

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
July 8, 2022**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, July 8, 2022 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: Brad Galbraith, Chair; George H. Erwin, Jr., Vice-Chair; Carl H. Ricker, Jr.; Susan Russo Klein; Britt Lovin; and Nathan Kennedy

MEMBERS ABSENT: Matthew C. Burrell

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing, Public Relations & Air Service Development; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Samuel Sales, Chief of Public Safety; Angela Wagner, Director of Administration and Human Resources; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA VIDEO: Jared Merrill, Airport Planning Manager

PRESENT IN PERSON: Vin Delnero, Parsons; Ben McMillan, Hensel Phelps; Amanda Sheridan, McFarland Johnson

ALSO PRESENT VIA TELEPHONE/VIDEO: Robby Russell; John Kasuda, Siemens; Jon McCalmont, Parrish and Partners; James Moose, Avcon; Jeff Kirby, Parrish and Partners

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

PRESENTATIONS: None

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of May was provided by the president. Janet Burnette reported on the financial activity for the month of May.

CONSENT ITEMS: The Chair stated that Consent Item D, Approval of the Greater Asheville Regional Airport Authority June 10, 2022 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority June 10, 2022 Regular Meeting Minutes:

B. Approval of the Greater Asheville Regional Airport Authority June 27, 2022 Special Meeting Minutes:

Mr. Lovin moved to approve Consent Items A and B. Ms. Russo Klein seconded the motion and it carried unanimously.

C. Approval of Modification to Reimbursable Agreement AJW-FN-ESA-19-SO-003464 with the Federal Aviation Administration for Relocation of Airport-Owned Airport Traffic Control Tower Design Project: Michael Reisman informed the Board that the FAA recently requested that an additional 3,000 square feet of space be added to the design of the air traffic control tower facility. The change will require additional design work as well as additional work by the FAA facilities and engineering group. Mr. Reisman stated that the additional cost of the work by the FAA totals \$85,296.17 and has been included in a modification to the Reimbursable Agreement with the FAA that the Board approved in August of 2021. This additional cost increases the total Reimbursable Agreement to a not to exceed cost of \$262,800.51. Another reimbursable agreement will be needed in the future to cover the FAA's expenses for construction administration. Mr. Reisman further stated that the Authority will pay the FAA for their facilities and engineering group to review the added design work, however, a different branch of the FAA will reimburse the Authority for these expenses.

Ms. Russo Klein moved to approve the Modification to Reimbursable Agreement AJW-FN-ESA-19-SO-003464 with the Federal Aviation Administration (FAA) for Relocation of Airport-Owned Airport Traffic Control Tower Design Project in the amount of \$85,296.17 and authorize the president and CEO to execute the necessary documents. Mr. Kennedy seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approve Guaranteed Maximum Price Amendment for Component Guaranteed Maximum Price No. 2 with Hensel Phelps Construction Company:

Mr. Reisman reminded the Board that a guaranteed maximum price amendment to the contract with Hensel Phelps for Component Guaranteed Maximum Price ("CGMP") No. 1

was approved in January. Since then, staff has been working with Hensel Phelps to price CGMP No. 2 which includes the construction of the central energy plant, all civil sitework for the project, and pre-ordering items with long lead times. The work was competitively bid in April and the total cost for the work has been negotiated with Hensel Phelps for a total of \$77,999,756.00. This amount includes a \$3.1 million potential economic escalation for potential price increases that may have been seen between the April bid date and the date staff is able to lock-in the price with Hensel Phelps. Michael Reisman called the Board's attention to the AIA Document A133 at their seats and advised the Board that some of the wording in the agreement with Hensel Phelps had changed slightly. Information was provided on what had transpired as well as a brief background on the AIA Document A133 with Hensel Phelps. Mr. Reisman stated that originally CGMP 2 had been anticipated to cost approximately \$65 million, however, some of the items from a later phase were advanced to CGMP 2 which brought the cost estimate to about \$70 million. Cost for the work in CGMP 2 will be paid for utilizing FAA and TSA fund and the remaining balance with Authority issued bonds. Mr. Reisman explained that staff was also recommending a 3% owners' allowance which will allow for staff to make changes that may be necessary during the project. Mr. Reisman further stated that the \$78 million amount also includes a 3% contractor's allowance which cannot be spent without the airport's approval.

Mr. Ricker moved to approve AIA Document A-133-2019, Exhibit A-2 (Guaranteed Maximum Price Amendment) in the amount of \$77,999,756.00; authorize an additional Owner's Allowance of 3% in the amount of \$2,339,993.00; and authorize the president & CEO to execute the necessary documents. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Approve Amendment to Design Contract with Pond & Company, Inc. for the Air Traffic Control Tower and Associated Facilities Project:

Michael Reisman advised the Board that this item was tied to the Reimbursable Agreement with the FAA that the Board approved earlier in the meeting. Mr. Reisman further stated that since the FAA requested an increase to the size of the base building of the air traffic control tower by approximately 3,000 square feet, the change in size was estimated to increase the project amount by approximately \$5.5 million. The FAA has agreed to fund this through grants or other reimbursements to the Authority. The contract with Pond & Company, Inc. needs amendment for the re-design of the base building. The contract amount of \$4,157,923.00 includes both design and resident project representative services during construction. The additional design services for the increase in size of the base building was a not-to-exceed amount of \$722,133.00. The additional cost will be paid for utilizing FAA funds in addition to any other federal funding that may be received for the project.

Mr. Lovin moved to approve the amendment to the design contract of the new Air Traffic Control Tower and Associated Facilities with Pond & Company, Inc. in the amount of \$722,123.00 and authorize the president & CEO to execute the necessary documents. Ms. Russo Klein seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The president stated that he had a couple of additional items to address that were not included on the agenda.

A. Airport Improvement Article: An Airport Improvement magazine article concerning the Airfield Re-development project was available at the Board Members' seats for their information.

B. Federal Grant: The president briefed the Board on two grants the airport would be awarded by the FAA. The first was a \$6.1 million grant which was part of the normal AIP entitlement funding and will be used for the general aviation ramp rehabilitation project. The second grant for \$15 million was part of the federal infrastructure bill that was passed the previous year and has been earmarked for the air traffic control tower project.

C. Update to State Commercial Funds: The president reminded the Board that the 10 commercial service airports in the state had worked together a few years ago with legislators to include funding in the state's budget for capital projects. The group was successful with \$75 million added to the state's budget on a recurring basis. Asheville receives just under \$5 million a year from the state. The group of commercial airports recently worked with the legislators to add an additional \$25 million in the budget for commercial service airports. Once the governor signs the budget into effect, staff anticipates receiving between \$1 to \$1.5 million in additional funding from the state each year.

D. State Treasurer Letter: The president reported that staff had received a letter from the state treasurer concerning financial calculations for the Authority in the state retirement system due to a significant increase in a particular employee's salary. The increase in salary would create a liability for the Authority in the retirement system if the employee were to retire within 12 months of the increase in salary. The president was required to provide notice to the Board on this matter.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on August 12, 2022. It was mentioned that there was a possibility the August meeting could be cancelled if there were no items requiring Board action.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:14 a.m. Ms. Russo Klein 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 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. Lovin seconded the motion and it carried unanimously.

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

Open Session resumed at 10:31 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JULY 8, 2022 CLOSED SESSION MINUTES: Ms. Russo Klein 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. Lovin seconded the motion and it carried unanimously.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 10, 2022 CLOSED SESSION MINUTES: Ms. Russo Klein moved to approve the minutes for the Greater Asheville Regional Airport Authority June 10, 2022 Closed Session and to seal and withhold the minutes for the June 10, 2022 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Lovin seconded the motion and it carried unanimously.

ADJOURNMENT: Ms. Russo Klein moved to adjourn the meeting at 10:33 a.m. Mr. Lovin seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair