

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 7, 2022**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 7, 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; and Robby Russell

MEMBERS ABSENT: Britt Lovin; Nathan Kennedy

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Chief Operating Officer; Tina Kinsey, VP - Marketing, Public Relations and Air Service Development; Janet Burnette, Chief Financial Officer; John Coon, VP - Operations and Maintenance; Christina Madsen, VP - Business Development and Properties; Jared Merrill, VP - Planning; Samuel Sales, Chief of Public Safety; Angela Wagner, VP - Administration and Human Resources; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amanda Sheridan, McFarland Johnson

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 August was provided by the president. Janet Burnette reported on the financial activity for the month of August. Mrs. Burnette noted that the Net Non-Operating Revenue was a negative number and explained that this was due to the bond interest that has to be recognized and when the budget was prepared last year, the Authority did not yet have the bond. This will continue to be a negative amount because of the bond interest, but will be included in next year's budget.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority August 12, 2022 Regular Meeting Minutes:

B. Approval of Amendment to the FY22/23 Budget for Capital Carry-Over:

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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Carry-over Capital Expenditures		\$16,447,210
Totals	<hr/> <hr/>	<hr/> <hr/> \$16,447,210

This will result in a net increase of \$16,447,210 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP Funds		\$8,197,460
NC DOT Funds		400,431
Transfer from GARAA Cash		7,849,319
Totals	<hr/> <hr/>	<hr/> <hr/> \$16,447,210

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 7th day of October, 2022.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

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

C. Approval of the Greater Asheville Regional Airport Authority August 12, 2022 Closed Session Minutes: The minutes for the August 12, 2022 Closed Session were distributed and reviewed. Ms. Russo Klein moved to approve the minutes for the August 12, 2022 Closed Session, and to seal and withhold the minutes for the August 12, 2022 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of the Greater Asheville Regional Airport Authority Board Schedule for 2023: The president stated that the proposed schedule for 2023 Board meetings was included in the agenda package for the Board’s review, and requested approval if the Board was in agreement with the schedule.

Mr. Russell moved to approve the Greater Asheville Regional Airport Authority Board 2023 Schedule as presented by staff. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Approval of Contract with Steer Davies and Gleave, Inc. for Strategic Plan Consulting Work: The president advised the Board that the current strategic plan was adopted by the Board over six years prior and that it was time for an update. Staff has interviewed three consulting firms to provide assistance with creating a new plan and has unanimously selected Steer Davies and Gleave, Inc. (“Steer”). Steer is imbedded in the aviation industry and their perspective of industry trends will be helpful in incorporating this information into the Authority’s strategic plan. The president stated that the cost for the services is a not to exceed amount of \$62,500.00 and that \$12,500.00 was in the budget to pay for part of the contract. The following budget amendment would be necessary to cover the remainder of the contract:

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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Executive Department	_____	\$50,000.00
Totals	_____	<u>\$50,000.00</u>

This will result in a net increase of \$50,000.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	_____ <u>\$50,000.00</u>
Totals	_____	_____ <u>\$50,000.00</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 7th day of October 2022.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Russo Klein moved to approve the agreement with Steer Davies & Gleave, Inc. for the new strategic plan; to authorize the President & CEO to execute the necessary documents; and to amend the FY2022/2023 budget by adopting the budget ordinance presented by staff. Mr. Russell seconded the motion and it carried unanimously.

C. Approval of Grants Management Policy: Janet Burnette stated that the Authority regularly receives federal and state grant funding and that a formal policy to outline procedures and responsibilities for the application and management of grant funding is needed to ensure grant and audit requirements are followed. Mrs. Burnette explained that the policy outlines the steps currently taken by staff, but that it also places responsibility on the different departments.

Mr. Russel moved to approve the new policy for the Grants Management. Ms. Russo Klein seconded the motion and it carried unanimously.

D. Approval of Construction Contract with Nassiri Development, LLC for the Stormwater Improvements Project: Jared Merrill reported that the Board approved a contract with Avcon Engineers and Planners, Inc. in January to design mitigation measures for storm water drainage problems in several areas of the airport. Two of these areas have caused concern with the North Carolina Department of Environmental Quality ("NCDEQ"). Following completion of design work, the project was bid three times and a

single bid was received from Nassiri Development in the amount of \$1,080,000. The engineers' estimate for the project was \$930,000.00. After review and consideration, staff recommends moving forward with Phases 1, 2 and 5 of the project. The engineers' estimate for these three phases was \$650,000.00 and the bid amount from Nassiri Development for these phases was \$722,980.00. Mr. Merrill stated that airport funds would be used to cover the cost of this project and that the overall project budget available was \$595,000.00. The following budget amendment will be necessary to cover the additional cost:

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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$200,278
Totals		\$200,278

This will result in a net increase of \$200,278.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$200,278
Totals		\$200,278

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 7th day of October 2022.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

The Board questioned whether phases 3 and 4 of the project would eventually be addressed. The president responded that other future projects may incorporate some of that work. The Board also asked if the work done on phases 1, 2 and 5 tackles the issues that were of concern to the NCDEQ. Mr. Merrill confirmed that work on these three phases would take care of those concerns.

Mr. Russell moved to approve the contract with Nassiri Development in the amount of \$795,278.00 (contract cost of \$722,980.00 plus a 10 percent allowance of \$72,298.00); authorize the President & CEO to execute the necessary documents; and to amend the FY2022/2023 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Ricker seconded the motion and it carried unanimously.

E. Ratify Award of Contract with Patton Construction Group, Inc. for the Temporary North Parking Lot: Jared Merrill reminded the Board that the airport continues to experience parking shortages during peak travel times. Staff recommends utilizing some of the north general aviation apron aircraft parking area as a shuttle lot for passenger parking. With assistance from Avcon, bid documents were created for this project and the scope of work included grading, minor storm drainage, a new gravel drive lane with concrete barriers, and striping the new vehicle parking spaces. Mr. Merrill advised the Board that the lowest responsible bid was received by Patton Construction Group in the amount of \$231,590.00. An additional \$44,732.00 will be spent separately for fencing, bringing the total project cost to \$276,313.00. This new shuttle lot would add 187 revenue-generating parking spaces. To ensure that the new lot was available for parking prior to the holidays, staff needed to move forward with the project immediately. Airport funds will be used to pay for the project and the following budget amendment will be necessary:

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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$276,313
Totals	_____	_____
	=====	=====
		\$276,313

This will result in a net increase of \$276,313.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$276,313
Totals	<hr/> <hr/>	<hr/> <hr/> \$276,313

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 7th day of October 2022.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Ricker moved to ratify the award of the contract with Patton Construction Group in the amount of \$231,590.00 for a total project cost of \$276,313.00 with \$44,723 in fencing; and amend the FY2022/2023 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Russell seconded the motion and it carried unanimously.

F. Approval of Scope of Services No. 7 with Avcon Engineers and Planners, Inc. for Design of the South Parking Lot: Jared Merrill stated that as mentioned in the previous agenda item, the shortage of passenger parking remains an issue. Since the addition of a second parking garage is further out in the capital improvement plan due to cost, the most feasible temporary long-term solution is to build a new shuttle lot in the area south of the gas station. Mr. Merrill further stated that a scope of work for the design of this new parking lot has been developed with Avcon and includes design for modifications to Rental Car Road, a new parking lot that will create between 400-500 spaces, and all associated permitting. The total cost for this design with Avcon is \$344,496.00 and would be paid for with airport funds. The following budget amendment will be necessary:

Mr. Russell moved to approve the Scope of Services No. 7 with Avcon Engineers and Planners, Inc. in the amount of \$344,496.00; to authorize the President & CEO to execute the necessary documents; and to amend the FY2022/2023 Budget by adopting the budget ordinance amendment as presented by staff. Ms. Russo Klein seconded the motion and it carried unanimously.

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

A. Bond Schedule for Next Issuance: The president informed the Board that staff had anticipated going to the market this fall for the second series of bonds for the terminal expansion project. Since the terminal project has been moved by a couple of months, staff plans to bring the major phase of the project to the Board for approval in March. Also, the LGC has a process which the Authority will need to go through to receive approval to issue bonds. The LGC has changed their procedure and now requires receipt of a final audit for their 60-day review before the LGC will take the bond issuance to their board for approval. Since the Authority's FY22 financial audit is currently underway, staff cannot take the bond project to the LGC until after the audit has been accepted by the LGC. Staff anticipates bringing the bond order to the Authority Board for approval and then meeting with rating agencies in February. Staff anticipates LGC approval of the bond issuance at their March 7, 2023 meeting. Staff would then bring a construction agreement to the Authority Board for approval at the March 10, 2023 Board meeting. Bonds would then be issued in late March or early April. The president advised the Board that the airport has received \$15 million from the infrastructure bill for the air traffic control tower. Staff planned to reduce debt service for the next issuance of the bonds by whatever amount grant funding the Authority receives. If additional funding is not received for the terminal expansion project, staff's recommendation will be to continue with the remaining \$90 million for the next bond issuance.

B. Reimbursable Agreement with TSA: The president reported that a grant for just under \$20 million was received from TSA in September for the baggage handling system in the new terminal building.

C. Aviation Industry Conference Schedule: A list of aviation industry conferences was available at the Board Member seats. For purposes of transparency and also preparation of the budget, the president requested the Board review the schedule and mention any interest in attending a particular conference at the November or December Board meeting.

The Chair stated that the Business of Airports conference was of particular interest to him, but that he would defer to other Board Members that would like to attend.

D. Property Swap: The president stated that the closing took place earlier that week on the 3.1-acre airport property that was swapped with Minkles, LLC. for their 1-acre parcel in front of the Wingate Hotel. The 3.1-acre airport property was needed for an expansion of the Electrolux warehouse.

E. Runway 5k: The president reminded the Board that the airport's annual 5k would be held on Saturday, October 15th and encouraged members to attend if their schedules allowed.

INFORMATION SECTION: A question was raised about Delta's 49% growth in the month of August and if this was attributed to a new destination. Tina Kinsey responded that Delta added more seats in the market and that they also fly to three different destinations.

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on November 18, 2022.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: None

ADJOURNMENT: Mr. Russell moved to adjourn the meeting at 9:36 a.m. Ms. Russo Klein seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair