



## **AGENDA**

Greater Asheville Regional Airport Authority Regular Meeting  
Friday, September 8, 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: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority August 11, 2017 Regular Meeting Minutes ([document](#))
  - B. Approval of Amendment to the FY17/18 Budget ([document](#))
- V. OLD BUSINESS:
  - A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
- VI. NEW BUSINESS:
  - A. Amendment to Supplemental Fees and Charges Schedule ([document](#))
- VII. DIRECTOR'S REPORT:
  - A. Parking Garage Update



- B. Airfield Project Update
- C. Change Order No. 6 for Parking Garage

VIII. INFORMATION SECTION:

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

- A. July 2017 Traffic Report ([document](#))
- B. July 2017 Monthly Financial Report ([document](#))
- C. September 2017 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
  - None identified at this time

IX. PUBLIC AND TENANTS' COMMENTS

X. CALL FOR NEXT MEETING

XI. 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 Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

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.*

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

**AIRPORT ACTIVITY**

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
<b>Passenger Enplanements</b>	51,226	11.1%	254,291	14.5%
<b>Aircraft Operations</b>				
Commercial	1,926	8.1%	9,932	8.6%
Scheduled Flights	741	7.9%		
Flight Cancellations	6			
Seats	59,633	9.7%	319,897	16.1%
Load Factor	85.9%	1.3%	79.5%	(1.4%)
General Aviation	4,146	(1.1%)	23,497	(7.6%)
Military	500	24.1%	2,608	6.7%

**FINANCIAL RESULTS**

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
<b>Operating Revenues</b>	\$ 984,749	7.3%	\$ 984,749	7.3%
<b>Operating Expenses</b>	704,085	(2.6%)	704,085	(2.6%)
<b>Net Operating Revenues before Depreciation</b>	<u>\$ 280,664</u>	44.1%	<u>\$ 280,664</u>	44.1%
<b>Net Non-Operating Revenues</b>	<u>\$ 310,890</u>	(6.8%)	<u>\$ 310,890</u>	(6.8%)
<b>Grants:</b>				
FAA AIP Grants	\$ 86,019		\$ 86,019	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 86,019</u>		<u>\$ 86,019</u>	

**CASH**

Restricted	\$ 16,152,756
Designated for O&M Reserve	4,517,470
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	10,089,583
Total	<u>\$ 31,409,809</u>

**RECEIVABLES PAST DUE**

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	10,249	5,974	3,725	550
Allegiant	689	-	-	689
American	6,218	439	430	5,349
Budget	1,679	532	-	1,147
Delta	17,680	285	9,734	7,661
Enterprise	9,887	607	-	9,280
FAA/TSA	57,992	9,637	9,920	38,435
FAA	12,864	12,864	-	-
Hertz	14,251	14,251	-	-
Paradies	712	712	-	-
Signature	2,177	-	-	2,177
Skywest	294	-	-	294
United	17,254	17,104	-	150
Vanguard	2,797	1,186	-	1,611
Miscellaneous	3,901	574	680	2,647
Total	<u>\$ 158,644</u>	<u>\$ 64,165</u>	<u>\$ 24,489</u>	<u>\$ 69,990</u>
% of Total Receivables	<u>23.47%</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	4,295,000
	<u>\$ 21,000,000</u>	<u>\$ 20,045,000</u>

**CAPITAL EXPENDITURES**

Annual Budget	\$ 34,307,137
Year-to-Date Spending	\$ 1,158,822

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
August 11, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 11, 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:** Matthew C. Burril, Vice-Chair; Andrew T. Tate; William L. Moyer; Stephanie Pace Brown; and David Gantt

**MEMBERS ABSENT:** Robert C. Roberts, Chair; and K. Ray Bailey

**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; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Samuel Sales, Public Safety Captain; Ron Mundy, Maintenance Supervisor; David Nantz, Safety Manager; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Amira Trebincevic, Delta Airlines; Mike Darcangelo, Avcon; Nick Loder, RS&H; Kendra Petty, LAZ Parking; Janna Sullivan, LAZ Parking; Marc Lutwack, LAZ Parking; Tracy Montross, American Airlines; James Seadler, American Airlines; Eric Rysdon, RS&H

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

The Director requested a moment to recognize the following employees:

Ron Mundy was recognized for his upcoming retirement after 39 years of service with the Authority. The Board wished Mr. Mundy well.

David Nantz was recognized for successfully completing the requirements for public sector manager of environmental safety and health. This certification is earned through education in occupational safety, health and the environment. This program prepares managers to keep workplaces safe and healthy which improves employee protection and productivity.

Captain Samuel Sales was recognized for successfully completing the WNC Law Enforcement Leadership Academy. This six-month program of six sessions is a 100% leadership focus class for law enforcement officers.

**PRESENTATIONS:** Michael Reisman presented an overview of terminal building infrastructure needs that included the history of the original 25,000-square foot structure as well as the expansions over time culminating in a 115,000-square foot terminal building. Mr. Reisman spoke about the building capacity, the enplanement projections that were included in the 2012 Master Plan, and square footage requirements. The infrastructure deficiencies were reviewed with Mr. Reisman noting that the original 6" sewer main lacks needed volume capacity, the water system needs up-sizing and looping, and the roof has multiple leaks. Although not critical, the building aesthetics which date back to the 1950's era and have a combination of finishes, also needs updating. Mr. Reisman concluded his presentation with staff's recommendation to conduct a terminal assessment study. Staff would need to engage an outside consultant to identify infrastructure needs, update forecast and terminal building square footage needs, and identify exterior aesthetic upgrades. Funding options for a terminal assessment study were also discussed.

Mr. Burril inquired about the expected timeframe for this project. Mr. Reisman responded that staff would be prepared to put out a Request for Qualifications fairly quickly to select a consultant to conduct the terminal assessment study. Mr. Reisman was confident the study could be completed by the spring of 2018 for presentation to the Board.

Mr. Gantt questioned the cost for completion of a study. Mr. Reisman replied that staff anticipated an approximate fee of \$500,000 for the terminal needs assessment.

Mr. Moyer moved to allow staff to go forward with a Request for Qualifications for selection of a consultant to complete a terminal assessment study. Mr. Tate seconded the motion and it carried unanimously.

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

**CONSENT ITEMS:**

**A. Approval of the Greater Asheville Regional Airport Authority July 14, 2017 Regular Meeting Minutes Parts A and B:** Mr. Tate requested his name be included in the July 14, 2017 Regular Meeting Minutes Part B since he was present for that meeting.

**C. Approval of Amendment to the FY16/17 Budget:**

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, 2017:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Public Safety Department	_____	\$11,221
Totals	_____	\$11,221

This will result in a net increase of \$11,221 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$11,221
Totals	_____	\$11,221

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 11th day of August, 2017.

\_\_\_\_\_  
Matthew C. Burril, Vice-Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Moyer moved to approve Consent Item A, with the correction requested by Mr. Tate, and Consent Item C. Mr. Gantt seconded the motion and it carried unanimously.

**B. Approval of the Greater Asheville Regional Airport Authority July 14, 2017 Closed Session Minutes Parts A and B:** The minutes to the July 14, 2017 Closed Session, Parts A and B, were distributed and reviewed. Mr. Tate requested his name be included in the July 14, 2017 Closed Session Minutes Part B since he was present for that meeting.

Mr. Tate moved to approve the minutes for the July 14, 2017 Closed Session, Parts A and B, with the correction requested to Part B, and to seal and withhold the minutes for the July 14, 2017 Closed Session, Parts A and B, from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport:** The Director reminded the Board that a schedule of airline rates, fees and charges ordinance was adopted by the Board at the December 2016 meeting. At that time, the Board requested that staff and the airlines try to negotiate an alternative rate method acceptable to all the airlines operating at the airport. The Director advised the Board that after months of negotiations, a model has been developed that is fair and reasonable. The Director highlighted the components of the rate model and recommended that the new rate model be adopted as an amendment to the current ordinance rather than be included in an operating agreement. The Director stated that the Authority's ordinance process requires a 10-day period for public comments, and a public hearing be held at the next Board meeting before final approval. Staff intends to make the new rates effective retroactive to July 1, 2017.

Mr. Burril invited Amira Trebincevic to address the Board. Ms. Trebincevic thanked the Board and staff for promoting discussions and going back to the table to negotiate. Ms. Trebincevic requested that the Board consider a long-term agreement rather than modifying the ordinance. Ms. Trebincevic felt a long-term agreement benefits all and stated that the airlines have a planned rate structure by which year over year financial planning can be accomplished and the airport has a commitment from the airlines to serve the community. Ms. Trebincevic stated that an agreement also promotes discussion for things to come as well as things needing change.

Mr. Tate questioned why an agreement process is more positive or lenient towards forecasting as opposed to the current ordinance model. Ms. Trebincevic responded that both set a rate structure but the difference with an agreement is that for the next three years there is a planning process for an airline doing five-year forecasting since this is the model that can be used to base the terms of the agreement. It can change through an amendment, but for forecasting everyone has an agreed to framework for a set amount of time. With an ordinance, there is no set amount of time planned for or no set forecast that can be agreed to. Ms. Trebincevic stated that the majority of airports use an agreement.

Mr. Burril affirmed that what Ms. Trebincevic believes is that the flexibility the airport has with an ordinance does not fit into the airlines' business planning model. Ms. Trebincevic stated that this was correct.

Mr. Burril asked if a new agreement were in place and there were changes to be made, would the agreement need to be cancelled and a new agreement put in place. Ms. Trebincevic responded that it could be or it could just be an amendment process. An agreement gets everyone back to the table whereas an ordinance does not allow for that. With an ordinance, if there is a problem the only option for airlines is to go to the FAA, and there's a dispute process which is costly and laborious.

The Director stated that Ms. Trebincevic made some good points, discussions were held, and if all four airlines were in favor of an agreement, that would be the route staff could take. The three legacy airlines would like to see an agreement, however, Allegiant was not in favor of an agreement. The Director referenced an e-mail sent by Daniel Meier, Manager of Airports for Allegiant Air.

Ms. Brown questioned why Allegiant was objecting to there being an agreement rather than an ordinance if they were in agreement with the rates. The Director stated that they were not in agreement with the rates but were accepting them to compromise. Ms. Brown inquired if there was an expectation that the rates will be changed under the ordinance model after everyone agreed on the rates. The Director stated that he couldn't speak for Allegiant and did not know why they were accepting of the rates as long as they were by ordinance. The Director further stated that the airport cannot arbitrarily just change the rates by ordinance as there is a process put in place by the FAA. Ms. Brown stated that she did not see the logic of Allegiant objecting to an agreement vs. an ordinance if the outcome were the same. The Director stated that when there's an agreement as there has been in the past, and there are non-signatory as well as signatory carriers, there are premium payments that the three legacy carriers were forced to pay a year and a half ago because there was an agreement. With a rate model by ordinance there is no differentiating between signatory and non-signatory.

Mr. Tate questioned what the vehicle was in terms of stability and forecasting and the ability to discuss or negotiate this in the future under the current ordinance model. The Director responded that staff budgets each year and receives forecasts from the airlines of passengers, operations, and now baggage, which are then incorporated into the draft budget. Staff also meets with the airlines prior to the draft budget to review where things are headed with the budget. With the ordinance process, as staff prepares the annual budget, a new amended rate ordinance will also go to the Board for approval. There is then the two-meeting process that includes a public hearing before final approval by the Board. As far as stability, the Director stated that for the last eight years, the airlines have been operating under a 60-day agreement and there is no stability with such an



agreement. The Director further stated that the industry has changed and long-term commitments are rare. The larger hub airports are the ones that typically have long-term agreements because the airlines are putting millions of dollars into the facilities. Rates are also set so that the airport does not profit from the airlines. The airport takes the risk with rates by ordinance, so if the rates are not set high enough, the airport absorbs that. FAA standards do not allow for the airport to do any type of reconciliation at the end of the year under an ordinance structure. Going to an agreement, the airport could shift some of that risk to the airlines. From the standpoint of stability, when the airport takes the risk, the airlines have the benefit of more predictability in that they know what their rates will be. Rates by ordinance is a streamlined process, if it needs to be changed it goes through the ordinance process where there is a public hearing and the public can voice their concerns.

There was some discussion on possibly postponing action on this item until the next meeting when Mr. Roberts and Mr. Bailey would be in attendance. Mr. Moyer stated that there has been a long period of negotiations, everything was on the table, and progress made. Mr. Moyer was concerned that the negotiations could collapse.

Mr. Tate moved to approve the proposed Amendment to Ordinance No. 201601, the Airlines Rates Fees and Charges Ordinance, by: (A) deleting the existing Section 8 – Schedule of Rates, Fees and Charges, and inserting in its place the following: “The Authority’s 2017-2018 Schedule of Rates, Fees and Charges Effective July 1, 2017 is Attached Hereto and Incorporated Herein by Reference as Exhibit A.”, and by (B) Deleting the Existing Exhibit A, and Inserting in its Place the Proposed 2017-2018 Schedule of Rates, Fees and Charges; (2) to Schedule a Public Hearing and Accept Public Comment on the Proposed Amendment to the Airline Rates Fees and Charges Ordinance; and (3) to Thereafter Consider the Amendment for Final Adoption, all in Accordance with the Greater Asheville Regional Airport Authority’s Policy and Procedure for the Adoption of Ordinances. Mr. Moyer seconded the motion and it carried unanimously.

Mr. Tate remarked that the public hearing would offer an opportunity for anyone to speak and would encourage Allegiant or anyone who has an issue with the matter to be in attendance.

**B. Approval of Airline Operating and Space Use Agreement:** The Director briefed the Board on the background of implementation of rates by ordinance which the Board approved in December of 2016. Since the airline rates and fees are now governed by ordinance, an Operating and Space Use Agreement is necessary to manage the terms and conditions for airlines operating at the airport. The Director advised the Board that one item in the agreement concerning baggage delivery fines most likely will be withdrawn from the agreement. The Director further remarked that the airlines are

reviewing the new operating agreement, but staff does not expect any major changes to be requested.

Mr. Moyer moved to approve the proposed new airline operating and space use agreement pending no major changes from the airlines; and to authorize the Executive Director to execute the necessary documents. Mr. Gantt seconded the motion and it carried unanimously.

**C. Approval of the Award of Contract to LAZ Parking Georgia, LLC for the Management and Operation of Public Parking Facilities at Asheville Regional Airport:**

The Director reported that with the new parking garage due to be completed in November, staff felt it was an appropriate time to terminate the existing contract with the current public parking facilities operator early and re-bid the services. A Request for Proposal was issued on June 9, 2017 and six proposals were received on July 14, 2017. The top two proposers were invited for in-person presentations and interviews on August 3, 2017. The Director reviewed the top three proposers ranked by staff and identified LAZ Parking Georgia, LLC. (LAZ) as the top proposer. With approval from the Board, the Director will negotiate and execute the final contract with LAZ. The Director further noted that staff will work with SP+, the current operator, to continue the shuttle operations for both the public and employees until the garage is opened and the remote parking lots are transitioned back on airport. Compensation and terms of the proposals were also briefly reviewed. The Director remarked that during due diligence, staff contacted a few references for LAZ and received high praise from all. Also during due diligence, staff was made aware of two other issues with the parent company of LAZ. The Director briefed the Board on the issues and advised the Board that representatives from LAZ were available if the Board had any questions they would like answered.

Mr. Gantt asked the representatives from LAZ to address how they would keep similar situations from happening in Asheville. Ms. Kendra Petty of LAZ stated that parking was a heavy cash business, but that LAZ is a proponent of technology and encourages all clients to move forward with technology. Ms. Petty gave explanations for the situations that the Board was made aware of. Ms. Petty further reviewed the direction that LAZ has taken which included operational excellence and audit team and stated that each region has an auditor. Airports are audited each year and the results are shared with the airports. LAZ has also developed LAZ University which offers hundreds of training courses for various positions in the company including auditing, financial and cash handling procedures, separation of duties, etc. Although LAZ is not publicly traded, LAZ has implemented some of the checks and balances of Sarbanes-Oxley. Ms. Petty also spoke of the support that is given to airports by their airport division as well as their regional teams with regard to operations, auditing, and cash handling procedures.

Mr. Gantt questioned if any other institutions pulled service after the situation in Massachusetts. Mr. Mark Lutwack of LAZ was introduced and he stated that LAZ continued the operations with the organization in Massachusetts for more than a year after the situation unfolded, but then the contract was terminated for convenience when the organization re-structured the arrangement. LAZ did bid on the new arrangement but did not prevail. To Mr. Lutwack's knowledge there have not been any other municipalities or private enterprises that have removed LAZ due to this issue. Mr. Lutwack also felt it was important to note that the arrangement in Massachusetts was unique in that the revenues did not pass through the LAZ system. The method of payment, the mode of operation was all dictated by the organization in Massachusetts. Although LAZ was ultimately responsible and had an obligation, this was a very unusual situation.

Mr. Gantt inquired what the airport would need to do for the parking operation in Asheville to insure there was not a similar situation. The Director stated that the Authority has just purchased a \$300,000 revenue system that is being installed, so there are controls in place that protect the operator as well as the Authority. If LAZ were to find any deficiencies in the new equipment, it would be their obligation to inform the Authority.

Mr. Tate moved to approve the award for Management and Operation of Public Parking Facilities at Asheville Regional Airport to LAZ Parking Georgia, LLC contingent on a successful negotiation of the agreement; authorize staff to negotiate with the alternate proposers if negotiations for a final contract with LAZ are unsuccessful; and authorize the Executive Director to execute all necessary documents. Mr. Moyer 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. Aircraft Apron Expansion:** The Director informed the Board that the two bids that were received for the apron expansion project came in higher than anticipated so the project has been put on hold. Staff may try to bid this project again in the spring or incorporate with a larger project in the future.

**B. Pilot Shortage Articles:** The Director advised the Board that there were two magazine articles regarding pilot shortages at their seats for their information.

**C. Statistics:** The Director was pleased to note that there were 23 days in 2016 with over 1000 cars in the parking lot. As of July 31<sup>st</sup>, there were 48 days with over 1000 cars. The Director further stated that with the increase in enplanements, Asheville has once again been put in the small hub category by the FAA based on 2016 enplanements.

D. **Solar Eclipse**: A solar eclipse viewing will be held for employees on August 21<sup>st</sup> and the Board was invited to attend.

**INFORMATION SECTION**: No comments

**PUBLIC AND TENANTS COMMENTS**: Ms. Amira Trebincevic requested a moment of the Board's time to state that the legacy airlines were unaware that Allegiant was opposed to an agreement for rates and charges. Ms. Trebincevic stated that there were a lot of compromises by all the airlines in many aspects of the new rate model and briefed the Board on those concessions. Ms. Trebincevic also spoke about the planning that an agreement would enable vs. an ordinance structure that could change in a year. Ms. Trebincevic referenced the October 2016 Authority Board meeting minutes and stated that it was her understanding that the intent in going to an ordinance was to avoid the 25% penalty for non-signatory airlines, and that it was a temporary nature to see if all parties could come to an agreement.

Mr. Burril thanked Ms. Trebincevic for the information and stated that the Board was appreciative of all the airlines.

**CALL FOR NEXT MEETING**: The next regular meeting of the Authority Board will be held on September 8, 2017.

**CLOSED SESSION**: None

**ADJOURNMENT**: Mr. Moyer moved to adjourn the meeting at 10:22 a.m. Mr. Tate seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

Matthew C. Burril  
Vice-Chair



## MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: September 8, 2017

### ITEM DESCRIPTION – Consent Item B

Approval of Amendment to the FY17/18 Budget

### BACKGROUND

Given that our FY17/18 budget was prepared using estimates available in February, 2017, we need to amend our FY17/18 budget to update some of those estimates.

The FY17/18 budget included an estimated amount of capital carry-over for projects not expected to be completed by June 30, 2017. Now that we have determined the actual spending on these projects for FY16/17, we need a budget amendment to increase the authorized capital carry-over and the related revenues by \$10,308,193 to the actual amounts needed for FY17/18. This includes increasing the capital carry-over for the Airfield Redevelopment-Bid Package 1 project by \$427,965, the Airfield Redevelopment-Bid Package 3 project by \$823,566, and the Airfield Redevelopment-Bid Package 4 project by \$1,700,468. It also includes increasing the capital carry-over for parking garage construction by \$6,265,380 and the garage design and construction services by \$218,132. Some costs associated with the aircraft apron design carried over into this fiscal year, so we need to carryover \$27,833. We also need to carryover a total of \$844,849 for three projects, the accounting system, FIDS network upgrade and the public-address system, all of which will be completed this year.

Budgeted AIP Discretionary Funds will be increased by \$1,700,468, and budgeted Transfer from Authority Cash and Investments will be increased by \$8,607,725.

Also, we budgeted annual salary adjustments in the Administration Department. At the beginning of the fiscal year, we determined the actual amounts of these salary



adjustments, by employee, and need to amend the FY17/18 budget to account for these adjustments in the appropriate departments.

The FY16/17 budget included cash forfeiture funds which are restricted for use by the Public Safety department. The unexpended balance of these funds at the end of FY16/17 was \$36,033 which should be added to the FY17/18 Public Safety budget.

We recommend that the Airport Authority Board amend the FY17/18 budget as outlined below.

## **ISSUES**

None.

## **ALTERNATIVES**

None.

## **FISCAL IMPACT**

The budget amendment will increase both FY17/18 budgeted revenues and expenditures by \$10,344,226 to provide for the changes outlined above. The net increase in Transfers from GARAA Cash is \$8,643,758.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to amend the FY17/18 budget by adopting the following budget ordinance amendment:

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, 2018:

Section 1. To amend the appropriations as follows:



**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Administrative Department	\$145,875	
Development Department		\$10,885
Executive Department		19,924
Finance Department		\$10,725
Guest Services Department		\$4,389
Information Technology Department		\$11,390
Marketing Department		\$6,259
Operations Department		\$44,682
Public Safety Department		\$73,654
Carry-over Capital Expenditures		\$10,308,193
<b>Totals</b>	<b>\$145,875</b>	<b>\$10,490,101</b>

This will result in a net increase of \$10,344,226 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP		\$1,700,468
Discretionary Funds		
Transfer from GARAA Cash		\$8,643,758
<b>Totals</b>	<b>\$10,344,226</b>	<b>\$10,344,226</b>

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 8th day of September, 2017.

\_\_\_\_\_  
 Robert C. Roberts, Chair

Attested by:

\_\_\_\_\_  
 Ellen Heywood, Clerk to the Board



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: September 8, 2017

### **ITEM DESCRIPTION – Old Business Item A**

Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601 for Airline Rates, Fees and Charges for the Asheville Regional Airport

### **BACKGROUND**

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport Ordinance was presented to the Authority Board at the Board meeting held on August 11, 2017. The rate, fees and charges document has remained available for public inspection and comment since August 11, 2017. Other than the airlines' request for rates to be incorporated in the use agreement, no comments have been received to date.

### **ISSUES**

A Public Hearing is required in accordance with the Greater Asheville Regional Airport Authority Policy and Procedure for the Adoption of Ordinances.

### **ALTERNATIVES**

None recommended.

### **FISCAL IMPACT**

None. The amended rates are based on the current year's fiscal budget which has already been approved by the Board. Rates by ordinance also eliminates any pricing differential between signatory and non-signatory carriers.

Old Business - Item A





## **RECOMMENDED ACTION**

It is respectfully requested that following the Public Hearing on the Authority's Amended Ordinance 201601 for Airline Rates, Fees and Charges for the Asheville Regional Airport that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Amended Ordinance 201601 to Implement the Amended Schedule of Airline Rates, Fees and Charges For The Asheville Regional Airport.

Enclosure

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601

**AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES  
FOR THE ASHEVILLE REGIONAL AIRPORT.**

**IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:**

**Section 1. CITATION.**

1.1 This Ordinance may be cited as the "**Airline Rates, Fees & Charges Ordinance**".

**Section 2: FINDINGS.**

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . . "*

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: *"[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof."*

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: *"[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property."*

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

### **Section 3. PURPOSE AND SCOPE**

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

### **Section 4. EFFECTIVE DATE**

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

### **Section 5. DEFINITIONS**

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just

or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

## **Section 6. RATE MAKING METHODOLOGY**

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

### **6.4 Terminal Building Operating Requirement.**

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

### **6.5 Airfield Area Operating Requirement.**

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage

areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4. [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 Joint Use Space. Airline's share of the Total Terminal Building Rentals for Joint Use Space will be determined as follows: (1) sixty-five percent (65%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) thirty-five percent (35%) of the total rentals due shall be prorated among the Airlines using Joint Use Space based upon Airline's share of aircraft departures.

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the Director.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

## **Section 7. RENTALS, FEES AND CHARGES**

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline's revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

## **Section 8. SCHEDULE OF RATES, FEES AND CHARGES**

8.1 The Authority's 2017-2018 Fiscal Year Schedule of Rates, Fees and Charges effective July 1, 2017 is attached hereto and incorporated herein by reference as Exhibit A.

## **Section 9. PAYMENT OF RENTALS, FEES AND CHARGES**

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1<sup>st</sup>) day of each calendar month.



9.2 On or before the fifteenth (15<sup>th</sup>) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15<sup>th</sup>) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority's invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15<sup>th</sup>) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

## **Section 10. PENALTIES AND ENFORCEMENT**

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision in accordance with Section 10.6 through 10.7 below.

10.6 The Executive Director shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the Executive Director review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the Executive Director shall be in writing and shall be hand delivered to the Office of the Executive Director and must be signed for by an employee of the Authority, or shall be mailed to the Executive Director by certified mail, return receipt requested.

10.8.2 A request to the Executive Director must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the Executive Director to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the Executive Director shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the Executive Director's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

**Section 11. SEVERABILITY**

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

**Section 12. AMENDMENT.**

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. \_\_\_ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the \_\_\_ day of \_\_\_\_\_, 2017, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Robert C. Roberts, Chair

**ATTEST:**

\_\_\_\_\_  
Ellen M. Heywood, Clerk to the Board

**SUMMARY TABLE****RESULTS****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2017	2018
<u>Signatory Airline Rates &amp; Charges:</u>		
Terminal Building Rental Rate (per s.f.)	\$43.08	\$44.61
Passenger-Related Security Fee (per EP)	\$0.75	\$0.72
Landing Fee (per 1,000-lbs)	\$1.65	\$1.69
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.55	\$0.56
Baggage Make-Up & Claim Fee (per bag)	\$1.09	\$1.12
Baggage Make-Up & Claim Fee (per airline)	\$11,819	\$12,238
Gate Area Charge per (enplaned pax)	\$1.65	\$1.67
Gate Area Fee (per airline)	\$30,191	\$31,262
Loading Bridge Fee (per depart.)	\$9.66	\$9.91
Turn Fees <sup>1</sup>		
Per Turn Fee for Exempt Carriers (0-70 seats)	\$292.00	\$297.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$347.00	\$354.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$389.00	\$396.00
Average AVL CPE	\$6.44	\$6.61

<sup>1</sup> Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives,

Source: Airport management records

Compiled by Trillion Aviation, July 2017

**Table 1****AVIATION ACTIVITY****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2017	2018
<u>Enplaned Passengers:</u>		
Allegiant	127,720	144,938
American <sup>1</sup>	100,155	98,575
Delta	144,026	137,241
United	43,972	44,364
Total	415,873	425,118
<u>Estimated Checked Bags:</u>		
Allegiant	47,256	53,627
American <sup>1</sup>	72,112	70,974
Delta	94,613	90,579
United	31,660	31,942
Total	245,641	247,122
<u>Departures:</u>		
Allegiant	845	987
American <sup>1</sup>	2,285	2,175
Delta	2,301	2,300
United	1,026	1,024
Total	6,457	6,486
<u>Landed Weight (1,000-lb units):</u>		
Allegiant	148,235	145,059
American <sup>1</sup>	97,181	103,761
Delta	174,179	177,231
United	51,411	46,450
Total	471,006	472,501

Note: Amounts may not add due to rounding.

<sup>1</sup> Includes US Airways activity prior to the merger of the carriers into American Airlines Group.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

**Table 2**

<b>TERMINAL SPACE (s.f.)</b>		<b>GARAA</b>	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2017	2018
<u>Preferential Space:</u> <sup>1</sup>			
Allegiant		173	1,153
American		2,146	2,102
Delta		2,609	2,609
United		1,300	1,593
Total Preferential Space	[A]	6,228	7,457
<u>Joint Use Space:</u>			
Baggage Make-Up		3,192	3,192
Baggage Claim		4,124	4,124
Gates 1-3 Holdroom		8,517	8,517
Gates 4-7 Holdroom		6,751	6,751
Gates 4-7 Secure Enplanement Corridor		3,421	3,421
Total Joint Use Space	[B]	26,005	26,005
Total Airline Rented	[C=A+B]	32,233	33,462
<u>Other Rentable:</u>			
Ticket Counter (unassigned)		103	103
Queue (unassigned)		193	193
Vacant Airline Preferential Space		4,572	3,343
Concession Space		13,553	13,553
FAA Tower & Related Office Space		4,374	4,374
TSA Offices & Breakroom		2,418	2,418
TSA Passenger Security Screening		2,210	2,210
TSA Offices Adjacent to Passenger Screening		396	396
Total	[D]	27,819	26,590
Total Rentable Space	[E=C+D]	60,052	60,052
Public and Other Areas	[F]	47,797	47,797
Total Terminal Space	[G=E+F]	107,849	107,849

Note: Amounts may not add due to rounding.

<sup>1</sup> Includes ticket counter, queue, and office space.

Source: Airport management records  
 Compiled by Trillion Aviation, July 2017

**Table 3**

**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY** **GARAA**  
(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Depreciation:</u> <sup>1</sup>			
Gross Depreciation		\$4,684,011	\$4,700,000
Less: Grant & PFC Amortization		(3,215,285)	(3,200,000)
Net Depreciation	[A]	\$1,468,726	\$1,500,000
<u>By Cost Center (%):</u>			
Airfield Area	[B]	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%
Other Area	[F]	7.0%	7.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$205,622	\$210,000
Terminal Building	[A*C]	440,618	450,000
Parking, Roadway, and Ground Trans.	[A*D]	484,680	495,000
General Aviation Area	[A*E]	234,996	240,000
Other Area	[A*F]	102,811	105,000
Net Depreciation	[A]	\$1,468,726	\$1,500,000
<u>Amortization:</u>			
Gross Amortization		\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581

**Table 3**

**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY** **GARAA**  
(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>By Cost Center (%):</u>			
Airfield Area	[H]	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%
Other Area	[L]	0.0%	0.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[G*H]	\$79,581	\$79,581
Terminal Building	[G*I]	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0
General Aviation Area	[G*K]	0	0
Other Area	[G*L]	0	0
Net Amortization	[G]	\$79,581	\$79,581
<u>Capital Outlay:</u>			
Capital Outlay	[M]	\$100,000	\$100,000
<u>By Cost Center (%):</u>			
Airfield Area	[N]	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%
<u>By Cost Center:</u>			
Airfield Area	[M*N]	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

<sup>1</sup> Depreciation is based on the prior year's actual depreciation

Source: Airport management records  
Compiled by Trillion Aviation, July 2017



**Table 4**

<b>OPERATION AND MAINTENANCE EXPENSES</b>		<b>GARAA</b>	
(Fiscal Years Ending June 30)			

		Budget	Budget
		2017	2018
<u>By Category:</u>			
Personnel Services		\$5,038,181	\$5,283,529
Professional Services		356,700	368,950
Utilities		463,735	520,817
Promotional Activities		265,890	349,290
Maintenance and Repairs		260,450	251,800
Contracted Services		833,329	884,424
Insurance Expense		236,500	252,700
Materials and Supplies		458,561	452,760
Other Expenses		475,053	503,870
Total O&M Expenses	[A]	<u>\$8,388,399</u>	<u>\$8,868,140</u>
<u>By Cost Center (%):</u>			
Airfield Area	[B]	26.3%	26.3%
Terminal Building	[C]	47.7%	47.7%
Parking, Roadway, and Ground Trans.	[D]	12.4%	12.4%
General Aviation Area	[E]	9.7%	9.7%
Other Area	[F]	3.9%	3.9%
Total		<u>100.0%</u>	<u>100.0%</u>
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$2,203,386	\$2,329,399
Terminal Building	[A*C]	4,004,668	4,233,699
Parking, Roadway, and Ground Trans.	[A*D]	1,041,377	1,100,934
General Aviation Area	[A*E]	811,965	858,402
Other Area	[A*F]	327,004	345,705
Total O&M Expenses	[A]	<u>\$8,388,399</u>	<u>\$8,868,140</u>

Note: Amounts may not add due to rounding.

Source: Airport management records  
 Compiled by Trillion Aviation, July 2017

**Table 5****LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

**GARAA**

		Budget	Budget
		2017	2018
<u>Airfield Requirement:</u>			
O&M Expenses		\$2,203,386	\$2,329,399
Less: Deicing Chemicals		(68,000)	(68,000)
O&M Reserve Requirement		67,247	63,007
Net Depreciation		205,622	210,000
Net Amortization		79,581	79,581
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$2,537,835	\$2,663,987
<u>Landing Fee Credits:</u>			
Non-Airline Revenue	[B]	\$80,000	\$77,000
Other	[C]	0	0
Total Credits	[D=B+C]	\$80,000	\$77,000
Net Landing Fee Requirement	[E=A-D]	\$2,457,835	\$2,586,987
Airline Landed Weight	[F]	471,006	472,501
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$5.22	\$5.48
Revenue Share Credit	[H]	\$1,680,847	\$1,789,390
Adjusted Airline Net Requirement	[I=E-H]	\$776,988	\$797,598
Airline Landing Fee	[J=I/F]	\$1.65	\$1.69
Airline Landing Fee Revenue	[K=F*J]	\$776,988	\$797,598

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

**Table 6**

**TERMINAL RENTAL RATE AND REVENUE** **GARAA**  
(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Terminal Requirement:</u>			
O&M Expenses		\$4,004,668	\$4,233,699
O&M Reserve Requirement		104,226	114,515
Net Depreciation		440,618	450,000
Net Amortization		0	0
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$4,599,512	\$4,848,214
<u>Terminal Credits:</u>			
Passenger-Related Security Charges		\$313,327	\$305,873
AirIT Landside Expenses		16,463	16,463
Loading Bridge Fees		62,378	64,249
Total Terminal Credits	[B]	\$392,167	\$386,585
Net Requirement	[C=A-B]	\$4,207,344	\$4,461,629
Rentable Space (s.f.)	[D]	60,052	60,052
Terminal Rental Rate	[E=C/D]	\$70.06	\$74.30
Airline Rented Space (s.f.)	[F]	32,233	33,462
Airline Requirement	[G=E*F]	\$2,258,298	\$2,486,096
Revenue Share Credit	[H]	\$869,755	\$993,487
Adjusted Airline Requirement	[I=G-H]	\$1,388,543	\$1,492,609
Airline Rented Space (s.f.)	[F]	32,233	33,462
Adjusted Airline Terminal Rate	[J=I/F]	\$43.08	\$44.61
Airline Terminal Rentals	[K=F*J]	\$1,388,543	\$1,492,609

Note: Amounts may not add due to rounding.

Source: Airport management records  
Compiled by Trillion Aviation, July 2017

**Table 6A****LOADING BRIDGE FEE AND REVENUE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Loading Bridge Requirement:</u>			
Operating Expenses		\$62,378	\$64,249
Capital Outlay		0	0
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$62,378	\$64,249
Total Departures	[B]	6,457	6,486
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.66	\$9.91
Total Loading Bridge Revenue	[D=B*C]	\$62,378	\$64,249

Note: Amounts may not add due to rounding.

Source: Airport management records  
 Compiled by Trillion Aviation, July 2017

**Table 6B****JOINT USE CHARGES****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
Adjusted Signatory Airline Terminal Rate	[A]	\$43.08	\$44.61
<u>Joint Use Space (s.f.):</u>			
Baggage Make-Up	[B1]	3,192	3,192
Baggage Claim	[B2]	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421
Joint Use Space		26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$315,161	\$326,338
Gate Areas Requirement	[E=A*(C1+C2+C3)]	805,090	833,643
Total Joint Use Requirement	[G=D+E+F]	\$1,120,251	\$1,159,981
<u>Baggage Make-Up &amp; Claim:</u>			
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]	\$267,887	\$277,387
Checked Bags	[I]	245,641	247,122
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$1.09	\$1.12
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$47,274	\$48,951
Number of Airlines	[L]	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$11,819	\$12,238
<u>Gate Area:</u>			
Gate Area Requirement (85%)	[N=E*85%]	\$684,327	\$708,597
Enplaned Passengers	[O]	415,873	425,118
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.65	\$1.67
Gate Area Requirement (15%)	[Q=E*15%]	\$120,764	\$125,046
Number of Airlines	[L]	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$30,191	\$31,262
Total Joint Use Revenue	[G]	\$1,120,251	\$1,159,981

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

**Table 6C**

<b>TICKET COUNTER &amp; QUEUE FEES (UNASSIGNED)</b>		<b>GARAA</b>	
<b>(Fiscal Years Ending June 30)</b>			
		Budget	Budget
		2017	2018
Adjusted Signatory Airline Terminal Rate	[A]	\$43.08	\$44.61
<u>Ticket Counter and Queue Space (s.f.):</u>			
Ticket Counter		1,755	1,755
Queue Space		3,181	3,181
Ticket Counter and Queue Space	[B]	4,936	4,936
Ticket Counter and Queue Space Requirement	[C=A*B]	\$212,634	\$220,176
AirIT Landside Expenses	[D]	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$229,097	\$236,639
Enplaned Passengers	[F]	415,873	425,118
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.55	\$0.56
Enplaned Passenger Use	[H]	127,720	144,938
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$70,359	\$80,679

Note: Amounts may not add due to rounding.

Source: Airport management records  
 Compiled by Trillion Aviation, July 2017

**Table 7****PASSENGER-RELATED SECURITY CHARGE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
Personnel-Related Security Cost	[A]	\$1,102,750	\$1,102,750
<u>Officer Deployment Hours:</u>			
Total Hours (12 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,169	2,169
Holiday (11 Holidays)		(132)	(132)
Vacation (12 Days)		(144)	(144)
Training (8 hrs per month per officer)		(96)	(96)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(108)	(108)
Available Hours/Officer	[B]	1,689	1,689
Number of Officers	[C]	14	14
Total Available Hours	[D=B*C]	23,648	23,648
Less: Admin Hours Total	[E]	(2,016)	(2,016)
Total Officer Deployment Hours	[F=D-E]	21,632	21,632
Personnel-Related Security Cost per Hour	[G=A/F]	\$50.98	\$50.98
<u>Passenger-Related Security Charge:</u>			
Terminal Airlines (18 hrs/day Security Checkpoint)		\$334,924	\$334,924
Less: TSA Reimbursement		(116,800)	(127,631)
Net Personnel-Related Costs	[H]	\$218,124	\$207,293
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	2,210
Terminal Rental Rate	[J]	\$43.08	\$44.61
Security Checkpoint Space Costs	[K=I*J]	\$95,203	\$98,579
Passenger-Related Security Charges	[L=H+K]	\$313,327	\$305,873
Enplaned Passengers	[M]	415,873	425,118
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.75	\$0.72
Passenger-Related Security Charges	[O=M*N]	\$313,327	\$305,873

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

**Table 8****COST PER ENPLANED PASSENGER****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Airline Revenue:</u>			
Terminal Rentals		\$1,388,543	\$1,492,609
Loading Bridge Fees		62,378	64,249
Landing Fees		776,988	797,598
Unassigned Ticket Counter Charges		70,359	80,679
Passenger Related Security Charges		313,327	305,873
Deicing Chemicals		68,000	68,000
Total	[A]	\$2,679,594	\$2,809,007
Enplaned Passengers	[B]	415,873	425,118
Cost Per Enplaned Passenger	[C=A/B]	\$6.44	\$6.61

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017



**Table 9****PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Per Turn Requirement:</u>			
Joint Use Cost <sup>1</sup>		\$1,120,251	\$1,159,981
Loading Bridge Cost		62,378	64,249
Unassigned Ticket Counter Cost		229,097	236,639
Passenger Related Security Charge Cost		313,327	305,873
Deicing Chemicals Cost		68,000	68,000
<b>Total</b>	<b>[A]</b>	<b>\$1,793,053</b>	<b>\$1,834,742</b>
<b>Total Departures</b>	<b>[B]</b>	<b>6,457</b>	<b>6,486</b>
<b>Average Per Turn Cost</b>	<b>[C=A/B]</b>	<b>\$277.69</b>	<b>\$282.88</b>
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$292.00	\$297.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$347.00	\$354.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$389.00	\$396.00

Note: Amounts may not add due to rounding.

<sup>1</sup> Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, July 2017



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## MEMORANDUM

TO: Members of the Airport Authority

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

DATE: September 8, 2017

### ITEM DESCRIPTION – New Business Item A

Amendment to Supplemental Fees and Charges Schedule

### BACKGROUND

Each year as part of the budget approval process, The Authority Board approves and adopts supplemental fees and charges. Parking rates are part of this approval process. Staff is seeking approval for an amendment to the budget to raise the parking rates in conjunction with the opening of the parking garage slated for November 2017. Other than the temporary rate increase in the short-term lot last fall, parking rates have not increased since January 2012. As part of the selection process for the new parking management firm, staff requested an analysis from each company, that submitted a proposal, on what their recommendation for parking rates should be. After reviewing this data along with comparisons of other airports in the region, staff is recommending the following increases to parking rates.

### ISSUES

As required by bonds covenants, debt coverage must be maintained at a minimum of 125%. To maintain this ratio, and collect enough revenue to support the garage debt and maintenance of the parking infrastructure, an increase of the parking rates is recommended.

### ALTERNATIVES

The alternative is to either not implement a parking rate increase, or do something different than staff's recommendation.

New Business – Item A



## **FISCAL IMPACT**

It is anticipated that overall parking revenue will increase by approximately \$1.3 million, which will be offset by debt service and maintenance reserves.

## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the amendment of the Supplemental Fees and Charges by raising the parking rates as described in the attached analysis; and (2) authorize the Executive Director to implement the necessary changes.

Attachment

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
SUPPLEMENTAL FEES AND CHARGES  
FY 2017/2018 ANNUAL BUDGET**

	FY 2017/2018 Current Fees			FY 2017/2018 Proposed Fees		
	Cost		Per	Cost		Per
<b><u>Maintenance</u></b>						
Scissor Lift	\$	100.00	day	\$	100.00	day
Large ADA Ramp Rental	\$	100.00	use	\$	100.00	use
Air Stair Rental	\$	100.00	use	\$	100.00	use
Volvo Wheel Loader	\$	150.00	use	\$	150.00	use
Fork-lift	\$	100.00	use	\$	100.00	use
Pallet Jack	\$	50.00	use	\$	50.00	use
Tenant Sweeper	\$	125.00	hour	\$	125.00	hour
Service Truck	\$	50.00	hour	\$	50.00	hour
Backhoe	\$	100.00	hour	\$	100.00	hour
Lighted X	\$	200.00	day	\$	200.00	day
Light Tower	\$	150.00	day	\$	150.00	day
Paint Stripper	\$	100.00	hour	\$	100.00	hour
Large Aircraft Removal Dolly	\$	200.00	day	\$	200.00	day
Small Aircraft Removal Dolly	\$	100.00	day	\$	100.00	day
Aircraft Jack	\$	100.00	use	\$	100.00	use
Cores	\$	40.00	each	\$	40.00	each
Keys	\$	12.00	each	\$	12.00	each
Large Dump Truck	\$	200.00	hour	\$	200.00	hour
Small Broom	\$	200.00	hour	\$	200.00	hour
Large Broom	\$	300.00	hour	\$	300.00	hour
Pressure Washer	\$	125.00	hour	\$	125.00	hour
Maintenance Labor Rate (1)	\$	45.00	hour	\$	45.00	hour
Security Escort Rate (1)	\$	45.00	hour	\$	45.00	hour
<b><u>Department of Public Safety</u></b>						
ARFF Apparatus for 1500 gal. or greater	\$	250.00	hour	\$	250.00	hour
ARFF Apparatus for less than 1500 gal.	\$	150.00	hour	\$	150.00	hour
Command, Police, and Ops support vehicles	\$	100.00	hour	\$	100.00	hour
Aircraft recover dolly	\$	150.00	day	\$	150.00	day
Maintenance Labor Rate (1)	\$	45.00	hour	\$	45.00	hour
Mutual Aid Agencies collected on their behalf			as incurred			as incurred
Replacement charges for AVL equipment/supplies			as incurred			as incurred
<b><u>Information Technology (IT) Department</u></b>						
IT Labor Rate - Non-Network (1)	\$	40.00	hour	\$	40.00	hour
IT Labor Rate - Network Related (1)	\$	60.00	hour	\$	60.00	hour
Cable Television (CATV) Signal Transport Fee	\$	10.00	month	\$	10.00	month
Cable Television-150+ Channels (2 & 3)	\$	45.00	month	\$	45.00	month
Dark Fiber per strand per 0-1000 ft	\$	20.00	month	\$	20.00	month
Dark Fiber per strand per 0-2000 ft	\$	22.00	month	\$	22.00	month
Dark Fiber per strand per 0-3000 ft	\$	24.00	month	\$	24.00	month
WiFi & SSID (required for WiFi Access) (2)	\$	70.00	month	\$	70.00	month
Internet Bandwidth-Not Dedicated (2 MB) (2)	\$	50.00	month	\$	50.00	month
Internet Bandwidth-Not Dedicated (5 MB) (2)	\$	70.00	month	\$	70.00	month
Internet Bandwidth-Not Dedicated (10 MB) (2)	\$	125.00	month	\$	125.00	month
Internet Bandwidth-Not Dedicated (15 MB) (2)	\$	170.00	month	\$	170.00	month
Internet Bandwidth-Not Dedicated (20 MB) (2)	\$	200.00	month	\$	200.00	month
Telephone Service - Per Telephone Number	\$	50.00	month	\$	50.00	month
Fax Service - Per Fax Machine/Phone Number	\$	22.13	month	\$	22.13	month
Cisco IP Phone - Model 7911G	\$	5.67	month	\$	5.67	month
Cisco IP Phone - Model 7945G	\$	11.57	month	\$	11.57	month
Cisco 1 Port Analog Line Converter-ATA186	\$	4.86	month	\$	4.86	month
Cisco 2 Port Analog Line Converter-VG202	\$	22.13	month	\$	22.13	month
AirIT Shared Use Network Charge - Per Airline	\$	50.00	month	\$	50.00	month

**Notes:**

- (1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.
- (2) Add \$120 for 2 hours of IT Labor for Setup & Configuration. Fees may be reduced when bundled with other services.
- (3) Add additional upgrades at cost.

<b>Identification Badge Fees and Charges</b>	<b>FY 2017/2018 Current Fees</b>		<b>FY 2017/2018 Proposed Fees</b>	
	<b>Cost</b>	<b>Per</b>	<b>Cost</b>	<b>Per</b>
Initial Badge Issuance				
SIDA Badge	\$ 70.00		\$ 70.00	
Non-SIDA Badge	\$ 37.00		\$ 37.00	
Renewal of Badge				
SIDA Badge	\$ 70.00		\$ 70.00	
Non-SIDA Badge	\$ 37.00		\$ 37.00	
Lost Badge Replacement				
SIDA Badge (4)	\$ 85.00 / \$ 100.00		\$ 85.00 / \$ 100.00	
Non-SIDA Badge (5)	\$ 60.00 / \$ 75.00		\$ 60.00 / \$ 75.00	
Damaged Badge				
SIDA Badge (6)	\$ 37.00 / \$ 45.00		\$ 37.00 / \$ 45.00	
Non-SIDA Badge (6)	\$ 37.00 / \$ 45.00		\$ 37.00 / \$ 45.00	
Security Escort Training	\$ 25.00		\$ 25.00	
Lock-out Service (7)	\$ 25.00		\$ 25.00	

**Notes:**

- (4) \$85.00 for the first replacement badge, \$100.00 for the second replacement badge.  
(5) \$60.00 for the first replacement badge, \$75.00 for the second replacement badge.  
(6) \$37.00 for a damaged badge, \$45.00 if badge damaged due to negligence.  
(7) \$25.00 Lock-out Service Charge applies after the first 2 free service calls.

**Parking**

Long term	\$ 1.50	0 - 1 hour		
	\$ 1.50	each add'l hour		
	\$ 8.00	day		
	\$ 48.00	week		
<b>Long term - Surface Lot</b>			<b>\$ 2.00</b>	<b>hour</b>
			<b>\$ 9.00</b>	<b>day</b>
			<b>\$ 54.00</b>	<b>week</b>
<b>Parking Garage</b>			<b>\$ 2.00</b>	<b>hour</b>
			<b>\$ 13.00</b>	<b>day</b>
			<b>\$ 78.00</b>	<b>week</b>
Short term	\$ 1.00	1/2 hour (4 hr max)	\$ 1.00	1/2 hour
	\$ 25.00	day	\$ 20.00	day
Employee Parking Rate	\$ 60 / \$50	new/renewal	\$ 60 / \$50	new/renewal
Commuter Parking Rate	\$ 290 / \$275	new/renewal	\$ 290 / \$275	new/renewal
Fines	up to \$1,000	day	up to \$1,000	day

**Ground Transportation (9)**

Airport Ground Transportation Permit (8)	\$ 300	annual	\$ 300	annual
Transportation Network Company Permit	\$ 7,500	annual	\$ 7,500	annual
Off-Airport Rental Car Fee	7.50%	of gross revenue	7.50%	of gross revenue

**Notes:**

- (8) Flat fee of \$4,000 for companies with a vehicle fleet inclusive of a minimum of 5 charter coach vehicles with seating capacity greater than 20 seats.  
(9) **Anticipate ground transportation rate adjustments upon conversion of existing rental car surface lot to ground transportation lot.**



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## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Lew Bleiweis, A.A.E., Executive Director  
DATE: September 8, 2017

### **ITEM DESCRIPTION – Information Section Item A**

July, 2017 Traffic Report – Asheville Regional Airport

### **SUMMARY**

July, 2017 overall passenger traffic numbers were up 11.6% compared to the same period last year. Passenger traffic numbers reflect an 11.1% increase in passenger enplanements from July, 2016.

### **AIRLINE PERFORMANCE**

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in July 2017 were up by 1.8%. There were no flight cancellations for the month.

American Airlines: American's July 2017 passenger enplanements represent an 8.2% increase over the same period last year. There were four (4) flight cancellations for the month.

Delta Airlines: Delta's July 2017 enplanements increased by 4.9% compared to July 2016. There were no flight cancellations for the month.

United Airlines: In July 2017, United Airlines saw an increase in enplanements by 54.3% over the same period last year. There were two (2) flight cancellations for the month.

# Monthly Traffic Report

## Asheville Regional Airport

### July 2017



Category	Jul 2017	Jul 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change	*MOV12-2017	*MOV12-2016	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	51,226	46,092	11.1%	254,291	221,994	14.5%	446,903	391,373	14.2%
Deplaned	<u>49,772</u>	<u>44,369</u>	12.2%	<u>254,209</u>	<u>220,106</u>	15.5%	<u>446,145</u>	<u>388,859</u>	14.7%
<b>Total</b>	<b>100,998</b>	<b>90,461</b>	<b>11.6%</b>	<b>508,500</b>	<b>442,100</b>	<b>15.0%</b>	<b>893,048</b>	<b>780,232</b>	<b>14.5%</b>
<b>Aircraft Operations</b>									
Airlines	799	677	18.0%	4,378	3,490	25.4%	7,418	6,362	16.6%
Commuter /Air Taxi	<u>1,127</u>	<u>1,104</u>	2.1%	5,554	5,657	-1.8%	9,741	10,135	-3.9%
<b>Subtotal</b>	<u>1,926</u>	<u>1,781</u>	8.1%	<u>9,932</u>	<u>9,147</u>	8.6%	<u>17,159</u>	<u>16,497</u>	4.0%
General Aviation	4,146	4,193	-1.1%	23,497	25,417	-7.6%	41,469	44,355	-6.5%
Military	<u>500</u>	<u>403</u>	24.1%	<u>2,608</u>	<u>2,445</u>	6.7%	<u>4,377</u>	<u>4,604</u>	-4.9%
<b>Subtotal</b>	<u>4,646</u>	<u>4,596</u>	1.1%	<u>26,105</u>	<u>27,862</u>	-6.3%	<u>45,846</u>	<u>48,959</u>	-6.4%
<b>Total</b>	<b>6,572</b>	<b>6,377</b>	<b>3.1%</b>	<b>36,037</b>	<b>37,009</b>	<b>-2.6%</b>	<b>63,005</b>	<b>65,456</b>	<b>-3.7%</b>
<b>Fuel Gallons</b>									
100LL	21,745	16,762	29.7%	88,402	96,946	-8.8%	162,616	172,648	-5.8%
Jet A (GA)	183,463	139,053	31.9%	735,865	668,553	10.1%	1,369,124	1,173,164	16.7%
<b>Subtotal</b>	<u>205,208</u>	<u>155,815</u>	31.7%	<u>824,267</u>	<u>765,499</u>	7.7%	<u>1,531,740</u>	<u>1,345,812</u>	13.8%
Jet A (A/L)	<u>357,775</u>	<u>285,798</u>	25.2%	<u>1,872,673</u>	<u>1,332,948</u>	40.5%	<u>3,166,223</u>	<u>2,632,199</u>	20.3%
<b>Total</b>	<b>562,983</b>	<b>441,613</b>	<b>27.5%</b>	<b>2,696,940</b>	<b>2,098,447</b>	<b>28.5%</b>	<b>4,697,963</b>	<b>3,978,011</b>	<b>18.1%</b>

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

Monday, August 21, 2017

# Airline Enplanements, Seats, and Load Factors

## Asheville Regional Airport

July 2017



	Jul 2017	Jul 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change
<b>Allegiant Air</b>						
Enplanements	17,315	17,017	1.8%	78,733	67,930	15.9%
Seats	18,566	20,366	-8.8%	91,142	79,871	14.1%
Load Factor	93.3%	83.6%	11.6%	86.4%	85.0%	1.6%
<b>American Airlines</b>						
Enplanements	10,449	9,660	8.2%	55,292	52,822	4.7%
Seats	13,792	11,362	21.4%	76,755	70,282	9.2%
Load Factor	75.8%	85.0%	-10.9%	72.0%	75.2%	-4.2%
<b>Delta Air Lines</b>						
Enplanements	14,387	13,719	4.9%	77,798	79,619	-2.3%
Seats	16,517	16,474	0.3%	98,784	100,629	-1.8%
Load Factor	87.1%	83.3%	4.6%	78.8%	79.1%	-0.5%
<b>Elite Airways</b>						
Enplanements	286	0	#Div/0!	527	0	#Div/0!
Seats	450	0	#Div/0!	1,000	0	#Div/0!
Load Factor	63.6%	#Num!	#Type!	52.7%	#Num!	#Type!
<b>United Airlines</b>						
Enplanements	8,789	5,696	54.3%	41,941	21,623	94.0%
Seats	10,308	6,150	67.6%	52,216	24,698	111.4%
Load Factor	85.3%	92.6%	-7.9%	80.3%	87.5%	-8.3%
<b>Totals</b>						
Enplanements	51,226	46,092	11.1%	254,291	221,994	14.5%
Seats	59,633	54,352	9.7%	319,897	275,480	16.1%
Load Factor	85.9%	84.8%	1.3%	79.5%	80.6%	-1.4%

Monday, August 21, 2017

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

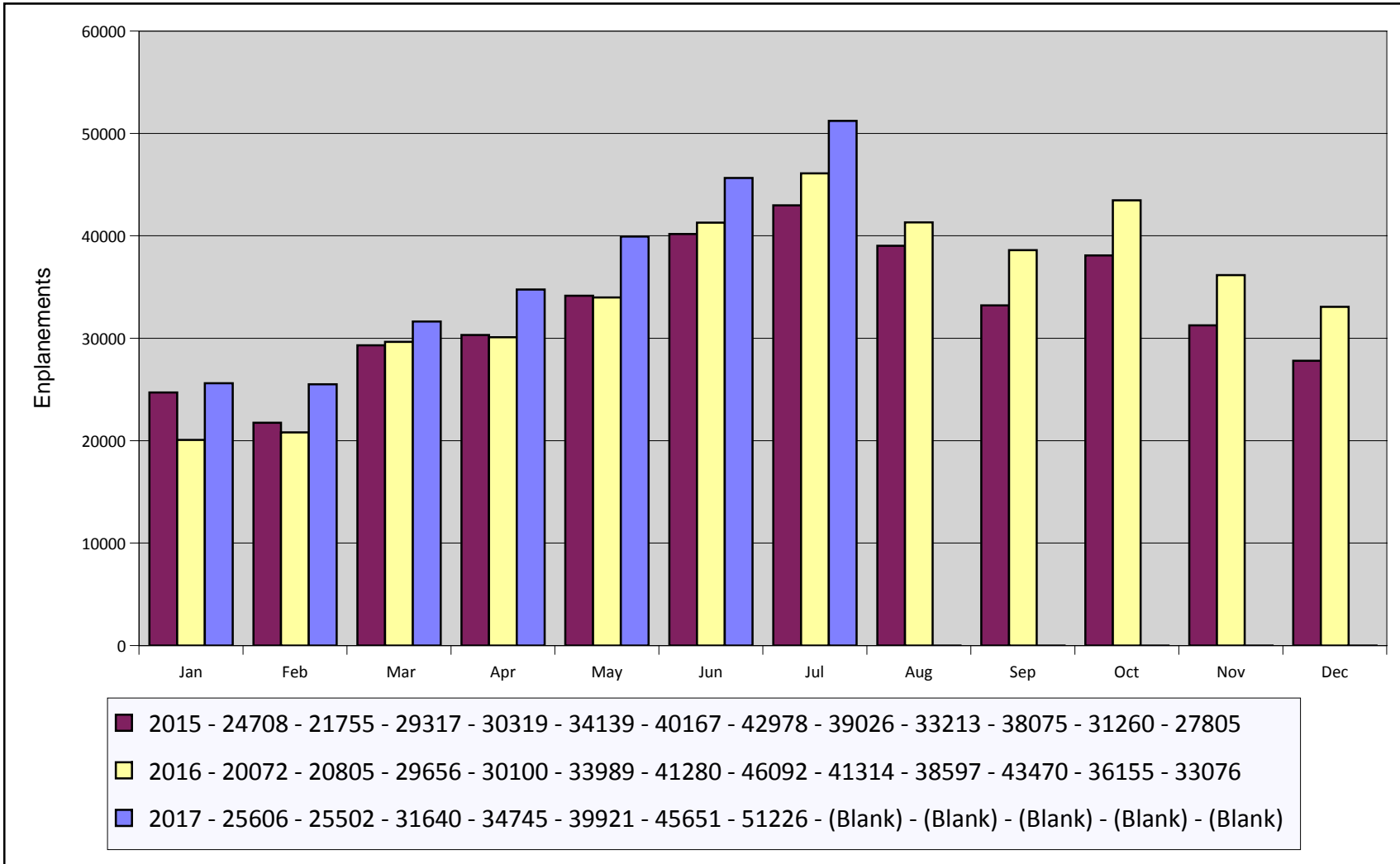


# Airline Flight Completions Asheville Regional Airport July 2017

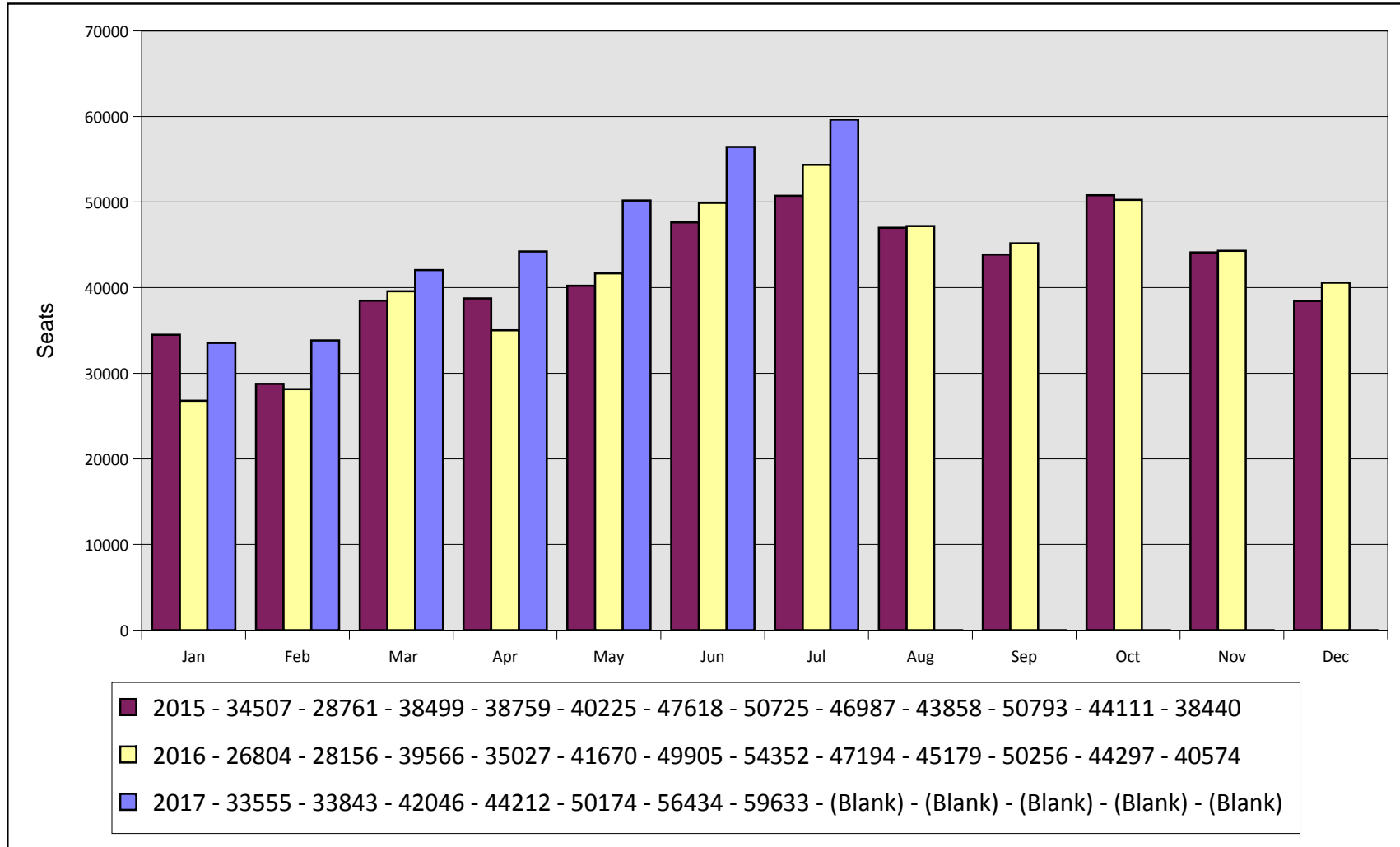


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	121	0	0	0	0	0	100.0%
American Airlines	236	0	3	1	0	4	98.3%
Delta Air Lines	226	0	0	0	0	0	100.0%
Elite Airways	9	0	0	0	0	0	100.0%
United Airlines	149	0	2	0	0	2	98.7%
<b>Total</b>	<b>741</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>99.2%</b>

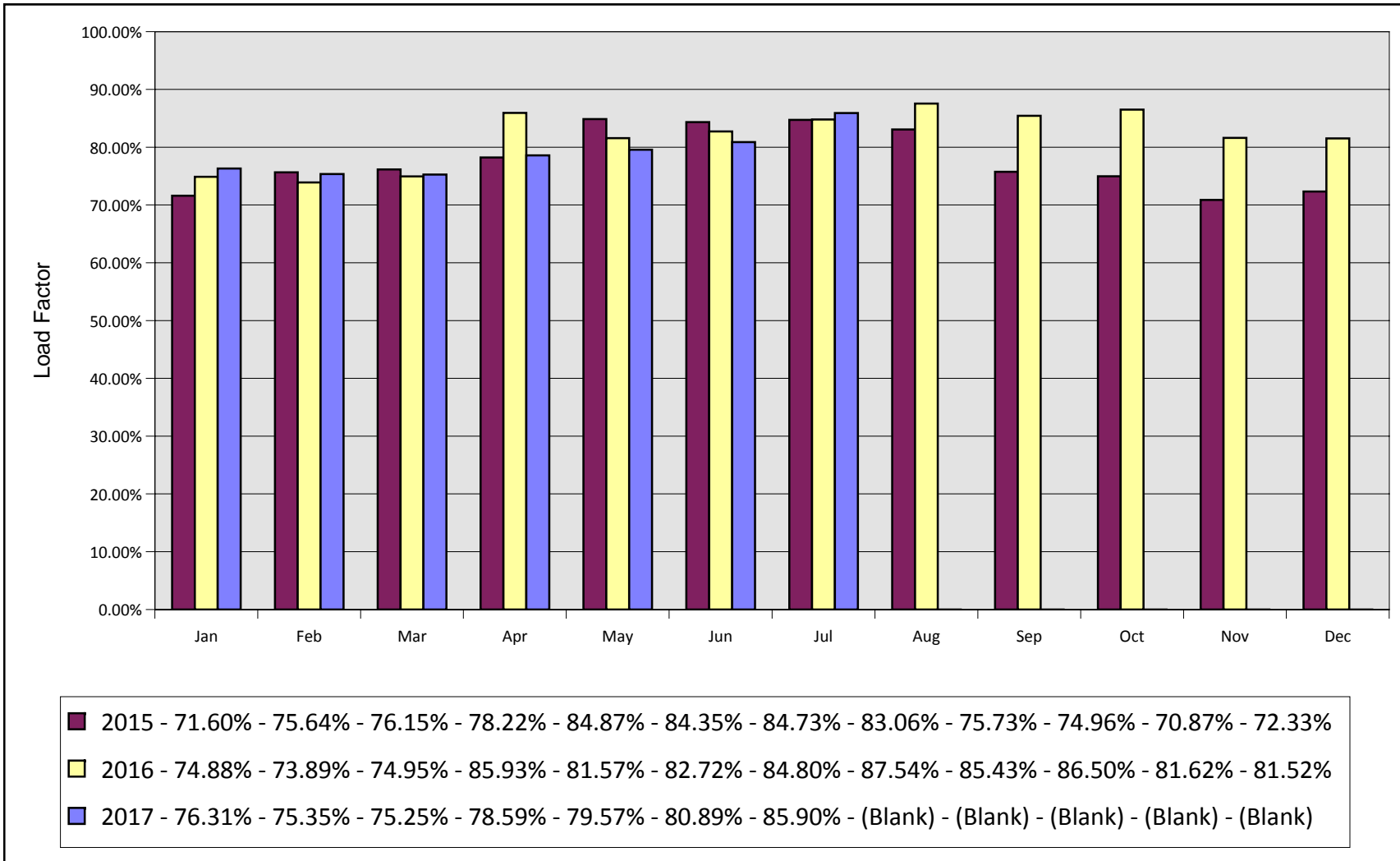
# Monthly Enplanements By Year Asheville Regional Airport



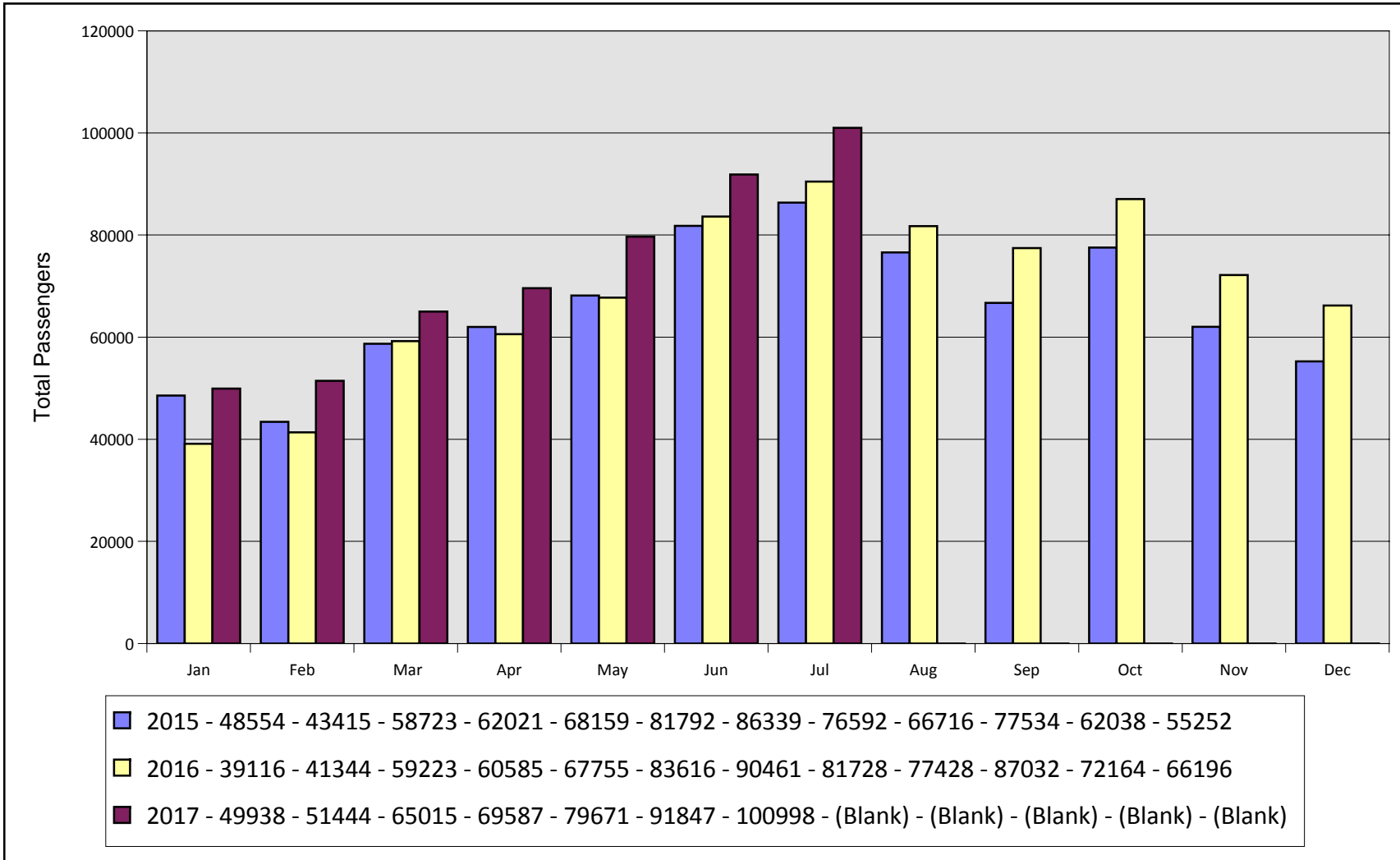
# Monthly Seats By Year Asheville Regional Airport



# Monthly Load Factors By Year Asheville Regional Airport

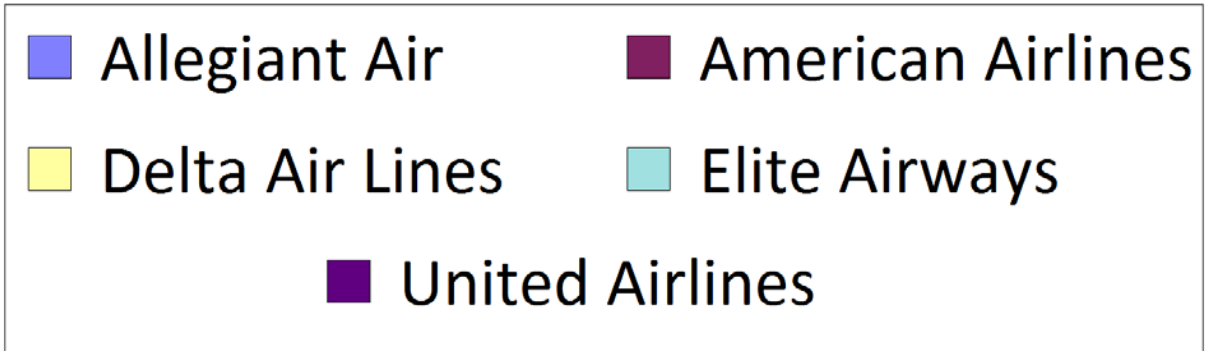
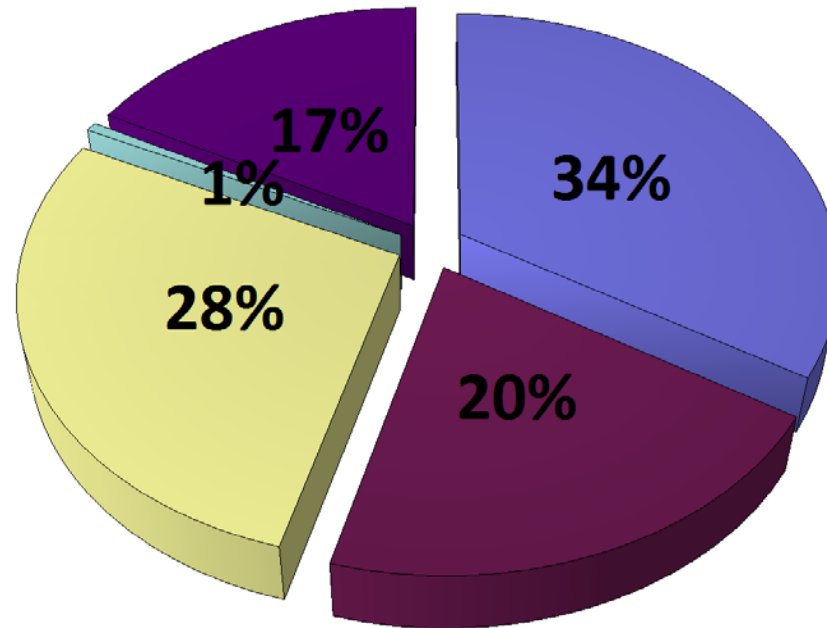


# Total Monthly Passengers By Year Asheville Regional Airport



# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From July 2017 Through July 2017



Travel Period			Sep 2017		Sep 2016		Diff		Percent Diff	
Mkt Al	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	53	3,271	48	3,336	5	(65)	10.4%	(1.9%)
DL	AVL	ATL	52	3,221	48	3,336	4	(115)	8.3%	(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			333	23,566	284	21,132	49	2,434	17.3%	11.5%

Travel Period			Oct 2017		Oct 2016		Diff		Percent Diff	
Mkt Al	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	53	3,118	46	2,888	7	230	15.2%	8.0%
AA	CLT	AVL	53	3,118	46	2,888	7	230	15.2%	8.0%
DL	ATL	AVL	53	3,396	48	3,720	5	(324)	10.4%	(8.7%)
DL	AVL	ATL	53	3,396	48	3,720	5	(324)	10.4%	(8.7%)
G4	AVL	BWI	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	EWR	2	332	0	0	2	332		
G4	AVL	FLL	8	1,361	6	1,018	2	343	33.3%	33.7%
G4	AVL	PGD	5	852	4	697	1	155	25.0%	22.2%
G4	AVL	PIE	7	1,206	6	1,029	1	177	16.7%	17.2%
G4	AVL	SFB	6	996	4	664	2	332	50.0%	50.0%
G4	BWI	AVL	2	332	2	332	0	0	0.0%	0.0%
G4	EWR	AVL	2	332	0	0	2	332		
G4	FLL	AVL	8	1,361	6	1,018	2	343	33.3%	33.7%
G4	PGD	AVL	5	852	4	697	1	155	25.0%	22.2%
G4	PIE	AVL	7	1,206	6	1,029	1	177	16.7%	17.2%
G4	SFB	AVL	6	996	4	664	2	332	50.0%	50.0%
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			346	27,826	296	23,896	50	3,930	16.9%	16.4%

Travel Period			Nov 2017		Nov 2016		Diff		Percent Diff	
Mkt Al	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	52	2,900	46	2,691	6	209	13.0%	7.8%
AA	CLT	AVL	52	2,900	46	2,691	6	209	13.0%	7.8%
DL	ATL	AVL	52	3,346	46	3,742	6	(396)	13.0%	(10.6%)
DL	AVL	ATL	52	3,346	46	3,682	6	(336)	13.0%	(9.1%)
G4	AVL	BWI	1	177	1	166	0	11	0.0%	6.6%
G4	AVL	EWR	2	354	3	498	(1)	(144)	(33.3%)	(28.9%)
G4	AVL	FLL	7	1,239	7	1,173	0	66	0.0%	5.6%
G4	AVL	PGD	2	354	3	498	(1)	(144)	(33.3%)	(28.9%)
G4	AVL	PIE	4	708	4	675	0	33	0.0%	4.9%
G4	AVL	SFB	4	708	3	498	1	210	33.3%	42.2%
G4	BWI	AVL	1	177	1	166	0	11	0.0%	6.6%
G4	EWR	AVL	2	354	3	498	(1)	(144)	(33.3%)	(28.9%)
G4	FLL	AVL	7	1,239	7	1,173	0	66	0.0%	5.6%
G4	PGD	AVL	2	354	3	498	(1)	(144)	(33.3%)	(28.9%)
G4	PIE	AVL	4	708	4	675	0	33	0.0%	4.9%
G4	SFB	AVL	4	708	3	498	1	210	33.3%	42.2%
UA	AVL	EWR	7	836	7	350	0	486	0.0%	138.9%
UA	AVL	ORD	28	1,400	11	550	17	850	154.5%	154.5%
UA	EWR	AVL	7	836	7	350	0	486	0.0%	138.9%
UA	ORD	AVL	28	1,400	11	550	17	850	154.5%	154.5%
TOTAL			318	24,044	262	21,622	56	2,422	21.4%	11.2%



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## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Janet Burnette, Director of Finance & Accounting  
DATE: September 8, 2017

### ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances  
Month of July 2017 (Month 1 of FY2018)

### SUMMARY

Operating Revenues for the month of July were \$984,749, 7.27% over budget. Operating Expenses for the month were \$704,085, 2.64% under budget. As a result, Net Operating Revenues before Depreciation were \$280,664, 44.06% over budget. Net Non-Operating Revenues were \$310,890, 6.76% under budget.

### REVENUES

Significant variations to budget for July were:

Concessions	\$18,516	49.21%	Enplanements and advertising revenue over budget
Auto Parking	\$58,513	21.57%	Enplanements over budget

### EXPENSES

Significant variations to budget for July were:

Utility Services	(\$12,052)	(30.69%)	Electricity and natural gas use remain low
Operating Supplies	(\$16,025)	(45.75%)	Timing of supply purchases

Information Section – Item B





## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$4,553k mainly due to Airfield Redevelopment project, parking garage construction and bond payment.

Grants Receivable – Grants Receivable increased by \$86k due to Airfield Redevelopment project.

Prepaid Expenses – Prepaid Expenses increased by \$183k due to accrual of annual property and liability insurance costs.

Construction in Progress – Construction in Progress increased by \$2,410k mainly due to the Airfield Redevelopment project and the parking garage.

Property and Equipment, Net – Property and Equipment, Net increased by \$630k due to capitalization of assets.

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

<b><u>Institution:</u></b>	<b><u>Interest Rate</u></b>	<b><u>Investment Amount</u></b>	<b><u>Monthly Interest</u></b>
Bank of America - Operating Account	0.20%	\$ 5,797,024	1,516
First Citizens - Money Market Account	0.05%	6,393,452	272
NC Capital Management Trust - Cash Portfolio		17,298	12
NC Capital Management Trust - Term Portfolio		3,049,079	2,882
Petty Cash		200	
 <b><u>Restricted Cash:</u></b>			
BNY Mellon		8,742,371	(279)
Bank of America - PFC Revenue Account	0.20%	7,268,496	1,212
		141,889	
<b>Total</b>		<b><u>\$ 31,409,809</u></b>	<b><u>\$ 5,615</u></b>

**Investment Diversification:**

Banks	90%
NC Capital Management Trust	10%
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 July 31, 2017**

	<b>Current Month</b>	<b>Prior Period</b>
<b>Cash and Investments Beginning of Period</b>	<u>\$ 35,963,020</u>	<u>\$ 36,916,508</u>
Net Income/(Loss) Before Capital Contributions	202,609	(259,715)
Depreciation	388,945	391,221
Decrease/(Increase) in Receivables	(161,462)	(163,253)
Increase/(Decrease) in Payables	(2,556,542)	110,779
Decrease/(Increase) in Prepaid Expenses	(183,397)	17,177
Decrease/(Increase) in Fixed Assets	(1,158,822)	(3,717,858)
Principal Payments of Bond Maturities	(1,170,561)	254,464
Capital Contributions	86,019	2,413,697
<b>Increase(Decrease) in Cash</b>	<u>(4,553,211)</u>	<u>(953,488)</u>
<b>Cash and Investments End of Period</b>	<u><u>\$ 31,409,809</u></u>	<u><u>\$ 35,963,020</u></u>

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Month Ending July 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>
<b>Operating Revenue:</b>									
Terminal Space Rentals - Non Airline	\$19,978	\$19,978	\$0	0.00%	\$19,978	\$19,978	\$0	0.00%	\$243,049
Terminal Space Rentals - Airline	147,122	157,014	(9,892)	(6.30%)	147,122	157,014	(9,892)	(6.30%)	1,571,724
Concessions	56,143	37,627	18,516	49.21%	56,143	37,627	18,516	49.21%	444,480
Auto Parking	329,763	271,250	58,513	21.57%	329,763	271,250	58,513	21.57%	3,270,000
Rental Car - Car Rentals	136,257	133,087	3,170	2.38%	136,257	133,087	3,170	2.38%	1,579,656
Rental Car - Facility Rent	51,336	51,334	2	0.00%	51,336	51,334	2	0.00%	627,526
Commercial Ground Transportation	7,323	7,500	(177)	(2.36%)	7,323	7,500	(177)	(2.36%)	75,000
Landing Fees	78,320	86,842	(8,522)	(9.81%)	78,320	86,842	(8,522)	(9.81%)	774,903
FBO'S	89,252	87,083	2,169	2.49%	89,252	87,083	2,169	2.49%	1,021,005
Building Leases	12,927	12,903	24	0.19%	12,927	12,903	24	0.19%	113,820
Land Leases	4,957	4,913	44	0.90%	4,957	4,913	44	0.90%	58,968
Other Leases/Fees	51,371	48,444	2,927	6.04%	51,371	48,444	2,927	6.04%	528,639
<b>Total Operating Revenue</b>	<b>\$984,749</b>	<b>\$917,975</b>	<b>\$66,774</b>	<b>7.27%</b>	<b>\$984,749</b>	<b>\$917,975</b>	<b>\$66,774</b>	<b>7.27%</b>	<b>\$10,308,770</b>
<b>Operating Expenses:</b>									
Personnel Services	\$423,551	\$410,024	\$13,527	3.30%	\$423,551	\$410,024	\$13,527	3.30%	\$5,400,329
Professional Services	18,108	18,375	(267)	(1.45%)	18,108	18,375	(267)	(1.45%)	262,250
Accounting & Auditing	3,500	2,000	1,500	75.00%	3,500	2,000	1,500	75.00%	16,200
Other Contractual Services	115,379	123,346	(7,967)	(6.46%)	115,379	123,346	(7,967)	(6.46%)	960,194
Travel & Training	15,110	9,596	5,514	57.46%	15,110	9,596	5,514	57.46%	209,650
Communications & Freight	7,608	8,825	(1,217)	(13.79%)	7,608	8,825	(1,217)	(13.79%)	103,900
Utility Services	27,223	39,275	(12,052)	(30.69%)	27,223	39,275	(12,052)	(30.69%)	520,817
Rentals & Leases	3,967	633	3,334	526.70%	3,967	633	3,334	526.70%	12,000
Insurance	16,954	21,058	(4,104)	(19.49%)	16,954	21,058	(4,104)	(19.49%)	252,700
Repairs & Maintenance	25,196	24,388	808	3.31%	25,196	24,388	808	3.31%	266,530
Advertising, Printing & Binding	2,157	4,239	(2,082)	(49.12%)	2,157	4,239	(2,082)	(49.12%)	257,790
Promotional Activities	13,056	13,725	(669)	(4.87%)	13,056	13,725	(669)	(4.87%)	108,950
Other Current Charges & Obligations	10,183	8,325	1,858	22.32%	10,183	8,325	1,858	22.32%	104,000
Office Supplies	230	750	(520)	(69.33%)	230	750	(520)	(69.33%)	9,000
Operating Supplies	19,001	35,026	(16,025)	(45.75%)	19,001	35,026	(16,025)	(45.75%)	440,760
Books, Publications, Subscriptions & Mem	1,017	3,567	(2,550)	(71.49%)	1,017	3,567	(2,550)	(71.49%)	59,870
Contingency	-	-	-	100.00%	-	-	-	100.00%	100,000
Emergency Repair	-	-	-	100.00%	-	-	-	100.00%	50,000
Business Development	1,845	-	1,845	100.00%	1,845	-	1,845	100.00%	300,000
<b>Total Operating Expenses</b>	<b>\$704,085</b>	<b>\$723,152</b>	<b>(\$19,067)</b>	<b>(2.64%)</b>	<b>\$704,085</b>	<b>\$723,152</b>	<b>(\$19,067)</b>	<b>(2.64%)</b>	<b>\$9,434,940</b>

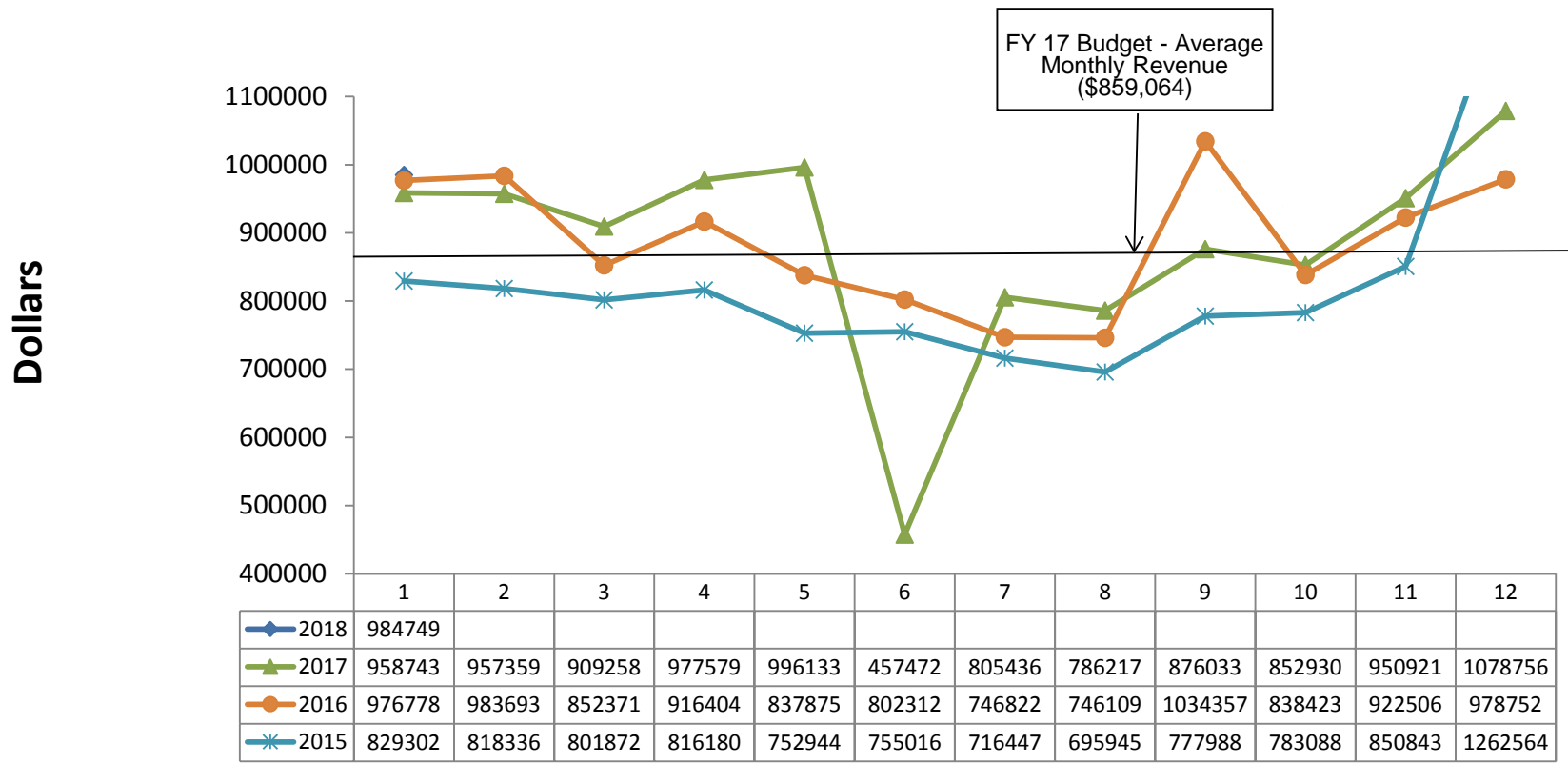
**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Month Ending July 31, 2017**

	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
<b>Operating Revenue before Depreciation</b>	\$280,664	\$194,823	\$85,841	44.06%	\$280,664	\$194,823	\$85,841	44.06%	\$873,830
Depreciation	388,945	-	388,945	100.00%	388,945	-	388,945	100.00%	-
<b>Operating Income(Loss) Before Non-Operating Revenue and Expenses</b>	(\$108,281)	\$194,823	(\$303,104)	(155.58%)	(\$108,281)	\$194,823	(\$303,104)	(155.58%)	\$873,830
<b>Non-Operating Revenue and Expense</b>									
Customer Facility Charges	\$153,655	\$162,000	(\$8,345)	(5.15%)	\$153,655	\$162,000	(\$8,345)	(5.15%)	\$ 1,350,000
Passenger Facility Charges	192,259	168,500	23,759	14.10%	192,259	168,500	23,759	14.10%	1,788,500
Interest Revenue	5,615	2,917	2,698	92.49%	5,615	2,917	2,698	92.49%	35,000
Interest Expense	(40,639)	-	(40,639)	100.00%	(40,639)	-	(40,639)	100.00%	
Bond Expense	-	-	-	100.00%	-	-	-	100.00%	
Reimbursable Cost Revenues	-	-	-	100.00%	-	-	-	100.00%	
Reimbursable Cost Expenses	-	-	-	100.00%	-	-	-	100.00%	
Gain/Loss on Disposal of Assets	-	0	(0)	0.00%	-	0	(0)	0.00%	
<b>Non-Operating Revenue-Net</b>	\$310,890	\$333,417	(\$22,527)	(6.76%)	\$310,890	\$333,417	(\$22,527)	(6.76%)	\$3,173,500
<b>Income (Loss) Before Capital Contributions</b>	\$202,609	\$528,240	(\$325,631)	(61.64%)	\$202,609	\$528,240	(\$325,631)	(61.64%)	\$4,047,330
<b>Capital Contributions</b>	\$86,019	\$0	\$86,019	100.00%	\$86,019	\$0	\$86,019	100.00%	\$0
<b>Increase in Net Assets</b>	\$288,628	\$528,240	(\$239,612)	(45.36%)	\$288,628	\$528,240	(\$239,612)	(45.36%)	\$4,047,330

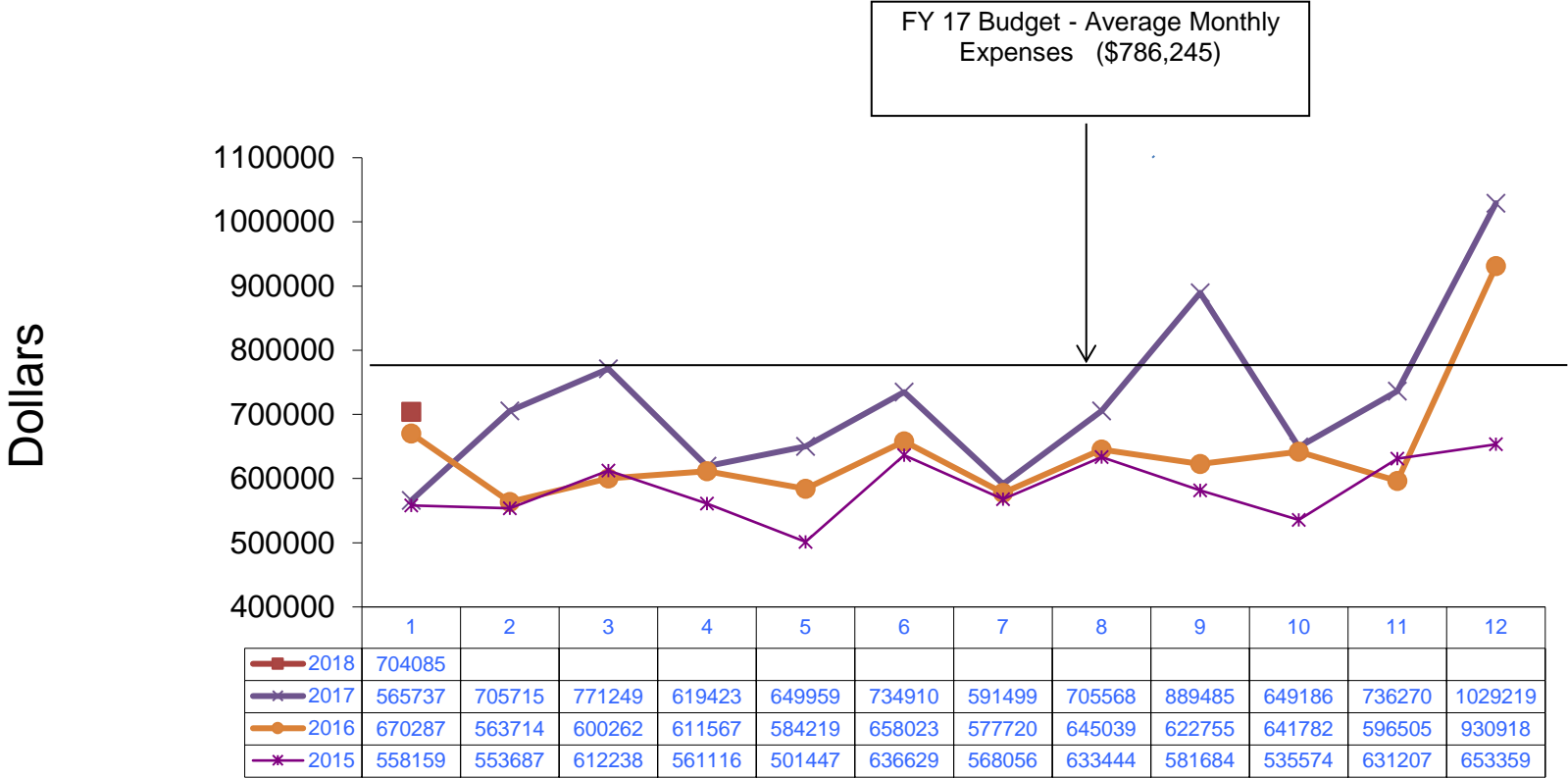
**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of July 31, 2017**

	<b>Current Month</b>	<b>Last Month</b>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
<b>Unrestricted Net Assets:</b>		
Cash and Cash Equivalents	\$15,257,053	\$18,974,145
Accounts Receivable	706,503	668,154
Passenger Facility Charges Receivable	250,000	290,000
Refundable Sales Tax Receivable	1,083,069	1,005,975
Grants Receivable	2,499,717	2,413,698
Prepaid Expenses	192,481	9,084
Total Unrestricted Assets	19,988,823	23,361,056
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	16,152,756	16,988,875
Total Restricted Assets	16,152,756	16,988,875
Total Current Assets	36,141,579	40,349,931
<b>Noncurrent Assets:</b>		
Construction in Progress	62,614,979	60,204,653
Net Pension Asset - LGERS	(226,282)	(226,282)
Contributions in Current Year	222,035	222,035
Property and Equipment - Net	57,319,301	56,689,037
Total Noncurrent Assets	119,930,033	116,889,443
	\$156,071,612	\$157,239,374
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
<b>Payable from Unrestricted Assets:</b>		
Accounts Payable & Accrued Liabilities	\$1,620,881	\$4,234,027
Customer Deposits	17,210	17,210
Unearned Revenue	458,688	396,023
Construction Contract Retainages	2,508,003	311,047
Revenue Bond Payable - Current	1,215,000	955,000
Total Payable from Unrestricted Assets	5,819,782	5,913,307
Total Current Liabilities	5,819,782	5,913,307
<b>Noncurrent Liabilities:</b>		
Other Postemployment Benefits	1,202,917	1,202,917
Compensated Absences	350,006	350,006
Net Pension Obligation-LEO Special Separation Allowance	9,558	9,558
Revenue Bond Payable - Noncurrent	18,830,000	20,045,000
Total Noncurrent Liabilities	20,392,481	21,607,481
Total Liabilities	26,212,263	27,520,788
<b>Net Assets:</b>		
Invested in Capital Assets	99,889,280	95,893,690
Restricted	16,152,756	16,988,875
Unrestricted	13,817,313	16,836,021
Total Net Assets	129,859,349	129,718,586
	\$156,071,612	\$157,239,374

# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month July 2017



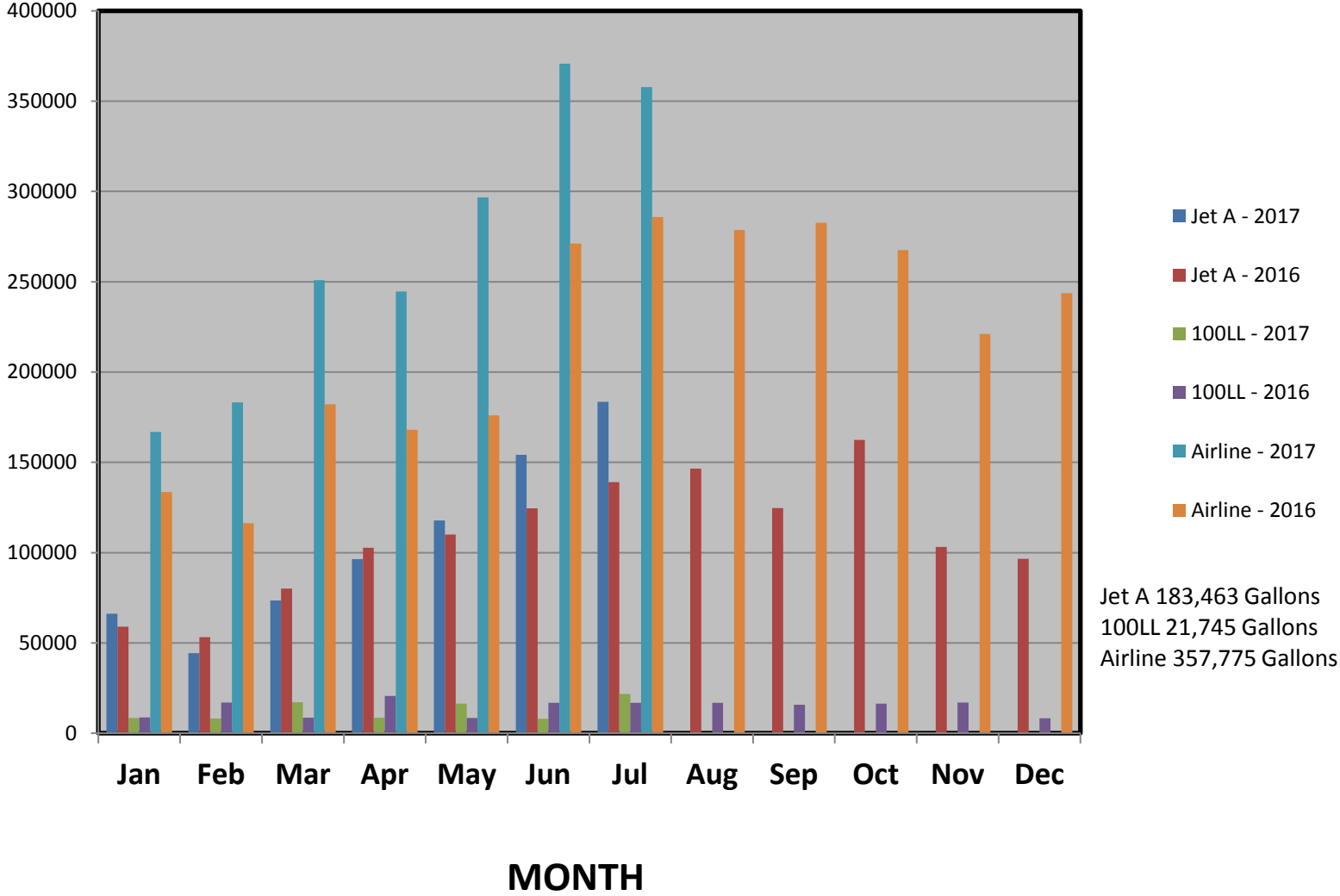
# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month July 2017



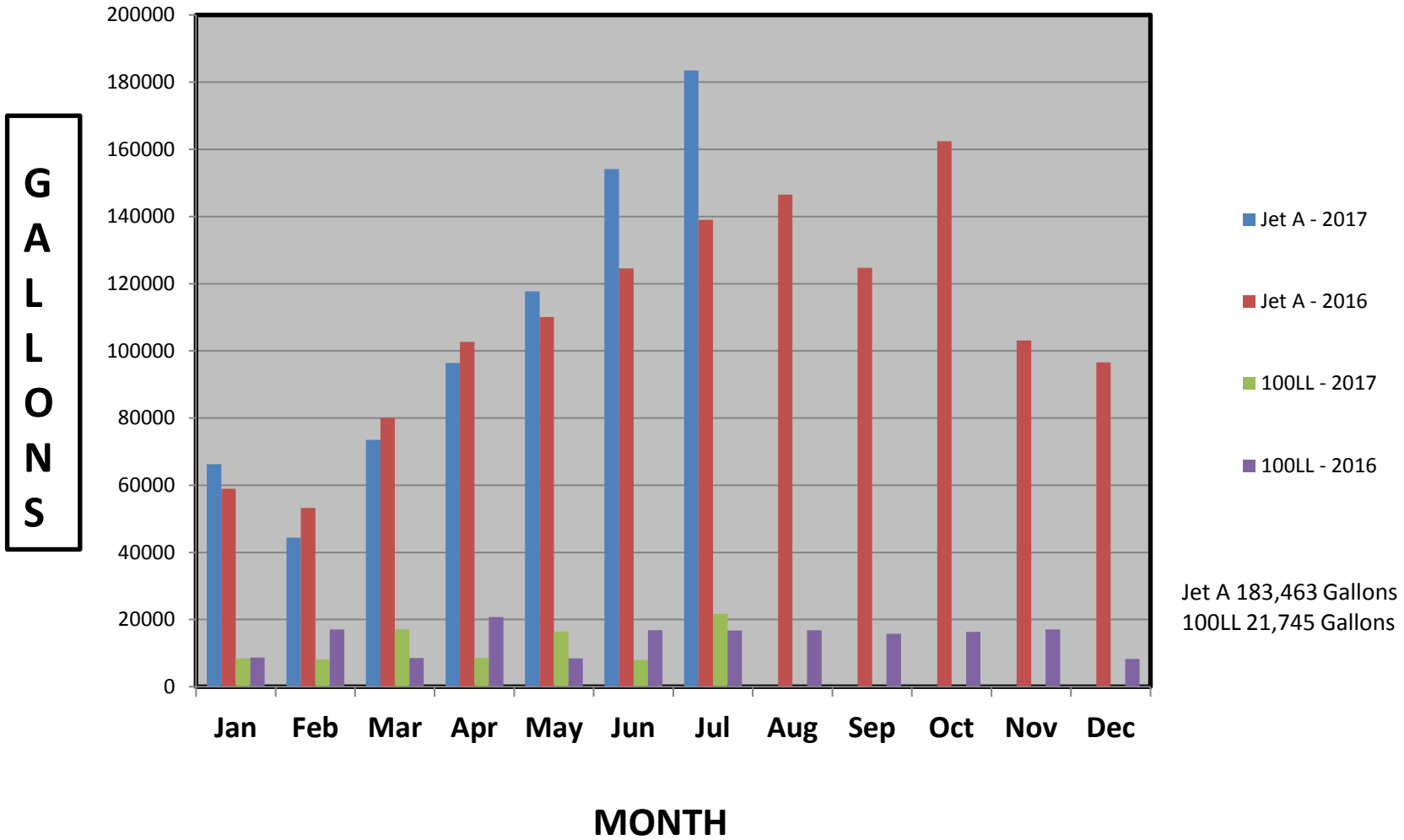


**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
July 2017**

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



Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 09/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 09/01/2017)	Start Date	End Date	Current Project Status (as of 09/01/2017)
1	Airfield Re-Development Project	Budget for the complete project				\$64,000,000.00	\$15,900,000.00		\$79,900,000.00	63.3%	\$50,567,421			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)	69.5%	\$1,667,969	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)	93.3%	\$1,836,066	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	86.6%	\$1,409,443	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	97.0%	\$96,017	Feb-17	Jun-17	Project will go through new bid process early Spring 2018.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 09/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 09/01/2017)	Start Date	End Date	Current Project Status (as of 09/01/2017)
1	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	\$213,329.88	1.05%	\$21,938,700.00	71.0%	\$14,522,653	Sep-16	Nov-17	Ground tier slab pour underway with 40% completed, electrical rooms complete, perforated panels on East wall begin early Sept., West wall completed, retaining walls complete.
2	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	18.4%	\$6,191,534	Mar-17	Jun-18	Paving begins on North end, South end taxiway Alpha nearing completion, shoulders have stone installed, electrical work continues.

(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