

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 12, 2014**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 12, 2014 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; Jeffrey A. Piccirillo; Andrew T. Tate; K. Ray Bailey; and William L. Moyer

MEMBERS ABSENT: Douglas J. Tate, Vice-Chair

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; David Nantz, Director of Operations; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Royce Holden, IT Director; Janet Burnette, Director of Finance and Accounting; Sherman Stark, Operations Supervisor; Wendi Sparks, Operations Specialist; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Mike Darcangelo, Avcon, Inc.; Sandeep Singh, Avcon, Inc.; Ken Moody, Delta Airport Consultants; Jeff Kirby, Parrish and Partners; Cassie Wilson, Martin Starnes; James Moose, Avcon, Inc.; Race Vanderdecken, Ride Voyager; Steve Cottle; Stevens Transportation; Eva Ritchey, The Trolley Company; Eric Rysdon, RS&H

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

SERVICE AWARD PRESENTATION:

A. Wendi Sparks: The Chair recognized Wendi Sparks with a service recognition award and gift for her 10 years of service with the Authority.

PRESENTATIONS: None

The Director requested a moment from the Board to introduce Janet Burnette, the Authority's Director of Finance and Accounting. The Board welcomed Mrs. Burnette.

FINANCIAL REPORT: The Director reported on the airport activity for September which included enplanements, aircraft operations and general aviation activity. The Director stated that the airport is on par to set an all-time record for enplanements. Enplanements are approximately 1 ½ to 2% higher than the enplanements in 2010 which was the airport's highest year. Mrs. Burnette reported on the financial activity for the month of September.

CONSENT ITEMS: The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority October 10, 2014 Closed Session Minutes would be reviewed in closed session. The Chair further stated that Consent Item C, Approval of Appointment for Finance and Deputy Finance Officers, would be moved as a New Business item.

A. Approval of the Greater Asheville Regional Airport Authority October 10, 2014 Regular Meeting Minutes:

Mr. Bailey moved to approve Consent Item A, Approval of the Greater Asheville Regional Airport Authority October 10, 2014 Regular Meeting Minutes. Mr. Andrew Tate seconded the motion and it carried unanimously.

OLD BUSINESS:

A. Ground Transportation Discussion: The Director called the Board's attention to a ground transportation survey available at their seats. The Director reviewed the ground transportation data collected by Authority staff from airports throughout the United States. The survey contained information on fees as well as vehicle age and mileage requirements. The Director stated that Asheville's annual permit fee is a little on the low side and staff is working to increase that fee to the \$500 range over the next couple of years. The Director further stated that Asheville's current vehicle requirement age of 9 years will be lowered to 7 years over the next couple of years. The Director reminded the Board that at the last Board meeting one operator had issue with the vehicle age requirement. The airport does make exceptions for older vehicles on a special use basis and those are looked at on an individual basis. The Director stated that staff feels the current ground transportation policy meets the needs of the airport and falls within the range in the industry. The Director recommended leaving the program as is. If the Board felt some changes needed to be made, staff could look into removing the vehicle mileage requirement and possible changing the vehicle age requirement to a max of 8 rather than 7.

Mr. Moyer stated that there were some audience members who would like to speak on this issue.

The Chair questioned how other airports account for the number of trips a taxi makes. The Director stated that this is accomplished with either a special commercial lane with an operating arm or an electronic reader system to read the cars and then invoice the companies each month.

Ms. Eva Ritchey appeared before the Board and stated that the ground transportation operators are partners with the airport. Ms. Ritchey had two issues to address with the Board. The first issue was the regulation regarding age of vehicles which Ms. Ritchey felt was punitive to small business and the second issue was the fees which she felt were not the norm for airports of Asheville's size. Ms. Ritchey stated that she had obtained the paperwork from the City of Asheville that was required in order to operate at the airport, and was still denied the ability to provide ground transportation service to the airport. Ms. Ritchey left a petition signed by various ground transportation operators with the clerk for the Board's review. Ms. Ritchey informed the Board that the president of the North Carolina Limousine Association would like an opportunity to address the Board at their next meeting.

Mr. Steve Cottle of Steven's Transportation appeared before the Board to underscore Ms. Ritchey's comments regarding the airport's ground transportation policy. Mr. Cottle stated that the \$300 annual permit fee is unfair and unnecessary and causes financial harm as it takes 15 months to overcome this charge. Mr. Cottle further stated that there was no pro-ration of the fee. Mr. Cottle also questioned the need for the vehicle age requirement. Mr. Cottle felt his company offers a positive experience to passengers.

Mr. Moyer was of the opinion that the Board should look further into this subject. Mr. Moyer felt the airport should focus on Charlotte and Greenville-Spartanburg airports as competitors. Mr. Moyer felt there was a way to accommodate small businesses and thought it may be a good idea to institute a fee per trip policy rather than an annual permit fee.

Mr. Andrew Tate inquired about the policy on a waiver for vehicle age requirements. The Director stated that a request is provided to the Operations Department staff whereby the operator can show documentation as to how the vehicle has been maintained or refurbished. The Director further stated that the airport did have a one-day permit to operate a few years ago but this was difficult to administer and operators did not always abide by all of the regulations. Staff did away with the one-day permits.

Mr. Tate felt the Board should look into this further and look for a resolution.

Mr. Piccirillo felt the vehicle mileage requirement should also be discussed further.

Mr. Bailey agreed that this issue could be looked into further but felt the permit fee was acceptable.

Mr. Moyer stated that he wanted to look at the exceptions procedures and thought there may be a way to make the requirements more clear.

The consensus of the Board was for staff to look into this matter further.

NEW BUSINESS:

A. Presentation of the Annual Audited Financial Report for Fiscal Year 2013/2014: The Director advised the Board that the auditing firm of Martin Starnes & Associates, CPAs, have completed the audited financial report for fiscal year ending June 30, 2014 and the audited financial statements have been submitted to the Local Government Commission (LGC) for approval. The Director introduced Cassie Wilson from Martin Starnes.

Ms. Wilson gave a brief presentation to the Board and informed the Board that an unmodified opinion was issued which is a clean report. Ms. Wilson highlighted the cash and investments which totaled \$19.4 million, the total revenues and expenses, debt service for 2014, non-operating revenues, as well as cash flow provided by operations.

Mr. Moyer inquired if it was usual practice for the auditors to speak to the Board without management present. Ms. Wilson responded that the annual letters for fraud inquiry response that are sent to the Board Members is how the firm reaches out to the Board Members individually. The Board Members have an opportunity at that time to raise any specific concerns they may have.

Mr. Bailey moved to accept the 2013/2014 Audit Report as presented. Mr. Moyer seconded the motion and it carried unanimously.

F. Approval of Appointment for Finance and Deputy Finance Officers: Cindy Rice advised the Board that as best practice the Board should approve a resolution appointing the Finance and Deputy Finance Officers as well as specifying the designated duties the Deputy Finance Officer can hold. Ms. Rice read the following resolution:

Greater Asheville Regional Airport Authority
Resolution

A RESOLUTION REGARDING THE APPOINTMENT OF THE FINANCE OFFICER AND DEPUTY FINANCE OFFICER, THE TERMINATION OF PRIOR APPOINTMENTS, AND THE DELEGATION OF DUTIES TO THE DEPUTY FINANCE OFFICER.

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

WHEREAS, North Carolina General Statute North Carolina General Statute §159-24 requires that each local government or public authority appoint a Finance Officer;

WHEREAS, Janet Burnette ("Burnette"), was hired to fill the position of Director of Finance for the Authority;

WHEREAS, prior to Burnette's hire, the Executive Director, Lew Bleiweis, A.A.E., had been serving as the Interim Finance Officer for the Authority;

WHEREAS, the Executive Director has recommended that with the hiring of Burnette to fill the Director of Finance position, the Authority adopt this resolution to terminate his prior appointment as Interim Finance Officer and to appoint Burnette as the Finance Officer;

WHEREAS, from time to time, due to Burnette's absence or unavailability, on account of vacation, illness, injury or otherwise, it may be necessary for Burnette to delegate certain administrative tasks, duties, and responsibilities of the Finance Officer to a Deputy Finance Officer;

WHEREAS, prior to Burnette's hire, Mike Reisman, Deputy Executive Director, Development & Operations, and Royce Holden, Director of Information Technology, had been serving as the Interim Deputy Finance Officers for the Authority; and

WHEREAS, the Executive Director has further recommended that the Authority adopt this resolution to terminate the appointments of Mike Reisman and Royce Holden as Interim Deputy Finance Officers; to appoint the Executive Director as the Deputy Finance Officer; and to designate the duties and responsibilities that may be delegated to the Deputy Finance Officer.

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

1. Effective immediately, Janet Burnette is appointed as Finance Officer for the Authority; Lew Bleiweis, A.A.E. is appointed as Deputy Finance Officer for the Authority; and all prior appointments to fill the positions of Finance Officer and Deputy Finance Officer for the Authority are terminated.

2. Lew Bleiweis, A.A.E. shall, in his capacity as Deputy Finance Officer, perform the following duties and responsibilities, and he is hereby designated and authorized to perform these duties and responsibilities: to affix and sign pre-audit certificates to

obligations evidenced by contracts and/or agreements requiring payments of money and/or by purchase orders for supplies and/or materials; to sign checks and drafts on official depositories; to receive and deposit moneys; to transfer funds; and to invest idle funds.

3. Burnette, in her capacity as the Finance Officer, shall have the discretion to delegate to the Deputy Finance Officer, when necessary due to her absence or unavailability, such other and additional tasks, duties, and responsibilities of the Finance Officer, as she may deem appropriate.

4. Nothing in this Resolution is intended to diminish, eliminate, or restrict any of Burnette' duties or responsibilities or authority as the Finance Officer. The purpose of this Resolution, as it relates to the Deputy Finance Officer, is to provide coverage in the event Burnette is absent or unavailable due to vacation, illness, injury, or otherwise.

Adopted this _____ day of December, 2014.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Andrew Tate moved to adopt the resolution as presented. Mr. Piccirillo seconded the motion and it carried unanimously.

C. Approve Amendment No. 3 to Agreement with Charah, Inc. for Area 2 Fill Project: Michael Reisman advised the Board that staff would present New Business Item C to the Board before New Business Item B. Mr. Reisman explained that if New Business Item C, Approval of Amendment No 3. To Agreement with Charah, was not approved by the Board, then New Business Item B would not be necessary.

Mr. Reisman reminded the Board that the Authority entered into an agreement with Charah, Inc. for engineered structural fill material for various areas on the airport property. Charah's contractual agreement with Duke Energy now includes mitigation of additional material from the Asheville plant site that permits area 2 to be undertaken. Mr. Reisman informed the Board that all structural fill and construction related expenses will be at no cost to the Authority and the engineering and design and construction management expenses incurred by the Authority will be fully reimbursed by Charah. Mr.

Reisman presented some renderings of what area 2 would look like once the fill project is completed.

Mr. Moyer asked who would be responsible for remediation of the area if it was required in the future. Mr. Reisman replied that the agreement the Authority has with Charah holds Charah fully responsible. Charah takes ownership of the material on the airport and anything that happens in the future would be the responsibility of Charah or Duke Energy should Charah not be in existence.

Mr. Roberts asked if the neighboring residential community used well water. Mr. Reisman stated that both well and city water was used by residents in that community. There is a requirement for the boundary of this area to remain 500 feet back from any domestic water wells and it was verified that none of the wells are within 500 feet. The Director stated that the Environmental Protection Agency (EPA) was due to rule the following week on how coal ash will be classified. The Director stated that if the coal ash is classified as hazardous waste by the EPA, staff will come back to the Board to revisit this.

Mr. Moyer questioned what the implications were if the coal ash were classified as toxic waste. The Director responded that the manner in which the material is contained far exceed the standards required by the EPA even if the material was classified as hazardous waste.

Mr. Andrew Tate stated that the fill area defined by Mr. Reisman at the meeting was a little different than what was originally sent. Mr. Tate affirmed that filling the ravine would allow that north side to have improved access to the runway. Mr. Reisman confirmed that this was correct and stated that by filling the ravine, the area would have more direct access and makes the site more desirable for future development. Mr. Tate asked if this was consistent with the airport's Master Plan. Mr. Reisman responded that it was. The Director stated that language was included in the Amendment No. 3 that stipulates that if Duke Energy ran out of fill to finish the entire area, Charah will be required to provide fill at their expense to make a bridge for a taxiway over that ravine area.

Mr. Andrew Tate inquired if there have been any discussions about the last fill area relative to this Amendment to the Agreement. The Director responded that there have not been any discussions at this point. The last fill area is area 5 and is wetland. There are different stipulations and staff would need to find out if the area will be eligible for coal ash. Conversations with Charah and Duke Energy would have to take place.

Mr. Moyer moved to approve entering into an Agreement with Charah, Inc. for the area 2 fill project and authorize the Executive Director to execute any necessary documents. Mr. Bailey seconded the motion and it carried unanimously.

B. Approve Scope of Services No. 1 with Avcon Engineers and Planners, Inc. for Area 2 Structural Fill Project: Michael Reisman informed the Board that Avcon has been the engineer for the engineered structural fill project for the past six years. Mr. Reisman reported that with new statewide requirements for Duke Energy to remove material from the Asheville plant, area 2 is now being considered as a fill site. Avcon will provide engineering design and construction oversight services. The completion of this phase will allow for construction of a future connector taxiway to serve the north general aviation area. Mr. Reisman stated that all expenses incurred by the Authority under this scope of services with Avcon will be reimbursed under separate agreement with Charah, Inc.

Mr. Andrew Tate moved to approve Scope of Services No. 1 to the Professional Consulting Services Agreement with Avcon Engineers and Planners, Inc. in an amount not to exceed \$466,140.00 and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

D. Approve Scope of Services No. 14 with RS&H Architects, Engineers and Planners, Inc.: Michael Reisman reported that RS&H has been providing program management services for the Airfield Re-development project. Mr. Reisman briefly reviewed the services provided by RS&H for the first and second phases of the project. Phase III of the project includes RS&H overseeing the design as well as providing resident project representation for the permanent runway and navaid systems. Mr. Reisman stated that the not-to-exceed cost for phase III is \$2,399,826.00 and would be paid from the \$64 million program budget previously approved by the Board.

Mr. Piccirillo moved to approve Scope of Services No. 14 with RS&H in an amount not-to-exceed \$2,399,826.00 for Phase III program management services and authorize the Executive Director to execute the necessary documents. Mr. Andrew Tate seconded the motion and it carried unanimously.

E. Adoption of Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2016-2020: Michael Reisman stated that the FAA requires that all airports submit a five-year CIP in order to be eligible for federal funding of projects. Mr. Reisman highlighted a few of the major items included on the CIP which included the Airfield Re-development Project, some snow removal equipment, reconstruction of taxiway alpha, as well as the design and construction of a parking garage.

Mr. Andrew Tate inquired about the negative amount under the airport capital column. Mr. Reisman explained that the FAA has laid out a funding schedule for the Airfield Re-development project. Approximately \$8 million of construction activity is anticipated in FY16, however the FAA has laid out \$15 million. The \$6 million shown as a negative is really intended to identify the difference in what will be spent and the overage of what will be received. The extra money will go to repay the Authority some of the money spent on the project and some will be available for use in the future.

The Chair questioned what the other local funds were for the parking garage project. The Director stated that staff will look at alternative funding for the parking garage as it will not be eligible for federal grants. The passenger facility charges that are collected to reimburse the Authority for the Airfield Re-development project have been extended out until 2024. Therefore staff will explore having a parking operator provide the capital for the garage in exchange for a long-term parking management agreement.

Mr. Moyer moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan as presented for submission to the FAA. Mr. Bailey seconded the motion and it carried unanimously.

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

A. Entryway Improvements Project Contract: The Director reminded the Board that at the October 10, 2014 meeting, the contract for the entryway improvement project had been approved by the Board without a contract available. The Director advised the Board that a contract in the amount of \$414,725 has been executed with Young & McQueen Grading Company. A copy of the contract and supporting documentation was included in the agenda package for the Board's information.

B. Washington, DC Trip Update: The Director briefed the Board on his recent trip to Washington, DC. A meeting was held with the FAA and additional funding for the Airfield Re-development project was discussed. The FAA has committed to finding additional funding for this project. The Director also had a productive meeting with Congressman Meadows who sits on the T&I Committee and Aviation Subcommittee. Congressman Meadows is supportive of finding a solution for AIP reauthorization before the current authorization expires September 30, 2015.

C. Status of Airport Property: The deed for the Ag Center property has been signed by Buncombe County. Once signed by the City of Asheville, the property will be released to the State. Staff has been working with Robert Oast, legal counsel for the City of Asheville, regarding the remaining airport property and sole sponsorship. A letter to

the FAA has been drafted and delivered to Mr. Oast for signatures by both the City and County. The letter is requesting the FAA approve the release of the airport property to the Authority and recognize the Authority as a sole sponsor for the airport. The City has signed the letter and it is awaiting the County's signature. Once received back from Mr. Oast, the letter will be submitted to the FAA.

D. NCDOT Grant: A grant in the amount of \$1.2 million has been received from the NCDOT Division of Aviation for the Airfield Re-development project. A resolution approved by the Board at the June 6, 2014 meeting allows the Executive Director to accept the grant.

E. Retaining Wall Project: A series of pictures was displayed for the Board showing progression of the retaining wall that was constructed along Ferncliff Park Drive. The 40' high wall was built as part of the westside and Airfield Re-development projects. The State has plans to landscape the road but have been holding off until the wall was completed.

F. Airline Meeting: The Director informed the Board that he and Mrs. Kinsey, as well as folks from Carolina West, recently met with American Airlines at their headquarters in Dallas to discuss air service.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS REPORTS:

A. 2015 Goals: The Chair stated that Board Members would have an opportunity to suggest goals for 2015 that align with management's goals. The Chair requested the Board Members consider this and the goals can be discussed at the next Board meeting.

The Director stated that staff is finalizing the strategic plan. A second meeting with employees will be held as well as a final meeting with Ted Abernathy at the end of January. Brochures will be printed and the mission statement will be updated.

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the regular meeting will be held on January 9, 2015.

CLOSED SESSION: At 10:14 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other

Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 11:12 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 10, 2014

CLOSED SESSION MINUTES: Mr. Moyer moved to approve the minutes for the October 10, 2014 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. Bailey seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 12, 2014

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.

ADJOURNMENT: Mr. Andrew Tate moved to adjourn the meeting at 11:15 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair