

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
May 8, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, May 8, 2020 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 IN PERSON: Matthew C. Burrell, Chair

MEMBERS PRESENT VIA TELEPHONE/VIDEO: K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; Brad Galbraith; Carl H. Ricker, Jr.; and Thomas M. Apodaca

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing and Public Relations; Shane Stockman, IT Director; Jared Merrill, Airport Planning Manager; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA TELEPHONE: Kevan Smith, Chief of Public Safety; Janet Burnette, Director of Finance and Accounting; John Coon, Director of Operations and Maintenance; Christina Madsen, Properties and Contracts Manager; Lisa Jump, Director of Administration and Human Resources

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

PRESENTATIONS: None

FINANCIAL REPORT: The Director stated that the effects of COVID-19 are shown in the enplanements and flight cancellations for the month of March. A review of enplanements, aircraft operations, and general aviation activity was provided by the Director. Janet Burnette reported on the financial activity for the month of March. Mrs. Burnette provided an explanation for the negative amount shown for grant funds and also reported that staff has been working to collect the receivables past due. A brief discussion ensued about past due amounts for advertising customers as well as FAA regulations that staff must uphold with regard to deferment of rent or payments and the need to treat all tenants equitably. The Board expressed concern with how advertisements in the terminal were displayed if they had past due receivables as they

did not want this to negatively affect the customer experience. The Director assured the Board that staff had submitted plans for his review to address this issue. The Board recommended staff keep appearances in the terminal as normal as possible for passengers.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority April 3, 2020 Special Meeting Minutes:

B. Approval of Employee Insurance Renewals:

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

OLD BUSINESS: None

NEW BUSINESS:

A. Ratify Approval of Change Order #2 for South Apron Expansion Project:

Jared Merrill reminded the Board that Zachry Construction was awarded the contract for the South Apron Expansion project. Mr. Merrill advised the Board that the project includes construction of a tiered retaining wall which requires preloading the site with large quantities of soil embankment. Upon completion of the preload material, it was determined that additional improvements would be required for the existing ground to limit the amount of settlement along the location of the new retaining wall. Change Order #2 addresses this issue. The most economical method to limit the settlement was the installation of an additional volume of 16,000 cubic yards of pre-load stockpile material. Zachary Construction identified a new but temporary source for the additional material which was available at a reduced rate from the current contract price. The cost for the material was approximately \$204,000.00 including transportation and placement. The change order also includes some monitoring and control devices, temporary fencing, sediment and erosion control measures, embankment material, and removal of some topsoil in the employee parking lot for a total cost of \$246,198.50. To take advantage of the reduced rate of the additional stockpile material, the Executive Director informed the Board Chair of the matter and executed the Change Order with the intent to request ratification by the Board.

Mr. Erwin moved to ratify approval of Change Order #2 with Zachry Construction in the amount of \$246,198.50 and ratify the authorization of the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

B. Approve Second Amendment to Task Order No. 7 with CHA Consulting, Inc. for Focused Environmental Assessment: Jared Merrill reminded the Board that a Short Form Environmental Assessment (EA) and update to the airport's Noise Exposure Maps were required by the FAA for the Terminal Modernization project. The Authority contracted with CHA Consulting, Inc for this work for a total of \$88,300.00. The FAA has since determined that a Focused EA to include the evaluation for a new Air Traffic Control Tower will be required for this project. The Focused EA is very similar to a complete EA and significantly increases the scope of work. CHA Consulting provided a revised Task Order proposal of \$196,450.88 to include the additional scope of work required for the Focused EA. Staff conducted an Independent Fee Estimate (IFE) that allowed for a total of \$187,481.00 for the Focused EA. CHA Consulting's proposal is considered reasonable as it is within 5% of the IFE and meets FAA guidelines of being within 10% of the IFE. The additional work will add three to four months to the schedule and is anticipated to be completed in September. Mr. Merrill reminded the Board that the work needs to be completed prior to the FAA releasing the \$10 million grant that was awarded the previous fall. The Authority has two years from the date of the grant award to start using grant funds, otherwise the grant is returned to the FAA. The cost for this work is encompassed in the Terminal Modernization project budget for which \$25 million has been included in the current fiscal year capital budget.

Mr. Bailey moved to approve the second amendment to Task Order No. 7 with CHA Consulting, Inc. not to exceed a total of \$196,450.88 and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried unanimously.

DIRECTOR'S REPORT:

A. CARES Act FAA Grant: The Director reported that the FAA allocated the \$10 billion in grant money earmarked for airports based on enplanements and debt service, and Asheville will receive \$14.4 million. The Director explained that the CARES Act requires that 90% of the employees are retained through December 31, 2020 and debt service is another priority. The remainder of the money can be used for any purpose that is legal. The Director reported on the intended usage of the grant funds which included approximately \$3 million to finish the runway project, \$1 million towards the design of the terminal modernization project, and \$1.8 million for the current year's debt service which is due on July 1st to the bond holder for the parking garage. Staff would keep the funds that are currently in escrow and use those funds for the bond payment which is due next fiscal year. The remaining \$9-10 million will be used for regular operational expenses that have been incurred since January. These include approximately \$1.5 million in salaries and benefits for employees. The rest of the expenses incurred during the remainder of the year will be submitted and drawn down until the funds have been expended. The airlines have questioned how the airport plans

to use the CARES Act funds and staff has shared this information with them. The airlines feel it would be more prudent to pull back on the design process for the Terminal Modernization project and wait to see how business improves. However, staff explained the requirements and time constraints for the \$10 million grant that the FAA presented to the airport the previous fall. The airlines thought the airport could use some of the money from the CARES Act to abate their rents. The airlines were told by the Director that their request would be passed on to the Board. There was a brief discussion on the process, best practices, and timeline for the design portion of Terminal Modernization design.

The Director further advised the Board that the airport will also be receiving \$3.5 million in an FAA entitlement grant to be used for the South Apron project and \$2.69 million in AIP discretionary funds also to be assigned to the South Apron project. Staff is waiting to hear about an additional grant for approximately \$8.8 million that will be used for the runway project if received. Lastly, another \$833,000 in discretionary funds from the FAA has been allocated for Asheville and will be used for the Terminal Modernization project.

B. NC DOT Grant: The Director reported that the airport received \$2 million of the approximately \$5 million grant earmarked for Asheville as part of the \$75 million included in the State budget for the 10 commercial service airports in the state. The \$2 million is in the airport's account and will be used for the Water and Sewer and South Apron projects.

C. Construction Update: Michael Reisman provided the Board with an update on the construction projects underway at the airport including the south apron, parking lot, water and sewer, and airfield re-development projects.

D. COVID-19 Update: The Director provided an update on the impact of COVID-19 on the airport that included passenger counts for April and the first week of May as well as concession sales reported by Paradies. The Director also informed the Board that the airport pays \$35,000 per month to LAZ Parking for the management of the parking operation, while revenue has been reduced to approximately \$600 a day from passenger parking. To offset the lack of passengers utilizing the parking facilities and reduce expenses, LAZ Parking has furloughed their cashiers and the parking lot is now a credit card only operation. LAZ Parking has retained their manager and some maintenance staff. LAZ Parking will increase their operations as passenger volumes increase.

The Director reviewed the safety precautions in place and planned for the terminal which included signage for handwashing, social distancing, and recommendations for face coverings; acrylic shields for the ticket and rental car counters and gate podiums; seating changes; misters/atomizers for enhanced cleaning; hand sanitizer stations; and some other terminal cleaning systems.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Authority Board will be held on June 12, 2020.

CLOSED SESSION: At 10:05 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Apodaca seconded the motion and it carried unanimously.

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

Open Session resumed at 10:59 a.m.

Ms. Brown left the meeting during the Closed Session

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MAY 8, 2020 CLOSED SESSION MINUTES: Mr. Erwin 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. Apodaca seconded the motion and it carried by a 6 to 0 vote.

AUTHORITY MEMBER REPORTS:

Board Terms: The Chair stated that there is an issue with the Board terms not being staggered in the Session Law that created the Authority in 2012, and the Board could have four new members in 2020. The Director and Ms. Rice have drafted a change to the Session Law that has been sent to Representative McGrady for consideration by the legislature. The Chair requested the Director provide a brief update. The Director explained to the Board that with the number of Board Member terms expiring at the same time, it does not provide continuity on the Board. The Director reported that he had approached Representative McGrady in December about this issue. Bill drafters recently submitted a draft bill to Representative McGrady that was forwarded to the Director. The Director worked with Ms. Rice to make some revisions to the bill and presented the draft bill back to Representative McGrady. The Director and Ms. Rice outlined the changes that

are being requested to Board terms in the legislation. The legislators go back into session on May 18th and will hopefully address the bill during that session.

Election of Authority Board Officers: Mr. Bailey moved to elect Matthew Burrell as Chair for a two-year term to begin July 1, 2020 and Brad Galbraith as Vice-Chair for a two-year term to begin July 1, 2020. Mr. Ricker seconded the motion and it carried by a 6 to 0 vote.

Board Vacancies: The Chair stated that the At-Large seat on the Board will be available at the end of June and that any candidates the Board Members wish to nominate for this position should fill out an application to be given to the Director or the Clerk to the Board. The Chair also suggested that this open position could be advertised if the Board Members were so inclined, however, the consensus was that input from the Board was the preferred direction. The Chair informed the Board that he planned to put together a panel for applicant interviews in June.

The Chair further mentioned that Ms. Brown's seat on the Board was open for a candidate from the City of Asheville. The Chair requested that the Board let him know of any potential candidates as soon as possible so that any recommendations can be given to the City Council. The Director stated that the City of Asheville will advertise for the position as well.

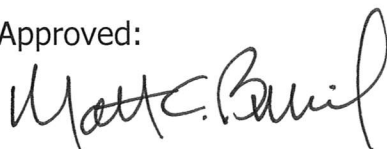
ADJOURNMENT: Mr. Apodaca moved to adjourn the meeting at 11:23 a.m. Mr. Bailey seconded the motion and it carried by a 6 to 0 vote.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Matthew C. Burrell
Chair