will incorporate aspects of the local community into the design of the building. Input from stakeholders and the public will be pursued. Mr. King stated that as the project moves in to the design development phase, his firm will work with the airport on the procurement method. In the past, the airports have done design bid build projects, however, this is a very difficult project and operations have to be kept open. Mr. King stated that one of the things his firm has done successfully in the past is utilized a Construction Manager at Risk (CMR). The CMR would need to be brought on as early in the process as possible, preferably right after the schematic design phase is completed. Mr. King summarized the process of utilizing the services of a CMR.

Clarification on use of a CMR vs. public bid was requested. Mr. Reisman reviewed the bid process that has been used on projects at the airport in the past. Mr. Reisman explained that a CMR is a contractor that becomes a partner through the whole project, and a not-to-exceed price is negotiated. The contractor is taking on a certain amount of risk in that issues may need to be absorbed which lowers their profit margin on the project. Mr. King informed the Board that a CMR puts a big contingency in their price. The Board asked if a CMR was the recommended option for this project. Mr. King responded that this was his recommendation due to the complexity of the project. A question was raised about the inclusion of a liquidated damages clause if a CMR were to be used. Mr. King responded that if a liquidated damages clause were to be included, a bonus clause would also need to be offered. The Board asked if the \$150 million number that was used for this project included use of a CMR. Mr. King replied that this number was based on a design bid build and those numbers may change based on how the Board proceeds with the project.

Mr. Reisman informed the Board that staff is moving forward with the design on the infrastructure now and anticipates having the project bid for construction in the summer. While not a huge project, there will be closures of lanes on Terminal Drive as the project is all external construction. The repairs to the interior infrastructure will be dealt with during the terminal building process.

Mr. Reisman informed the Board that staff will start working with Gresham Smith on the scope of work for the design services and will bring to the Board for approval at a future date. The Board thanked Mr. Puckli and Mr. King for their presentation.

The Director advised the Board that he and Mrs. Burnette would be working with a financial consultant to explore the funding options for this project.

ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 10:31 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burrell

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 8, 2019**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 8, 2019 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: Matthew C. Burrell, Chair; K. Ray Bailey, Vice-Chair; William L. Moyer; Stephanie Pace Brown; George H. Erwin, Jr.; and Carl H. Ricker, Jr.

MEMBERS ABSENT: Brad Galbraith

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Frank Wheeler, Director of Administration and Human Resources; Christina Madsen, Airport Properties and Contracts Manager; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Nick Loder, RS&H; Jon McCalmont, Parrish & Partners; Jeff Kirby, Parrish and Partners

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

PRESENTATIONS: None

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

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 15, 2019 Closed Session Minutes, and Consent Item C, Approval of the Greater Asheville Regional Airport Authority January 18, 2019 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority February 15, 2019 Regular Meeting Minutes: Mr. Erwin moved to approve the February 15, 2019 Regular Meeting Minutes. Mr. Moyer seconded the motion and it carried unanimously.

D. Approve Grant of Easement to Duke Energy Progress, Inc., a North Carolina LLC for Electrical Lines: The Director advised the Board that the easement contained in the agenda package at their seats had been modified slightly to identify the Authority as a body corporate and politic rather than a municipal authority. The Director stated that Patla Straus would also be reviewing the easement and the Director requested the Board approve the easement pending no major changes after review by legal counsel. Mr. Bailey moved to approve the Grant of Easement to Duke Energy Progress, Inc., a North Carolina LLC for Electrical Lines and Authorize the Executive Director to Sign the Necessary Documents. Mr. Moyer seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Amended Pay Grade Structure: Frank Wheeler reminded the Board that at the February Board meeting, the Board approved pay adjustments to three classifications that needed immediate attention. Mr. Wheeler stated that a comprehensive salary survey was conducted, and that it was time to adjust the entire pay grade structure. Mr. Wheeler advised the Board that the FY 19/20 budget includes any necessary salary adjustments that resulted from the salary survey and that this will be an ongoing budget commitment for the Authority. Staff will monitor financial conditions and will make any final recommendations, if necessary, for the July 1, 2019 implementation.

There was a brief discussion regarding the salary survey that was completed with airports of similar size and surrounding municipalities. The Director advised the Board that ACI also completes an annual salary survey and that staff would ensure that those results were incorporated into the Authority's findings.

Mr. Erwin moved to approve the amended Pay Grade Structure; and authorize the Executive Director to implement such changes effective July 1, 2019. Ms. Brown seconded the motion and it carried unanimously.

B. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport: Janet Burnette advised the Board that in preparation for the upcoming FY 19/20 budget, a new Schedule of Airline Rates, Fees and Charge has been developed using the same agreed-upon rate methodology as established with Ordinance 201601. Mrs. Burnette stated that the new

rates result in slightly higher total costs to each of the airlines primarily to cover some of the costs associated with the addition of four public safety officers. Mrs. Burnette stated that the airlines were aware of the new schedule of rates, fees and charges and that a meeting has been scheduled with the airlines for the following week. Mrs. Burnette stated that the ordinance process will require a public hearing at the next regular Board meeting prior to adoption of the new rates.

Mr. Bailey moved to consider and approve the proposed Airline Rates, Fees and Charges; schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2019-2020 at the next regularly scheduled Authority Board meeting which is scheduled for April 12, 2019. Mr. Ricker seconded the motion and it carried unanimously.

C. Approval of the Authority's Preliminary Fiscal Year 2019/2020 Budget:

Janet Burnette presented the preliminary FY19/20 budget to the Board. Mrs. Burnette summarized passenger and financial statistics. The Board was informed that an increase in operating revenue is due to higher enplanements, ground transportation and parking fees, as well as additional food and beverage options. Mrs. Burnette highlighted the operating expenses. A brief discussion took place regarding merit increases, the salary adjustment pool, and longevity.

Mrs. Burnette reviewed operating revenue as well as operating expenses by department and informed the Board that the budget included the addition of the Properties and Contracts Department, the addition of four Public Safety officers, and an increase in the Administration Department due to the relocation of the Safety Manager position to that department.

The proposed capital budget was discussed including the snow removal equipment and south apron and terminal expansion projects that were incorporated in the budget. The cash and investment balance as of June 30, 2019 was estimated to be \$38 million and Mrs. Burnette reviewed the other costs, the capital contributions, and the capital costs that attributed to a deficit of \$15 million unrestricted undesignated cash and investments at June 30, 2020. The deficit is a result of projected expenditures in the amount of \$25 million for the terminal expansion project. Mrs. Burnette advised the Board that money on the project would not be spent until staff had Board approval and the funding sources were identified. A discussion took place regarding the cash balance deficit and the desire for transparency. Mrs. Burnette advised the Board that during the planning process for the construction of the parking garage, a deficit was also shown in that proposed fiscal year budget due to the costs for the garage project. A discussion on timing of the bond issuance for the terminal expansion took place and the Board suggested that it would be beneficial to have a longer range of revenue projections as well as the impact of a

downturn in the economy. The Director assured the Board that staff would put those numbers together.

The Board questioned if the payment for the repairs to jet bridge two had been resolved. The Director stated that staff has not heard anything from Delta Airlines in this regard. The repairs, scheduled to begin later in March, will be paid for from the Emergency Repair Fund, and billed back to the airline. A discussion took place to determine if Board approval was necessary for the Director to move forward with the repairs, and it was decided to postpone approval until later in the meeting.

Mrs. Burnette summarized the changes to the supplemental fee schedule which included a proposed increase of the rate in the hourly parking lot from \$20 to \$25. The Director provided a brief background on the thought process behind the proposed increase to the hourly parking rate. A discussion took place concerning possible improvements to ground transportation to enhance customer safety and satisfaction.

Mr. Moyer left the meeting at 10:00 a.m.

Mrs. Burnette advised the Board that approval of the Proposed Preliminary Fiscal Year 2019/2020 Budget was needed to allow the budget to remain available for public inspection for a minimum of 10 days prior to final adoption.

Ms. Brown moved to approve the proposed Preliminary Fiscal Year 2019/2020 Budget and accept public comment on the proposed Preliminary Fiscal Year 2019/2020 Budget during the next 10 days. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

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

A. Contingency Transfer: The Director reported that a contingency transfer in the amount of \$35,000 had been made for the following: \$29,000 to the Development Department to digitize data and drawings; \$6,000 to the Information Technology Department for the purchase of card readers for the loading bridges.

B. Organizational Chart: An updated org chart effective July 1, 2019 was available at the Board Members' seats. Mr. Reisman's position will become Deputy Executive Director with the addition of a Planning Department. Also added were four Public Safety Officer positions and one Information Technology position.

C. Airline Meeting: The Director informed the Board that a meeting with the airline property representatives was scheduled for March 14th. Topics of discussion will include the budget and terminal building project.

D. ACI Capital Needs Report: The Director told the Board that ACI-NA published a Capital Needs Report which determined that airports in the United States need \$128 billion for capital projects over the next five years. The Director participated in a press release along with Representatives Peter Defazio and Rick Larsen as well as one other industry advocate from the general contractor side to present the Report and raise awareness of the necessity for an increase in PFC's. Asheville's terminal expansion information is included in the Report.

E. Meetings in Washington, DC: While in Washington, DC recently, the Director met with the FAA and legislators to discuss relocation of the ATCT tower and the terminal expansion project. A meeting has been set up with the southern region office of the FAA for later in March.

F. Construction Update: Mr. Reisman provided a brief update on the airfield re-development project.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: It was determined that the March 28, 2019 meeting may not be necessary and may be cancelled. The next regular meeting of the Authority Board will be held on April 12, 2019.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:15 a.m. Mr. Bailey moved to go into 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 Regarding, Among Other Things, That Lawsuit Entitled Kaleb A. Rice vs. Greater Asheville Regional Airport Authority and M. Kevan Smith, Individually, 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; and to Consider Personnel Matters. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

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

Open Session resumed at 10:52 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 8, 2019

CLOSED SESSION MINUTES: Mr. Bailey moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JANUARY 18, 2019

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the January 18, 2019 Closed Session and to seal and withhold the minutes for the January 18, 2019 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 15, 2019

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the February 15, 2019 Closed Session and to seal and withhold the minutes for the February 15, 2019 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

JET BRIDGE 2 REPAIRS: Ms. Rice stated that the Board would re-visit the topic of the expenditure for the repairs to Jet Bridge 2. The Director stated that approval of a contract with Thyssenkrupp for an expenditure of \$135,000 for the repair of Jet Bridge 2 would be necessary. Mr. Bailey moved to approve a contract with Thyssenkrupp in the amount of \$135,000 for repairs to Jet Bridge 2 and to authorize the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried by a 5 to 0 vote.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 10:54 a.m. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burril
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 12, 2019

ITEM DESCRIPTION – Consent Item D

Approval of Audit Contract with Gould Killian CPA Group, P.A. for Fiscal Year Ending June 30, 2019.

BACKGROUND

In 2016, Authority Staff issued a Request for Proposal for audit services, for up to five years, and the Board chose Gould Killian CPA Group, P.A. as the Authority's auditors. We have been pleased with their services and would now like to engage them for a fourth year.

Significant additional audit work is being required due to the financial system conversions resulting in a \$6,300 increase in the audit cost from the amount in their proposal submitted in 2016. Staff has determined that this increase is reasonable. We are presenting a contract for auditing services with Gould Killian for the annual audit for the fiscal year ended June 30, 2019.

ISSUES

None

ALTERNATIVES

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

Consent – Item D



FISCAL IMPACT

The contract fee for services rendered by Gould Killian is \$23,000. The expense for audit services will be paid from the Finance Department budget for FY 2020.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the contract for audit services with Gould Killian CPA Group, P.A. in the amount of \$23,000, and (2) authorize the Board Chair to execute the necessary documents.

Attachment

The of and	Governing Board Board of Director
	Primary Government Unit Greater Asheville Regional Airport Authority
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Gould Killian CPA Group, P.A.
	Auditor Address 100 Coxe Avenue, Asheville, NC 28801

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
	06/30/19	10/31/19

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by *OMB Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on

eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

10. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

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

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

21. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

22. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

23. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

24. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

FEES FOR AUDIT SERVICES

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

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

PRIMARY GOVERNMENT FEES

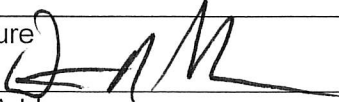
Primary Government Unit	Greater Asheville Regional Airport Authority
Audit	\$ 20,000
Writing Financial Statements	\$ 3,000
All Other Non-Attest Services	\$ 0
75% Cap for Interim Invoice Approval	\$ 17,250.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Gould Killian CPA Group, P.A.	
Authorized Firm Representative (typed or printed) Daniel R. Mullinix, CPA	Signature 
Date 02/21/19	Email Address dmullinix@gk-cpa.com

GOVERNMENTAL UNIT

Governmental Unit Greater Asheville Regional Airport Authority	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Matthew C. Burril, Chair	Signature
Date	Email Address avlboard@flyavl.com

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

Primary Governmental Unit Finance Officer (typed or printed) Janet Burnette	Signature
Date of Pre-Audit Certificate	Email Address jburnette@flyavl.com

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



MEMORANDUM

TO: Members of the Airport Authority

FROM: Frank Wheeler, Director of Administration and Human Resources

DATE: April 12, 2019

ITEM DESCRIPTION – Consent Item E

Approval of Insurance Renewals

BACKGROUND

Health Insurances

CIGNA has provided the Authority's employees with medical insurance coverage for the past nine years. The renewal trend has been very good and this is due to the plan structure that limits our large claims to a \$25,000 liability, low high cost claims, and employees seeking lower cost facilities when accessing care. The level funded plan allows us to see our claim history and help tailor our Wellness Program to meet the needs of our employees, which has also helped keep renewals down. CIGNA originally quoted a 14.46% increase in rates, however, McGriff Insurance Services, our broker, was able to proactively negotiate the renewal to 5.0%. In order to maintain a high level of benefits to our employees, we are recommending to renew with Cigna with no plan design changes at the 5% increase. With FY2019/2020's employee and retiree headcounts, total premiums will be approximately \$870,681.36. Offset by employee contributions of \$102,928.54, the Authority's net cost for medical insurance will be approximately \$767,752.82, based on the current enrollment.

Delta Dental has provided our dental coverage for the past three years. Delta Dental has quoted a renewal of a 0% increase for the 2019/ 2020 renewal. Since our employees have had a good experience with Delta Dental, and there is no increase to the costs for this year, our recommendation is to renew with Delta Dental. With FY2019/2020's employee headcount, total premiums will be approximately \$43,125.60. Offset by employee contributions of \$4,426.24, the Authority's net cost for dental insurance will be approximately \$38,699.36.



Superior Vision has provided our vision coverage for the past three years with a four-year lock-in rate. This will be our final year for the lock-in rate. With FY 2019/2020's employee headcount, total premiums will be approximately \$7,200.

Mutual of Omaha has provided benefits for life insurance and accidental death & dismemberment for the past five years. Last year Mutual of Omaha quoted an 8% renewal with a two-year lock in rate. After shopping the market, our broker recommended we renew with Mutual of Omaha. Thus, this is the last year of the renewal period. With FY2019/2020's employee headcount, total premiums will be approximately \$15,755. Mutual of Omaha has also provided coverage for short-term and long-term disability for the past five years. Again, last year Mutual of Omaha quoted a flat renewal and after shopping the market, our broker recommended we renew with Mutual of Omaha. With FY2019/2020's employee headcount, total premiums will be approximately \$27,128.

Business Insurances

USI, our business insurance broker, is in the process of finalizing quotes for our business insurances. They have presented the following estimated costs, which are below the budgeted amounts in the FY2019/2020 budget. USI will be renewing our property coverage with Alliant at approximately \$53,000 (Property market has hardened in 2019) general liability coverage with ACE USA Approximately \$35,800, auto coverage with American Southern Insurance at approximately \$19,700, worker's compensation coverage with AmTrust at approximately \$110,000 (Experience Mod increased from 1.00 to 1.07) , and commercial crime coverage with National Union Fire at approximately \$800. Our public official's coverage and professional liability coverage will both be placed with Greenwich at a total of approximately 39,600. The annual service fee is \$15,000, in lieu of commission. Our total estimated FY2019/2020 business insurance cost is approximately \$240,200. This is an increase of \$12,300 from FY2018/2019's cost of \$227,900.

ISSUES

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



ALTERNATIVES

Brokers presented some other alternatives that ended up being more expensive and/or had less coverage. The Board could request that we continue shopping with our brokers to further reduce costs.

FISCAL IMPACT

The costs for the health and business insurance coverages outlined above were provided in the Authority's FY2019/2020 budget for a total of \$1,370,635. Spreadsheets comparing the quoted actual costs to the FY2019/2020 budget amounts and to the prior year's actual costs are provided.

RECOMMENDED ACTION

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

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Health Insurance Expense

	FY2019		FY2020		FY2019 Actual vs Budget Over/(Under)		FY2020 vs FY2019 Actuals Over/(Under)	
	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Estimates	Amount	%	Amount	%
	Insurance							
Medical	\$ 918,045	\$ 751,509	\$ 1,097,034	\$ 767,752	\$ (329,282)	(30.0%)	\$ 16,243	2.2%
Retiree Medical	6,497	6,497	24,852	24,852	-	0.0%	18,355	282.5%
Dental	50,861	43,027	65,847	38,700	(27,147)	(41.2%)	(4,327)	(10.1%)
Vision	4,501	4,154	4,988	7,200	2,212	44.3%	3,046	73.3%
Life & AD&D	12,694	12,950	19,735	15,755	(3,980)	(20.2%)	2,805	21.7%
Disability	27,419	22,197	33,181	27,128	(6,053)	(18.2%)	4,931	22.2%
Total Insurance	\$ 1,020,017	\$ 840,334	\$ 1,245,637	\$ 881,387	\$ (364,250)	(29.2%)	\$ 41,053	4.9%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Business Insurance Expense

	FY2019		FY2020		FY2020 Estimate to 2020 Budget Over/(Under)		FY2020 Estimate vs FY2019 Actuals Over/(Under)	
	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Estimates	Amount	%	Amount	%
	Insurance							
Property & Casualty	\$ 47,000	\$ 63,200	\$ 51,700	\$ 53,000	\$ 1,300	2.5%	\$ (10,200)	(16.1%)
General Liability	35,000	28,352	36,750	35,800	(950)	(2.6%)	7,448	26.3%
Auto Liability	18,000	16,891	21,780	19,700	(2,080)	(9.6%)	2,809	16.6%
Other Insurance	39,000	41,475	42,900	39,600	(3,300)	(7.7%)	(1,875)	(4.5%)
Worker's Compensation	95,000	76,673	107,470	110,000	2,530	2.4%	33,327	43.5%
Service Fee	15,000	15,000	15,000	15,000	-	0.0%	-	0.0%
Total Insurance	\$ 249,000	\$ 241,591	\$ 275,600	\$ 273,100	\$ (2,500)	(0.9%)	\$ 31,509	13.0%



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 12, 2019

ITEM DESCRIPTION – Old Business Item A

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

BACKGROUND

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2019-2020 was presented to, and approved by, the Authority Board at the Board meeting held on March 8, 2019. The Rates, Fees and Charges document has remained available for public inspection and comment since March 8, 2019. Staff met with the airlines on March 14, 2019, and at the request of the airlines, the ordinance has been updated with clarifying language. Operating estimates for Spirit Airlines have been plugged into the Airline Rates, Fees and Charges model, resulting in lower fees overall.

ISSUES

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

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2019/2020 Budget Ordinance.

Old Business - Item A



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Authority's Amended Ordinance for Airline Rates, Fees and Charges that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Amended Ordinance to implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2019/2020.

Enclosure

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601-5

**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.

5.33 "Loading Bridge Fees" are the fees calculated by dividing the total Loading Bridge requirement, which currently includes Operating Expenses, Capital Outlay, Debt Service and Debt Service Coverage, by the total departures.

5.34 "Market Share Exempt Carrier" is any New Airline operating with less than 7% market share of total enplanements per month. The only fees applicable to a Market Share Exempt Carrier are Landing Fees and Per Turn Fees, unless the New Airline is leasing preferential space which would be included in separate rent. An Airline will cease to qualify as Market Share Exempt Carrier at the time that the Airline meets or exceeds 7% of market share of total enplanements per month for any six (6) of the immediately preceding twelve (12) months. Once Airline is no longer Market Share Exempt, the Airline will be responsible for all Terminal and Airfield related rates, fees and charges.

5.35 "New Airline(s)" shall mean any new airline providing new commercial passenger or cargo service to and from the Airport, using the Airport Terminal Building or cargo building to enplane and deplane passengers or cargo service to and from the Airport.

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.

6.4.3. Joint Use Space. Joint Use Space shall be classified as Baggage Make-Up, Baggage Claim and Gate Area. Airline's share of the Terminal Building Rentals for Baggage Make-Up and Baggage Claim Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Checked Bags, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space. Airline's share of the Terminal Building Rentals for Gate Area Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space.

6.4.4 Per Turn Fee for Market Share Exempt Carriers. The Per Turn Fee for Market Share Exempt Carriers is calculated by dividing the Per Turn requirement by the total estimated departures.

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 [RESERVED]

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 2019-2020 Schedule of Rates, Fees and Charges effective July 1, 2019 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

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

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

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

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

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

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

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

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

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

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

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

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

Section 10. PENALTIES AND ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such

invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT.

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

ADOPTED THIS the __ day of _____, 2019, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Matthew C. Burrell, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2019-2020 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE

RESULTS (Fiscal Years Ending June 30)	GARAA	
	Budget	Budget
	2019	2020
<u>Signatory Airline Rates & Charges:</u>		
Terminal Building Rental Rate (per s.f.)	\$46.35	\$53.88
Passenger-Related Security Fee (per EP)	\$0.67	\$0.66
Landing Fee (per 1,000-lbs)	\$1.60	\$1.51
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.48	\$0.41
Baggage Make-Up & Claim Fee (per bag)	\$0.93	\$0.95
Baggage Make-Up & Claim Fee (per airline)	\$10,172	\$11,825
Gate Area Charge per (enplaned pax)	\$1.43	\$1.34
Gate Area Fee (per airline)	\$25,985	\$30,208
Loading Bridge Fee (per depart.)	\$10.02	\$9.20
Turn Fees ¹		
Per Turn Fee for Exempt Carriers (0-70 seats)	\$272.00	\$279.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$324.00	\$333.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$363.00	\$373.00
Average AVL CPE	\$6.07	\$5.64

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

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

GARAA

	Budget	
	2019	2020
<u>Enplaned Passengers:</u>		
Allegiant	180,000	240,000
American ¹	103,000	150,000
Delta	138,000	137,000
Spirit	0	48,000
United	95,000	65,000
Total	516,000	640,000
<u>Estimated Checked Bags:</u>		
Allegiant	93,600	98,600
American ¹	55,600	81,300
Delta	109,400	113,900
Spirit	0	20,940
United	52,100	36,300
Total	310,700	351,040
<u>Departures:</u>		
Allegiant	1,200	1,605
American ¹	2,262	2,757
Delta	2,389	2,298
Spirit	0	453
United	1,631	1,287
Total	7,482	8,400
<u>Landed Weight (1,000-lb units):</u>		
Allegiant	170,000	229,200
American ¹	125,600	175,627
Delta	161,050	152,236
Spirit	0	66,000
United	108,373	77,924
Total	565,023	700,987

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 2

TERMINAL SPACE (s.f.)		GARAA	
(Fiscal Years Ending June 30)		Budget	Budget
		2019	2020
<u>Preferential Space:</u> ¹			
Allegiant		1,704	1,331
American		2,102	2,297
Delta		2,609	2,609
Spirit			905
United		1,593	1,593
Worldwide			161
Total Preferential Space	[A]	8,008	8,896
<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]	34,013	34,901
<u>Other Rentable:</u>			
Ticket Counter (unassigned)		103	285
Queue (unassigned)		193	456
Vacant Airline Preferential Space		2,792	1,210
Concession Space		13,553	13,775
FAA Tower & Related Office Space		4,374	4,374
TSA Offices & Breakroom		2,418	1,933
TSA Passenger Security Screening		2,210	4,891
TSA Offices Adjacent to Passenger Screening		396	396
Total	[D]	26,039	27,320
Total Rentable Space	[E=C+D]	60,052	62,221
Public and Other Areas	[F]	47,797	45,628
Total Terminal Space	[G=E+F]	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2019	2020
<u>Depreciation:</u> ¹			
Gross Depreciation		\$4,700,000	\$4,700,000
Less: Grant & PFC Amortization		(3,200,000)	(3,200,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>By Cost Center (%):</u>			
Airfield Area	[B]	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%
Other Area	[F]	7.0%	7.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$210,000	\$210,000
Terminal Building	[A*C]	450,000	450,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000
General Aviation Area	[A*E]	240,000	240,000
Other Area	[A*F]	105,000	105,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>Amortization:</u>			
Gross Amortization		\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2019	2020
<u>By Cost Center (%):</u>			
Airfield Area	[H]	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%
Other Area	[L]	0.0%	0.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[G*H]	\$79,581	\$79,581
Terminal Building	[G*I]	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0
General Aviation Area	[G*K]	0	0
Other Area	[G*L]	0	0
Net Amortization	[G]	\$79,581	\$79,581
<u>Capital Outlay:</u>			
Capital Outlay	[M]	\$100,000	\$100,000
<u>By Cost Center (%):</u>			
Airfield Area	[N]	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%
<u>By Cost Center:</u>			
Airfield Area	[M*N]	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

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

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 4

OPERATION AND MAINTENANCE EXPENSES		GARAA	GARAA
(Fiscal Years Ending June 30)			
		Budget	Budget
		2019	2020
<u>By Category:</u>			
Personnel Services		\$5,572,510	\$6,527,568
Professional Services		387,450	384,950
Utilities		525,467	539,867
Promotional Activities		317,390	303,800
Maintenance and Repairs		262,200	255,200
Contracted Services		826,723	978,646
Insurance Expense		234,000	260,600
Materials and Supplies		467,425	464,610
Other Expenses		393,905	506,740
Total O&M Expenses	[A]	<u>\$8,987,070</u>	<u>\$10,221,981</u>
<u>By Cost Center (%):</u>			
Airfield Area	[B]	26.3%	26.3%
Terminal Building	[C]	48.0%	47.8%
Parking, Roadway, and Ground Trans.	[D]	12.0%	12.2%
General Aviation Area	[E]	9.7%	9.8%
Other Area	[F]	4.0%	4.0%
Total		<u>100.0%</u>	<u>100.0%</u>
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$2,366,072	\$2,684,342
Terminal Building	[A*C]	4,313,970	4,883,676
Parking, Roadway, and Ground Trans.	[A*D]	1,074,732	1,245,820
General Aviation Area	[A*E]	872,685	997,713
Other Area	[A*F]	359,611	410,430
Total O&M Expenses	[A]	<u>\$8,987,070</u>	<u>\$10,221,981</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

		GARAA	
		Budget	Budget
		2019	2020
<u>Airfield Requirement:</u>			
O&M Expenses		\$2,366,072	\$2,684,342
Less: Deicing Chemicals		(70,040)	(72,141)
O&M Reserve Requirement		18,336	159,135
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]	<u>\$2,653,949</u>	<u>\$3,110,917</u>
<u>Landing Fee Credits:</u>			
Non-Airline Revenue	[B]	\$90,000	\$90,000
Other	[C]	0	0
Total Credits	[D=B+C]	<u>\$90,000</u>	<u>\$90,000</u>
Net Landing Fee Requirement	[E=A-D]	<u>\$2,563,949</u>	<u>\$3,020,917</u>
Airline Landed Weight	[F]	565,023	700,987
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	<u>\$4.54</u>	<u>\$4.31</u>
Revenue Share Credit	[H]	<u>\$1,660,376</u>	<u>\$1,961,407</u>
Adjusted Airline Net Requirement	[I=E-H]	<u>\$903,573</u>	<u>\$1,059,511</u>
Airline Landing Fee	[J=I/F]	<u>\$1.60</u>	<u>\$1.51</u>
Airline Landing Fee Revenue	[K=F*J]	<u>\$903,573</u>	<u>\$1,059,511</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6**TERMINAL RENTAL RATE AND REVENUE****GARAA**

(Fiscal Years Ending June 30)

		GARAA	
		Budget	Budget
		2019	2020
<u>Terminal Requirement:</u>			
O&M Expenses		\$4,313,970	\$4,883,676
O&M Reserve Requirement		40,136	284,853
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]	\$4,854,106	\$5,668,529
<u>Terminal Credits:</u>			
Passenger-Related Security Charges		\$344,750	\$421,080
AirIT Landside Expenses		16,463	16,463
Loading Bridge Fees		75,000	77,250
Total Terminal Credits	[B]	\$436,213	\$514,793
Net Requirement	[C=A-B]	\$4,417,893	\$5,153,736
Rentable Space (s.f.)	[D]	60,052	62,221
Terminal Rental Rate	[E=C/D]	\$73.57	\$82.83
Airline Rented Space (s.f.)	[F]	34,013	34,901
Airline Requirement	[G=E*F]	\$2,502,261	\$2,890,833
Revenue Share Credit	[H]	\$925,880	\$1,010,422
Adjusted Airline Requirement	[I=G-H]	\$1,576,382	\$1,880,411
Airline Rented Space (s.f.)	[F]	34,013	34,901
Adjusted Airline Terminal Rate	[J=I/F]	\$46.35	\$53.88
Airline Terminal Rentals	[K=F*J]	\$1,576,382	\$1,880,411

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

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

(Fiscal Years Ending June 30)

		GARAA	
		Budget	Budget
		2019	2020
<u>Loading Bridge Requirement:</u>			
Operating Expenses		\$75,000	\$77,250
Capital Outlay		0	0
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$75,000	\$77,250
Total Departures	[B]	7,482	8,400
Loading Bridge Fee (per Departure)	[C=A/B]	\$10.02	\$9.20
Total Loading Bridge Revenue	[D=B*C]	\$75,000	\$77,250

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

GARAA

		Budget	Budget
		2019	2020
Adjusted Signatory Airline Terminal Rate	[A]	\$46.35	\$53.88
<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)]	\$339,071	\$394,175
Gate Areas Requirement	[E=A*(C1+C2+C3)]	866,169	1,006,934
Total Joint Use Requirement	[G=D+E+F]	\$1,205,239	\$1,401,109
<u>Baggage Make-Up & Claim:</u>			
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$288,210	\$335,048
Checked Bags	[I]	310,700	351,040
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$0.93	\$0.95
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$50,861	\$59,126
Number of Airlines	[L]	5	5
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$10,172	\$11,825
<u>Gate Area:</u>			
Gate Area Requirement (85%)	[N=E*85%]	\$736,243	\$855,894
Enplaned Passengers	[O]	516,000	640,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.43	\$1.34
Gate Area Requirement (15%)	[Q=E*15%]	\$129,925	\$151,040
Number of Airlines	[L]	5	5
Gate Area Fee (per airline)	[R=Q/L]	\$25,985	\$30,208
Total Joint Use Revenue	[G]	\$1,205,239	\$1,401,109

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6C

TICKET COUNTER & QUEUE FEES (UNASSIGNED)		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2019	2020
Adjusted Signatory Airline Terminal Rate	[A]	\$46.35	\$53.88
<u>Ticket Counter and Queue Space (s.f.):</u>			
Ticket Counter		1,755	1,731
Queue Space		3,181	2,865
Ticket Counter and Queue Space	[B]	4,936	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$228,766	\$247,625
AirIT Landside Expenses	[D]	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$245,229	\$264,088
Enplaned Passengers	[F]	516,000	640,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.48	\$0.41
Enplaned Passenger Use	[H]	180,000	240,000
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$85,545	\$99,033

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

GARAA

		Budget	Budget
		2019	2020
Personnel-Related Security Cost	[A]	\$1,230,700	\$1,593,131
<u>Officer Deployment Hours:</u>			
Total Hours (16 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,169	2,172
Holiday (11 Holidays)		(132)	(176)
Vacation (12 Days)		(144)	(192)
Training (8 hrs per month per officer)		(96)	(128)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(108)	(144)
Available Hours/Officer	[B]	1,689	1,532
Number of Officers	[C]	14	18
Total Available Hours	[D=B*C]	23,648	27,584
Less: Admin Hours Total	[E]	(2,016)	(2,592)
Total Officer Deployment Hours	[F=D-E]	21,632	24,992
Personnel-Related Security Cost per Hour	[G=A/F]	\$56.89	\$63.75
<u>Passenger-Related Security Charge:</u>			
Terminal Airlines (18 hrs/day Security Checkpoint)		\$373,784	\$418,809
Less: TSA Reimbursement		(131,459)	(116,800)
Net Personnel-Related Costs	[H]	\$242,325	\$302,009
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	2,210
Terminal Rental Rate	[J]	\$46.35	\$53.88
Security Checkpoint Space Costs	[K=I*J]	\$102,426	\$119,071
Passenger-Related Security Charges	[L=H+K]	\$344,750	\$421,080
Enplaned Passengers	[M]	516,000	640,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.67	\$0.66
Passenger-Related Security Charges	[O=M*N]	\$344,750	\$421,080

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

GARAA

		Budget	Budget
		2019	2020
<u>Airline Revenue:</u>			
Terminal Rentals		\$1,576,382	\$1,880,411
Loading Bridge Fees		75,000	77,250
Landing Fees		903,573	1,059,511
Unassigned Ticket Counter Charges		85,545	99,033
Passenger Related Security Charges		344,750	421,080
Checkpoint Lane Fee		77,400	0
Deicing Chemicals		70,040	72,141
Total	[A]	\$3,132,690	\$3,609,427
Enplaned Passengers	[B]	516,000	640,000
Cost Per Enplaned Passenger	[C=A/B]	\$6.07	\$5.64

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 9

PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2019	2020
<u>Per Turn Requirement:</u>			
Joint Use Cost ¹		\$1,205,239	\$1,401,109
Loading Bridge Cost		75,000	77,250
Unassigned Ticket Counter Cost		245,229	264,088
Passenger Related Security Charge Cost		344,750	421,080
Deicing Chemicals Cost		70,040	72,141
Total	[A]	\$1,940,259	\$2,235,669
Total Departures	[B]	7,482	8,400
Average Per Turn Cost	[C=A/B]	\$259.32	\$266.15
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$272.00	\$279.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$324.00	\$333.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$363.00	\$373.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 12, 2019

ITEM DESCRIPTION – Old Business Item B

Public Hearing and Final Adoption of the Authority's Fiscal Year 2019/2020 Budget

BACKGROUND

A proposed preliminary Fiscal Year 2019/2020 Budget was presented to, and approved by, the Authority Board at the Board meeting held on March 8, 2019. The budget documents have remained available for public inspection and comment since March 8, 2019, with no comments being received to date.

ISSUES

A Public Hearing is required under Chapter 159 of the General Statutes of North Carolina before final adoption of the 2019/2020 Budget Ordinance.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2019/2020 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Fiscal Year 2019/2020 Budget that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Fiscal Year 2019/2020 Budget Ordinance.

Enclosure

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2019-2020
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 2019-2020 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, 2019 and ending June 30, 2020 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 961,521
Development Department	468,894
Executive Department	696,354
Finance Department	445,574
Guest Services Department	241,545
Information Technology Department	986,458
Marketing Department	736,913
Operations Department	3,778,746
Properties & Contracts	198,921
Public Safety Department	1,837,258
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	17,103,096
Capital Improvement	35,664,537
Equipment and Small Capital Outlay	-
Renewal and Replacement	346,308
Business Development	300,000
Debt Service	1,685,074
Contingency	100,000
Total Expenditures	<u><u>\$65,601,199</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

REVENUES

Administration (Interest Income)	\$ 250,000
Terminal	5,632,571
Airfield	1,177,046
General Aviation	1,056,304
Parking Lot	4,688,500
Other	180,319
Passenger Facility Charges	2,250,000
Customer Facility Charges	1,600,000
Federal Grants – AIP Entitlements	1,825,000
Federal Grants – AIP Discretionary Funds	200,000
NC Department of Transportation Grants	-
Transfer from GARAA Cash/Investments	46,741,459
Total Revenues	<u><u>\$65,601,199</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, 2019.

Adopted this 12th day of April, 2019

Matthew C. Burril, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: April 12, 2019

ITEM DESCRIPTION – New Business Item B

Approve Agreement with Kimley-Horn for Engineering Services Associated with Pipe Repair

BACKGROUND

In October 2018, the Airport Board approved an agreement with Kimley-Horn for consulting services for the inspection and establishment of the condition of a failing 60 inch reinforced concrete pipe (RCP) located within the North general aviation development area. That project was carried out and determined that while the pipe did not require replacement, it did require specific repairs in a number of areas in order to ensure its longevity and compliance with NCDEQ requirements. The necessary repairs require engineering design and limited oversight while they are being carried out. Work associated with this request will also include a follow up report after repairs are complete to document the current condition of the pipe at that time, and to establish a new baseline from which future inspections will be compared.

ISSUES

None

ALTERNATIVES

None. The pipe needs to be repaired to ensure compliance with NCDEQ requirements, and its longevity. Kimley-Horn is the only engineering firm in the region previously identified with the qualifications to handle large culvert inspection and repair services to NCDOT standards.

New Business – Item B



FISCAL IMPACT

Work associated with these services will not exceed \$170,840.40. Additional cost will be incurred for actual construction/repair services once the project is designed and bid.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Agreement with Kimley-Horn, in an amount not to exceed \$170,840.40, for engineering services associated with the pipe repair; and (2) authorize the Executive Director to execute the necessary documents; and (3) amend the FY2018/2019 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, 2019:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$170,840.40
Totals	_____	\$170,840.40

This will result in a net increase of \$170,840.40 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$170,840.40
Totals	_____	\$170,840.40



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 12th day of April, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



04/02/2019

Michael A. Reisman, A.A.E.
Deputy Executive Director, Development & Operations
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

Re: 60" Pipe Repair Plans

Dear: Mr. Reisman,

Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") is pleased to submit this letter agreement (the "Agreement") to Greater Asheville Regional Airport Authority ("Client") for providing junction box (vault) inspection and pipe repair design services for the 60" reinforced concrete pipe on airport property.

Project Understanding

It is our understanding that the Client would like for Kimley-Horn to assist them with preparing final design plans to repair pipes and junction boxes identified in the recently completed "60-inch Pipe Condition Assessment". It should be noted that in addition to the 60" pipe assessment, the team provided recommendations on the existing 54" pipe segment upstream of the 60-inch pipe between catch basin - 1 and vault - 1 and the existing 18" pipe adjacent to the 60" pipe downstream of vault -2 (as described in the report). Another finding of the report was that the three-junction box structure (CB-1, Vault -1, and Vault -2) within the project limits were not adequately videoed to determine if repairs were needed. Based on this finding, some additional manned-entry inspection is anticipated to complete the final repair plans. The repair plan will include only the identified structural and operations and maintenance defects with a rating 3 (poor condition – moderate defects) or greater. Most of these defects were identified in the recommendations summary portion of the report (3 structural & 9 O&M repairs), but some additional repair locations will likely be added to the list since it will be more cost effective to repair multiple defects since other repair work is being completed within the pipe. We will work with the Client to clearly define all the final repair locations. The repair recommendations will be in accordance with typical repair/rehabilitation options discussed in the condition assessment report.

Scope of Services

Kimley-Horn will provide the services specifically set forth below.

TASK 1 – 60" Pipe Condition Assessment – Completed in January 2019

TASK 2 – Manned-Entry Inspection and Pipe Repair Plans

TASK 2.1 – Manned-Entry Inspection and Condition Assessment Report

- One (1) Site Visit is anticipated
 - Sub Consultant (Hydrostructures) will perform Manned-Entry Inspection on 3 structures (CB -1, vault -1, and vault -2)
 - Manned-Entry Procedure - Tripods will be set up on two access points to assist

- with ingress / egress. An Attendant will be on standby at each tripod.
 - Continuous forced air ventilation will be introduced at the closest access point on the segment being inspected. The 2-manned inspection crew will be constantly visually monitored with standard pipe inspection CCTV equipment following behind the inspection crew. Constant, open, hardwired 2-way communication will be maintained between the inspection crew and the CCTV operator. Equipment necessary for entry into the pipe will include personal protection equipment (PPE), gas monitoring equipment, harness, fall protection, and 20-minute emergency air supply per entrant.
 - Consultant or Sub Consultant shall complete/coordinate a confined space permit with the Airport Authority before entering any confined space.
 - Meet with Airport Authority Staff
 - Duration of 2 days including travel and overnight stay
 - Consultant coordination with subconsultant (HydroStructures) onsite.
- The deliverable may not necessarily be standard CCTV video. Pole cameras may be used to video the inside of the structures. The location of the leaks / cracks in the structures (section joints, lift holes, etc. by their clock position and height above the invert).
 - Consultant along with HydroStructures will evaluate the information gathered for (CB -1, vault -1, and vault -2) and provide a brief condition assessment report to document the deficiencies that need to be repaired or monitored for future maintenance. This assessment will utilize the same rating system utilized in the original 60" Pipe Condition Assessment.

TASK 2.2 – Pipe Repair Plans

- Consultant will develop detailed final design plans, profiles, and details for the repair of the identified structural and operations and maintenance defects with a rating 3 (poor condition – moderate defects) or greater.
 - Most of these defects were identified in the recommendations summary portion of the 60-inch Pipe Condition Assessment Report (3 structural & 9 O&M repairs), but some additional repair locations will likely be added to the list since it will be more cost effective to repair multiple defects since other repair work is being completed within the pipe. We will work with the Client to clearly define all the final repair locations.
 - Consultant will convert Vault-2 from a Blind Slab Lid Junction box to a Junction box with a manhole rim and cover. We can detail in the plans how this conversion can occur.
 - Consultant will detail the demolition of the existing erosion control device (sediment basin left in place) near the outlet of the 18" RCP if desired by the client. This sediment basin is believed to impound groundwater that is trying to flow down the previously buried stream bed. This impounded groundwater is putting more infiltration pressure on the 60" pipe joints. If this basin is demoed, opened-up (remove the rock dam), or a pipe is installed, it is possible that additional environmental permitting may be required. See below bullets for more information on permitting.
 - The location of this existing sediment basin is in close proximity to coal ash previously placed within the fill area. Considering the proximity, potential impact of removing the existing sediment basin, and potential for disturbance of coal ash material, the Consultant will coordinate with Duke Energy and/or its consultant/contractor during design. This is a contractual requirement that the Airport has with Duke Energy prior to disturbing anything in close proximity

- o to the coal ash locations.
- o Erosion control plans will be developed for the project. Since the anticipated project area of disturbance is very small (less than 0.5 acres), no NCDENR coordination or permit is anticipated.
- o A preliminary dewatering plans will be developed for the project. External dewatering from Vault 2 is anticipated as well as internal dewatering to capture infiltration water and bypass it around the pipe joints that are being worked on. The winning contractor will be responsible for providing a final dewatering plan based on his means and methods. This dewatering submittal will be in the form of a shop drawing and the Consultant will need to review and approve this during the construction phase.
- o Consultant will develop a list project quantities
- o Consultant will develop an opinion of probable construction cost for the repair work
 - Because the Consultant does not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, shall be made on the basis of its experience and represent its judgment as an experienced and qualified professional, familiar with the industry. The Consultant cannot and does not guarantee that proposals, bids or actual costs will not vary from its opinions of cost. If the Client wishes greater assurance as to the amount of any cost, it shall employ an independent cost estimator. Consultant's services required to bring costs within any limitation established by the Client will be paid for as Additional Services.

TASK 2.3 – Contract Documents

- Consultant and Subconsultant will prepare thorough and complete Specifications and Project Special Provisions to cover those items of material, work and other conditions special to the project. It is anticipated that the consultant will utilize front end general project specifications provided by the Greater Asheville Regional Airport Authority. Consultant will prepare project special provisions and they will be sealed by registered Professional Engineer and submitted to the Client for review and approval.

TASK 2.4 – Jurisdictional Determination & Section 404/401 Permitting

- **Task 2.4A Pipe Repair Non-Reporting Nationwide Permit** – It is anticipated that the pipe repair work would be considered maintenance and covered under a Non-reporting Nationwide Permit (NWP) #3 for maintenance of existing structures and the corresponding Water Quality General Certification (WQGS) 4132. A ‘Non-reporting NWP #3’ request including a brief project narrative and plan set will be prepared and submitted to the US Army Corps of Engineers (USACE) and NC Division of Water Resources (NCDWR) to gain concurrence that the proposed pipe repairs can proceed with no further agency coordination. A Pre-Construction Notification (PCN) form will not be prepared as part of this Task and field work will be conducted.
- **Task 2.4B Existing Sediment Basin Stream and Wetland Delineation** – The Consultant will conduct a detailed field investigation to determine the absence or presence of streams, wetlands, and/or open waters within the Existing Sediment Basin Area (Project Area) utilizing the three-parameter approach for wetland delineation as described in the Federal Manual for Identifying and Delineating Jurisdictional Wetlands. Potentially jurisdictional areas will be

flagged and GPS located in the field using current USACE protocol per the 1987 Federal Manual for Identifying and Delineating Jurisdictional Wetlands and the 2012 Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Eastern Mountains and Piedmont Region (version 2.0). Data forms required for certification by the USACE and the NCDWR will be completed with the necessary data obtained during the field investigation. Any jurisdictional streams will be classified as either perennial or intermittent and will be documented per NCDWR stream classification protocol.

- **Task 2.4C Existing Sediment Basin Approved Jurisdictional Determination** – It is anticipated that an Approved Jurisdictional Determination (AJD) will be necessary to meet the Client's objectives in the Project Area. The Consultant will prepare an AJD request package for submittal to the USACE. The Consultant will seek to obtain concurrence from the USACE and NCDWR on the delineated wetlands and/or streams in the Project Area. An AJD request package will be submitted to the USACE consisting of a letter, the required figures, Rapanos forms, and data forms. It is assumed that the Project Area will be covered by one Rapanos form. It is anticipated that one site inspection will be required with the USACE and NCDWR where the Consultant will review the final delineation in the field with the applicable agency representatives. The Consultant will perform any minor modifications to the jurisdictional lines that may be deemed necessary by the USACE or NCDWR in order to obtain concurrence.

This Task includes 10 hours of additional coordination with the USACE, NCDWR, the Client, and/or Kimley-Horn design teams to review the Client's options and strategies for potential Section 404/401 permitting relating to the existing sediment basin. If the existing sediment basin is determined non-jurisdictional then a formal 404/401 permit would likely not be required. If the sediment basin is deemed jurisdictional then a formal Section 404/401 Pre-Construction Notification will likely be required and would be considered an additional service.

TASK 2.5 – Bid Phase Services

- Consultant will attend a pre-bid meeting, issue up to one addendum, provide clarifications and information as requested by bidders.
- The Client will provide all other bidding phase services including preparation of construction bidding documents, proposal bid forms, and bond forms; reproduction of the plans and documents for bidding, advertise the project, maintenance of the bidder's log, conduct the bid opening, tabulation of the bids received, reviewing the bid packages for compliance with the contract requirements, and the selection of the contractor. Consultant will provide a written recommendation to the owner for selection of the contractor. The consultant will not actually select the contractor, but recommend to the airport, which then must award a contract through formal action.

TASK 2.6 – Limited Construction Phase Services

- **Task 2.6A Pre-Construction Meeting** - The Consultant shall conduct the Pre-Construction Meeting with the Contractor's representatives, the Greater Asheville Regional Airport Authority staff, and the Consultants' sub-consultants as necessary. The Consultant shall provide assistance to the Client as needed during this meeting in interpreting the plans and specifications, answering the Contractor's questions and attending a site walk with the Contractor. The Consultant will provide Meeting documentation for project records.

- **Task 2.6B Construction Oversight Visits** - The Consultant and Sub Consultant shall conduct periodic Construction Oversight visits to ensure the Contractor's work is conforming to the Construction Contract Documents and will provide assistance in interpreting the plans and specifications. It is anticipated that the Consultant and Sub consultant will need to be present the first two (2) days of construction to ensure that the Contractor's project set up, construction materials/products, and methods of repair are conforming to the Construction Contract Documents. Based on an anticipated 45-day construction duration, three (3) additional construction oversight visits (one every other week) are anticipated (Consultant and Subconsultant will attend). A total of 5 days onsite per person (not including travel time) are anticipated for Construction Oversight Visits.
- **Task 2.6C Shop Drawing Reviews** - The Consultant shall promptly review and approve or take other appropriate action upon the Contractor's submittals such as shop drawings, product data and samples for the purpose of: (1) compliance with applicable laws, statutes, ordinances, codes, orders, rules and regulations; and (2) determining whether or not the work, when completed, will be in conformance with the design concept expressed in the Construction Contract Documents. The Consultants action shall be taken with such reasonable promptness as to cause no delay in the work or in the Project schedule. The Engineer's approval of a specific item shall not indicate approval of an assembly of which the item is a component. The Consultant shall receive contractor submittals for compliance with contract documents, review them, and properly distribute to contractor and Client.
- **Task 2.6D Respond to Contractor's Request for Information** - The Consultant shall promptly review and respond to the Contractor's Requests for Information (RFI) with such reasonable promptness as to cause no delay in the work or in the Project schedule.

TASK 2.7 – Project Coordination and Administration

- Coordination with Airport and the subconsultant is anticipated
 - One plan review meeting with Airport Staff and three conference calls are anticipated.
- General project administration and billing for the project is anticipated

Task 2.8 - Post Construction CCTV

- One (1) Site Visit is anticipated
- Sub Consultant will perform a post construction CCTV inspection on the repair area. Information recorded will be evaluated, processed, and a brief inspection report will be generated to document the repaired locations of the pipe. This inspection report will establish and document what is now the repaired current condition of the pipe. This newly established current condition (after repairs) will serve as the baseline against which future inspections will be compared.

TASK 2.9 – Deliverables

- PDF document with results of the manned-entry evaluation of CB –1, vault -1, and vault -2. The sealed report will include a professional engineer's independent evaluation of the structures evaluated based on generally accepted engineering practices. This brief report is intended to provide an existing condition summary and recommended repair options for consideration of the Client.
- PDF document containing sealed plans and specifications for needed pipe and junction box

repairs.

- Excel spreadsheet and PDF of opinion of probable construction cost.
- Post construction CCTV and brief inspection of pipe repair areas. This inspection report will establish and document what is now the repaired current condition of the pipe. This newly established current condition (after repairs) will serve as the baseline against which future inspections will be compared.

Services Not Included

Any other services not listed in the scope above, including but not limited to the following, are not included in this Agreement:

Additional Bid phase services, structural evaluation, geotechnical evaluation, Section 404/401 Permitting for the Existing Sediment Basin Area (Tasks 2.4B and 2.4C), Section 404/401 Individual Permit, Erosion Control permitting, construction inspection, survey, traffic control, uncovering/locating existing manholes that are buried, clearing of easements, access roads, site restoration, and permits.

Additional Services

Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates. Current Hourly Rate Sheet is attached.

Additional services we can provide include, but are not limited to, the following:

Additional Bid Phase services, Section 404/401 Permitting for the Existing Sediment Basin Area (Tasks 2.4B and 2.4C), Section 404/401 Individual Permit, additional site visits, additional meetings, additional construction phase services

Information Provided By Client

We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project, including but not limited to the following:

Site access, Notice to Proceed

Schedule

We will provide our services as expeditiously as practicable with the goal of meeting the following schedule:

Design Services shall be completed within (120) days after receipt of a signed contract and Notice to Proceed.

Fee and Expenses

Kimley-Horn will perform the services in Tasks 2.1, 2.2, 2.3, 2.4, 2.5, 2.7, 2.8 for the total lump sum fee below. Individual task amounts are informational only. All permitting, application, and similar project fees will be paid directly by the Client.

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed.

Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

Kimley-Horn will perform the services in Tasks 2.6 on a labor fee plus expense basis with the maximum labor fee shown below. Labor fee will be billed on an hourly basis according to our then-current rates. A current rate sheet is attached for reference.

Kimley-Horn will not exceed the total maximum labor fee shown without authorization from the Client. Individual task amounts are provided for budgeting purposes only. Kimley-Horn reserves the right to reallocate amounts among tasks as necessary.

TASK 1 60" Pipe Condition Assessment (Complete) **\$0**

TASK 2 Structure Evaluation and Pipe Repair Design Plans/Specifications

SUMMARY			
Greater Asheville Regional Airport Authority			
Design Services (60" Pipe Repair Plans)			04/02/2019
Contract Type	Task	Description	LS Fee
Lump Sum	2.1	Additional CCTV and Condition Assessment Report	\$ 18,916.00
			\$ -
Lump Sum	2.2	Pipe Repair Plans	\$ 36,662.00
			\$ -
Lump Sum	2.3	Contract Documents	\$ 17,792.00
			\$ -
Lump Sum	2.4	Jurisdictional Determination & Section 404/401 Permitting	\$ 18,385.00
			\$ -
Lump Sum	2.5	Bid Phase Services	\$ 9,248.00
			\$ -
Hourly	2.6	Limited Construction Phase Services	Hourly - See Below
			\$ -
Lump Sum	2.7	Project Coordination & Administration	\$ 10,420.00
			\$ -
Lump Sum	2.8	Post Construction CCTV	\$ 10,798.00
			\$ -
		SUBTOTAL	\$ 122,221.00
HOURLY SERVICES			
Phase	Task	Description	Hourly Services Fee
Hourly	2.6	Limited Construction Phase Services	\$ 40,872.00
		Reimbursables	\$ 7,747.40
		SUBTOTAL	\$ 48,619.40
		TOTAL	\$ 170,840.40

Kimley-Horn and Associates, Inc.

Hourly Labor Rate Schedule

Classification	<i>Rate</i>
Analyst	\$110 - \$145
Professional	\$150 - \$195
Senior Professional I	\$180 - \$255
Senior Professional II	\$245 - \$290
Senior Technical Support	\$115 - \$175
Support Staff	\$75 - \$105
Technical Support	\$90 - \$115

Effective through June 30, 2019

Subject to annual adjustment thereafter

SUMMARY			
Greater Asheville Regional Airport Authority Design Services (60" Pipe Repair Plans)			04/02/2019
Contract Type	Task	Description	LS Fee
Lump Sum	2.1	Additional CCTV and Condition Assessment Report	\$ 18,916.00
Lump Sum	2.2	Pipe Repair Plans	\$ 36,662.00
Lump Sum	2.3	Contract Documents	\$ 17,792.00
Lump Sum	2.4	Jurisdictional Determination & Section 404/401 Permitting	\$ 18,385.00
Lump Sum	2.5	Bid Phase Services	\$ 9,248.00
Hourly	2.6	Limited Construction Phase Services	Hourly - See Below
Lump Sum	2.7	Project Coordination & Administration	\$ 10,420.00
Lump Sum	2.8	Post Construction CCTV	\$ 10,798.00
SUBTOTAL			\$ 122,221.00

TASK ORDER #2 - Fee Breakdown per Team Member				
	Kimley-Horn	Hydrostructures		Other
	\$ 8,880.00	\$ 10,036.00		
	\$ 34,700.00	\$ 1,962.00		
	\$ 13,510.00	\$ 4,282.00		
	\$ 18,385.00			
	\$ 6,700.00	\$ 2,548.00		
Included below in Hourly Services				
	\$ 10,420.00			
	\$ 3,780.00	\$ 7,018.00		
\$ -	\$ 96,375.00	\$ 25,846.00	\$ -	\$ -

HOURLY SERVICES

Phase	Task	Description	Hourly Services Fee
Hourly	2.6	Limited Construction Phase Services	\$ 40,872.00
		Reimbursables	\$ 7,747.40
SUBTOTAL			\$ 48,619.40
TOTAL			\$ 170,840.40

	Kimley-Horn	Hydrostructures		Other
	\$ 27,080.00	\$ 13,792.00		
	\$ 7,747.40			
\$ -	\$ 34,827.40	\$ 13,792.00	\$ -	\$ -
\$ -	\$ 131,202.40	\$ 39,638.00	\$ -	\$ -

SUMMARY

Greater Asheville Regional Airport Authority - 60" pipe repair plans

KHA SCOPE OF WORK

KIMLEY-HORN HOURLY SUMMARY

			Senior Project Manager	Senior Professional II	Professional Engineer	Analyst	Senior Designer	Project Administration		Days	N/A	
Contract Type	Task	Description	\$255.00 / hour	\$235.00 / hour	\$195.00 / hour	\$145.00 / hour	\$175.00 / hour	\$120.00 / hour				LS Fee
Lump Sum	2.1	Additional CCTV and Condition Assessment Report										
Lump Sum		Site visit	12									\$ 3,060.00
Lump Sum		Subconsultant coordination	2			2						\$ 800.00
Lump Sum		Obtain Confined Space Permit	4									\$ 1,020.00
Lump Sum		Evaluate CCTV Data	2			2						\$ 800.00
Lump Sum		Condition Assessment Report	8			8						\$ 3,200.00
												\$ -
Lump Sum	2.2	Pipe Repair Plans										
Lump Sum		Create title sheet	2			4				0.75		\$ 1,090.00
Lump Sum		Create general notes sheet	8			8				2		\$ 3,200.00
Lump Sum		Create Pipe Repair Plan & Profile Sheets	8	8	8	28				6.5		\$ 9,540.00
Lump Sum		Create Detail sheets	6			12				2.25		\$ 3,270.00
Lump Sum		Create Demo sheet for sediment basin	4			8				1.5		\$ 2,180.00
Lump Sum		Create Erosion Control Sheet	4	6		10				2.5		\$ 3,880.00
Lump Sum		Create Preliminary Dewatering Plan	8			8				2		\$ 3,200.00
Lump Sum		Coordinate with Duke Energy (or Consultant)	8			4				1.5		\$ 2,620.00
Lump Sum		Quantities	4		4	10				2.25		\$ 3,250.00
Lump Sum		Develop OPCC	4			10				1.75		\$ 2,470.00
										0		
Lump Sum	2.3	Contract Documents								0		
Lump Sum		Update Front End Documents	6			4				1.25		\$ 2,110.00
Lump Sum		Draft Project Special Provisions (PSPs)	20	16		4				5		\$ 9,440.00
Lump Sum		Coordinate with Subconsultant	4	4						1		\$ 1,960.00
										0		\$ -
										0		
Lump Sum	2.4	Jurisdictional Determination & Section 404/401 Permitting								0		\$ -
Lump Sum	2.4A	Non Reporting Nationwide Permit #3	6		10	12				3.5		\$ 5,220.00
Lump Sum	2.4B	Site Visit - flag jurisdictional features, data forms	2		14	28				5.5		\$ 7,300.00
Lump Sum	2.4C	Jurisdictional Determination and meet Corp	2		23	6				3.875		\$ 5,865.00
										0		\$ -
										0		
Lump Sum	2.5	Bid Phase Services								0		\$ -
Lump Sum		Attend Pre-Bid Meeting	12							1.5		\$ 3,060.00
Lump Sum		Issue one addendum	8			4				1.5		\$ 2,620.00
Lump Sum		Provide written recommendation to owner	4							0.5		\$ 1,020.00
										0		
Hourly	2.6	Limited Construction Phase Services								0		\$ -
Hourly		Attend Pre-Construction Meeting	12							1.5		\$ 3,060.00
Hourly		Construction Oversight Visits (3 days KH)	36							4.5		\$ 9,180.00
Hourly		Shop Drawing Reviews	20			16				4.5		\$ 7,420.00
Hourly		RFI	20			16				4.5		\$ 7,420.00
										0		

Lump Sum	2.7	Project Coordination & Administration								0	
Lump Sum		onsite plan review meeting	12							1.5	\$ 3,060.00
Lump Sum		Conference calls	6			6				1.5	\$ 2,400.00
Lump Sum		Coordination with City, Other Team members, and Internal staff	4			4				1	\$ 1,600.00
Lump Sum		General Project management & Billing	6			6		8		2.5	\$ 3,360.00
Lump Sum	2.8	Post Condition Assessment Report								0	
Lump Sum		Post Condition Assessment Report	8			12				2.5	\$ 3,780.00
		Reimbursables									\$7,747.40
										70.625	

Total Anticipated Manhours = 272 34 59 232 0 8 0 Lump Sum Fee = \$ 96,375.00
Total Anticipated Mandays = 34 4.25 7.375 29 0 1 0 Est. Hourly Fee = \$ 34,827.40

SUMMARY
 Greater Asheville Regional Airport Authority - 60" pipe repair plans
 HYDROSTRUCTURES SCOPE OF WORK

HYDROSTRUCTURES SUMMARY

			Principal Engineer	Senior Project Engineer	Project Engineer	Engineering Tech 1	GIS/CAD Spec II	Construction Manager		N/A	N/A	
Contract Type	Task	Description	\$210 / hour	\$182 / hour	\$145 / hour	\$71 / hour	\$85 / hour	\$91 / hour				LS Fee
Lump Sum	2.1	Manned Entry Inspection and Condition Assessment Report										
Lump Sum		Manned Entry Inspection										
Lump Sum		Mobilization										\$ 1,000.00
Lump Sum		Inspection										\$ 5,000.00
Lump Sum		Assist with Junction Box Condition Assessment Report		10	10	6	4					\$ 4,036.00
Lump Sum	2.2	Peer review repair plans		6	6							\$ 1,962.00
Lump Sum	2.3	Prepare joint grouting and patching specifications		4	10	2						\$ 2,320.00
Lump Sum		Peer review specifications		6	6							\$ 1,962.00
Lump Sum	2.5	Attend pre-bid (includes travel)		10								\$ 1,820.00
Lump Sum		Additional bid admin		4								\$ 728.00
Hourly	2.6	Review grouting material submittals/ shop drawings		6	6							\$ 1,962.00
Hourly		Attend pre-con (includes travel)		10				10				\$ 2,730.00
Hourly		Onsite Inspection Services 4 -day (includes travel time)						64				\$ 5,824.00
Hourly		Additional construction admin (as needed)		10				16				\$ 3,276.00
Lump Sum	2.8	Post Construction CCTV										
Lump Sum		Mobilization										\$ 1,000.00
Lump Sum		Inspection										\$ 3,500.00
Lump Sum		Data Processing/Inspection Report										\$ 500.00
Lump Sum		Prepare post-CCTV inspection package		4	4	10						\$ 2,018.00

Total Anticipated Manhours = 0 70 42 18 4 90 0 Lump Sum Fee = \$ 39,638.00

Total Anticipated Mandays = 0 8.75 5.25 2.25 0.5 11.25 0



MEMORANDUM

TO: Members of the Airport Authority

FROM: Shane Stockman
Director of Information Technology

DATE: April 12, 2019

ITEM DESCRIPTION – New Business Item C

Award of contract for Physical Security and Identity Management Project

BACKGROUND

The Airport's physical security systems were last updated in 2008. In November of 2018, the Board approved the replacement of these systems as part of the five-year FAA Capital Improvement Plan (CIP).

The project scope contains the replacement of the Airport's physical access control system, security cameras, network video recorders and the addition of an identity management component to help streamline the credentialing processes for AVL badge holders. In addition, several vehicle gates, pedestrian gates and secure doors will be replaced as part of the project scope.

Due to the sensitivity and complexity of the project, the Airport published an RFQ which resulted in a shortlist of qualified contractors to execute the scope of work. Bid documents were issued on March 8th and a pre-bid meeting was held on March 22nd. On April 5th, the Airport received two bids from Converjint Technologies and Johnson Controls.

The responsive low bid, by Johnson Controls was submitted in the amount of \$2,605,672.28.

ISSUES

None

New Business – Item C



ALTERNATIVES

None recommended at this time.

FISCAL IMPACT

In FY2018 the Board approved \$1,538,581 for this project which was carried over to FY2019. The total project price of \$2,605,672.28 will be funded with FAA Entitlement Airport Improvement funds in the amount of \$2,053,992 and the remaining amount of \$551,680 with Airport funds.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the total project budget of \$2,605,672.28 for the replacement of the Security / IDMS Systems. (2) approve the contract with Johnson Controls for the replacement of the Security / IDMS systems (3) authorize the Executive Director to execute the necessary documents; and, (4) amend the FY2018/2019 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, 2019:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	\$0	\$1,067,091
Total	\$0	\$1,067,091



This will result in a net increase of \$1,067,091 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal – AIP Entitlement Funds		\$669,269
Transfer from GARAA Cash	<u>\$0</u>	<u>\$397,822</u>
Total	<u><u>\$0</u></u>	<u><u>\$1,067,091</u></u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 12th day of April, 2019.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: April 12, 2019

ITEM DESCRIPTION – Information Section Item A

February, 2019 Traffic Report – Asheville Regional Airport

SUMMARY

February, 2019 overall passenger traffic numbers were up 37.8% compared to the same period last year. Passenger traffic numbers reflect a 38.9% increase in passenger enplanements from February, 2018. Enplanements for Fiscal Year to Date total 417,140 which is an 20.9% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in February 2019 were up by 66.4%. There were no flight cancellations for the month.

American Airlines: American's February 2019 passenger enplanements represent a 30.7% increase over the same period last year. There were five (5) flight cancellations for the month.

Delta Airlines: Delta's February 2019 enplanements decreased by 1.6% compared to February 2018. There were no flight cancellations for the month.

United Airlines: In February 2019, United Airlines saw a decrease in enplanements by 19.7% over the same period last year. There were three (3) flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

February 2019



Category	Feb 2019	Feb 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change	*MOV12-2019	*MOV12-2018	Percentage Change
Passenger Traffic									
Enplaned	43,707	31,462	38.9%	89,477	64,876	37.9%	592,777	491,165	20.7%
Deplaned	<u>42,762</u>	<u>31,298</u>	36.6%	<u>85,293</u>	<u>62,815</u>	35.8%	<u>588,870</u>	<u>491,778</u>	19.7%
Total	86,469	62,760	37.8%	174,770	127,691	36.9%	1,181,647	982,943	20.2%
Aircraft Operations									
Airlines	712	531	34.1%	1,449	1,125	28.8%	9,554	7,890	21.1%
Commuter/ Air Taxi	<u>609</u>	<u>528</u>	15.3%	1,191	1,045	14.0%	10,286	11,074	-7.1%
Subtotal	<u>1,321</u>	<u>1,059</u>	24.7%	<u>2,640</u>	<u>2,170</u>	21.7%	<u>19,840</u>	<u>18,964</u>	4.6%
General Aviation	2,670	2,563	4.2%	5,610	5,141	9.1%	39,200	42,295	-7.3%
Military	<u>156</u>	<u>171</u>	-8.8%	<u>334</u>	<u>365</u>	-8.5%	<u>3,166</u>	<u>4,502</u>	-29.7%
Subtotal	<u>2,826</u>	<u>2,734</u>	3.4%	<u>5,944</u>	<u>5,506</u>	8.0%	<u>42,366</u>	<u>46,797</u>	-9.5%
Total	4,147	3,793	9.3%	8,584	7,676	11.8%	62,206	65,761	-5.4%
Fuel Gallons									
100LL	6,811	8,349	-18.4%	15,359	17,051	-9.9%	161,755	163,773	-1.2%
Jet A (GA)	51,829	66,469	-22.0%	89,106	133,631	-33.3%	1,413,422	1,457,290	-3.0%
Subtotal	<u>58,640</u>	<u>74,818</u>	-21.6%	<u>104,465</u>	<u>150,682</u>	-30.7%	<u>1,575,177</u>	<u>1,621,063</u>	-2.8%
Jet A (A/L)	<u>326,078</u>	<u>266,978</u>	22.1%	<u>711,280</u>	<u>555,699</u>	28.0%	<u>4,513,530</u>	<u>3,758,027</u>	20.1%
Total	384,718	341,796	12.6%	815,745	706,381	15.5%	6,088,707	5,379,090	13.2%

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

Friday, April 5, 2019

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

February 2019



	Feb 2019	Feb 2018	Percentage Change	*CYTD-2019	*CYTD-2018	Percentage Change
Allegiant Air						
Enplanements	18,048	10,847	66.4%	35,942	21,988	63.5%
Seats	25,836	13,806	87.1%	50,406	28,320	78.0%
Load Factor	69.9%	78.6%	-11.1%	71.3%	77.6%	-8.2%
American Airlines						
Enplanements	9,401	7,193	30.7%	19,595	14,993	30.7%
Seats	11,648	9,127	27.6%	24,070	19,201	25.4%
Load Factor	80.7%	78.8%	2.4%	81.4%	78.1%	4.3%
Delta Air Lines						
Enplanements	9,248	9,398	-1.6%	19,652	19,105	2.9%
Seats	10,848	10,810	0.4%	22,905	22,136	3.5%
Load Factor	85.3%	86.9%	-1.9%	85.8%	86.3%	-0.6%
Spirit Airlines						
Enplanements	3,777	0	#Div/0!	7,797	0	#Div/0!
Seats	6,916	0	#Div/0!	13,832	0	#Div/0!
Load Factor	54.6%	#Num!	#Type!	56.4%	#Num!	#Type!
United Airlines						
Enplanements	3,233	4,024	-19.7%	6,491	8,790	-26.2%
Seats	4,752	5,749	-17.3%	9,052	12,407	-27.0%
Load Factor	68.0%	70.0%	-2.8%	71.7%	70.8%	1.2%
Totals						
Enplanements	43,707	31,462	38.9%	89,477	64,876	37.9%
Seats	60,000	39,492	51.9%	120,265	82,064	46.6%
Load Factor	72.8%	79.7%	-8.6%	74.4%	79.1%	-5.9%

Friday, March 29, 2019

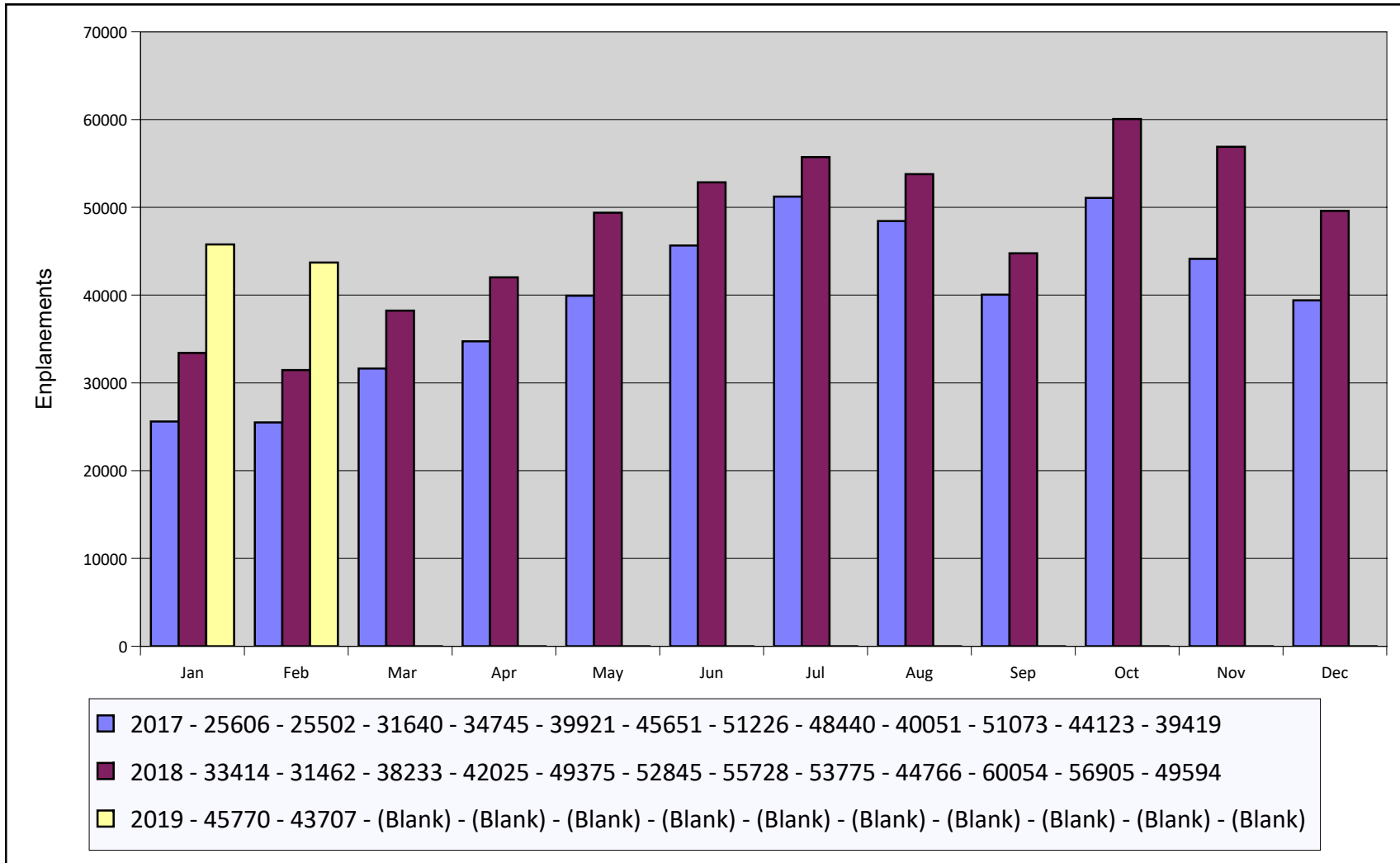
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport February 2019

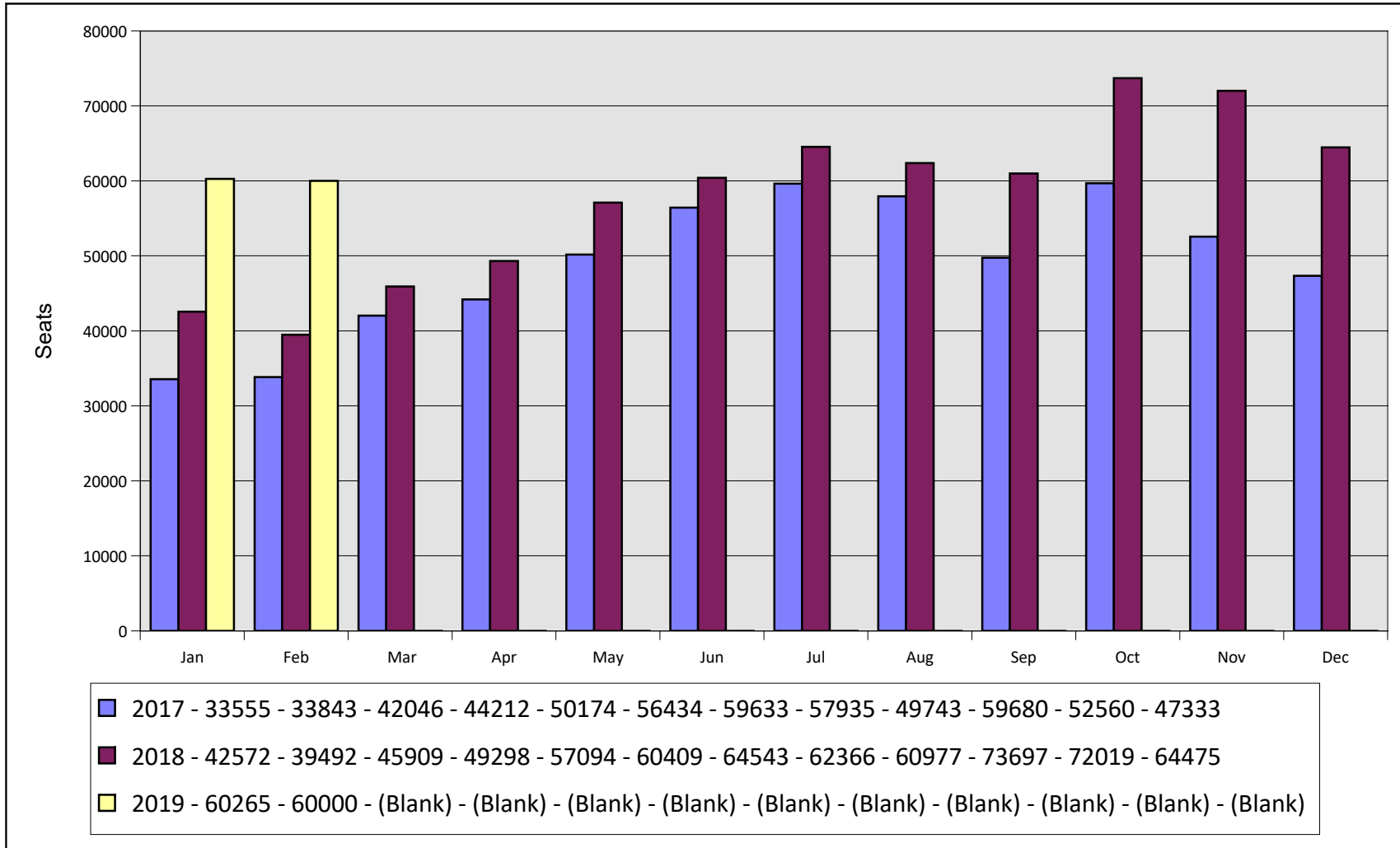


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	146	0	0	0	0	0	100.0%
American Airlines	177	0	0	5	0	5	97.2%
Delta Air Lines	176	0	0	0	0	0	100.0%
Spirit Airlines	38	0	0	0	0	0	100.0%
United Airlines	94	0	2	0	0	2	97.9%
Total	631	0	2	5	0	7	98.9%

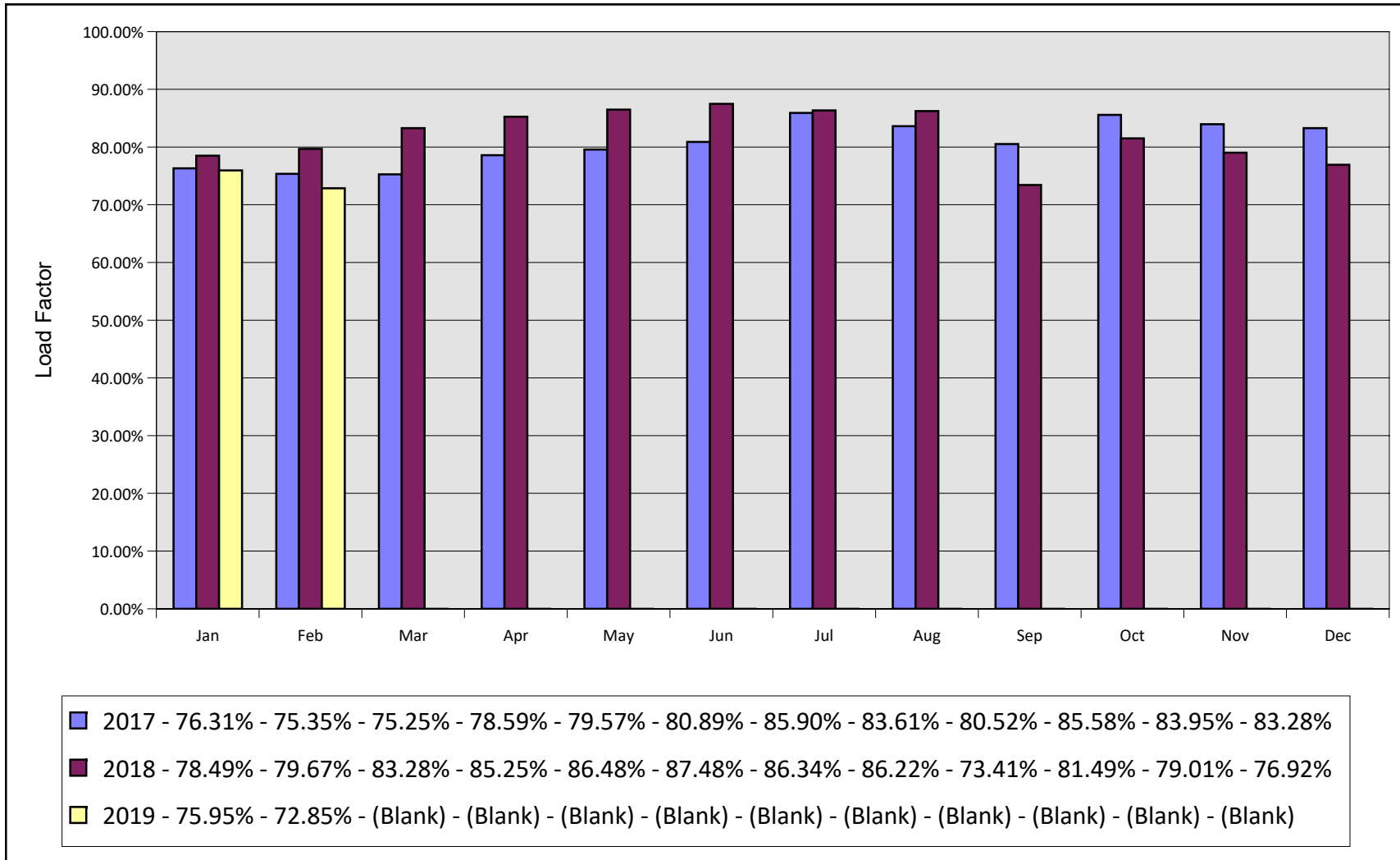
Monthly Enplanements By Year Asheville Regional Airport



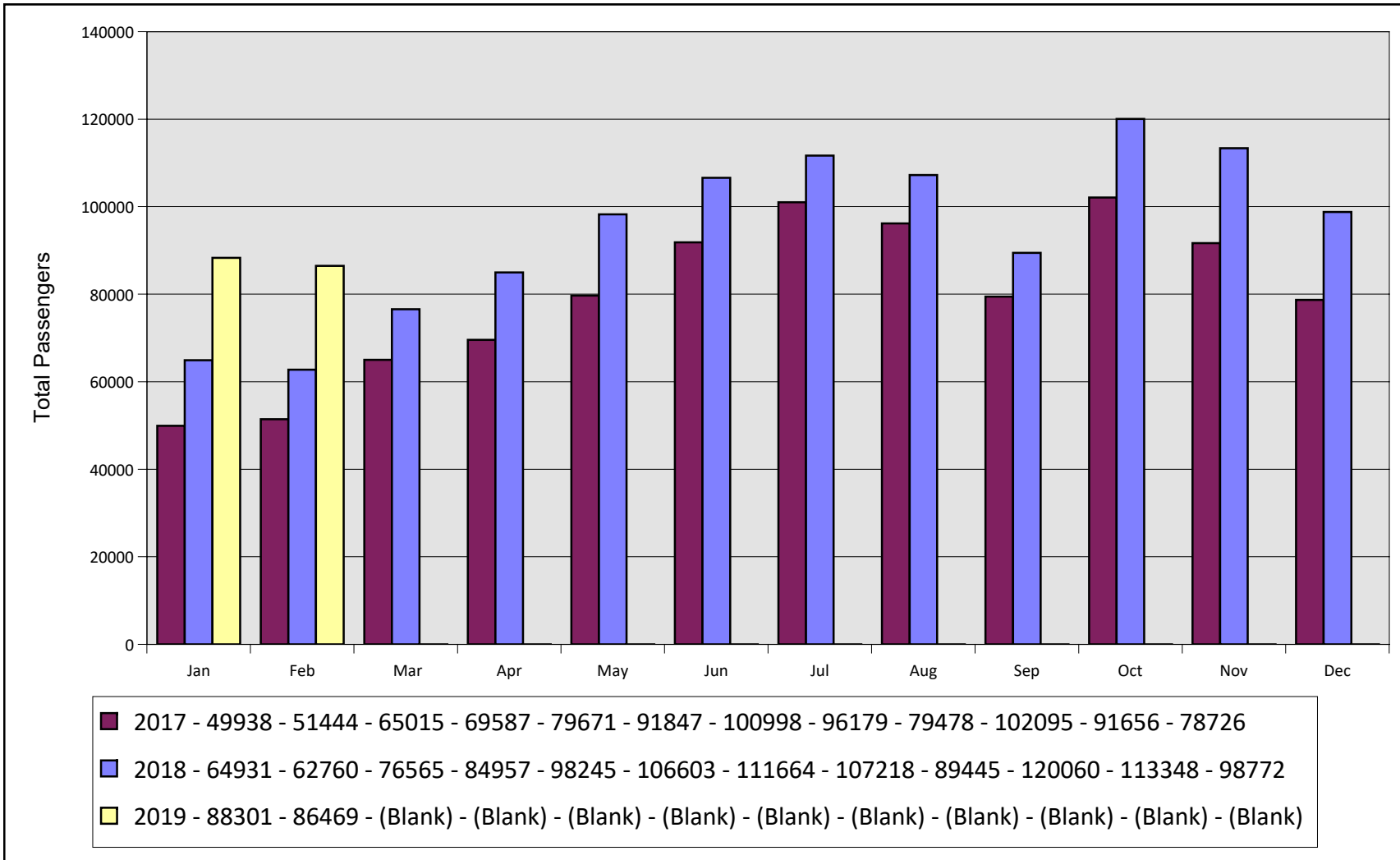
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport



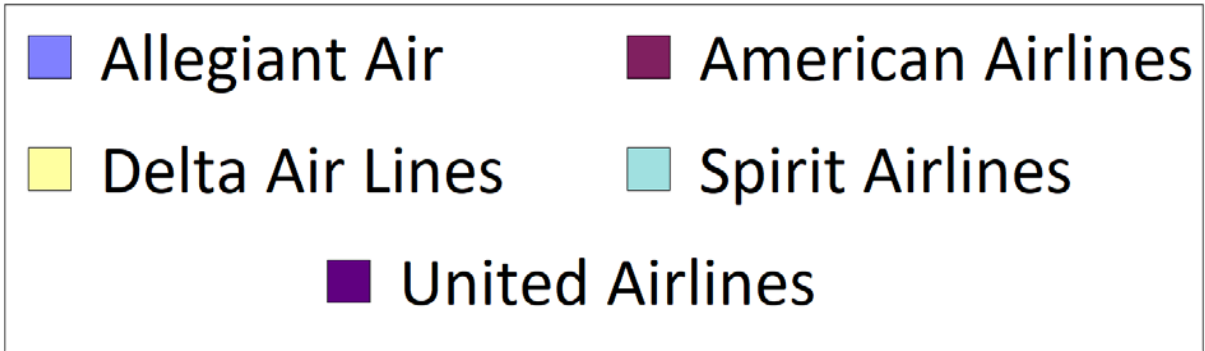
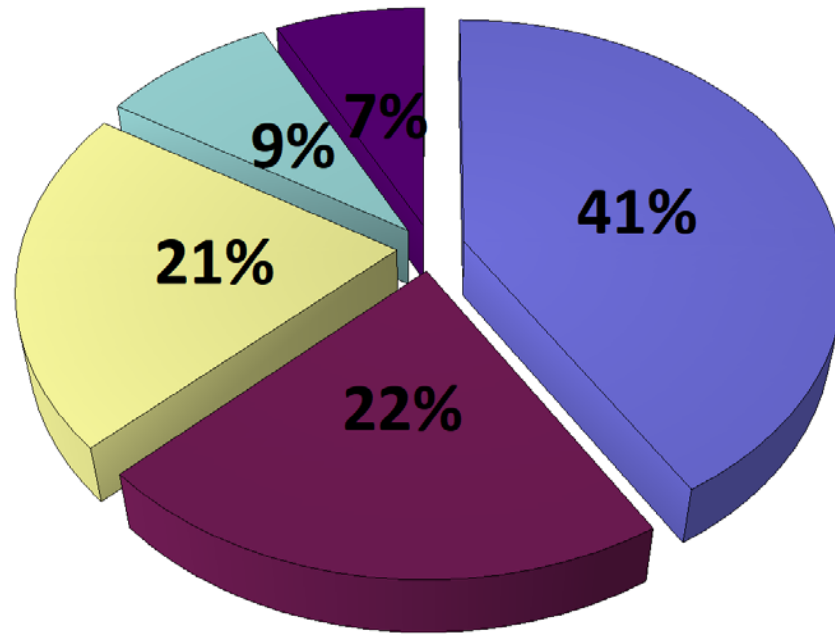
Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport



Report Period From February 2019 Through February 2019



May 2019 vs. May 2018											
Mkt AI	Travel Period			May-19		May-18		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
70	AVL	VRB	0	0	2	94	(2)	(94)	(100.0%)	(100.0%)	
70	VRB	AVL	0	0	2	94	(2)	(94)	(100.0%)	(100.0%)	
AA	AVL	CLT	55	3,586	42	2,932	13	654	31.0%	22.3%	
AA	CLT	AVL	55	3,651	42	2,932	14	719	33.3%	24.5%	
AA	AVL	DFW	7	532	0	0	7	532	-	-	
AA	DFW	AVL	7	532	0	0	7	532	-	-	
AA	AVL	LGA	2	152	0	0	2	152	-	-	
AA	LGA	AVL	2	152	0	0	2	152	-	-	
AA	AVL	PHL	8	415	0	0	8	415	-	-	
AA	PHL	AVL	7	350	0	0	7	350	-	-	
DL	ATL	AVL	47	3,739	47	3,676	0	63	0.0%	1.7%	
DL	AVL	ATL	47	3,739	47	3,676	0	63	0.0%	1.7%	
G4	AVL	BWI	2	354	1	177	1	177	100.0%	100.0%	
G4	BWI	AVL	2	354	1	177	1	177	100.0%	100.0%	
G4	AVL	DEN	2	354	2	354	0	0	0.0%	0.0%	
G4	DEN	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	EWR	5	885	3	531	2	354	66.7%	66.7%	
G4	EWR	AVL	5	885	3	531	2	354	66.7%	66.7%	
G4	AVL	FLL	17	3,009	6	1,062	11	1,947	183.3%	183.3%	
G4	FLL	AVL	17	3,009	6	1,062	11	1,947	183.3%	183.3%	
G4	AVL	PGD	3	531	3	531	0	0	0.0%	0.0%	
G4	PGD	AVL	3	531	3	531	0	0	0.0%	0.0%	
G4	AVL	PIE	8	1,395	5	885	3	510	60.0%	57.6%	
G4	PIE	AVL	8	1,395	5	885	3	510	60.0%	57.6%	
G4	AVL	SFB	7	1,218	4	697	3	521	75.0%	74.7%	
G4	SFB	AVL	7	1,218	4	697	3	521	75.0%	74.7%	
G4	AVL	SRQ	2	354	0	0	2	354	-	-	
G4	SRQ	AVL	2	354	0	0	2	354	-	-	
NK	AVL	FLL	4	580	0	0	4	580	-	-	
NK	FLL	AVL	4	580	0	0	4	580	-	-	
NK	AVL	MCO	4	580	0	0	4	580	-	-	
NK	MCO	AVL	4	580	0	0	4	580	-	-	
NK	AVL	TPA	3	435	0	0	3	435	-	-	
NK	TPA	AVL	3	435	0	0	3	435	-	-	
UA	AVL	EWR	8	400	7	806	1	(406)	14.3%	(50.4%)	
UA	EWR	AVL	8	400	7	806	1	(406)	14.3%	(50.4%)	
UA	AVL	IAD	14	700	0	0	14	700	-	-	
UA	IAD	AVL	14	700	0	0	14	700	-	-	
UA	AVL	ORD	21	1,050	21	1,050	0	0	0.0%	0.0%	
UA	ORD	AVL	21	1,050	21	1,050	0	0	0.0%	0.0%	
Total			438	40,538	286	25,590	152	14,948	53.1%	58.4%	

June 2019 vs. June 2018											
Mkt AI	Travel Period			Jun 2019		Jun 2018		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
70	AVL	VRB	0	0	2	94	0	0	0.0%	0.4%	
70	VRB	AVL	2	100	2	94	0	6	0.0%	6.4%	
AA	AVL	CLT	55	3,586	48	2,933	7	653	14.6%	22.3%	
AA	CLT	AVL	55	3,586	48	2,933	7	653	14.6%	22.3%	
AA	AVL	DFW	7	532	1	65	6	467	600.0%	718.5%	
AA	DFW	AVL	7	532	1	65	6	467	600.0%	718.5%	
AA	AVL	LGA	2	152	0	0	2	152	-	-	
AA	LGA	AVL	2	152	0	0	2	152	-	-	
AA	AVL	PHL	7	350	0	0	7	350	-	-	
AA	PHL	AVL	7	350	0	0	7	350	-	-	
DL	ATL	AVL	55	3,838	54	3,503	1	335	1.9%	9.6%	
DL	AVL	ATL	55	3,872	54	3,503	1	369	1.9%	10.5%	
DL	AVL	DTW	1	50	0	0	1	50	-	-	
DL	DTW	AVL	1	50	0	0	1	50	-	-	
DL	AVL	LGA	1	76	1	50	0	26	0.0%	52.0%	
DL	LGA	AVL	1	76	1	50	0	26	0.0%	52.0%	
G4	AVL	BWI	2	354	2	354	0	0	0.0%	0.0%	
G4	BWI	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	DEN	3	531	2	354	1	177	50.0%	50.0%	
G4	DEN	AVL	3	531	2	354	1	177	50.0%	50.0%	
G4	AVL	EWR	5	885	4	708	1	177	25.0%	25.0%	
G4	EWR	AVL	5	885	4	708	1	177	25.0%	25.0%	
G4	AVL	FLL	16	2,832	9	1,593	7	1,239	77.8%	77.8%	
G4	FLL	AVL	16	2,832	9	1,593	7	1,239	77.8%	77.8%	
G4	AVL	PGD	4	708	3	531	1	177	33.3%	33.3%	
G4	PGD	AVL	4	708	3	531	1	177	33.3%	33.3%	
G4	AVL	PIE	11	1,805	7	1,218	4	687	57.1%	56.4%	
G4	PIE	AVL	11	1,805	7	1,218	4	687	57.1%	56.4%	
G4	AVL	SFB	9	1,488	5	885	4	603	80.0%	68.1%	
G4	SFB	AVL	9	1,488	5	885	4	603	80.0%	68.1%	
G4	AVL	SRQ	2	354	0	0	2	354	-	-	
G4	SRQ	AVL	2	354	0	0	2	354	-	-	
NK	AVL	FLL	4	580	0	0	4	580	-	-	
NK	FLL	AVL	4	580	0	0	4	580	-	-	
NK	AVL	MCO	4	580	0	0	4	580	-	-	
NK	MCO	AVL	4	580	0	0	4	580	-	-	
NK	AVL	TPA	3	435	0	0	3	435	-	-	
NK	TPA	AVL	3	435	0	0	3	435	-	-	
UA	AVL	EWR	8	400	8	1,000	0	(600)	0.0%	(60.0%)	
UA	EWR	AVL	8	400	8	1,000	0	(600)	0.0%	(60.0%)	
UA	AVL	IAD	16	800	0	0	16	800	-	-	
UA	IAD	AVL	16	800	0	0	16	800	-	-	
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%	
Total			490	43,906	348	29,376	142	14,530	40.8%	49.5%	

July 2019 vs. July 2018											
Mkt AI	Travel Period			Jul-19		Jul-18		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
70	AVL	VRB	2	100	2	94	0	6	0.0%	6.4%	
70	VRB	AVL	2	100	2	94	0	6	0.0%	6.4%	
AA	AVL	CLT	49	3,155	48	2,933	1	222	2.1%	7.6%	
AA	CLT	AVL	49	3,155	48	2,933	1	222	2.1%	7.6%	
AA	AVL	DFW	7	532	1	65	6	467	600.0%	718.5%	
AA	DFW	AVL	7	532	1	65	6	467	600.0%	718.5%	
AA	AVL	LGA	2	152	0	0	2	152	-	-	
AA	LGA	AVL	2	152	0	0	2	152	-	-	
AA	AVL	PHL	7	350	0	0	7	350	-	-	
AA	PHL	AVL	7	350	0	0	7	350	-	-	
DL	ATL	AVL	55	3,838	54	3,556	1	282	1.9%	7.9%	
DL	AVL	ATL	55	3,872	54	3,556	1	316	1.9%	8.9%	
DL	AVL	DTW	1	50	0	0	1	50	-	-	
DL	DTW	AVL	1	50	0	0	1	50	-	-	
DL	AVL	LGA	1	76	1	50	0	26	0.0%	52.0%	
DL	LGA	AVL	1	76	1	50	0	26	0.0%	52.0%	
G4	AVL	BWI	2	354	2	354	0	0	0.0%	0.0%	
G4	BWI	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	DEN	4	708	2	354	2	354	100.0%	100.0%	
G4	DEN	AVL	4	708	2	354	2	354	100.0%	100.0%	
G4	AVL	EWR	5	885	4	708	1	177	25.0%	25.0%	
G4	EWR	AVL	5	885	4	708	1	177	25.0%	25.0%	
G4	AVL	FLL	16	2,832	9	1,593	7	1,239	77.8%	77.8%	
G4	FLL	AVL	16	2,832	9	1,593	7	1,239	77.8%	77.8%	
G4	AVL	PGD	5	885	4	708	1	177	25.0%	25.0%	
G4	PGD	AVL	5	885	4	708	1	177	25.0%	25.0%	
G4	AVL	PIE	11	1,884	7	1,239	4	645	57.1%	52.1%	
G4	PIE	AVL	11	1,884	7	1,239	4	645	57.1%	52.1%	
G4	AVL	SFB	9	1,509	7	1,228	2	281	28.6%	22.9%	
G4	SFB	AVL	9	1,509	7	1,228	2	281	28.6%	22.9%	
G4	AVL	SRQ	2	354	0	0	2	354	-	-	
G4	SRQ	AVL	2	354	0	0	2	354	-	-	
NK	AVL	FLL	4	580	0	0	4	580	-	-	
NK	FLL	AVL	4	580	0	0	4	580	-	-	
NK	AVL	MCO	4	580	0	0	4	580	-	-	
NK	MCO	AVL	4	580	0	0	4	580	-	-	
NK	AVL	TPA	3	435	0	0	3	435	-	-	
NK	TPA	AVL	3	435	0	0	3	435	-	-	
UA	AVL	EWR	8	400	8	1,000	0	(600)	0.0%	(60.0%)	
UA	EWR	AVL	8	400	8	1,000	0	(600)	0.0%	(60.0%)	
UA	AVL	IAD	16	800	0	0	16	800	-	-	
UA	IAD	AVL	16	800	0	0	16	800	-	-	
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%	
Total			482	43,752	354	30,564	128	13,188	36.2%	43.1%	



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance & Accounting

DATE: April 12, 2019

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of February 2019

SUMMARY

Operating Revenues for the month of February were \$1,081,933. Operating Expenses for the month were \$750,376. As a result, Net Operating Revenues before Depreciation were \$331,557. Net Non-Operating Revenues were \$321,173.

Year-to-date Operating Revenues were \$9,181,769, 83.7% of annual budget. Year-to-date Operating Expenses were \$5,300,654, 52.7% of annual budget. Both percentages represent positive results as we have now completed 67% of the fiscal year. Year-to-date Net Operating Revenues before Depreciation were \$3,881,115. Net Non-Operating Revenues for the year were \$2,198,968, 77.7% of annual budget.

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$1,310k mainly due to Airfield Redevelopment project.

Passenger Facility Charges Receivable – Passenger Facility Charges Receivable increased by \$200k due to late payment of December fees.



Grants Receivable – Grants Receivable increased by \$1,125 due to the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$1,699k mostly due to Airfield Redevelopment project.

Property and Equipment, Net – Property and Equipment, Net decreased by \$387k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of February 28, 2019**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.60%	\$ 12,413,950	9,071
First Citizens - Money Market Account	0.35%	403,866	46
NC Capital Management Trust - Cash Portfolio		17,729	31
NC Capital Management Trust - Term Portfolio		9,243,781	17,565
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		906,042	
Bank of America - PFC Revenue Account	0.60%	889,906	535
NC Capital Management Trust - Term Port - PFC		10,089,077	19,171
Total		<u>\$ 33,964,551</u>	<u>\$ 46,419</u>

Investment Diversification:

Banks	43%
NC Capital Management Trust	57%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended February 28, 2019

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 35,275,449	\$ 36,062,924
Net Income/(Loss) Before Capital Contributions	265,435	416,535
Depreciation	387,295	387,295
Decrease/(Increase) in Receivables	(1,300,781)	(844,962)
Increase/(Decrease) in Payables	(107,143)	(350,988)
Decrease/(Increase) in Prepaid Expenses	18,883	18,883
Decrease/(Increase) in Fixed Assets	(1,699,697)	(1,764,402)
Principal Payments of Bond Maturities	-	-
Capital Contributions	1,125,110	1,350,164
System Conversion (Prior Period) Adjustment	-	-
Increase(Decrease) in Cash	(1,310,898)	(787,475)
Cash and Investments End of Period	\$ 33,964,551	\$ 35,275,449

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of February 28, 2019**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$22,079,526	\$23,571,388
Investments	0	0
Accounts Receivable	640,748	678,625
Passenger Facility Charges Receivable	575,000	375,000
Refundable Sales Tax Receivable	96,745	83,196
Grants Receivable	3,735,665	2,610,555
Prepaid Expenses	75,681	94,564
Total Unrestricted Assets	27,203,365	27,413,328
Restricted Assets:		
Cash and Cash Equivalents	11,885,025	11,704,061
Total Restricted Assets	11,885,025	11,704,061
Total Current Assets	39,088,390	39,117,389
Noncurrent Assets:		
Construction in Progress	81,457,632	79,757,935
Net Pension Asset - LGERS	(760,162)	(760,162)
Benefit Payment - OPEB	25,682	25,682
Contributions in Current Year	617,323	617,323
Property and Equipment - Net	50,610,469	50,997,764
Total Noncurrent Assets	131,950,944	130,638,542
	\$171,039,334	\$169,755,931
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$106,528	\$171,425
Customer Deposits	10,660	10,660
Unearned Revenue	562,668	642,930
Construction Contracts Payable	0	0
Construction Contract Retainages	1,933,007	1,933,007
Revenue Bond Payable - Current	1,245,000	1,245,000
Interest Payable	76,033	38,017
Total Payable from Unrestricted Assets	3,933,896	4,041,039
Total Current Liabilities	3,933,896	4,041,039
Noncurrent Liabilities:		
Pension Deferrals - OPED	56,737	56,737
Other Postemployment Benefits	1,248,463	1,248,463
Compensated Absences	359,211	359,211
Net Pension Obligation-LEO Special Separation Allowance	474,558	474,558
Revenue Bond Payable - Noncurrent	17,585,000	17,585,000
Total Noncurrent Liabilities	19,723,969	19,723,969
Total Liabilities	23,657,865	23,765,008
Net Assets:		
Invested in Capital Assets	113,238,101	111,925,699
Restricted	11,885,025	11,704,061
Unrestricted	22,258,343	22,361,163
Total Net Assets	147,381,469	145,990,923
	\$171,039,334	\$169,755,931



Income Statement

Through 02/28/19
Summary Listing

Classification	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	247,909.00	7,401.44	151,239.97	96,669.03	61	.00
Terminal space rentals - airline	2,067,331.00	171,114.51	1,500,981.41	566,349.59	73	.00
Landing fees	904,038.00	76,568.65	714,990.64	189,047.36	79	.00
Concessions	490,780.00	50,559.63	399,912.13	90,867.87	81	.00
Auto parking	3,600,000.00	439,636.67	3,600,864.85	(864.85)	100	.00
Rental car - car rentals	1,530,000.00	141,646.94	1,303,671.19	226,328.81	85	.00
Rental car - facility rent	647,012.00	59,380.33	445,356.92	201,655.08	69	.00
Commerce ground transportation	94,500.00	16,308.59	190,457.78	(95,957.78)	202	.00
FBO's	1,038,185.00	82,817.57	716,450.79	321,734.21	69	.00
Building leases	73,197.00	8,942.03	48,509.29	24,687.71	66	.00
Land leases	59,961.00	4,272.77	36,076.02	23,884.98	60	.00
Other leases and fees	221,800.00	23,284.02	73,257.81	148,542.19	33	.00
<i>Operating revenues Totals</i>	\$10,974,713.00	\$1,081,933.15	\$9,181,768.80	\$1,792,944.20	84%	\$0.00
<i>Non-operating revenue and expense</i>						
Customer facility charges	1,400,000.00	93,279.00	1,126,331.25	273,668.75	80	.00
Passenger facility charges	1,850,000.00	219,490.19	1,720,819.89	129,180.11	93	.00
Interest revenue	35,000.00	46,419.84	303,350.82	(268,350.82)	867	.00
Interest expense	(456,197.00)	(38,016.42)	(304,131.36)	(152,065.64)	67	.00
Reimbursable cost expenses	.00	.00	(649,919.93)	649,919.93	+++	.00
Gain or loss on disposal of assets	.00	.00	45.00	(45.00)	+++	.00
P-card rebate	.00	.00	2,472.15	(2,472.15)	+++	.00
<i>Non-operating revenue and expense Totals</i>	\$2,828,803.00	\$321,172.61	\$2,198,967.82	\$629,835.18	78%	\$0.00
Capital contributions	.00	1,125,110.37	5,346,778.23	(5,346,778.23)	+++	.00
<i>Operating expenses</i>						
Personnel services	5,902,003.00	547,140.20	3,257,483.83	2,644,519.17	55	.00
Professional services	387,450.00	23,990.68	139,638.79	247,811.21	36	.00
Other contractual services	855,723.00	67,130.18	505,155.41	350,567.59	59	.00
Travel and training	201,075.00	18,324.99	114,263.56	86,811.44	57	.00
Communiations	62,850.00	3,521.33	38,333.05	24,516.95	61	.00
Utility services	525,467.00	(2,137.12)	267,417.80	258,049.20	51	.00
Rentals and leases	13,600.00	1,078.97	8,994.51	4,605.49	66	.00
Insurance	234,000.00	18,882.76	184,280.88	49,719.12	79	.00
Advertising, printing and binding	8,050.00	954.04	6,001.23	2,048.77	75	.00
Promotional activities	317,390.00	31,636.17	175,517.78	141,872.22	55	.00
Other current charges and obligations	54,000.00	4,298.34	43,417.02	10,582.98	80	.00
Operating supplies	493,425.00	17,853.39	258,899.59	234,525.41	52	.00



Income Statement

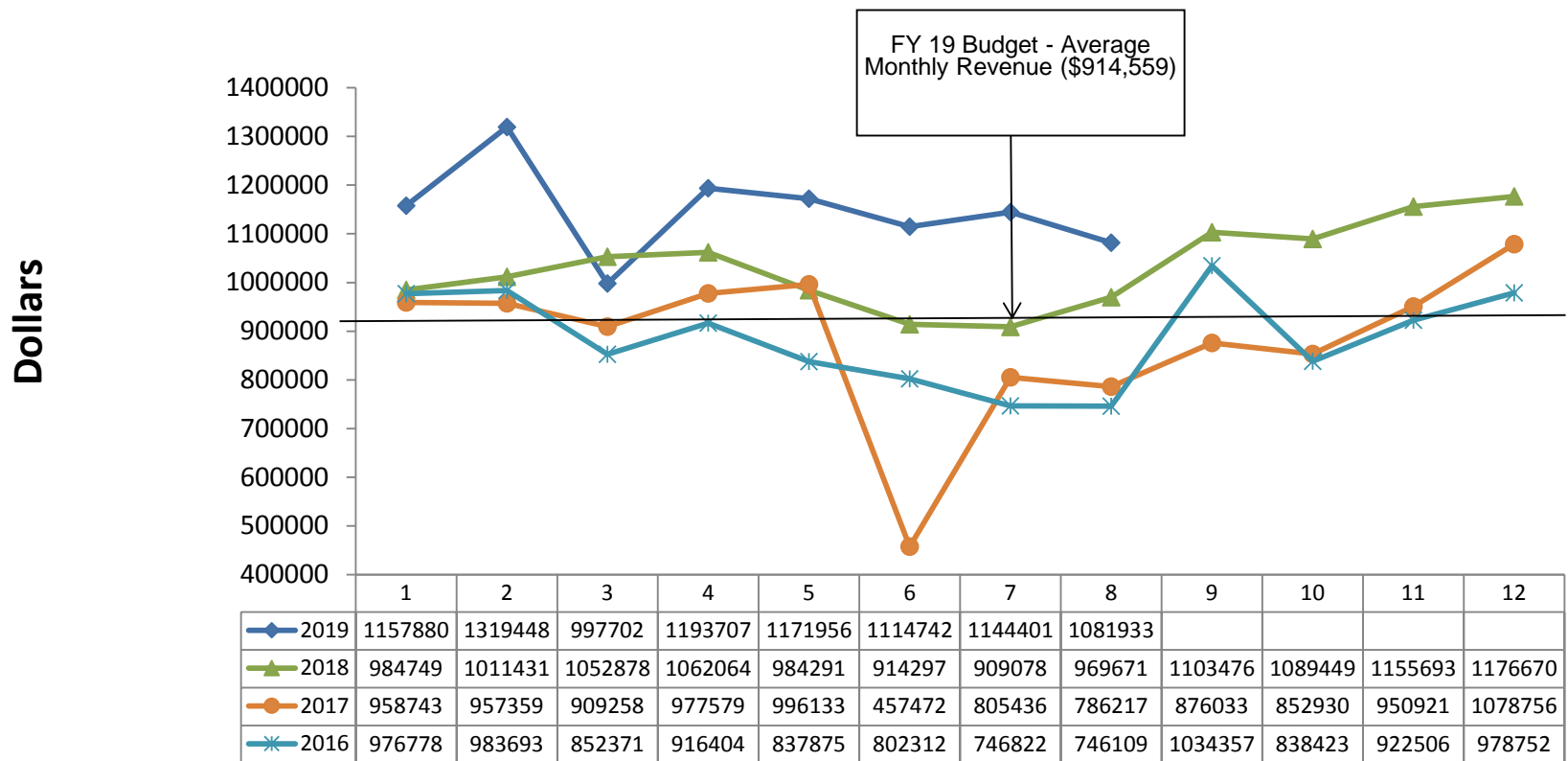
Through 02/28/19
Summary Listing

Classification	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating expenses</i>						
Publications, subscriptions, memberships, etc.	54,330.00	1,701.25	41,216.13	13,113.87	76	.00
Repairs and maintenance	181,700.00	9,525.73	122,531.66	59,168.34	67	.00
Small equipment	80,500.00	6,474.63	54,702.00	25,798.00	68	.00
Contingency	45,000.00	.00	.00	45,000.00	0	.00
Emergency repairs	50,000.00	.00	68,633.92	(18,633.92)	137	.00
Business development	600,000.00	.00	14,166.50	585,833.50	2	.00
<i>Operating expenses Totals</i>	\$10,066,563.00	\$750,375.54	\$5,300,653.66	\$4,765,909.34	53%	\$0.00
<i>Depreciation</i>						
Depreciation	.00	387,295.00	3,098,360.00	(3,098,360.00)	+++	.00
<i>Depreciation Totals</i>	\$0.00	\$387,295.00	\$3,098,360.00	(\$3,098,360.00)	+++	\$0.00
Fund 10 - General Fund Totals						
REVENUE TOTALS	13,803,516.00	2,528,216.13	16,727,514.85	(2,923,998.85)	121%	.00
EXPENSE TOTALS	10,066,563.00	1,137,670.54	8,399,013.66	1,667,549.34	83%	.00
Fund 10 - General Fund Net Gain (Loss)	\$3,736,953.00	\$1,390,545.59	\$8,328,501.19	\$4,591,548.19	223%	\$0.00
Fund Type General Fund Totals						
REVENUE TOTALS	13,803,516.00	2,528,216.13	16,727,514.85	(2,923,998.85)	121%	.00
EXPENSE TOTALS	10,066,563.00	1,137,670.54	8,399,013.66	1,667,549.34	83%	.00
Fund Type General Fund Net Gain (Loss)	\$3,736,953.00	\$1,390,545.59	\$8,328,501.19	\$4,591,548.19	223%	\$0.00
Fund Category Governmental Funds Totals						
REVENUE TOTALS	13,803,516.00	2,528,216.13	16,727,514.85	(2,923,998.85)	121%	.00
EXPENSE TOTALS	10,066,563.00	1,137,670.54	8,399,013.66	1,667,549.34	83%	.00
Fund Category Governmental Funds Net Gain (Loss)	\$3,736,953.00	\$1,390,545.59	\$8,328,501.19	\$4,591,548.19	223%	\$0.00
Grand Totals						
REVENUE TOTALS	13,803,516.00	2,528,216.13	16,727,514.85	(2,923,998.85)	121%	.00
EXPENSE TOTALS	10,066,563.00	1,137,670.54	8,399,013.66	1,667,549.34	83%	.00
Grand Total Net Gain (Loss)	\$3,736,953.00	\$1,390,545.59	\$8,328,501.19	\$4,591,548.19	223%	\$0.00

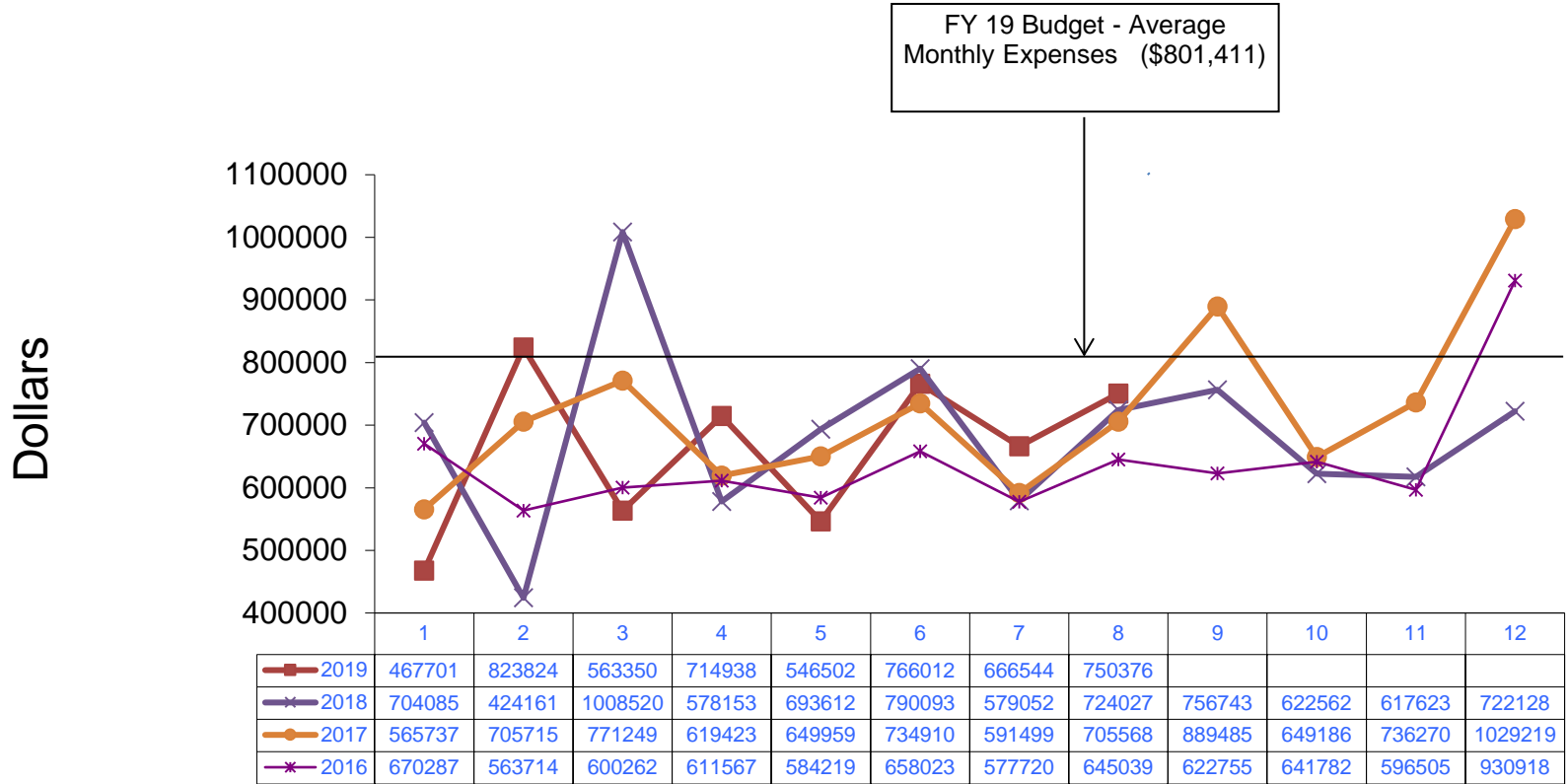
ASHEVILLE REGIONAL AIRPORT

Annual Operating Revenue by Month

February 2019

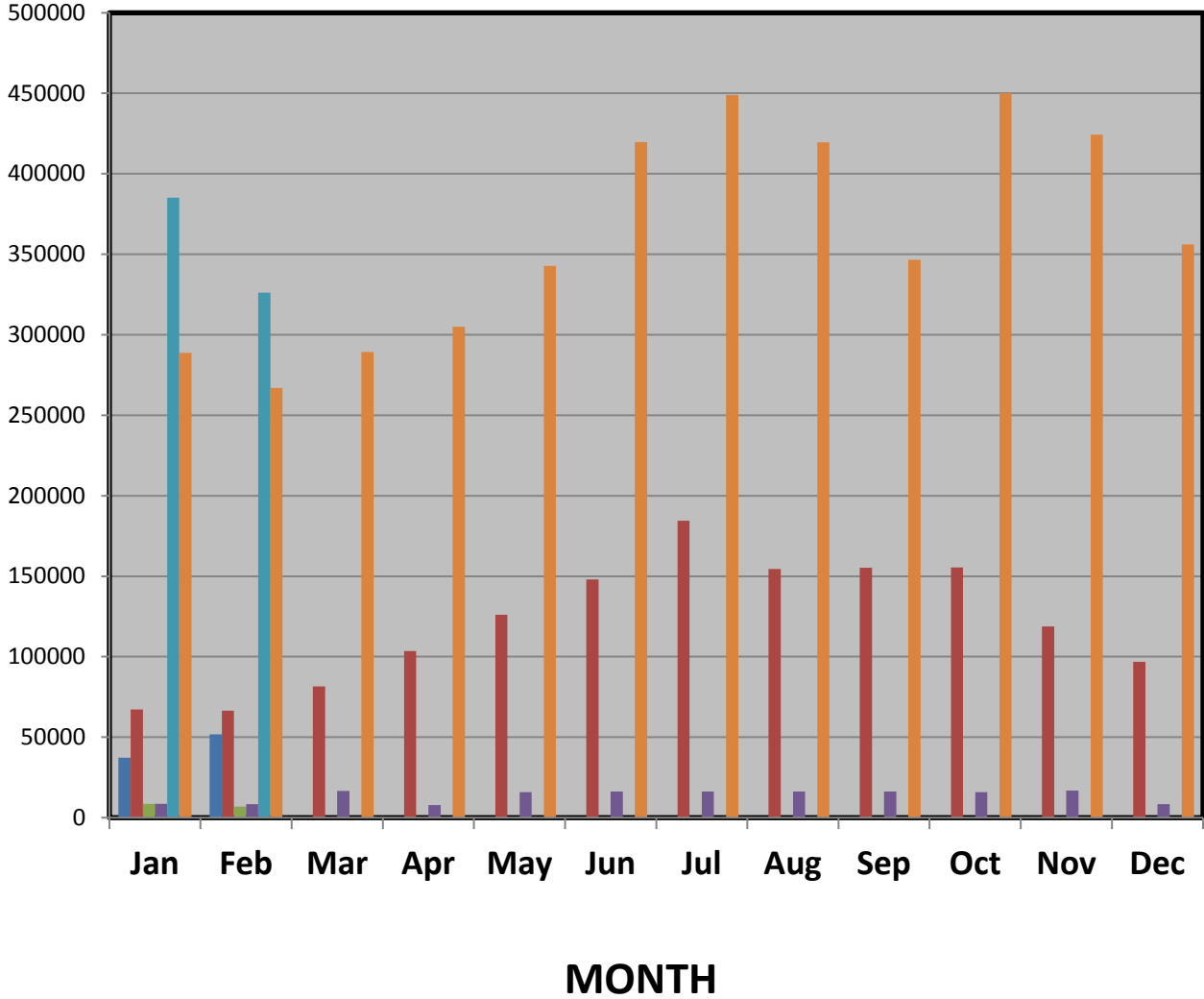


ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month February 2019



**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
February 2019**

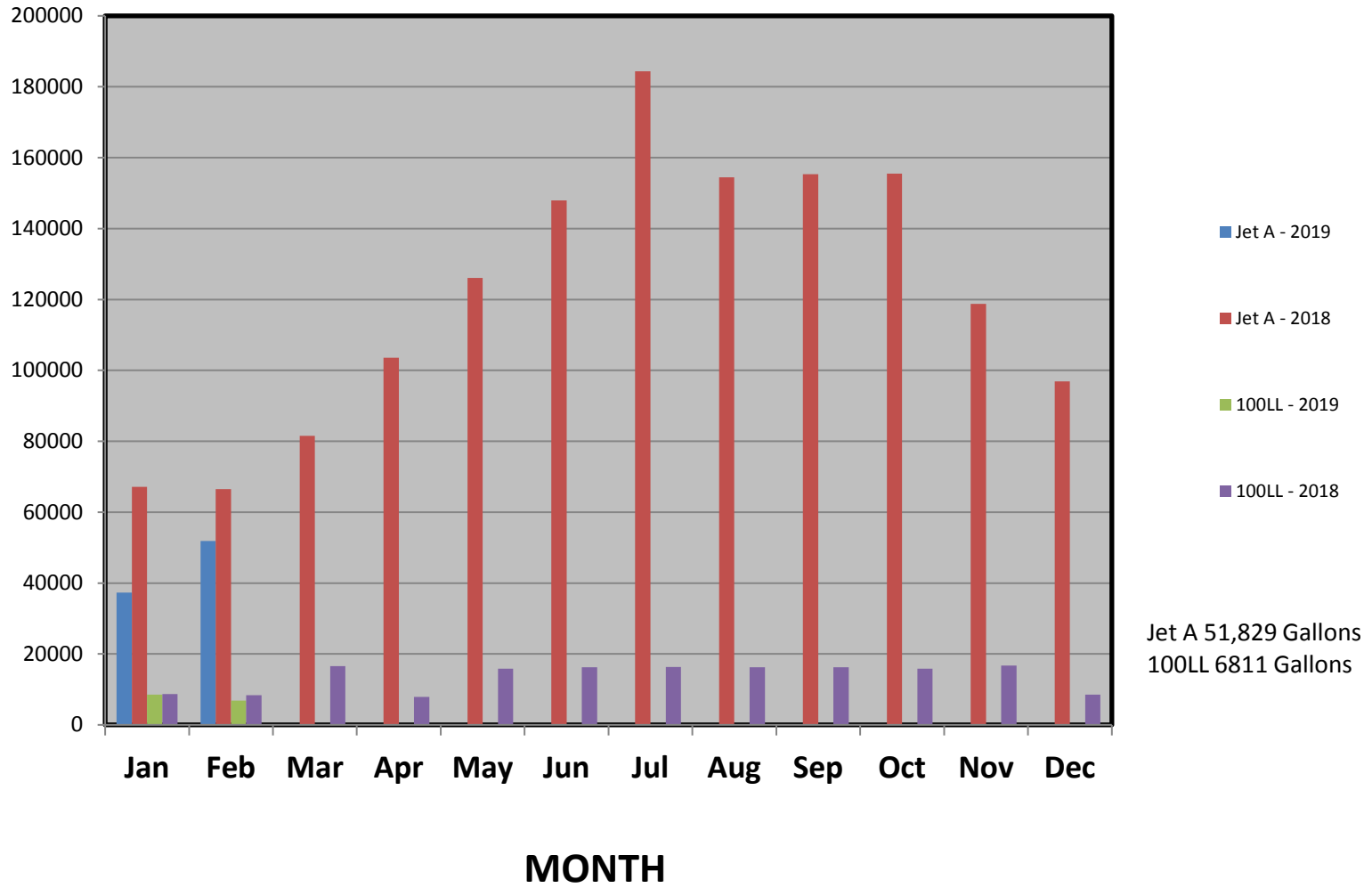
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Jet A 51,829 Gallons
100LL 6811 Gallons
Airline 326,078 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
February 2019**

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Design Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2019)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2019)	Start Date	End Date	Current Project Status (as of 04/01/2019)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$15,900,000.00		\$80,000,000.00	72.0%	\$57,686,872			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	83%	\$372,161	Dec-12	Jun-16	Project Management work primarily complete.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	95%	\$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	\$1,469,611.00	65.90%	<i>(Overall total included in above number)</i>	55%	\$2,130,653	Dec-14	Dec-19	Phase IV Project Management continues.
1D	Airfield Re-Development Project	New Runway Design	AVCON	\$1,967,476.00	N/A	N/A	\$86,653.00	4.40%	<i>(Overall total included in above number)</i>	94.2%	\$1,936,281	Mar-13	Dec-19	Phase IV Project Management continues.
1E	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>		\$4,042,174	Jan-13	Dec-19	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Airport Security and Identity Management	Security system, ID badging and CCTV camera equipment	Faith Group LLC	\$327,486.27	N/A	N/A	\$0.00	0.00%	\$327,486.27	27.3%	\$89,257.00	Aug-18	Jan-20	Bid opening scheduled for Apr 2019
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$0.00	0%	\$0.00	10.8%	\$89,158.00	Nov-18	Nov-19	Design continues with 60% complete.
4	Terminal Building Renovations	Phase 1 - Utility Modernization of Water and Sewer	Gresham Smith	\$168,820.00	N/A	N/A	\$0.00	0%	\$168,820.00	2.9%	\$4,859.00	Jan-19	Oct-19	Presently in design. Anticipate bidding this summer.

Construction Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2019)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2019)	Start Date	End Date	Current Project Status (as of 04/01/2019)
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	40.0%	\$13,181,759	Mar-17	Dec-19	Fill and grading, erosion control maintenance, electrical, lighting and shoulder work.

(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