

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
May 12, 2023**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, May 12, 2023 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; Nathan Kennedy; and Robby Russell

MEMBERS ABSENT: None

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; Shane Stockman, VP – Information Technology; 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; Captain Kelly Smith; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jon McCalmont, Parrish & Partners; Darrell Brantley, TKH Security/Park Assist; Amanda Sheridan, McFarland Johnson; Jacob Dippold; Kevin Fuhr, Hanson Professional Services; Ryan Madamba, Elite Limousine; Robert Spouder, Virtelle Hospitality

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

BOARD MEMBER INTRODUCTION: Britt Lovin shared information about his background and family and spoke of the privilege of serving on the Authority Board with his fellow Board Members.

ELECTION OF BOARD OFFICER - NOMINATING COMMITTEE REPORT: The Chair stated that on behalf of the Nominating Committee, comprised of Mr. Ricker, Ms. Russo Klein, and himself, a unanimous decision was made to nominate Mr. Lovin as Vice-Chair. The Chair moved to appoint Mr. Lovin as Vice-Chair of the Greater Asheville Regional Airport Authority effective July 1, 2023. Mr. Russell seconded the motion and it carried unanimously.

EMPLOYEE RECOGNITIONS: The Chair recognized Kelly Smith with a service award and gift for her 15 years of service with the Authority.

The Chair recognized Lew Bleiweis with a service award and gift for his 15 years of service with the Authority.

PRESENTATIONS: None

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

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority April 14, 2023 Regular Meeting Minutes: Ms. Russo Klein moved to approve the Greater Asheville Regional Airport Authority April 14, 2023 Regular Meeting Minutes. Mr. Kennedy seconded the motion and it carried unanimously.

B. Approval of Amended Introductory Period Policy: Ms. Russo Klein moved to approve the Amended Introductory Period Policy. Mr. Russell seconded the motion and it carried unanimously.

C. Approval of Insurance Renewals: Mr. Russell moved to approve the Insurance Renewals. Ms. Russo Klein seconded the motion and it carried unanimously.

D. Approval of the Greater Asheville Regional Airport Authority April 14, 2023 Closed Session Minutes: The minutes for the April 14, 2023 Closed Session were distributed and reviewed by the Board Members.

Mr. Lovin moved to approve the minutes for the April 14, 2023 Closed Session, and to seal and withhold the minutes for the April 14, 2023 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Kennedy seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Introduction of Ordinance No. 202301 Adopting Rules and Regulations of the Asheville Regional Airport:

Michael Reisman informed the Board that Ordinance No. 201701, which was approved by the Board in February, 2017, established airport rules and regulations and the penalties for their violation. In the years since the adoption of that ordinance, airport growth, changes in operating requirements and state and federal requirements have necessitated an update to the Rules and Regulations Ordinance. Mr. Reisman reviewed the primary changes to the ordinance and advised the Board that since the extent of the changes was beyond a mere revision, adoption of a new ordinance was proposed. Mr. Reisman further stated that Ordinance No. 202301 will supersede and replace Ordinance No. 201701. Ordinance No. 202301 must remain available for public inspection for a minimum of 10 days followed by a public hearing prior to adoption at the next Authority Board meeting.

Mr. Erwin moved to (1) accept the introduction of, and approve Ordinance No. 202301 of the Asheville Regional Airport, (2) schedule a public hearing and accept public comment on proposed Ordinance 202301 of the Asheville Regional Airport; and (3) following the minimum ten-day period for public comment and the public hearing, plan to adopt the revised ordinance establishing the updated Rules and Regulations for the Asheville Regional Airport. Mr. Ricker seconded the motion and it carried unanimously.

B. Approval of FY23/24 Contract Expenditures with Parsons Transportation Group, Inc. for Terminal Building Modernization and Expansion Project Program Management Services:

Jared Merrill stated that the agreement with Parsons Transportation Group, Inc. ("Parsons") for the Terminal Building Modernization and Expansion Project Program Management Services was approved by the Board in May, 2022. Of the approved \$1.3 million expenditures for FY22/23, only approximately \$632,000 has been expended. Parsons has also saved the project over \$1.5 million in a review of funding authorizations, value engineering recommendations, and minor design changes. Mr. Merrill stated that the anticipated expenses for program management services for FY23/24 are \$1,279,968.00 and will be billed on an hourly fee basis plus reimbursable expenses at a direct cost with no additional markup. The cost for the services for FY23/24 has been approved as part of the terminal project budget.

Mr. Russell moved to approve FY23/24 anticipated contract expenditures of \$1,279,968.00 and authorize the President & CEO to execute the necessary documents. Ms. Russo Klein seconded the motion and it carried unanimously.

C. Approval of Parking Guidance System: Shane Stockman informed the Board that the growth experienced by the airport has created challenges for passenger parking. To assist passengers with finding available spaces in the parking garage, staff recommended installing a parking guidance system. The technology aids in the search for vacant parking spaces by installing LED sensors throughout the garage. Mr. Stockman further stated that NC General Statute 143-129(g) allows for the waiving of the formal bidding process for previously-bid contracts. Raleigh Durham International Airport ("RDU") recently completed a bid process and proof of concept for the same technology and contracted with TKA Security LLC. in November of 2022 for their parking guidance system. The Authority is allowed to waive its formal bid process as long as TKA Security LLC. offers the Authority the same equipment at the same or lesser cost as the RDU contract. Another requirement in waiving the formal bid process is to publicly post a notice of intent which was published in March of 2023. Mr. Stockman stated that the total contract price for the parking guidance system is \$691,590.86. Staff included \$650,000 in the FY23/24 budget for this project, therefore, the following budget ordinance 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, 2024:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$41,590.86
Totals		\$41,590.86

This will result in a net increase of \$41,590.86 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$41,590.86
Totals		\$41,590.86

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 May, 2023.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

A question was raised about the benefit of waiving the bidding process to which Mr. Stockman responded that by piggybacking off RDU's process, the Authority benefits from a cost savings of \$100,000+, therefore, it was a good opportunity from a price perspective. The president further stated that piggybacking also saves time and money as there were no expenses for consulting services or for putting together the Request for Proposals. Ms. Rice stated that the public notice of intent that was published allows another contractor to submit a better price.

The Board inquired about maintenance and ongoing service of the system and if the Authority would be independent of Raleigh in that perspective. Mr. Stockman replied that the Authority would be responsible for maintenance. The Authority has a local contractor that handles a lot of the airport's parking and revenue control, and the parking guidance system falls within their level of expertise. The system would be installed by Park Assist, however, the local contractor will maintain the system. The system is fully monitored and does report back any issues.

Mr. Ricker moved to approve the waiver of the formal bidding process as outlined in NC GS 143-129(g); approve the contract with TKA Security LLC. in the amount of \$691,590.86 for the parking guidance system; authorize the President & CEO to execute the necessary documents; and amend the FY23/24 Budget by adopting the budget ordinance as presented by staff. Ms. Russo Klein seconded the motion and it carried unanimously.

D. Amendment to Supplemental Fees and Charges Schedule: John Coon reported that during construction of the terminal project there will not be a method to assess the current per-trip fee for ground transportation providers. Staff recommends implementing an annual fee/permit of \$1,000 for each hotel providing shuttle service and an annual fee/permit of \$400 for each vehicle providing for-hire service. A temporary or special event permit would also be imposed for those providers who do not have an

annual permit and need to pick up passengers for a specific group or event. The recommended daily rate would be \$100/day for vehicles with less than 20 seats and \$200/day for vehicles with 20 or more seats. The proposed fees would be effective July 1st. Mr. Coon stated that the proposed rates are expected to produce less revenue than current fees, and a few providers with less usage may pay higher fees with the proposed rate structure.

The Board asked if staff anticipated any feedback from the ground transportation operators. Mr. Coon responded that staff intended to meet with the providers to explain the situation. The president stated that it may be less expensive for some operators but there is an up-front cost. Staff plans to return to a per-trip fee rate structure once the terminal project is completed.

Mr. Ricker left the meeting.

Mr. Lovin moved to approve the amended changes to the FY2023/2024 Annual Budget Supplemental Fees and Charges Schedule. Mr. Kennedy seconded the motion and it carried by a 6 to 0 vote.

E. Approval to Enter into a Simultaneous Exchange Agreement for Real Property: Christina Madsen advised the Board that staff had been contacted by Henderson County regarding an 18.28-acre parcel of Authority owned property on the west side of the airfield. Henderson County would exchange approximately 16.93 acres of Henderson County owned property which is adjacent to the airfield for the Authority owned property.

Mr. Ricker returned to the meeting.

Mrs. Madsen stated that the Henderson County property has been appraised at \$2,285,550 and the Authority property was appraised at \$2,285,393. The Authority will also grant Henderson County a Right of First Offer on approximately 65.80 acres for ten years from the closing date. The value of the Right of First offer is \$24,063 and is included in the value of the Authority owned property. This would allow Henderson County to market the 65.80 acres for industrial development that would not be for any aviation or aeronautical business. The purchase price for that acreage would be based on the then current fair market value of the property. Henderson County will provide the Authority with a roadway within the Ferncliff Park access roadway easement that will connect the parcels benefiting from the property exchange.

The president informed the Board that Henderson County Commissioners were presented with and approved a letter of intent through their county attorney's office. The agreement was then drafted, and Henderson County was provided with the agreement earlier this week. If Henderson County has any major changes to the agreement, staff

would bring the agreement back to the Board in June. After Henderson County Commissioners approve the agreement, the agreement will be submitted to the FAA for approval. The process could take as little as 90 days, or if an environmental assessment is required, that could take up to a year to complete.

Ms. Russo Klein moved to approve the Simultaneous Exchange Agreement for Real Property as presented by staff in substantially similar form with Henderson County, and authorize the President & CEO to execute the necessary documents. Mr. Russell seconded the motion and it carried unanimously.

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

A. State Retirement Notice: The president informed the Board that the North Carolina State Retirement Plan requires that a notice be provided to the Board to avoid the practice for pension spiking. With the increase in the president's salary effective in July of 2022, the Retirement Plan sent a notice that the Authority would be responsible for 12 months should the president retire early. It has almost been a year since the president's salary increase, therefore, the Authority does not have much time left to be responsible.

B. Change Orders and Contingency Expenditures: The president reminded the Board of the recent approval of the increase to his spending authority and the CPI increase in the upcoming fiscal year budget bringing the president's spending authority to \$76,000.00. The president reviewed the allowances in each of the component guaranteed maximum price ("CGMP") packages for contingencies and change orders. With the volume of work involved in the Terminal Expansion Project, staff requested the Board consider allowing the president to approve change orders for the Terminal Expansion Project that need immediate action, are above the president's \$76,000.00 spending authority, and are within the amounts already approved within the CGMP contracts for the contingencies and allowances. The president would consult with the Board Chair or Vice-Chair for their opinion on moving forward with the change order, and then report back to the Board at the next Board meeting. This would help keep the project schedule on time and control expenses when an issue develops between Board meetings and would stop when the construction of the terminal project was completed. Cindy Rice stated that the authority is limited to the contingencies already approved in the budget. The contingency on CGMP 3 is much larger, however, the allowance included a lot of soft costs so what it has been pulled back to was the true unknown contingency.

A brief discussion took place with regard to the notification of the Board of any change orders in between Board meetings. Ms. Rice cautioned that the Board could be promptly

notified of any approved change orders, however, the Board should consider the limitation of communications necessary to adhere to open meeting laws.

A suggestion was made that the Board be kept informed throughout the course of the project to ensure the contingency allowance limits were not being approached. Michael Reisman outlined the anticipated completion dates of CGMP 1 and CGMP 2. Mr. Reisman further stated that staff was comfortable with the \$6.5 million owner contingency for CGMP 3 due to the fact that the project was tracking below the usage of those funds in CGMP 1 and CGMP 2. Staff planned to ask the Board to reallocate any balances from CGMP 1 and 2 to CGMP3 once those portions of the project had been completed.

Mr. Kennedy made the motion that solely in connection with the Terminal Expansion and Modernization Project, the President & CEO be authorized to, after consultation with the Board Chair or Board Vice-Chair, but without the approval of the full Greater Asheville Regional Airport Authority ("GARAA") Board: (1) approve necessary change orders to the existing CGMP#1, #2 or #3 Amendments with Hensel Phelps, so long as such change orders are funded entirely by the Owner's Allowance/Owner's Contingency already budgeted for and approved by the GARAA Board; and (2) authorize the related expenditures from the Owner's Allowance/Owner's Contingency for CGMP #1 (up to \$621,590.00), CGMP #2 (up to \$2,339,993.00), or CGMP #3 (up to \$6,500,000.00), so as to avoid unnecessary Project delays and increased Project costs, and, if the President & CEO approves any such change order and authorizes the expenditure of any portion of the Owner's Allowance/Owner's Contingency for CGMP #1, CGMP #2 or CGMP #3, the President & CEO shall notify the GARAA Board of such change order and expenditure at the next Regular GARAA Board meeting. Mr. Ricker seconded the motion and it carried unanimously.

C. 2nd Bond Series: The president reported that the 2nd issuance of the bond series went well. \$175 million in bonds were sold and the closing was scheduled for May 16th. A copy of the bond payment schedule over the next 30 years was available at the Board Members' seats for their information. The president further stated that of the \$175 million in bonds, \$140 million was designated to the project fund and the other \$35 million was issuance cost, reserves, and capitalized interest. The bonds are insured and the Authority was able to ask the bond insurance company if they were willing to insure the reserves versus putting \$12.2 million into the bank to let it sit. The insurance company came back with a guaranteed bond on the reserves for \$300,000 and this releases \$12.2 million to the project fund. After a discussion with the Chair, the president made this a part of the cost to buy the insurance for the reserve bond.

D. Temporary South Hold Room: The temporary south hold room has been opened for operation. The president reported that Paradies will be opening their concession space on May 15th. The loading bridges will be removed from gates 2 and 3

the week of May 15th and by the end of June, all 7 gates will be operating from the temporary south hold room.

E. Website: To help preserve the space available on the website server only a couple of agenda packages will remain on the private side of the website at one time rather than all previous months' agenda packages. However, all agenda packages will remain available on the public side of the website.

F. Duke Energy: The Buncombe County Board of Adjustments approved an application from Duke Energy for a solar farm they are building. Staff had concerns with regards to glare as the sun sets to the west and the approach path for the runway is west of the planned solar farm. Duke Energy conducted a glare study, and it was determined that there should not be an issue with the new air traffic control tower or with flights arriving or departing. Staff has a letter from Duke Energy stating they will make good faith efforts to resolve any issues that may arise that could affect the operation of the airport.

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 June 9, 2023.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: None

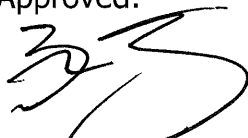
ADJOURNMENT: Mr. Lovin moved to adjourn the meeting at 9:56 a.m. Ms. Russo Klein seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair