



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, July 14, 2017, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. PRESENTATIONS:
 - A. Marketing Update – Tina Kinsey ([document](#))
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Closed Session Minutes
 - C. Approval of the Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes ([document](#))
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Approval of Resolution Accepting Grants ([document](#))
 - B. Approve Contract for Runway Nav aids Installtion ([document](#))



VII. DIRECTOR'S REPORT:

- A. Update on State Funding
- B. Update on Airline Lease Agreement
- C. Change Order for Parking Garage
- D. Contingency Transfer
- E. Insurance Renewal Update
- F. FIDS Contract Award

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. May 2017 Traffic Report ([document](#))
- B. May 2017 Monthly Financial Report ([document](#))
- C. July 2017 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
 - New Airline Rate Model

IX. PUBLIC AND TENANTS' COMMENTS

X. CALL FOR NEXT MEETING

XI. 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 in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations, and to Consider Personnel Matters.



XII. AUTHORITY MEMBER REPORTS:

- A. Key Strategic Elements ([document](#))

XIII. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

Marketing, PR & Guest Services at AVL

2017 Update



Marketing AVL

The Team

Strategic Focus

Research

Measurement

Tactics



Dedicated Team

**DIRECTOR OF MARKETING,
PR & AIR SERVICE
DEVELOPMENT**

Tina Kinsey, A.A.E.



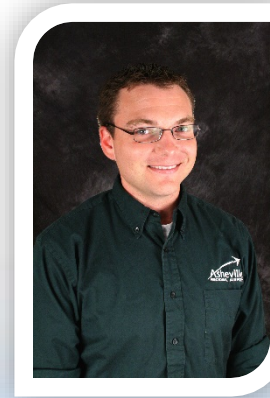
**MARKETING & PR
SPECIALIST**

Alexandra Bradley



**GUEST SERVICES & SALES
SUPERVISOR**

David King



GUEST SERVICES CLERKS

Team of one FT & 5 PT Clerks & 5 Volunteers

Marketing's role at AVL

We focus on

- The AVL brand
- Marketing research, strategy & tactics
- Air Service Development
- Public & Media Relations
- The passenger experience
- Crisis communication management
- Airport advertising sales
- *A lot of “other”*

Strategic Focus

1. Support **enplanement goals** by targeting strong air service that meets community needs & utilization of routes by primary market travelers
2. Build **positive perception & loyalty** among travelers, with a targeted focus on business travelers
3. Generate budgeted **advertising revenue**

*Note: goals driven by AVL
Strategic Plan, budget and market research

Research

- Demographics
- Geographics
- Purpose of travel
- Where travelers are going/coming from
- Who leaks to other airports & why
- Drivers of utilization & satisfaction
- Air service data

**All of this information
guides strategic
marketing decisions.**

SOME EXAMPLES

Current tactics to achieve strategic goals



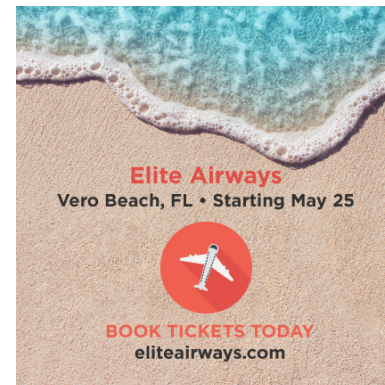
- **Retention**
 - Relationships
 - HQ Visits
 - Industry conferences
 - Marketing support
- **Analysis & strategy**
 - Consultant assistance
 - Data analysis – DOT, leakage, other
 - Industry & airline trends/news
- **New service pitches**
 - Strategic focus – by route
 - Community partnerships & alignment



Creative tactics

IN MARKET PROMOTION

- Direct e-mail
- Web advertising (targeted)
- Social media
- Radio
- Television
- Outdoor
- Publications
- Internal



MAKE YOUR
BUSINESS TRIP
CONNECTION

https://spectrumreach.brandcdn.com/crtv/get_adset/VFZSQmVrMTZSWGc9/Asheville-Regional-AirportElite04.07.2017.12.53.37v1

WHEN YOU
FLY HOME,
YOU'RE HOME



WHEN YOU
FLY HOME,
YOU'RE
HOME

50 DAILY FLIGHTS

ALLEGIANT | AMERICAN | DELTA | ELITE | UNITED

BOOK YOUR
NEXT
BUSINESS
TRIP
TODAY



Take the easy way out.

flyavl.com

WINDOW SEAT

go ahead, take a look.



A MESSAGE FROM LEW BLEIWEIS, A.A.E., AVL EXECUTIVE DIRECTOR
Welcome, Elite Airways!



One of the great pleasures I have as executive director at Asheville Regional Airport is working with our airline partners who provide the air service that connects our region to the globe. And it is a special day that I get to welcome a new airline to our airport and region, and today was one of those days!



Search the Site

FLIGHTS + AIRLINES PASSENGER SERVICES ABOUT THE AIRPORT SOCIAL HUB

NEW nonstop to Vero Beach on Elite Airways starting May 25

[BOOK YOUR TICKETS TODAY >](#)

AWARD WINNING



BOOK A TRIP



ARRIVALS



DEPARTURES



FLIGHT TRACKER



FAQS



LOW FARES

Take the easy way out.

With frequent daily flights to major hubs (Atlanta, Charlotte, Chicago), year-round service to New York (Newark) and seasonal service to New York (LaGuardia), as well as non-stop service to five Florida destinations (Ft. Lauderdale, Orlando, Punta Gorda, St. Pete-Clearwater, Vero Beach) and the Washington, D.C. area (Baltimore) – Asheville Regional Airport is rated one of the best connected regional airports in America. Served by [Allegiant](#), [American](#), [Delta](#), [Elite](#) and [United](#), Asheville Regional Airport is an easy and welcoming gateway to and from Western North Carolina.



SOCIAL HUB



It's a Regional Thing – Regional Airlines provide significant air service

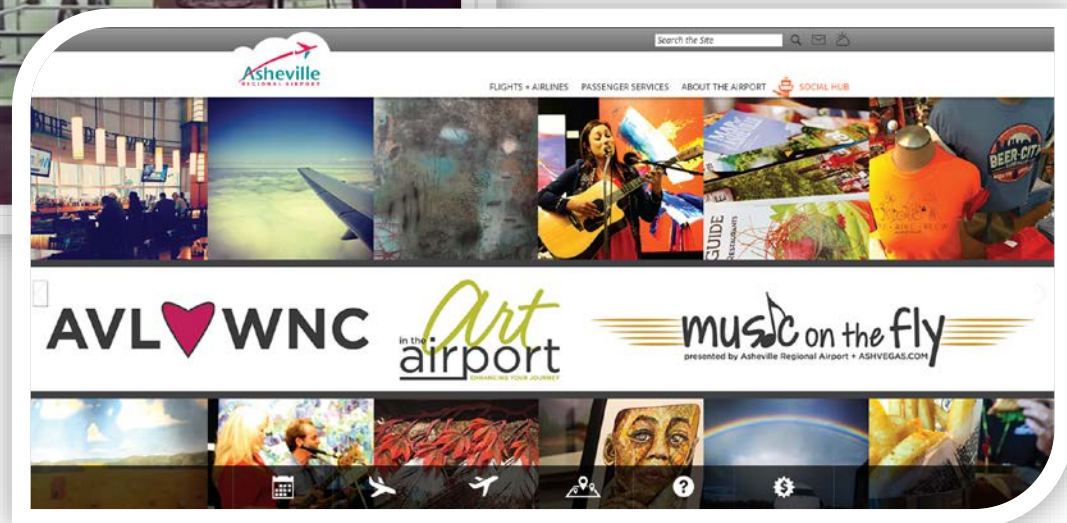
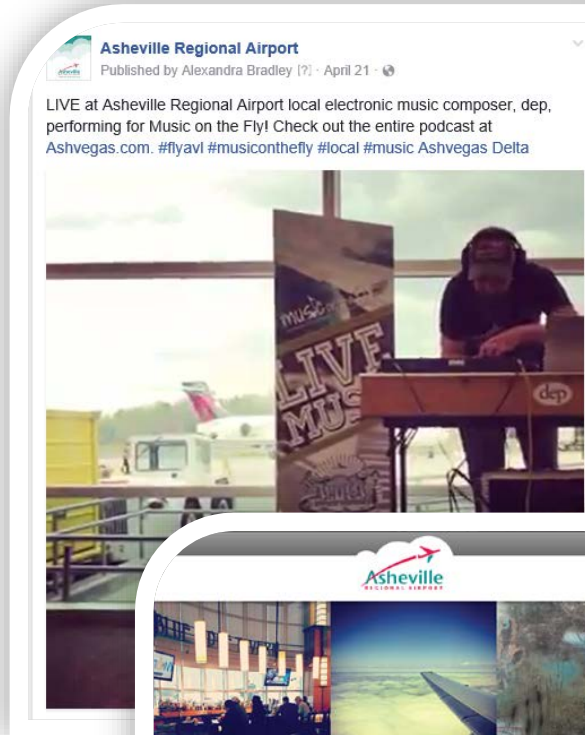


Pierce Edens performing LIVE at Asheville Regional Airport - Music on the Fly pop-up concert series with Asheville! You can see Pierce Edens at The Grey Eagle at 9pm on Friday, June 21

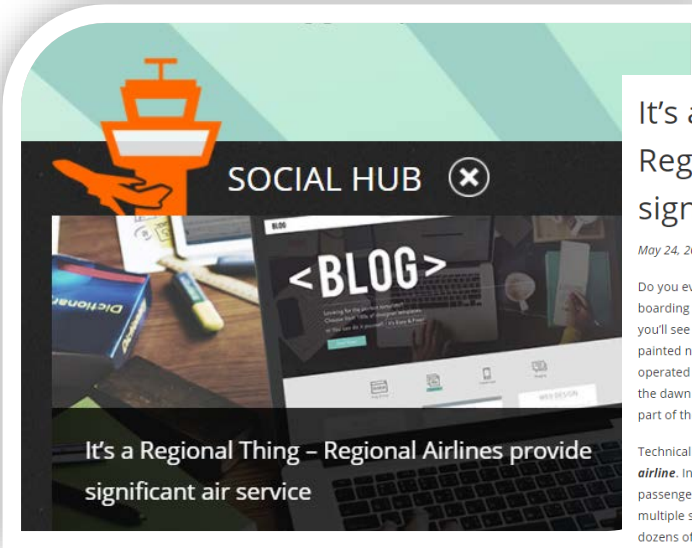


Public relations tactics – EXAMPLES

- Owned media messaging
 - Social media
 - Internal digital
 - Website
 - Signage
- Media Relations
- Passenger Experience
- Community Sponsorships
- B2B
- Speaking engagements
- Passenger Appreciation services & events



Public relations tactics – EXAMPLES



It's a Regional Thing – Regional Airlines provide significant air service

May 24, 2017

Do you ever pay close attention to the writing next to the door when boarding an aircraft? While you booked on Delta, American, or United, you'll see things like "operated by PSA" or "operated by ExpressJet" painted near the nose of many flights you take. These flights are operated by regional airlines. Regional airlines have been around since the dawn of commercial air service and continue to be a large and vital part of the airline industry, including here at AVL.

Technically, almost every airline before the jet age began as a **regional airline**. In the early days, airlines didn't have hubs designed to connect passengers from various flights, and instead flew long routes with multiple stops along the way. Even early cross-country flights made dozens of stops along the way, allowing passengers to travel regionally or coast-to-coast. Can you imagine booking a flight to California... but stopping in eight or nine cities en route? So what changed between then and now?

Prior to 1978, the government regulated all domestic interstate airline routes, controlling which airlines could fly where, and even their schedules and fares. All this changed in 1978 when the **Airline Deregulation Act** essentially made the airline industry a free market. This resulted in many existing airlines focusing operations in a few key cities, thereby leading to the formation of the very first airline hubs. There were



Elite Airways introduces nonstop jet service between AVL and Vero Beach, Florida to start May 25

March 24, 2017

Elite Airways LLC today announced new nonstop flights between Asheville Regional Airport (AVL) and Vero Beach Regional Airport (VRB) in Florida. The new flights, scheduled on Thursdays and Sundays between VRB and AVL will begin on May 25. Early-bird fares start at \$179 each way and tickets are now on sale at 877-393-2510 and EliteAirways.com.

Elite Airways operates a fleet of Bombardier CRJ-200 and CRJ-700 jet airliners known for comfort and efficiency, and maintains an impeccable safety record. Passengers receive free onboard snacks and beverages, first checked bag up to 50lbs, and no ticketing change fees* (see website for details). Asheville is located within North Carolina's Blue Ridge Mountains and is known for a vibrant arts scene, national parks and hiking trails, and historic architecture. Vero Beach offers luxury beachfront living and resorts, world-class golf, dining, shopping, fine arts and cultural attractions.

"We are pleased to offer nonstop jet service between Asheville and Vero Beach with a Thursday/Sunday schedule that will be ideal for vacationers headed in either direction," said **John Pearsall**, President of Elite Airways. "We look forward to providing service in Asheville and sincerely thank airport and community leaders for their support."

Public relations tactics – THE PASSENGER EXPERIENCE



Public relations – THE PASSENGER EXPERIENCE

Art
in the
airport
ENHANCING YOUR JOURNEY



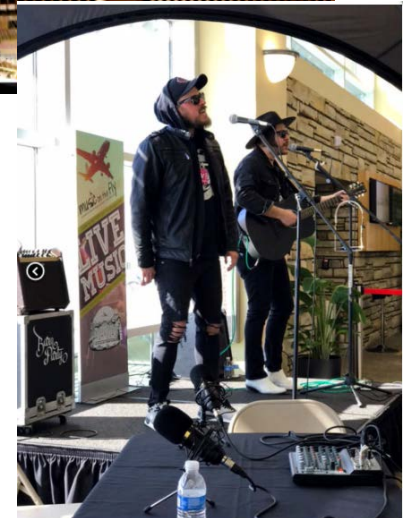
It's my
Birthday
I'll **FLY** if I
want to

IS IT YOUR BIRTHDAY?

We're excited to celebrate it with you!

music on the fly
presented by Asheville Regional Airport + ASHVEGAS.COM

AWARD
WINNING



Passengers engage with us...



Tuscola High @HCStusco... Jan 30
THS students' work on display at Asheville Airport - ths.schools.haywood.k12.nc.us/2017/01/30/ths...



itswendylou @itswe... 12 Dec 2016
So much fun! #flyavl



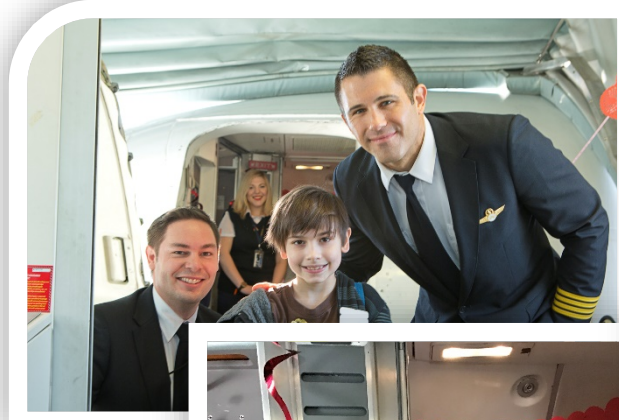
Jun 19
#AirMBnMB

Public relations – THE PASSENGER EXPERIENCE



P_{AWL}WS
FOR PASSENGERS

Coming July 14,
2017



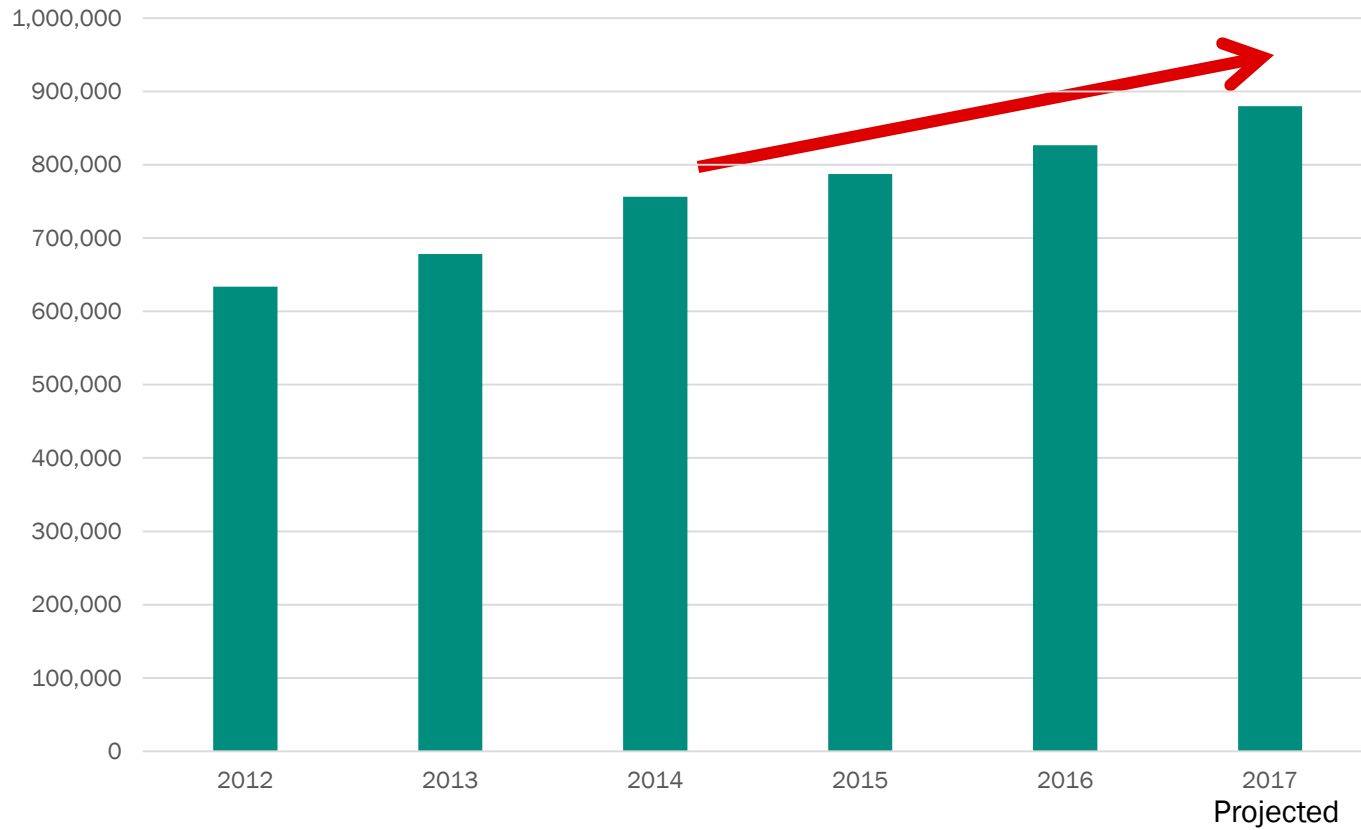
A COMPREHENSIVE APPROACH

How do we measure?

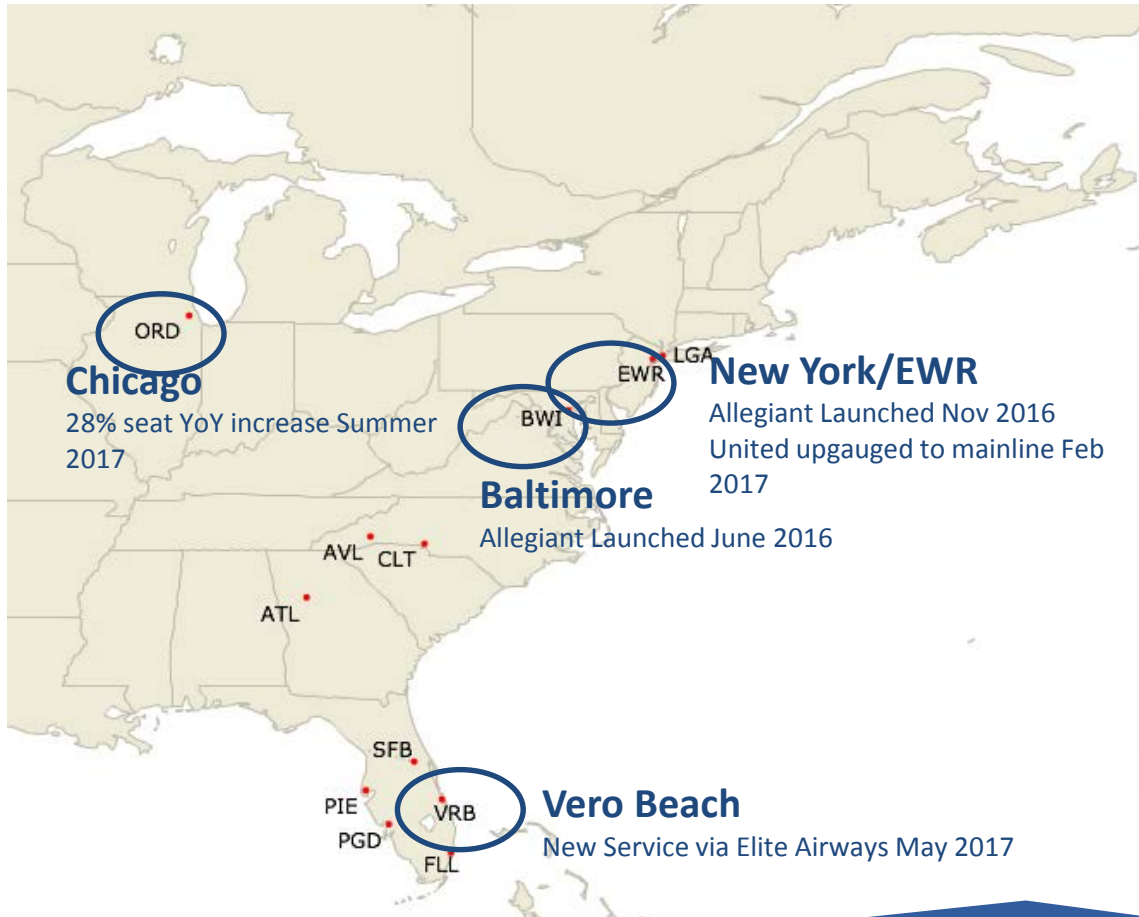


Effectiveness

Calendar Year Passengers



Asheville Service Highlights



2016 was the third consecutive year of record passenger utilization at AVL

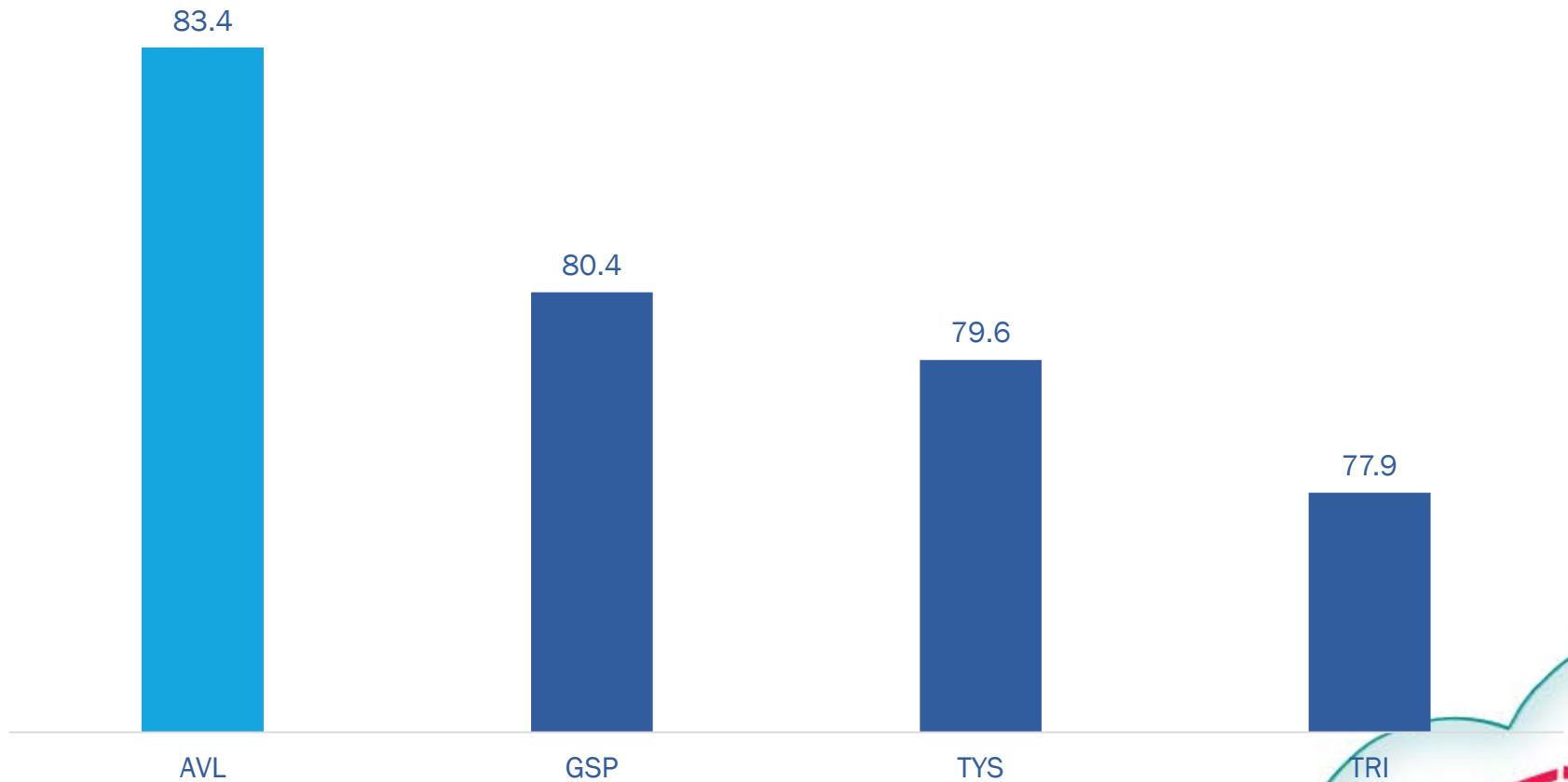
February 1, 2017

Asheville, N.C. – Asheville Regional Airport (AVL) is reporting the highest number of annual passengers in its 56-year history, with enplanements up 5.6% (414,606) and deplanements up 4.5% (412,042), for a total of 826,648 passengers flying in and out of the airport in 2016. This is a five percent increase over the previous record year, set in 2015, and sustains AVL as the fourth largest commercial service airport in North Carolina.

46% Increase in Capacity Since 2012

Air Service Effectiveness

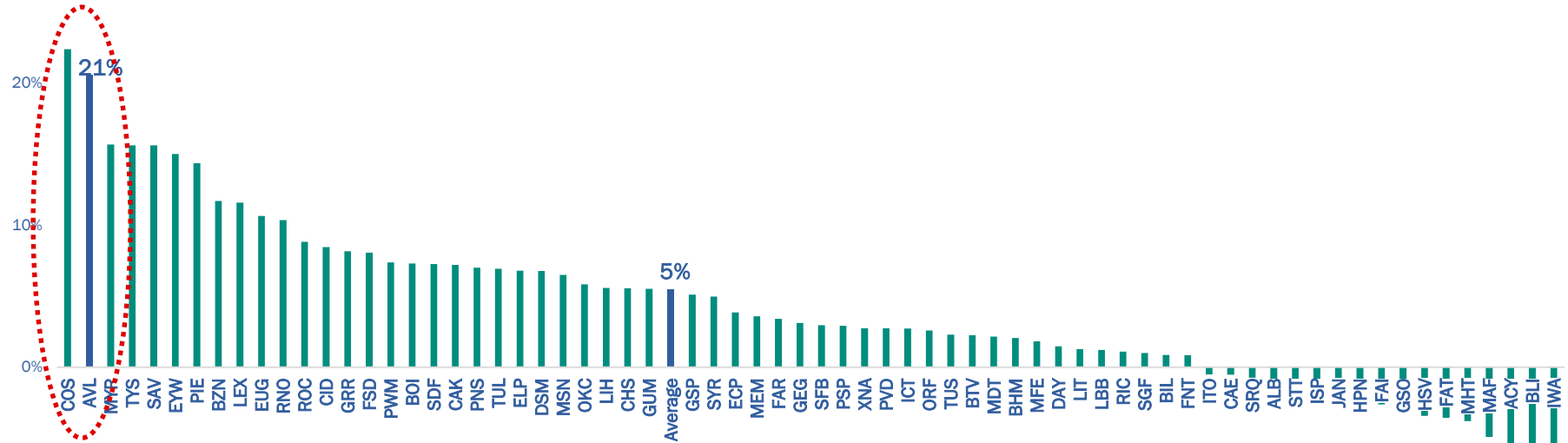
Aggregate Load Factors by Airport
(YE Jan 2017)



Growth Leader Among Peer Set

SMALL HUB YOY 2Q CHANGE IN SEATS

YOY 2Q17 v 2Q16
 *LGB Excluded at #1 - 54% due to scale



Impressive Considering Regional Growth and Proximity to Charlotte

Source: Diio DOT, FAA Definition of small hubs



Other measures

- Ad Revenue
- Campaign metrics
- Website traffic
- Social media engagement
- Earned media
- Passenger satisfaction
- Market perception



Questions?

Tina Kinsey, Director of Marketing, PR & Air Service Development
O - 828.654.3238 C - 828.974.2006 tkinsey@flyavl.com



**Asheville Regional Airport
Executive Summary
May-17**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	39,921	17.5%	157,414	16.9%
Aircraft Operations				
Commercial	1,585	19.4%	6,282	10.2%
Scheduled Flights	638	17.9%		
Flight Cancellations	5			
Seats	50,174	20.4%	203,830	19.0%
Load Factor	79.6%	(2.5%)	77.2%	(1.8%)
General Aviation	3,680	11.4%	15,379	(11.2%)
Military	451	38.3%	1,595	2.4%

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 950,921	14.1%	\$ 9,528,089	9.8%
Operating Expenses	736,270	(14.4%)	7,619,005	(13.7%)
Net Operating Revenues before Depreciation	<u>\$ 214,651</u>	919.8%	<u>\$ 1,909,084</u>	1,408.6%
Net Non-Operating Revenues	<u>\$ 280,830</u>	5.1%	<u>\$ 2,827,717</u>	3.4%
Grants:				
FAA AIP Grants	\$ 1,605,360		\$ 11,870,655	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 1,605,360</u>		<u>\$ 11,870,655</u>	

CASH

Restricted	\$ 19,115,698
Designated for O&M Reserve	4,290,100
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	<u>12,860,710</u>
Total	<u>\$ 36,916,508</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	900	-	-	900
Allegiant	689	-	-	689
American	5,349	-	-	5,349
Delta	7,662	-	-	7,662
Enterprise	4,370	-	-	4,370
FAA/TSA	39,566	9,962	10,105	19,499
FAA	239	99	140	-
Paradies	1,310	130	1,180	-
Signature	2,387	70	-	2,317
Skywest	568	274	-	294
United	36,591	15,647	14,325	6,619
Vanguard	1,610	866	-	744
Miscellaneous	3,557	-	194	3,363
Total	<u>\$ 104,797</u>	<u>\$ 27,048</u>	<u>\$ 25,944</u>	<u>\$ 51,805</u>
% of Total Receivables	<u>18.82%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	5,250,000
	<u>\$ 21,000,000</u>	<u>\$ 21,000,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 70,162,444
Year-to-Date Spending	\$ 26,467,863

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 21, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 21, 2017 at 8:35 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: Robert C. Roberts, Chair; Matthew C. Burrell, Vice-Chair; K. Ray Bailey; and David Gantt

MEMBERS ABSENT: Andrew T. Tate; William L. Moyer; and Stephanie Pace Brown,

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; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amira Trebincevic, Delta Airlines; Mike Darcangelo, Avcon; Nick Loder, RS&H; Charles Buckland, Signature Flight Services; and Steven Baldwin, Steven Baldwin Associates, LLC

CALL TO ORDER: The Chair called the meeting to order at 8:35 a.m.

The Director requested a moment to recognize Mike Foster who was not able to attend the meeting. Mike is retiring on April 28th after 36 years of service with the Authority.

FINANCIAL REPORT: The Director reported on the airport activity for the month of February which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of February.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 10, 2017 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority March 10, 2017 Regular Meeting Minutes:

C. **Approval of Insurance Renewals:**

D. **Approval of Change Order No. 4 to Contract with American South General Contractors:**

Mr. Bailey moved to approve Consent Items A, C and D. Mr. Burril seconded the motion and it carried unanimously.

OLD BUSINESS:

A. **Public Hearing and Final Adoption of the Authority's Fiscal Year 2017/2018 Budget:** Mrs. Burnette informed the Board that the preliminary Fiscal Year 2017/2018 Budget was presented to and approved by the Board at the March 10th meeting. The budget has remained available for public inspection and comment since that time, with no comments received to date. Mrs. Burnette further stated that a public hearing is required under state statutes.

The Chair opened the floor to public comments at 8:43 a.m.

There being no public comments, the Chair closed the floor at 8:43 a.m.

Mr. Burril moved to adopt the following Fiscal Year 2017/2018 Budget Ordinance. Mr. Gantt seconded the motion and it carried unanimously:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2017-2018
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2017-2018 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 692,606
Development Department	437,746
Executive Department	588,989
Finance Department	431,864
Guest Services Department	215,939
Information Technology Department	861,621
Marketing Department	665,534
Operations Department	3,615,848
Public Safety Department	1,474,793
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	30,235,196
Capital Improvement	3,518,861
Equipment and Small Capital Outlay	186,975
Renewal and Replacement	366,105
Business Development	300,000
Debt Service	1,455,033
Contingency	100,000
Total Expenditures	<u><u>\$45,197,110</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

REVENUES

Administration (Interest Income)	\$ 35,000
Terminal	4,847,273
Airfield	920,703
General Aviation	1,021,005
Parking Lot	3,345,000
Other	174,788
Passenger Facility Charges	1,788,500
Customer Facility Charges	1,350,000
Federal Grants – AIP Entitlements	2,769,447
Federal Grants – AIP Discretionary Funds	14,521,689
NC Department of Transportation Grants	500,000
Transfer to GARAA Cash/Investments	13,923,706
Total Revenues	<u><u>\$45,197,110</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$60,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2017.

Adopted this 21st day of April, 2017

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

NEW BUSINESS:

A. Approval of Property Easement Transfer: The Director reported that Airport Road Acquisitions, LLC, owner of Hunter Auto Group, is in the process of purchasing land between the WNC Agriculture Center and the Broadmoor Golf Links. An existing right of way easement provides access to this property from airport property. A modification of the easement has been requested to streamline access to the property. The Director further stated that the current owners of the property, French Broad Associates and co-owners Charles Putnam, Karl Litten, Lawrence Kassouf, Larry Trenary, and George Atkinson, are willing to relinquish a portion of the existing easement in exchange for a new easement. The easement exchange would occur contemporaneously with the sale of the property to Airport Road Acquisitions, LLC. The easement exchange will only occur if the sale of the property takes place. The Director advised the Board that the Authority would not realize any revenue for this proposed exchange of easements and

that since the City still owns the property, this item will go before City Council for approval as well.

Mr. Gantt moved to approve an easement exchange with French Broad Associates and co-owners Charles Putnam, Karl Litten, Lawrence Kassouf, Larry Trenary, and George Atkinson contingent upon Airport Road Acquisitions, LLC. acquiring the property; and authorize the Executive Director to execute the necessary documents. Mr. Burril seconded the motion and it carried unanimously.

B. Approval of Airline Incentives for Elite Airways: The Director advised the Board that Elite Airways has approached staff for airline incentives for the non-stop service between Asheville and Vero Beach, Florida to begin on May 25th. The service will be twice a week utilizing a 50-passenger CRJ aircraft. Since Vero Beach, FL is not one of the airport's top 25 non-stop destinations, staff is seeking the Board's approval of the incentives. The Director reported that the proposed incentive package includes \$150,000 for marketing and advertising of the new service during the initial one-year period, up to \$15,000 for station start-up costs, which is inclusive of the approximate \$6,000 for the Air IT equipment programming, and waived rents and fees totaling approximately \$28,000 for up to one year of service for this specific route. The Director further stated that there are funds in the budget for this type of business development.

The Chair affirmed that the incentives would not be available to Elite Airways if something were to happen and the service to Vero Beach was discontinued. The Director responded that Elite has to operate to receive all of the waived fees and the \$150,000 for marketing is spent over the course of a year so if service were to cease, the airport would not pay for any advertising from that point forward.

Mr. Burril asked for Tina Kinsey's input on Elite Airways and the proposed service. Mrs. Kinsey advised the Board that as part of the due diligence, staff had extensive discussions with the principals of Elite Airways. Conversations were also held with the staff at the Portland, Maine airport to learn about their experience with Elite Airways. Mrs. Kinsey stated that staff feels confident about this new relationship with Elite Airways.

Mr. Burril questioned the anticipated cost of airfare between Vero Beach and Asheville. Mrs. Kinsey stated that she believed the expected cost would be a little less than \$200 each way so under \$400 for round trip fare. Mrs. Kinsey further stated that Elite Airways will position themselves as an airline that makes flying fun like it used to be with no charges for checked bags, food and beverages, etc.

Mr. Gantt asked that a copy of the airport's top 25 markets be provided to the Board Members. Mrs. Kinsey responded that this would be sent out.

Mr. Burril moved to approve airline incentives with Elite Airways for Asheville – Vero Beach service as presented by staff and to authorize the Executive Director to execute the necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

C. Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe; Approving and Authorizing the Submission to the Federal Aviation Administration of the Greater Asheville Regional Airport Authority's FAA Part 139 Application for a New Airport Operating Certificate and for Authorization to Act as Sole Sponsor of the Asheville Regional Airport; and Accepting the Minutes of the Asheville Regional Airport Authority Upon Dissolution of the Asheville Regional Airport Authority: The Director stated that this item was discussed during the earlier Asheville Regional Airport Authority meeting.

Mr. Gantt moved to approve the Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe; Approving and Authorizing the Submission to the Federal Aviation Administration of the Greater Asheville Regional Airport Authority's FAA Part 139 Application for a New Airport Operating Certificate and for Authorization to Act as Sole Sponsor of the Asheville Regional Airport; and Accepting the Minutes of the Asheville Regional Airport Authority Upon Dissolution of the Asheville Regional Airport Authority. Mr. Bailey seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had a few additional items to include that were not on the agenda.

A. Update on FAA Sponsorship: The Director turned this item over to Steven Baldwin of Steven Baldwin Associates, LLC to brief the Board. Mr. Baldwin presented a brief summary of the events leading up to the status of the Authority's application for sole sponsorship to the FAA. Mr. Baldwin stated that he believed the FAA would move quickly once the final application was submitted on April 28th. The FAA plans to be at the airport on June 28th to review the Airport Operating Manual and will then present the Airport Operating Certificate at that time. The Chair thanked legal counsel and Mr. Baldwin for their assistance with this matter. The Director requested the Board keep June 28th available if interested in attending the official transfer of sole sponsorship.

B. NCAA Annual Conference: The Director reported that during the recent annual conference of the North Carolina Airports Association, a sidebar meeting was held between commercial service airports and Kilpatrick Townsend and Stockton, the lobbyist

that was hired to assist with aviation funding from the state. At issue was a bill proposed by Senator Rabon that grants \$50 million in funding to RDU Airport over the next few years. The funds would come from rental car fees collected in the state. Although the bill was meant as a placeholder, some of the airports were upset at how the bill was sent out, as the airports are working collectively to make sure the fees from the rental car companies are disbursed to all airports for infrastructure projects. The Director advised the Board that Senator Rabon and the lobbyist are working to change the bill to some other form of funding mechanism to support all of the other airports.

The Director was pleased to note that during the conference, Mrs. Kinsey was elected in as Secretary of the NCAA and will eventually become President.

The Director further recognized Mrs. Kinsey for submitting an article entitled "Strategically Depositing into your Good Will Bank Important and Necessary Assets for Airports" to The Journal of Airports magazine. The Director advised the Board that a copy of the article would be sent to them for their review.

C. Update on Airline Agreement: A meeting with the airlines was held on March 29th and was very productive. The airlines have agreed upon a formula and the Director worked with Trillion Aviation to determine subsidies. The airlines have information on the subsidies to review. The next meeting is scheduled for May 4th. The Director felt the discussions were moving forward in a positive manner.

The Chair asked Ms. Trebincevic if she had anything she would like to add. Ms. Trebincevic stated that she agreed with the Director that it has been very positive and that a good model is in hand.

D. Operation Medicine Drop: Anther medicine drop will take place on April 29th from 10:00 a.m. to 2:00 p.m. at Public Safety.

E. Blue Ridge Honor Flight: The Director advised the Board that if interested, Board Members could see off veterans of WWII, the Korean, and Vietnam wars on May 13th at approximately 8:00 a.m. for the honor flight to Washington, DC.

F. City Council Liaison: The Director mentioned that at a recent business function, City Councilman Cecil Bothwell complimented the Director and staff on a job well done running the airport and commented that he appreciated all the work that takes place.

G. Update on Parking Garage: Michael Reisman gave the Board a brief update on the status of the construction of the parking garage and stated that staff anticipates the parking garage as being operational prior to Thanksgiving. Tours of the garage were offered should the Board Members be interested.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: No comments

CALL FOR NEXT MEETING: It was determined that the meeting of the Authority Board on May 19, 2017 was not necessary, and therefore cancelled. The next regular meeting of the Authority Board will be on June 9, 2017.

CLOSED SESSION: At 9:15 a.m. Mr. Burril 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. Bailey 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 9:50 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 21, 2017

CLOSED SESSION MINUTES: Mr. Burril 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. Bailey seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 10, 2017

CLOSED SESSION MINUTES: Mr. Burril moved to approve the minutes for the March 10, 2017 Closed Session, and to seal and withhold the minutes for the March 10, 2017 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Gantt moved to adjourn the meeting at 9:52 a.m. Mr. Burril seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Robert C. Roberts
Chair

**REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 21, 2017**

The Asheville Regional Airport Authority ("Authority") met on Friday, April 21, 2017 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: Robert C. Roberts, Chairman; Matthew C. Burrell; K. Ray Bailey; and David Gantt

MEMBERS ABSENT: Stephanie Pace Brown

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; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amira Trebincevic, Delta Airlines; Mike Darcangelo, Avcon; Nick Loder, RS&H; Charles Buckland, Signature Flight Services; and Steven Baldwin, Steven Baldwin Associates, LLC

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

CONSENT ITEMS:

A. **Approval of the Asheville Regional Airport Authority February 17, 2017 Regular Meeting Minutes:** Mr. Bailey moved to approve the Asheville Regional Airport Authority February 17, 2017 Regular Meeting Minutes. Mr. Gantt seconded the motion and it carried unanimously.

NEW BUSINESS:

A. **Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Greater Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe and Authorizing its Submission to the FAA as Part of the Greater Asheville Regional Airport Authority's FAA Part 139 Application; and, Effective Upon the Federal Aviation Administration's Approval of the Greater Asheville Regional**

Airport Authority's FAA Part 139 Application by Issuance of an Airport Operating Certificate in the Name of the Greater Asheville Regional Airport Authority, Appointing the Greater Asheville Regional Airport Authority as Successor to all Minutes of the Asheville Regional Airport Authority and Formally Dissolving the Asheville Regional Airport Authority:

The Director advised the Board that this is the final agreement and will be submitted to the FAA seeking sole sponsorship. The Director turned it over to Ms. Rice to brief the Board on the resolution. Ms. Rice informed the Board that the resolution is asking for approval and execution of the Assignment and Assumption Agreement because the Asheville Regional Airport Authority ("ARAA") is joining in on that particular agreement as part of the FAA Part 139 Application. This resolution includes language that the ARAA Board will not meet again and will be dissolved. The City and County will also terminate the agreement as of the effective date of the new airport operating certificate. Ms. Rice further stated that the resolution names the Greater Asheville Regional Airport Authority as the successor to the minutes of the ARAA and authorizes GARAA to approve any lingering minutes of the ARAA.

Mr. Burril moved to Approve the Resolution Approving and Authorizing the Execution of the Assignment and Assumption Agreement Dated April 21, 2017 with the Greater Asheville Regional Airport Authority, the City of Asheville, and the County of Buncombe and Authorizing its Submission to the FAA as Part of the Greater Asheville Regional Airport Authority's FAA Part 139 Application; and, Effective Upon the Federal Aviation Administration's Approval of the Greater Asheville Regional Airport Authority's FAA Part 139 Application by Issuance of an Airport Operating Certificate in the Name of the Greater Asheville Regional Airport Authority, Appointing the Greater Asheville Regional Airport Authority as Successor to all Minutes of the Asheville Regional Airport Authority and Formally Dissolving the Asheville Regional Airport Authority. Mr. Bailey seconded the motion and it carried unanimously.

ADJOURNMENT: At 8:35 a.m. Mr. Gantt moved to adjourn the meeting. Mr. Burril seconded the motion and it carried unanimously.

Approved:

Robert C. Roberts
Chairman



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: July 14, 2017

ITEM DESCRIPTION – New Business Item A

Approval of Resolution Accepting Grants

BACKGROUND

The Federal Aviation Administration (“FAA”) and the North Carolina Division of Aviation (“DOA”) distributes both entitlement and discretionary grants on an annual basis. The grants requests are submitted by staff each year and are a component of the annual budget based on the Greater Asheville Regional Airport Authority’s (“Authority”) capital improvement program. The grants, once awarded, must be accepted by the Authority and the attached resolution will provide the ability to do so.

ISSUES

None

ALTERNATIVES

None

FISCAL IMPACT

The fiscal impact has a direct correlation to the capital improvement program, the initial grant request per project, and the amount of either entitlement or discretionary funds available each year from the FAA or DOA. Any amount not received due to untimely acceptance and signature is detrimental to the Authority.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board approve the attached Resolution.

Attachment

New Business – Item A

Greater Asheville Regional Airport Authority

~ Resolution ~

A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR

WHEREAS, the Greater Asheville Regional Airport Authority (“Authority”) is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act (“Act”); and

WHEREAS, the Authority operates the Asheville Regional Airport (“Airport”); and

WHEREAS, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

WHEREAS, the Federal Aviation Administration (“FAA”), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

WHEREAS, the Airport is eligible for such grants; and

WHEREAS, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

WHEREAS, the Executive Director recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

NOW, THEREFORE, BE IT RESOLVED and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., Executive Director of the Greater Asheville Regional Airport Authority, Michael Reisman, Deputy Executive Director – Development and Operations, Robert C. Roberts, Chair of the Authority, and/or Matthew Burril, Vice Chair of the Authority, or any of them or their successors in office (each an “Authorized Officer”) be, and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 14th day of July, 2017

Robert C. Roberts, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director, Development and Operations

DATE: July 14, 2017

ITEM DESCRIPTION – New Business Item B

Approve Contract for Runway Nav aids Installation

BACKGROUND

Phase III construction of the Airfield Re-development Project carried out in 2016 included installation of navigational aid (Navaid) equipment associated with the Instrument Landing Systems for permanent Runway 17 and Runway 35. The early components of Navaid installation was undertaken in 2016, with substantial completion carrying over into 2017, six months beyond the original scheduled completion date. The same contractor and subcontractor were under contract to complete the balance of the Navaid installation in 2017, which could not be undertaken until after a certain milestone was reached in the construction of Phase IV of the Airfield Re-development Project presently underway. Since the Phase III contractor and subcontractor were unable to complete their required work thus far in an timely manner, and the installation of the remaining balance of Nav aids work cannot suffer similar delays without substantial impact to the overall project, it is necessary for this component of work to be omitted from the Phase III contract and completed by another third-party contractor capable of meeting the timeline. Airport staff and consultants have obtained quotes from at least three third party contractors able and willing to undertake this work on the required timeline. The current low quote is \$275,000.00 from Aviation Construction and Electric, LLC. Additional quotes were higher.



ISSUES

A delay in awarding a contract for this work will result in a delay in the commissioning of the new runway's instrument landing system.

ALTERNATIVES

The alternative is to permit the current Phase III contractor and sub-contractor to complete the remaining balance of Nav aids work under their current agreement. Given the contractor issues in being able to maintain a reasonable schedule for construction thus far, staff does not recommend this.

FISCAL IMPACT

The cost associated with this action will be \$275,000.00 based upon quotes received. This amount will be paid from existing grants and airport funds previously budgeted and approved by the Airport Board for Phase III construction.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve award of a contract for the remaining balance of the Nav aids work with Aviation Construction and Electric, LLC; and (2) authorize the Executive Director to execute the necessary documents.



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: July 14, 2017

ITEM DESCRIPTION – Information Section Item A

May, 2017 Traffic Report – Asheville Regional Airport

SUMMARY

May, 2017 overall passenger traffic numbers were up 17.6% compared to the same period last year. Passenger traffic numbers reflect a 17.5% increase in passenger enplanements from May, 2016. Enplanements for Fiscal Year to Date total 403,740 which is a 14.2% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in May 2017 were up by 35.3%. There were no flight cancellations for the month.

American Airlines: American's May 2017 passenger enplanements represent a 2.5% decrease over the same period last year. There were five (5) flight cancellations for the month.

Delta Airlines: Delta's May 2017 enplanements decreased by 5.4% compared to May 2016. There were no flight cancellations for the month.

United Airlines: In May 2017, United Airlines saw an increase in enplanements by 114.5% over the same period last year. There were no flight cancellations for the month.

Monthly Traffic Report Asheville Regional Airport

May 2017



Category	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change	*MOV12-2017	*MOV12-2016	Percentage Change
Passenger Traffic									
Enplaned	39,921	33,989	17.5%	157,414	134,622	16.9%	437,398	387,146	13.0%
Deplaned	<u>39,750</u>	<u>33,766</u>	17.7%	<u>158,241</u>	<u>133,401</u>	18.6%	<u>436,882</u>	<u>387,140</u>	12.8%
Total	79,671	67,755	17.6%	315,655	268,023	17.8%	874,280	774,286	12.9%
Aircraft Operations									
Airlines	579	556	4.1%	2,845	2,161	31.7%	7,214	5,937	21.5%
Commuter /Air Taxi	<u>1,006</u>	<u>771</u>	30.5%	3,437	3,537	-2.8%	9,744	10,441	-6.7%
Subtotal	<u>1,585</u>	<u>1,327</u>	19.4%	<u>6,282</u>	<u>5,698</u>	10.2%	<u>16,958</u>	<u>16,378</u>	3.5%
General Aviation	3,680	3,304	11.4%	15,379	17,325	-11.2%	41,443	44,285	-6.4%
Military	<u>451</u>	<u>326</u>	38.3%	<u>1,595</u>	<u>1,558</u>	2.4%	<u>4,251</u>	<u>4,860</u>	-12.5%
Subtotal	<u>4,131</u>	<u>3,630</u>	13.8%	<u>16,974</u>	<u>18,883</u>	-10.1%	<u>45,694</u>	<u>49,145</u>	-7.0%
Total	5,716	4,957	15.3%	23,256	24,581	-5.4%	62,652	65,523	-4.4%
Fuel Gallons									
100LL	16,403	8,434	94.5%	58,703	63,405	-7.4%	166,458	170,852	-2.6%
Jet A (GA)	117,743	110,069	7.0%	398,269	404,982	-1.7%	1,295,099	1,181,472	9.6%
Subtotal	<u>134,146</u>	<u>118,503</u>	13.2%	<u>456,972</u>	<u>468,387</u>	-2.4%	<u>1,461,557</u>	<u>1,352,324</u>	8.1%
Jet A (A/L)	<u>296,707</u>	<u>175,973</u>	68.6%	<u>1,144,139</u>	<u>775,958</u>	47.4%	<u>2,994,679</u>	<u>2,680,187</u>	11.7%
Total	430,853	294,476	46.3%	1,601,111	1,244,345	28.7%	4,456,236	4,032,511	10.5%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Thursday, June 22, 2017

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

May 2017



	May 2017	May 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change
Allegiant Air						
Enplanements	12,209	9,025	35.3%	46,254	36,599	26.4%
Seats	13,456	10,845	24.1%	55,290	42,475	30.2%
Load Factor	90.7%	83.2%	9.0%	83.7%	86.2%	-2.9%
American Airlines						
Enplanements	8,317	8,531	-2.5%	35,293	34,538	2.2%
Seats	12,026	10,695	12.4%	49,520	48,497	2.1%
Load Factor	69.2%	79.8%	-13.3%	71.3%	71.2%	0.1%
Delta Air Lines						
Enplanements	12,549	13,261	-5.4%	50,652	52,312	-3.2%
Seats	16,055	16,680	-3.7%	66,522	67,169	-1.0%
Load Factor	78.2%	79.5%	-1.7%	76.1%	77.9%	-2.2%
Elite Airways						
Enplanements	41	0	#Div/0!	41	0	#Div/0!
Seats	100	0	#Div/0!	100	0	#Div/0!
Load Factor	41.0%	#Num!	#Type!	41.0%	#Num!	#Type!
United Airlines						
Enplanements	6,805	3,172	114.5%	25,174	11,173	125.3%
Seats	8,537	3,450	147.4%	32,398	13,082	147.7%
Load Factor	79.7%	91.9%	-13.3%	77.7%	85.4%	-9.0%
Totals						
Enplanements	39,921	33,989	17.5%	157,414	134,622	16.9%
Seats	50,174	41,670	20.4%	203,830	171,223	19.0%
Load Factor	79.6%	81.6%	-2.5%	77.2%	78.6%	-1.8%

Thursday, June 22, 2017

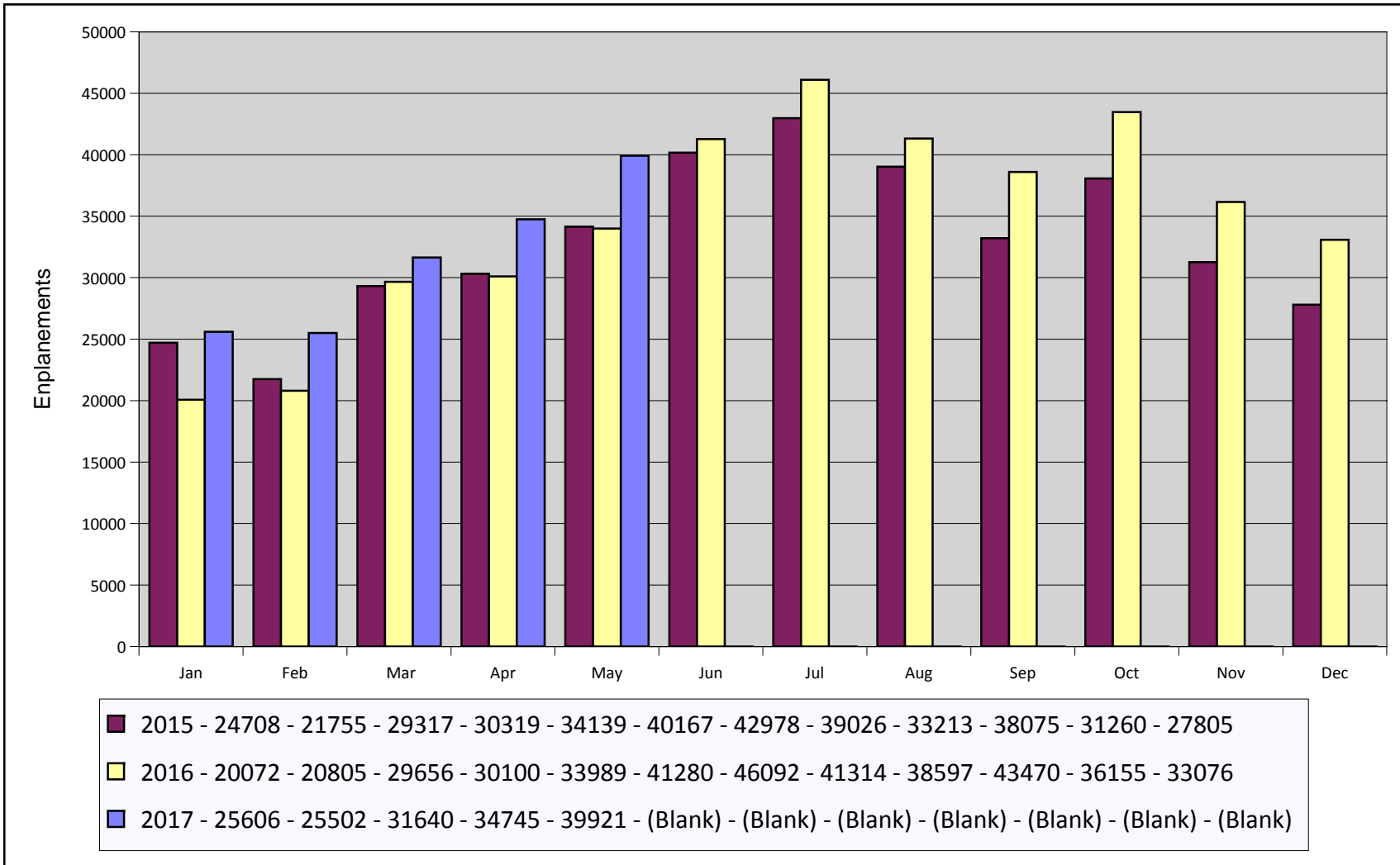
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport May 2017

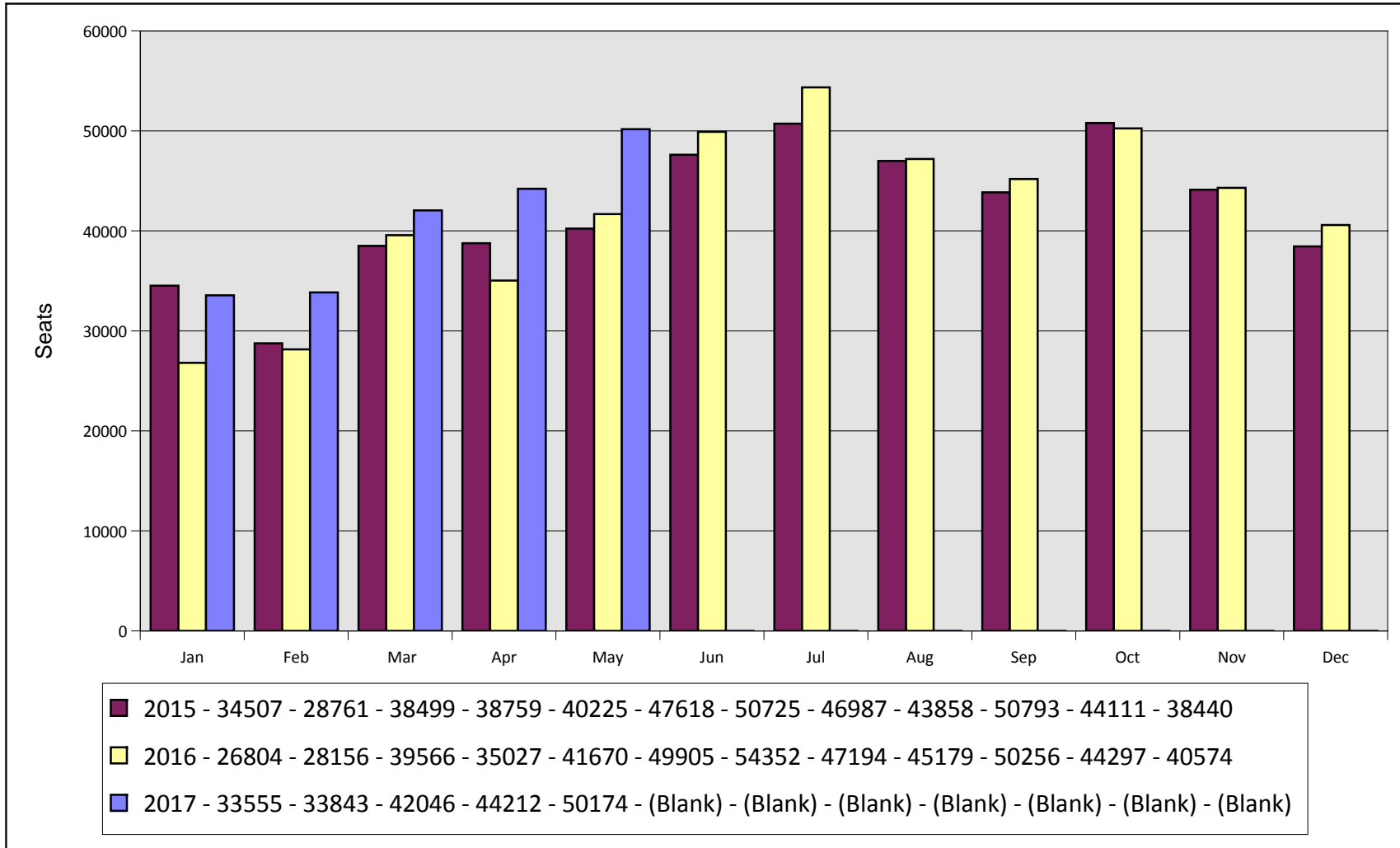


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	88	0	0	0	0	0	100.0%
American Airlines	220	0	0	5	0	5	97.7%
Delta Air Lines	203	0	0	0	0	0	100.0%
Elite Airways	2	0	0	0	0	0	100.0%
United Airlines	125	0	0	0	0	0	100.0%
Total	638	0	0	5	0	5	99.2%

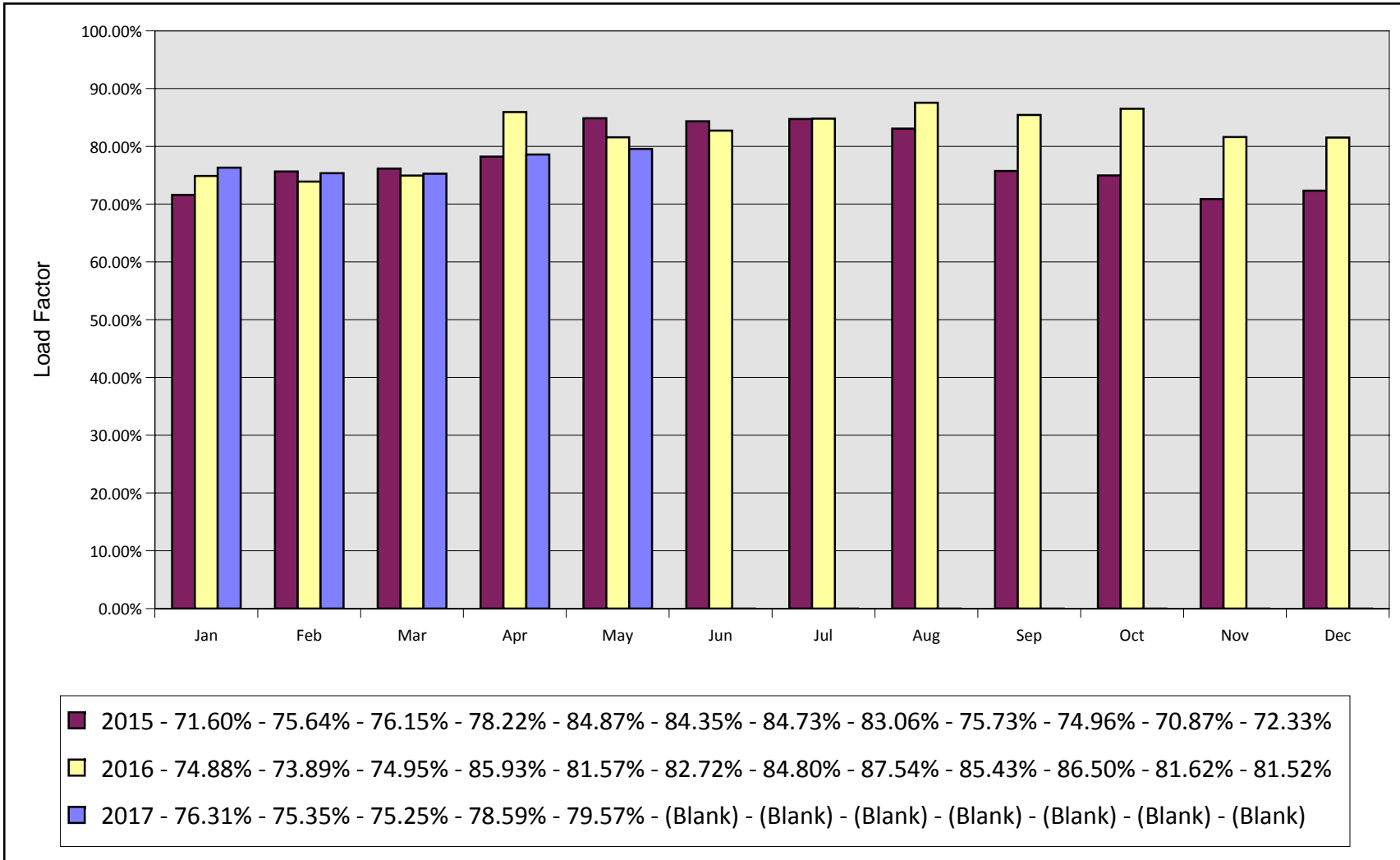
Monthly Enplanements By Year Asheville Regional Airport



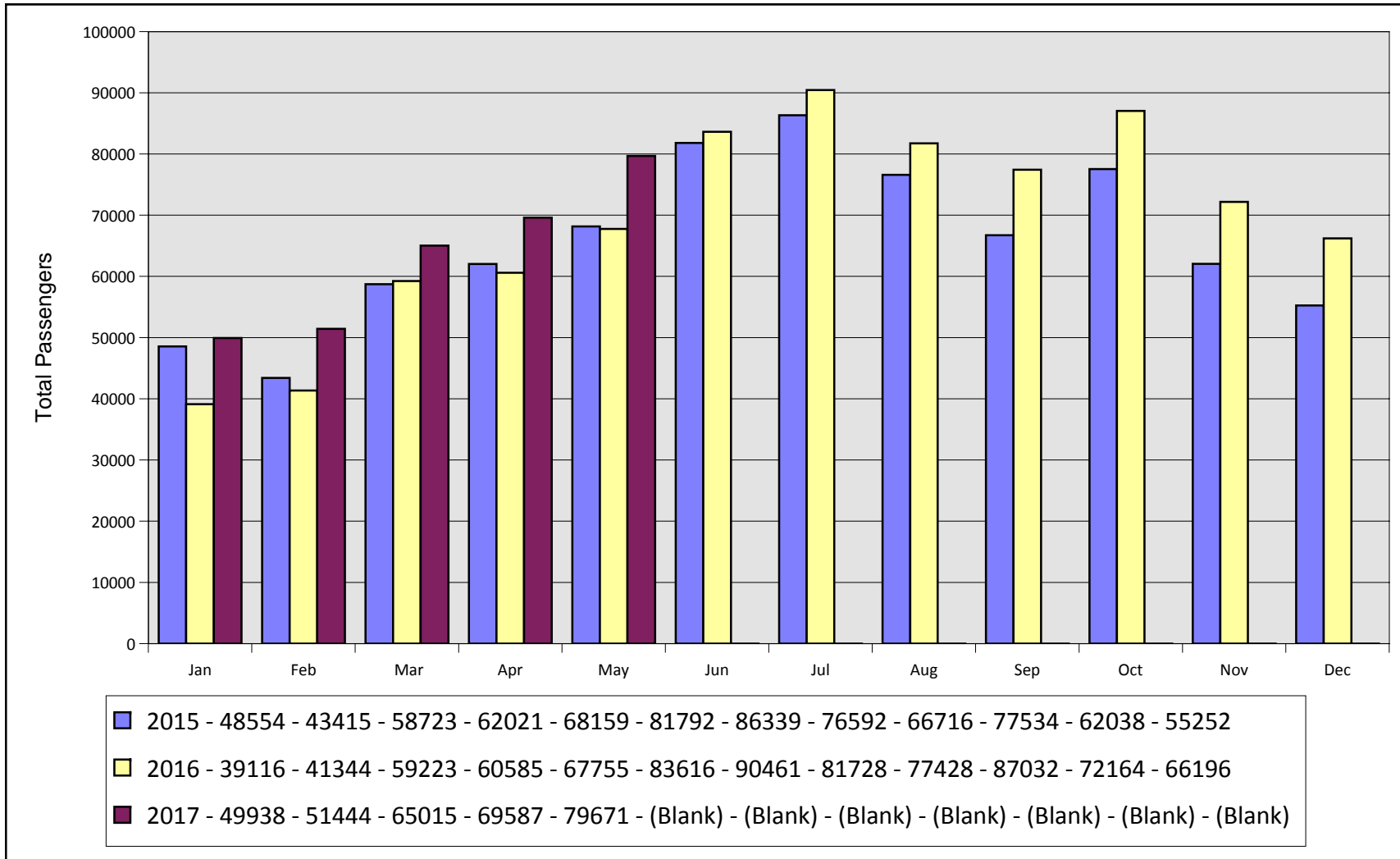
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

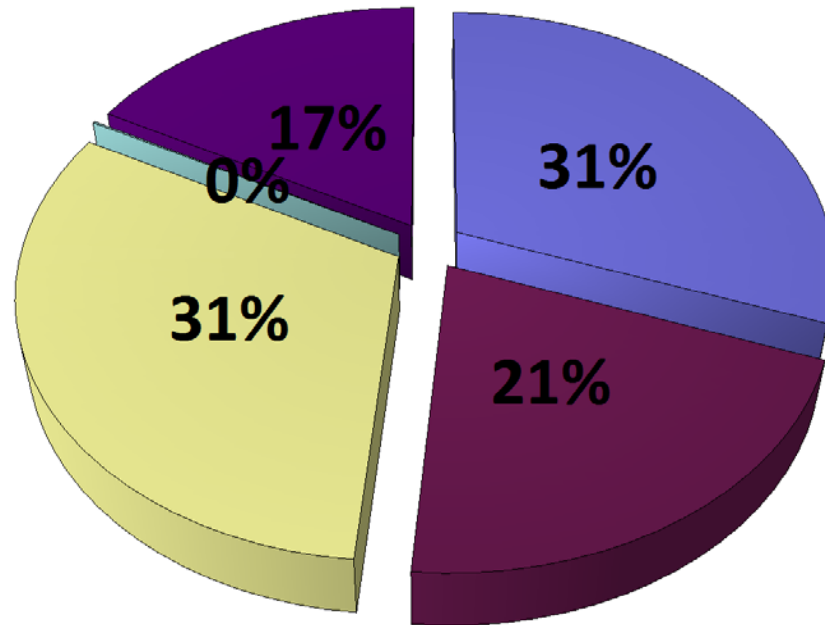


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From May 2017 Through May 2017



Travel Period			Jul 2017		Jul 2016		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	2	94	0	0	2	94		
7Q	VRB	AVL	2	94	0	0	2	94		
AA	AVL	CLT	54	3,194	47	2,587	7	607	14.9%	23.5%
AA	CLT	AVL	54	3,194	47	2,587	7	607	14.9%	23.5%
DL	ATL	AVL	53	3,854	53	3,743	0	111	0.0%	3.0%
DL	AVL	ATL	53	3,854	53	3,743	0	111	0.0%	3.0%
DL	AVL	LGA	1	69	1	50	0	19	0.0%	38.0%
DL	LGA	AVL	1	69	1	50	0	19	0.0%	38.0%
G4	AVL	BWI	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	EWR	4	664	0	0	4	664		
G4	AVL	FLL	5	852	4	675	1	177	25.0%	26.2%
G4	AVL	JAX	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	AVL	PBI	0	0	4	664	(4)	(664)	(100.0%)	(100.0%)
G4	AVL	PGD	4	675	4	664	0	11	0.0%	1.7%
G4	AVL	PIE	6	1,007	6	1,007	0	0	0.0%	0.0%
G4	AVL	SFB	5	852	5	841	0	11	0.0%	1.3%
G4	BWI	AVL	2	332	2	332	0	0	0.0%	0.0%
G4	EWR	AVL	4	664	0	0	4	664		
G4	FLL	AVL	5	852	4	675	1	177	25.0%	26.2%
G4	JAX	AVL	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	PBI	AVL	0	0	4	664	(4)	(664)	(100.0%)	(100.0%)
G4	PGD	AVL	4	675	4	664	0	11	0.0%	1.7%
G4	PIE	AVL	6	1,007	6	1,007	0	0	0.0%	0.0%
G4	SFB	AVL	5	852	5	841	0	11	0.0%	1.3%
UA	AVL	EWR	7	1,028	7	350	0	678	0.0%	193.7%
UA	AVL	ORD	28	1,400	22	1,100	6	300	27.3%	27.3%
UA	EWR	AVL	7	1,028	7	350	0	678	0.0%	193.7%
UA	ORD	AVL	28	1,400	22	1,100	6	300	27.3%	27.3%
Total			342	28,042	314	24,690	28	3,352	8.9%	13.6%

Travel Period			Aug 2017		Aug 2016		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	2	94	0	0	2	94		
7Q	VRB	AVL	2	94	0	0	2	94		
AA	AVL	CLT	54	3,194	47	2,652	7	542	14.9%	20.4%
AA	CLT	AVL	54	3,194	47	2,652	7	542	14.9%	20.4%
DL	ATL	AVL	48	3,270	52	3,693	(4)	(423)	(7.7%)	(11.5%)
DL	AVL	ATL	48	3,304	52	3,693	(4)	(389)	(7.7%)	(10.5%)
DL	AVL	LGA	1	69	1	50	0	19	0.0%	38.0%
DL	LGA	AVL	1	69	1	50	0	19	0.0%	38.0%
G4	AVL	BWI	3	498	2	332	1	166	50.0%	50.0%
G4	AVL	EWR	3	498	0	0	3	498		
G4	AVL	FLL	5	885	4	675	1	210	25.0%	31.1%
G4	AVL	JAX	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	AVL	PBI	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	AVL	PGD	4	697	4	664	0	33	0.0%	5.0%
G4	AVL	PIE	4	686	5	841	(1)	(155)	(20.0%)	(18.4%)
G4	AVL	SFB	3	509	3	498	0	11	0.0%	2.2%
G4	BWI	AVL	3	498	2	332	1	166	50.0%	50.0%
G4	EWR	AVL	3	498	0	0	3	498		
G4	FLL	AVL	5	885	4	675	1	210	25.0%	31.1%
G4	JAX	AVL	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	PBI	AVL	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	PGD	AVL	4	697	4	664	0	33	0.0%	5.0%
G4	PIE	AVL	4	686	5	841	(1)	(155)	(20.0%)	(18.4%)
G4	SFB	AVL	3	509	3	498	0	11	0.0%	2.2%
UA	AVL	EWR	7	1,050	7	350	0	700	0.0%	200.0%
UA	AVL	ORD	28	1,400	22	1,100	6	300	27.3%	27.3%
UA	EWR	AVL	7	1,050	7	350	0	700	0.0%	200.0%
UA	ORD	AVL	28	1,400	22	1,100	6	300	27.3%	27.3%
Total			324	25,734	304	23,370	20	2,364	6.6%	10.1%

Travel Period			Sep 2017		Sep 2016		Diff		Percent Diff	
Mkt AI	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	2	94	0	0	2	94		
7Q	VRB	AVL	2	94	0	0	2	94		
AA	AVL	CLT	59	3,108	46	2,897	13	211	28.3%	7.3%
AA	CLT	AVL	59	3,108	46	2,897	13	211	28.3%	7.3%
DL	ATL	AVL	54	3,390	48	3,336	6	54	12.5%	1.6%
DL	AVL	ATL	54	3,450	48	3,336	6	114	12.5%	3.4%
G4	AVL	BWI	2	354	2	332	0	22	0.0%	6.6%
G4	AVL	EWR	2	332	0	0	2	332		
G4	AVL	FLL	4	708	5	863	(1)	(155)	(20.0%)	(18.0%)
G4	AVL	PGD	4	697	3	520	1	177	33.3%	34.0%
G4	AVL	PIE	3	509	3	509	0	0	0.0%	0.0%
G4	AVL	SFB	3	509	3	509	0	0	0.0%	0.0%
G4	BWI	AVL	2	354	2	332	0	22	0.0%	6.6%
G4	EWR	AVL	2	332	0	0	2	332		
G4	FLL	AVL	4	708	5	863	(1)	(155)	(20.0%)	(18.0%)
G4	PGD	AVL	4	697	3	520	1	177	33.3%	34.0%
G4	PIE	AVL	3	509	3	509	0	0	0.0%	0.0%
G4	SFB	AVL	3	509	3	509	0	0	0.0%	0.0%
UA	AVL	EWR	7	826	7	350	0	476	0.0%	136.0%
UA	AVL	ORD	28	1,400	25	1,250	3	150	12.0%	12.0%
UA	EWR	AVL	7	826	7	350	0	476	0.0%	136.0%
UA	ORD	AVL	28	1,400	25	1,250	3	150	12.0%	12.0%
Total			336	23,914	284	21,132	52	2,782	18.3%	13.2%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: July 14, 2017

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of May 2017 (Month 11 of FY2017)

SUMMARY

Operating Revenues for the month of May were \$950,921, 14.08% over budget. Operating Expenses for the month were \$736,270, 14.36% under budget. As a result, Net Operating Revenues before Depreciation were \$214,651, 919.78% over budget. Net Non-Operating Revenues were \$280,830, 5.14% over budget.

Year-to-date Operating Revenues were \$9,528,089, 9.77% over budget. Year-to-date Operating Expenses were \$7,619,005, 13.68% below budget. Year-to-date Net Operating Revenues before Depreciation were \$1,909,084, 1,408.59% over budget. Net Non-Operating Revenues for the year were \$2,827,717, 3.44% over budget.

REVENUES

Significant variations to budget for May were:

Concessions	\$17,095	43.42%	Enplanements and advertising revenue over budget
Auto Parking	\$69,931	27.68%	Enplanements over budget



EXPENSES

Significant variations to budget for May were:

Professional Services	(\$40,806)	(59.48%)	No May invoices for FAA sponsorship related costs
Other Contractual Services	(\$19,109)	(15.43%)	Parking and shuttle costs less than anticipated
Utility Services	(\$15,732)	(40.71%)	Low electricity and natural gas costs

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by 301k mainly due to parking garage construction.

Grants Receivable – Grants Receivable decreased by 467k due to receipt of FAA AIP funding.

Construction in Progress – Construction in Progress increased by \$3,593k mainly due to the Airfield Redevelopment project and the parking garage.

Property and Equipment, Net – Property and Equipment, Net decreased by \$391k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of May 31, 2017**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.20%	\$ 8,346,779	1,586
First Citizens - Money Market Account	0.05%	6,392,918	272
NC Capital Management Trust - Cash Portfolio		17,275	9
NC Capital Management Trust - Term Portfolio		3,043,638	2,465
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		11,128,507	3,322
Bank of America - PFC Revenue Account	0.20%	6,977,857	1,159
		1,009,335	
Total		<u>\$ 36,916,509</u>	<u>\$ 8,813</u>

Investment Diversification:

Banks	92%
NC Capital Management Trust	8%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended May 31, 2017

	Current Month	Prior Period
Cash and Investments Beginning of Period	<u>\$ 37,218,246</u>	<u>\$ 39,569,157</u>
Net Income/(Loss) Before Capital Contributions	104,260	96,241
Depreciation	391,221	391,221
Decrease/(Increase) in Receivables	467,073	(1,919,928)
Increase/(Decrease) in Payables	715,515	85,313
Decrease/(Increase) in Prepaid Expenses	8,243	17,177
Decrease/(Increase) in Fixed Assets	(3,593,409)	(2,244,273)
Principal Payments of Bond Maturities	-	-
Capital Contributions	<u>1,605,360</u>	<u>1,223,338</u>
Increase(Decrease) in Cash	<u>(301,737)</u>	<u>(2,350,911)</u>
Cash and Investments End of Period	<u><u>\$ 36,916,509</u></u>	<u><u>\$ 37,218,246</u></u>

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets
For the Month Ending May 31, 2017

	<u>Current Month Actual</u>	<u>Current Month Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:									
Terminal Space Rentals - Non Airline	\$19,978	\$17,769	\$2,209	12.43%	\$209,710	\$197,615	\$12,095	6.12%	\$215,060
Terminal Space Rentals - Airline	135,947	128,235	7,712	6.01%	1,479,801	1,322,353	157,448	11.91%	1,469,851
Concessions	56,463	39,368	17,095	43.42%	481,978	380,388	101,590	26.71%	422,180
Auto Parking	322,531	252,600	69,931	27.68%	3,131,909	2,539,400	592,509	23.33%	2,820,000
Rental Car - Car Rentals	135,555	123,579	11,976	9.69%	1,445,503	1,354,809	90,694	6.69%	1,478,398
Rental Car - Facility Rent	51,336	50,458	878	1.74%	575,347	563,464	11,883	2.11%	616,308
Commercial Ground Transportation	6,100	5,833	267	4.58%	67,806	38,916	28,890	74.24%	49,850
Landing Fees	75,338	65,935	9,403	14.26%	509,336	675,817	(166,481)	(24.63%)	754,800
FBO'S	85,282	84,935	347	0.41%	918,227	932,364	(14,137)	(1.52%)	1,018,889
Building Leases	12,903	11,794	1,109	9.40%	141,125	139,327	1,798	1.29%	152,509
Land Leases	4,957	4,893	64	1.31%	58,554	53,855	4,699	8.73%	58,748
Other Leases/Fees	44,531	48,141	(3,610)	(7.50%)	508,793	482,025	26,768	5.55%	533,611
Total Operating Revenue	\$950,921	\$833,540	\$117,381	14.08%	\$9,528,089	\$8,680,333	\$847,756	9.77%	\$9,590,204
Operating Expenses:									
Personnel Services	\$416,467	\$425,747	(\$9,280)	(2.18%)	\$4,339,087	\$4,672,677	(\$333,590)	(7.14%)	\$5,154,981
Professional Services	27,802	68,608	(40,806)	(59.48%)	403,878	427,092	(23,214)	(5.44%)	479,700
Accounting & Auditing	-	-	-	100.00%	9,900	40,000	(30,100)	(75.25%)	40,000
Other Contractual Services	104,735	123,844	(19,109)	(15.43%)	1,039,075	1,269,705	(230,630)	(18.16%)	1,393,549
Travel & Training	15,452	22,407	(6,955)	(31.04%)	150,709	178,814	(28,105)	(15.72%)	210,121
Communications & Freight	5,726	6,564	(838)	(12.77%)	62,858	72,206	(9,348)	(12.95%)	78,770
Utility Services	22,913	38,645	(15,732)	(40.71%)	333,973	425,090	(91,117)	(21.43%)	463,735
Rentals & Leases	1,838	1,992	(154)	(7.73%)	21,410	21,908	(498)	(2.27%)	23,900
Insurance	16,695	19,708	(3,013)	(15.29%)	180,893	216,792	(35,899)	(16.56%)	236,500
Repairs & Maintenance	22,349	22,729	(380)	(1.67%)	292,213	262,299	29,914	11.40%	285,028
Advertising, Printing & Binding	32,727	29,960	2,767	9.24%	165,348	179,265	(13,917)	(7.76%)	201,315
Promotional Activities	7,810	9,333	(1,523)	(16.32%)	69,181	73,992	(4,811)	(6.50%)	85,850
Other Current Charges & Obligations	3,248	7,374	(4,126)	(55.95%)	96,056	85,614	10,442	12.20%	93,000
Office Supplies	519	750	(231)	(30.80%)	5,899	8,250	(2,351)	(28.50%)	9,000
Operating Supplies	29,551	34,012	(4,461)	(13.12%)	292,937	428,347	(135,410)	(31.61%)	471,859
Books, Publications, Subscriptions & Mem	709	1,801	(1,092)	(60.63%)	49,108	60,421	(11,313)	(18.72%)	62,487
Contingency	-	-	-	100.00%	-	-	-	100.00%	51,639
Emergency Repair	-	21,250	(21,250)	(100.00%)	2,499	128,750	(126,251)	(98.06%)	150,000
Business Development	27,729	25,000	2,729	10.92%	103,981	275,000	(171,019)	(62.19%)	300,000
Total Operating Expenses	\$736,270	\$859,724	(\$123,454)	(14.36%)	\$7,619,005	\$8,826,222	(\$1,207,217)	(13.68%)	\$9,791,434

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending May 31, 2017

	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue before Depreciation	\$214,651	(\$26,184)	\$240,835	(919.78%)	\$1,909,084	(\$145,889)	\$2,054,973	(1,408.59%)	(\$201,230)
Depreciation	391,221	-	391,221	100.00%	4,303,431	-	\$4,303,431	100.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$176,570)	(\$26,184)	(\$150,386)	574.34%	(\$2,394,347)	(\$145,889)	(\$2,248,458)	1,541.21%	(\$201,230)
Non-Operating Revenue and Expense									
Customer Facility Charges	\$111,307	\$110,690	\$617	0.56%	\$1,278,294	\$1,168,970	\$109,324	9.35%	\$ 1,300,000
Passenger Facility Charges	160,710	153,765	6,945	4.52%	1,640,182	1,537,650	102,532	6.67%	1,708,500
Interest Revenue	8,813	2,648	6,165	232.82%	76,813	27,025	49,788	184.23%	30,000
Interest Expense	-	-	-	100.00%	(155,143)	-	(155,143)	100.00%	-
Bond Expense	-	-	-	100.00%	(52,500)	-	(52,500)	100.00%	-
Reimbursable Cost Revenues	-	-	-	100.00%	2,055	198,378	(196,323)	(98.96%)	214,000
Reimbursable Cost Expenses	-	-	-	100.00%	(4,716)	(198,378)	193,662	(97.62%)	(214,000)
Gain/Loss on Disposal of Assets	-	0	(0)	0.00%	42,732	0	42,732	0.00%	-
Non-Operating Revenue-Net	\$280,830	\$267,103	\$13,727	5.14%	\$2,827,717	\$2,733,645	\$94,072	3.44%	\$3,038,500
Income (Loss) Before Capital Contributions	\$104,260	\$240,919	(\$136,659)	(56.72%)	\$433,370	\$2,587,756	(\$2,154,386)	(83.25%)	\$2,837,270
Capital Contributions	\$1,605,360	\$0	\$1,605,360	100.00%	\$11,870,655	\$0	\$11,870,655	100.00%	\$0
Increase in Net Assets	\$1,709,620	\$240,919	\$1,468,701	609.62%	\$12,304,025	\$2,587,756	\$9,716,269	375.47%	\$2,837,270

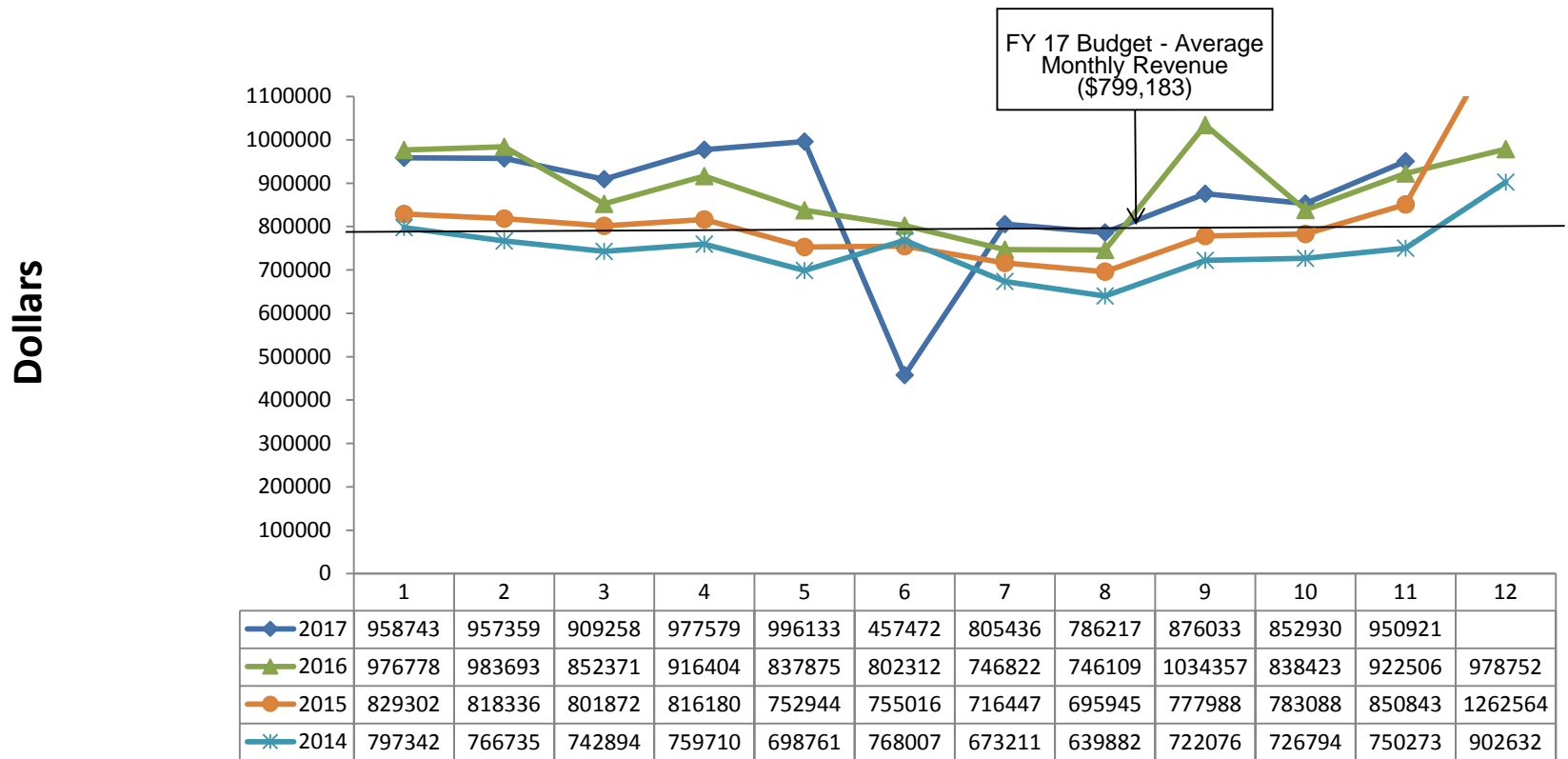
ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of May 31, 2017

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$17,800,810	\$18,619,606
Accounts Receivable	586,171	575,942
Passenger Facility Charges Receivable	150,000	300,000
Refundable Sales Tax Receivable	981,522	840,949
Grants Receivable	2,496,882	2,964,758
Prepaid Expenses	26,260	34,503
Total Unrestricted Assets	22,041,645	23,335,758
Restricted Assets:		
Cash and Cash Equivalents	19,115,698	18,598,640
Total Restricted Assets	19,115,698	18,598,640
Total Current Assets	41,157,343	41,934,398
Noncurrent Assets:		
Construction in Progress	56,486,794	52,893,385
Net Pension Asset - LGERS	(226,282)	(226,282)
Contributions in Current Year	222,035	222,035
Property and Equipment - Net	57,080,258	57,471,479
Total Noncurrent Assets	113,562,805	110,360,617
	\$154,720,148	\$152,295,015
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$4,097,781	\$3,312,035
Customer Deposits	17,210	17,210
Unearned Revenue	444,265	514,498
Construction Contract Retainages	311,047	311,047
Revenue Bond Payable - Current	955,000	955,000
Total Payable from Unrestricted Assets	5,825,303	5,109,790
Total Current Liabilities	5,825,303	5,109,790
Noncurrent Liabilities:		
Other Postemployment Benefits	1,202,917	1,202,917
Compensated Absences	326,896	326,896
Net Pension Obligation-LEO Special Separation Allowance	9,893	9,893
Revenue Bond Payable - Noncurrent	20,045,000	20,045,000
Total Noncurrent Liabilities	21,584,706	21,584,706
Total Liabilities	27,410,009	26,694,496
Net Assets:		
Invested in Capital Assets	92,567,052	89,364,864
Restricted	19,115,698	18,598,640
Unrestricted	15,627,389	17,637,015
Total Net Assets	127,310,139	125,600,519
	\$154,720,148	\$152,295,015

ASHEVILLE REGIONAL AIRPORT

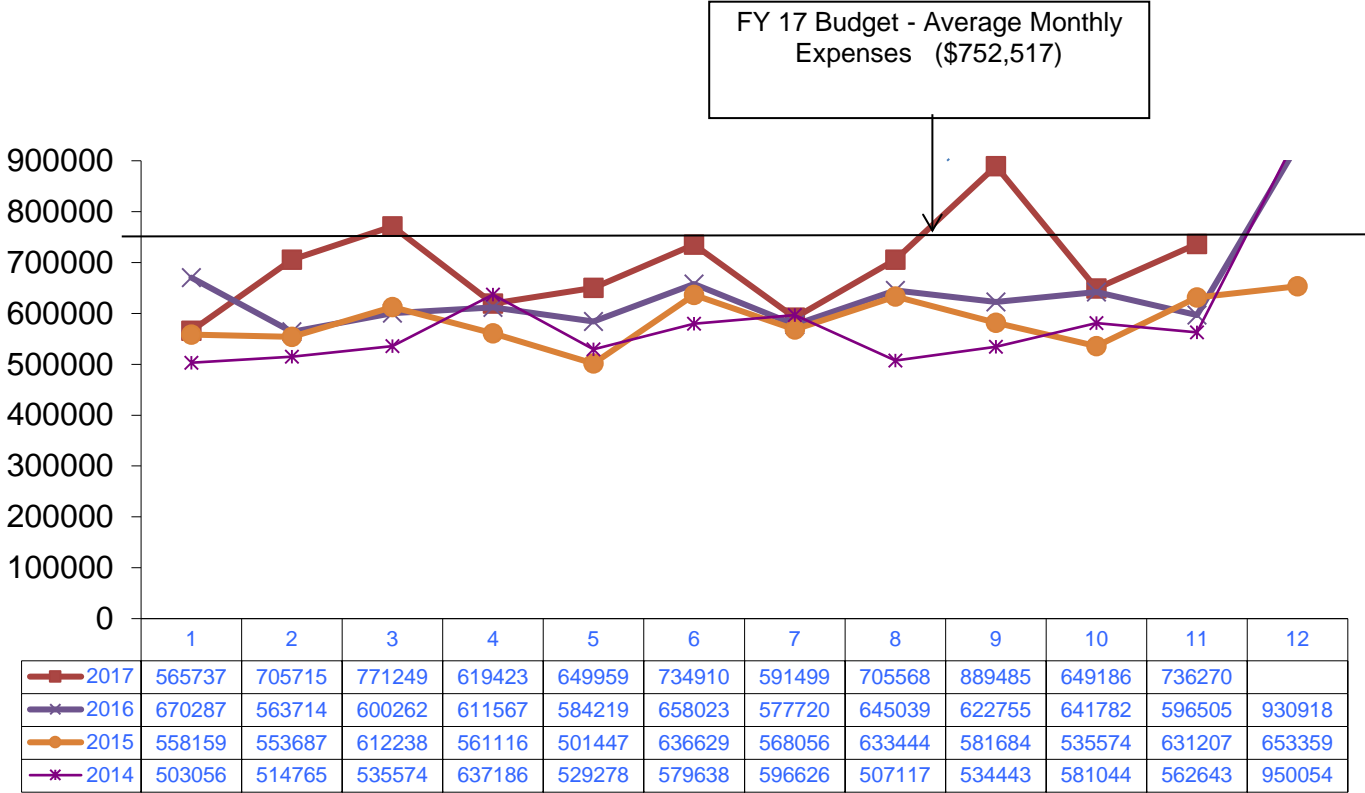
Annual Operating Revenue by Month

May 2017



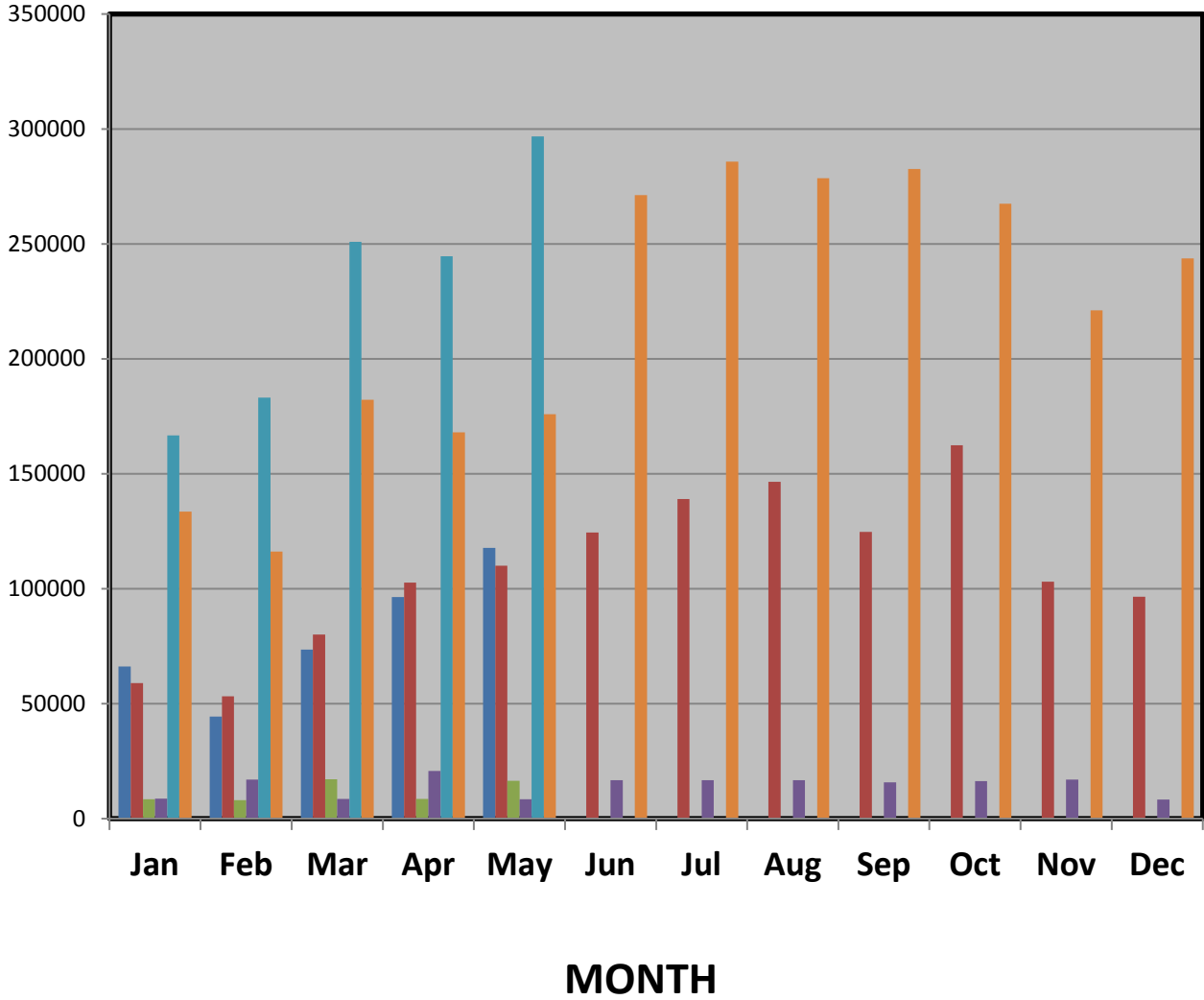
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month May 2017

Dollars



**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
May 2017**

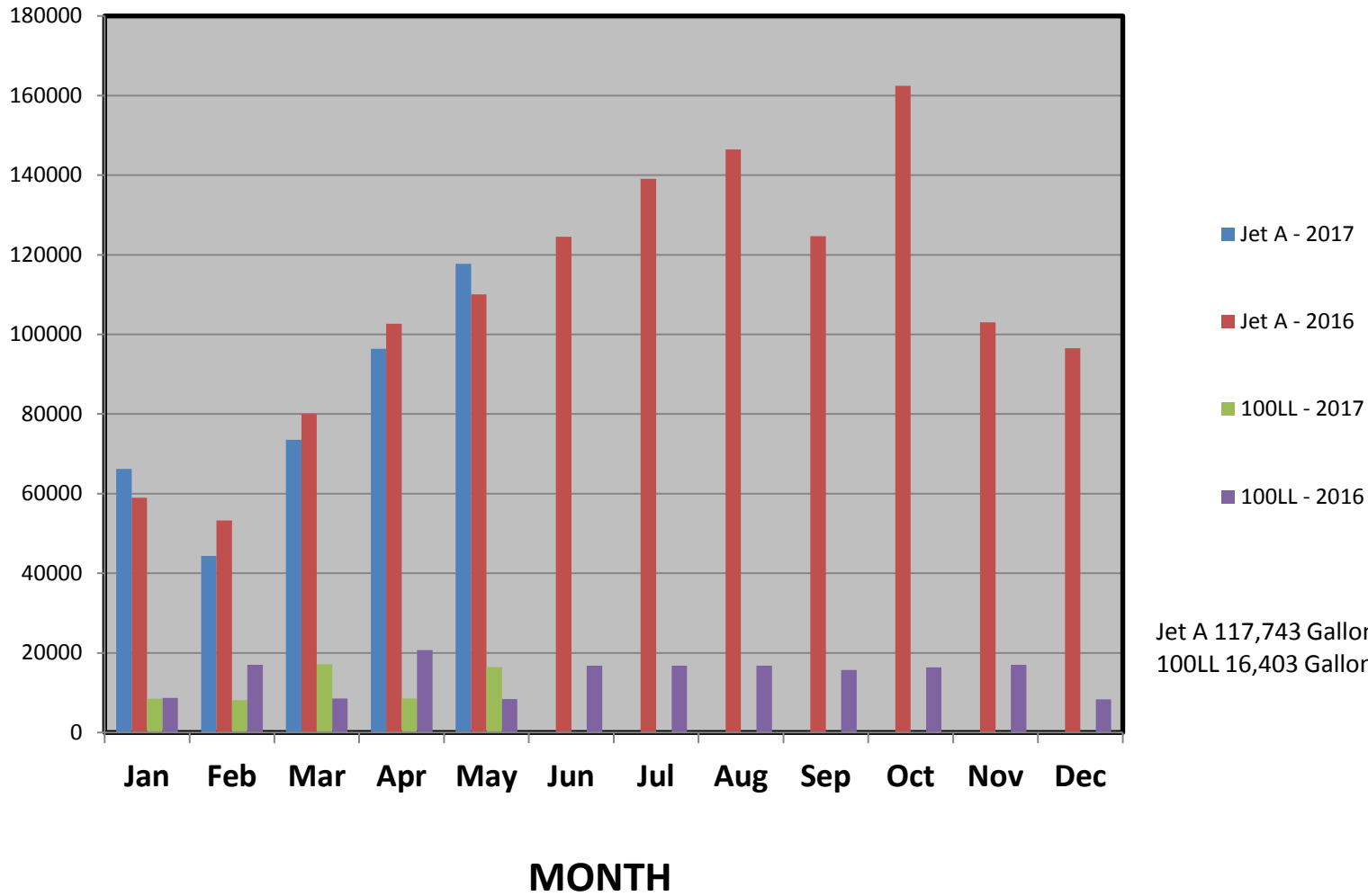
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Jet A 117,743 Gallons
100LL 16,403 Gallons
Airline 296,707 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
May 2017**

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Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 07/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 07/01/2017)	Start Date	End Date	Current Project Status (as of 07/01/2017)
1	Airfield Re-Development Project	Budget for the complete project				\$64,000,000.00	\$15,900,000.00		\$79,900,000.00	58.5%	\$46,748,726			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	83%	\$372,161	Dec-12	Jun-16	Project Management work primarily complete.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	95.0%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	60.6%	\$1,455,842	Dec-14	May-18	Phase IV Project Management underway.
1D	Airfield Re-Development Project	New Runway Design	AVCON	\$1,967,476.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	92.6%	\$1,821,764	Mar-13	May-18	Phase IV Project Management underway.
1E	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	(Overall total included in above number)		\$3,766,649	Jan-13	Dec-17	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Parking Garage Project	Design and EA for approximately 1300 spaces of covered parking garage.	Delta Airport Consultants	\$1,627,575.00	N/A	N/A	\$0.00	0.00%	\$1,627,575.00	85%	\$1,382,496	Oct-15	Nov-17	Construction service and RPR Management continues.
3	Expand Air Carrier Apron	Design additional apron space to hold RON Aircraft.	Delta Airport Consultants	\$99,000.00	N/A	N/A	\$0.00	0.00%	\$99,000.00	68.6%	\$67,910	Feb-17	Jun-17	Bid opening held June 29 with only 2 bids received. Will need to re-bid.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 07/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 07/01/2017)	Start Date	End Date	Current Project Status (as of 07/01/2017)
1	Permanent Runway 17-35 Site preparation and NAVAIDS	Demolition of old runway 16/34, site preparation and NAVAID placement.	RS&H and AVCON, Inc.	Amount included in Phase 3 Design Fees	GLF Construction Corporation	\$14,007,508.90	\$74,717.86	0.53%	\$14,707,884.40	87%	\$12,279,084	Apr-16	Jan-17	Phase of project substantially completed. No further reports on this phase will be provided.
2	Parking Garage	Construct a 5 level parking garage for passenger/public parking.	Delta Airport Consultants	\$1,627,575.00	American South General Contractors	\$20,244,000.00	\$173,041.75	0.85%	\$21,938,700.00	66.2%	\$13,531,740	Sep-16	Nov-17	Ground level work to dry soil and pour slab is underway, vehicle wash, conduit, piping and welding work continues on each floor. Speed ramp nearing completion.
3	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Cedar Peaks Enterprises Inc.	\$33,703,095.70	\$0.00	0.00%	\$34,703,095.70	7.7%	\$2,599,463	Mar-17	Jun-18	Elevation of South end earth fill continues, work on North end includes grading for new runway.

(Construction and Administrative Costs included)

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision