

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 10, 2015

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 10, 2015 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; William L. Moyer; Matthew C. Burril; and Stephanie Brown

MEMBERS ABSENT: Andrew T. Tate

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; Royce Holden, IT Director; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Sherman Stark, Interim Director of Operations; David Nantz, Safety Manager; Mike Miller, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Ken Moody, Delta Airport Consultants; Eric Rysdon, RS&H; James Moose, Avcon; Bill Modlin, Mercury Transportation; Eva Ritchey, Trolley Company

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

PRESENTATIONS:

A. Marketing Review: Tina Kinsey gave a high-level presentation to summarize staff's marketing approach. Goals, demographics, strategies, as well as advertising methods and results were reviewed. Mrs. Kinsey also spoke about the public relations tactics and the events held throughout the year and touched upon air service development efforts. Mrs. Kinsey concluded the presentation by highlighting marketing, public relations, and air service goals for 2015. The Chair thanked Mrs. Kinsey for her presentation.

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

CONSENT ITEMS: The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 13, 2015 Closed Session Minutes would be reviewed in closed session.

A. Approval of the Greater Asheville Regional Airport Authority March 13, 2015 Regular Meeting Minutes:

C. Approve Grant of Easement to Duke Energy Progress, Inc. a North Carolina Corporation for Navaid Locations:

D. Approve Grant of Easement to Duke Energy Progress, Inc. a North Carolina Corporation for Gas Station Site:

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

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2015/2016 Budget: Janet Burnette reported that a proposed preliminary Fiscal Year 2015-2016 Budget and Budget Ordinance were presented to the Board at the March 13th Board meeting. The budget documents have remained available for public inspection and comment since then and staff has not received any comments. A Public Hearing is required before the final adoption of the 2015-2016 Budget Ordinance.

The Chair opened the floor to public comments at 9:12 a.m.

There being no public comments, the Chair closed the floor at 9:12 a.m.

Mrs. Burnette informed the Board that staff recently learned FAA Entitlement funding for one piece of equipment would not be available in FY2015/2016. Due to the lack of funding, staff decided to remove the airfield broom and snow blower from the FY2015/2016 budget. The equipment, budgeted at \$1,000,000, would have been purchased with \$700,000 in Entitlement funds and \$300,000 in Authority funds. This resulted in a fund balance increase in the amount of \$300,000.

Mrs. Burnette requested the Board resolve to adopt the following Fiscal Year 2015-2016 Budget Ordinance:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2015-2016
BUDGET ORDINANCE

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2015-2016 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2015 and ending June 30, 2016 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 647,845
Development Department	409,472
Executive Department	567,861
Finance Department	397,910
Guest Services Department	198,011
Information Technology Department	719,323
Marketing Department	538,695
Operations Department	3,096,287
Public Safety Department	1,387,848
Emergency Repair Costs	75,000
Reimbursable Costs	214,000
Carry-over Capital Expenditures from Prior Year	9,557,678
Capital Improvement	7,798,120
Renewal and Replacement	1,641,521
Business Development	300,000
Debt Service	626,823
Contingency	100,000
Total Expenditures	<u><u>\$28,276,394</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

REVENUES

Administration (Interest Income)	\$ 22,000
Terminal	4,092,542
Airfield	810,753
General Aviation	1,009,468
Parking Lot	2,861,100
Other	157,600
Reimbursable Costs	214,000
Passenger Facility Charges	1,642,500
Customer Facility Charges	1,250,000
Federal Grants – AIP Entitlements	1,800,000
Federal Grants – AIP Discretionary Funds	16,130,548
NC Department of Transportation Grants	0
Transfer to GARAA Cash/Investments	(1,714,117)
Total Revenues	<u><u>\$28,276,394</u></u>

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

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

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

Section 5. This ordinance shall become effective on July 1, 2015.

Adopted this 10th day of April, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Burril moved to adopt the Fiscal Year 2015/2016 Budget Ordinance as presented by staff. Mr. Moyer seconded the motion and it carried unanimously.

B. Ground Transportation Update: The Director advised the Board that staff met with ground transportation providers in March and the meeting was very well attended. Staff is looking into a few items that were discussed at the meeting, one of which is vehicle age. It was suggested to keep the vehicle age limits, but extend the window of opportunity once the vehicle is put in place. This is currently being done in Tampa so staff is researching Tampa airport's policy before a final recommendation is made. Also discussed was inspection of vehicles. A suggestion was made for the Authority to hire or contract with service providers that ground transportation providers can pay for vehicle inspections. Documentation of the inspection can then be brought to the airport and staff would perform an aesthetic inspection of the vehicles. Staff is having discussions with vendors in the community about this option. Permitting fees was also discussed and staff's recommendation is to keep it at the current \$300 per vehicle. Staff will also look into removing some of the exceptions in the policy for passenger vehicles with 12 seats or greater not being subjected to the age requirement. The age limitation would apply to all vehicles with the exception of large motor coaches such as Young's Transportation. The Director further stated that ground transportation providers suggested the Authority set fares. Staff does not recommend this as the airport has an open system with free enterprise and the market place should designate those fares. The Director informed the Board that staff would come back with final recommendations at the June Board meeting. The Director also requested the Board provide any input on the ground transportation policy.

The Director reported that Senate Bill 541, which regulates transportation network companies, is under review by NC General Assembly. The Director stated that he is in favor of this legislation, however there are concerns with Section 20-280.8 that prohibits airports the ability to impose fees, require licenses, or limit the operation of services. The Director sent a letter to the legislators representing western North Carolina requesting removal of this section of the bill.

NEW BUSINESS:

A. Approval of Post-Closure Coal Ash Agreement: The Director advised the Board that this item was not ready and was pulled from the agenda.

B. Approval of Consultant Scope of Services No. 3 with Delta Airport Consultants, Inc. for Waterline Extension Design Services: Michael Reisman informed the Board that Scope of Services No. 3 with Delta Airport Consultants includes the extension of a waterline at the former Public Safety building and the installation of a hydrant servicing station for airline de-icing trucks. Since the new Public Safety building opened last fall, airlines no longer have the ability to fill their de-icing trucks. A metered hydrant is required and there are no metered hydrants readily available for the airlines' use. The project will provide for a minor extension of the existing City of Asheville water line located at the former Public Safety building to an airside location on the terminal apron for use by the de-icing trucks. Mr. Reisman advised the Board that the project will be funded and carried out after the start of the new fiscal year. The cost of the design services is \$16,500 and will be paid from the professional services line item of the Development department FY2015/2016 budget. Staff will obtain bids and quotes on construction of the waterline and hydrant project and will seek Board approval at a later date if necessary.

Mr. Bailey asked if the water line would be metered. Mr. Reisman responded that the hydrant would have to be metered.

Mr. Moyer moved to approve Consultant Scope of Services No. 3 with Delta Airport Consultant, Inc. with a not to exceed cost of \$16,500 and authorize the Executive Director to execute the necessary documents. Mr. Burril seconded the motion and it carried unanimously.

C. Approval of Consultant Scope of Services No. 4 with Delta Airport Consultants, Inc. for Remote Automobile Parking Lot Design Services: Michael Reisman reported that the Scope of Services No. 4 with Delta Airport Consultants, Inc. was for design and bidding phase services for two remote parking lots on airport property. The anticipated growth of enplanements beginning in the fall is expected to exceed the

present long term parking supply at the airport. Mr. Reisman stated that staff is considering the need to proceed with the design and construction of a parking garage to address long-term needs. However, the timeline necessary to accomplish construction of a parking garage requires that staff address the potential parking shortfall at the present time. Staff has identified two locations, one is the field in front of the Fairfield Inn and the other is the gravel lot on Wright Brothers Way. Mr. Reisman informed the Board that the not-to-exceed cost for engineering services is \$41,500.00 of which \$26,500.00 will be paid from the existing professional services line item in the Development Department budget. The remaining \$15,000.00 requires the following budget 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, 2015:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Professional Services	\$0	\$15,000
Totals	<u>\$0</u>	<u>\$15,000</u>

This will result in a net increase of \$15,000 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA		
Cash/Investments	\$0	\$15,000
Totals	<u>\$0</u>	<u>\$15,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Secretary of the Greater Asheville Regional Airport Authority, who for purposes of this ordinance, is designated as the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 10th day of April, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Bailey inquired about the number of spaces that will be gained. Mr. Reisman responded that an additional 100 to 150 spaces would be acquired. Mr. Reisman further stated that the parking lots would be used for tenant employees and the current employee parking lot would be converted to a paid parking lot for passengers. Shuttle vans will be used to transport the tenant employees to the terminal and that would be an additional expense that may be brought to the Board at a later date.

Ms. Brown asked if the additional lots would be controlled and if extra people to staff the lots would be necessary. Mr. Reisman responded that staff is considering a ticket in and credit card out option for the lower passenger parking lot. The lot would be automated with proper signage identifying it as a credit card only lot. There are approximately 250 spaces in that lower parking lot and typically only 125 spaces are utilized at any one time. The new gravel lots with 100 to 150 spaces would be able to handle tenant employee parking.

Mr. Bailey moved to approve Consultant Scope of Services No. 4 with Delta Airport Consultants, Inc. with a not to exceed cost of \$41,500.00, authorize the Executive Director to execute the necessary documents, and amend the FY14/15 budget by adopting the budget ordinance amendment as presented by staff. Ms. Brown seconded the motion and it carried unanimously.

D. Approval of Insurance Renewals: Suzie Baker advised the Board that staff went to market for the health insurance renewal with several insurance companies. Mrs. Baker called the Board's attention to a spreadsheet that detailed the various quotes received. While United Health Care's quote was lower than the Authority's existing

carrier, Cigna, staff did not recommend changing health insurance carriers and cited a few reasons for this recommendation. Mrs. Baker reported that the Authority's renewal trend with Cigna has been very good the past few years and this is due in part to the level funded plan structure that limits the Authority's large claim responsibility to \$25,000. If the Authority were to leave Cigna, the same plan currently offered by Cigna would not be available in the future. Cigna quoted a 4.9% increase in rates for a total approximate premium of \$814,000.00. Offset by employee contributions of \$67,000.00, the Authority's net cost for health insurance will be approximately \$747,000.00.

Mr. Burril commented that he was not sure if the number limits for the Cadillac plans had been set by the Affordable Care Act, but expressed concern that the Authority's plan may bump into that range and possibly lead to a W2 event to employees. Mrs. Baker assured Mr. Burril that this is constantly watched and that the current plan would not meet the Cadillac plan regulations.

Mrs. Baker stated that dental insurance has been provided by Ameritas Group and after shopping several dental providers, the Authority's broker recommends staying with Ameritas. Ameritas has quoted a flat renewal and the total premiums will be approximately \$45,480.00. Offset by employee contributions of \$4,818.00, the Authority's net cost for dental insurance will be approximately \$40,662.00.

Mrs. Baker further reviewed employee life insurance, accidental death & dismemberment as well as short and long term disability. Mutual of Omaha will provide coverage for all these insurances. The life insurance and accidental death & dismemberment will be in year two of a two-year locked rate and the premiums will approximate \$10,584.00. The short and long-term disability insurance will approximate \$22,197.00.

Mrs. Baker highlighted the business insurance placed through Aviation Risk Consulting and stated that the best quotes were with the Authority's current carriers and detailed that information for the Board. Mrs. Baker stated that the estimated cost for property, general liability, auto, and commercial crime will be \$104,000.00. The worker's compensation insurance will be renewed at an estimated premium of \$77,000.00. Mrs. Baker further reviewed public officials, law enforcement and employment practices liability coverage placed through BB&T at an estimated cost of \$44,500.00. Total business insurance is estimated to cost \$225,500.00 for fiscal year 2015/2016.

Mr. Moyer asked for an understanding of the benefits of Cigna over Blue Cross Blue Shield for health insurance. The Director stated that the Blue Cross Blue Shield quote was basically flat and anticipated through experience and references, Blue Cross could come back the following year with an increase that could be quite high. The trend with Cigna has been consistent the past few years with very manageable increases.

Ms. Brown inquired if the Authority covered the same share for employees' families. The Director responded that the Authority did cover the same share for employees' families. The Director gave a brief background on the Authority's coverage for health insurance and highlighted how employees can participate in the Authority's wellness program to receive discounts on their premiums.

Mr. Moyer moved to approve the renewal of the Authority's insurance coverages as presented by staff and authorize the Executive Director to execute the necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

E. Approval of Amended Pay Grade Structure: Suzie Baker reported that a regional airport salary survey was completed in collaboration with three other airports in the region. The survey includes information from 28 airports of similar size as well as county and city governments, local businesses, and a salary survey completed by Airport Council International. Mrs. Baker stated that the FY15-16 Budget previously approved by the Board included \$30,000 for any necessary salary adjustments as a result of the survey, and called the Board's attention to a recommended Pay Grade Structure that was available at their seats. Staff will monitor financial conditions and the aviation industry before making final recommendations for the July 1, 2015 implementation of any increases to the nine or ten employees that would be affected.

Mr. Bailey moved to approve the amended Pay Grade Structure and authorize the Executive Director to implement such changes effective July 1, 2015. Mr. Burril seconded the motion and it carried unanimously.

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

A. Update on Airline Agreement: Staff hired a consultant to evaluate the Authority's Airline Agreement and Rates & Charges. A meeting was held recently with the airline representatives to review the agreement and rates and charges. Staff is looking into revising the agreement and rates and charges in the following areas: amount the Authority is subsidizing the airfield cost center to the airlines, the way de-icing chemicals are being treated and paid for by the airlines, and the discrepancies with how the Authority charges airlines that don't operate on a regular basis. The Director intends to have the new agreement on the agenda for approval at the June Authority Board meeting.

B. Information Articles: The Director called the Board's attention to two articles that were available at their seats. The PFC article describes the battle between airports and airlines over the increase in PFC's. The second article was about the strike that

Allegiant Airlines' pilots had threatened the previous week. Allegiant filed an injunction to stop the strike. The pilots' union honored the injunction, and mediation is taking place to negotiate a new contract.

C. Annual Report: The 2014 Annual Report was available at the Board Members' seats. The Annual Report will be distributed throughout the community.

D. North Carolina Airport Association: The Director announced that Tina Kinsey was recently appointed to the Board of Directors of the North Carolina Airport Association.

E. Western LLC: The Director advised the Board that staff is entering into a marketing agreement with Western LLC, a third-party developer. The agreement will be non-binding and Western LLC will finance the promotion of the airport as a development area. The Director further stated that if the economic development entities from Buncombe or Henderson County bring a project directly or the Authority receives a call from an interested party seeking to develop on airport property, the agreement with Western LLC will not interfere nor transfer.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the May 15 meeting would not be necessary and the next regular meeting will be held on June 12, 2015.

AUTHORITY MEMBER REPORTS:

A. Strategic Planning Update: The Chair stated that the strategic focus was reviewed at the last meeting. An updated document was included in the agenda package for the Board's review and any further discussion.

CLOSED SESSION: At 10:38 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break until 10:45 a.m., at which time the Board would resume in closed session.

Open Session resumed at 12:25 p.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 10, 2015

CLOSED SESSION MINUTES: Mr. Piccirillo moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 13, 2015

CLOSED SESSION MINUTES: Mr. Piccirillo moved to approve the minutes for the March 13, 2015 Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Piccirillo moved to adjourn the meeting at 12:27 p.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood

Ellen Heywood
Clerk to the Board

Approved:

Robert C. Roberts

Robert C. Roberts
Chair