

**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 14<sup>th</sup>. 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.

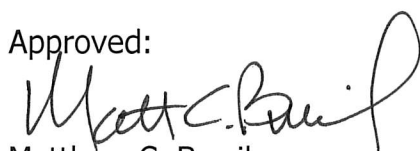
**ADJOURNMENT:** Mr. Bailey moved to adjourn the meeting at 10:54 a.m. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Matthew C. Burrell  
Chair