

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
December 9, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 9, 2016 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; Matthew C. Burrell, Vice-Chair; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and David Gantt

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

ALSO PRESENT: James Seadler, American Airlines; James Moose, Avcon; Amira Trebincevic, Delta Airlines; Cecil Bothwell, Asheville City Council; Ken Moody, Delta Airport Consultants; Mike Darcangelo, Avcon; Tonya Marshall, Gould Killian CPA Group; Eric Rysdon, RS&H

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

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

CONSENT ITEMS: The Director advised the Board that staff had hoped to have the grant agreement from Duke Energy for the electric vehicle charging stations in time for the Board meeting. However, staff has learned that Duke Energy will not have the agreement ready until later in the month or early next month. The Director will need to execute the agreement before the next Board meeting and is seeking approval of the agreement without the actual document.

A. Approval of the Greater Asheville Regional Airport Authority October 14, 2016 Regular Meeting Minutes:

B. Approve Funding Grant Agreement with Duke Energy for Electric Vehicle Charging Stations:

C. Approval of First Amendment to American Tower Corporation Space/Use Permit:

D. Approval of Amendment to the FY16/17 Budget for Bond Payment:

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>
Debt Service	_____	\$155,144
Totals	=====	\$155,144

This will result in a net increase of \$155,144 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$155,144
Totals	=====	\$155,144

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 9th day of December, 2016.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport: The Chair opened the floor to public comments at 8:42 a.m.

James Seadler with American Airlines appeared before the Board and stated that at the Board Meeting in October, the Board tasked the four airlines to meet to further negotiate the rates and methods for the airfield. Mr. Seadler informed the Board that the airlines have met and also planned for three other meetings. The airlines have requested the return of the non-signatory fees, but felt those were being withheld because the previous negotiations had not been in good faith and that more negotiations needed to take place. Mr. Seadler stated that the Board had asked the airlines to hold that as a carrot or incentive for the airlines to come back to the table. Mr. Seadler advised the board that the airlines are very interested in pursuing future negotiations and felt that the airlines have met the commitment by appearing at the meetings and proposing changes outside what was originally discussed. Mr. Seadler pointed out that without the return of the non-signatory fees there is still an incentive for the legacy carriers to meet and come to some agreement as there is a proposal in front of the airline that is not believed to be fair and reasonable. Mr. Seadler did not feel that withholding the non-signatory fees should be a carrot in front of the airlines. What is happening in Asheville is unprecedented and this is not in the spirit of negotiation. Mr. Seadler again requested the airlines receive a refund of the non-signatory fees dating back to July of 2015.

Amira Trebincevic requested the Board's thoughtful consideration of the return of the non-signatory fees to the airlines. Ms. Trebincevic felt that there is incentive to further negotiate and believes the negotiations are headed in the right direction. Ms. Trebincevic commented that it would be a good measure and positive step toward repairing relationships and adding that momentum to the good discussions.

There being no further public comments, the Chair closed the floor at 8:44 a.m.

The Chair stated that the topic at hand was the adoption of the ordinance as contained in the agenda package.

Mr. Burrell asked for the current situation and questioned if the fees were still being paid. The Director stated that the meeting held with the airlines went very well, but there is still progress to be made and the airlines have a lot of work ahead of them. There is still the issue of the legacy carriers wanting one thing and the low-cost carrier wanting something different. The Director stated that Mr. Seadler requested that the 25% premium be returned. The Director informed the Board that the 25% premium was not put out as a carrot to get the airlines to negotiate. The premiums were set aside until the Authority sees how the negotiations go. The Director's recommendation would be to refund the premium back to October when the ordinance was first brought to the Board

for approval. At a minimum, staff would refund November's premium that was paid if not going back to October. Staff would only go back to October unless the Board takes action at a future date to rebate all of the premium.

Mr. Gantt questioned how much the refund of the non-signatory fees back to July of 2015 would amount to. The Director responded that it amounted to approximately half a million dollars.

Mr. Moyer felt that the return of the non-signatory fees was a subject for a future Board meeting.

Mr. Bailey moved to adopt Ordinance No. 201601 to Implement a Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport effective December 9, 2016. Mr. Moyer seconded the motion and it carried unanimously.

The Chair stated that the non-signatory fees would be refunded back to October of 2016 and the refund for the other months would be addressed at a future meeting. Mr. Burril commented that he had issue with the carrot comment. Mr. Burril felt the negotiations on the airlines' part were valid and credible and the Board would like to see them continue, but wanted the airlines to know that the Authority Board was in good faith also.

NEW BUSINESS:

A. Presentation of the Annual Audited Financial Report for Fiscal Year 2015/2016: Janet Burnette advised the Board that the annual audit for fiscal year ended June 30, 2016 was performed by the auditing firm Gould Killian CPA Group, P.A., and the findings were submitted to the Board in the agenda package for review and acceptance. The audited financial statements have been submitted to the Local Government Commission. Mrs. Burnette introduced Tonya Marshall from Gould Killian.

Ms. Marshall informed the Board that Gould Killian issued a clean opinion and that there were no material weaknesses in internal control nor was there any material noncompliance with laws and regulations. Ms. Marshall briefly reviewed the key statistics that included cash investments, operating loss, depreciation, debt service and non-operating revenues. A summary of key comparisons was highlighted as well as a review of capital projects.

Mr. Moyer inquired about the change in net position going up \$3 million. Ms. Marshall stated that the total change in net position is the operating income and loss as well as the non-operating, capital contributions which are mostly from federal and state grants received for the construction project.

Ms. Brown moved to accept the 2015/2016 Audit Report as presented. Mr. Gantt seconded the motion and it carried unanimously.

B. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP):

Mike Reisman reported that the Federal Aviation Administration (FAA) requires all airports to submit a five-year CIP to be eligible for federal funding and the CIP requires approval by the Authority Board. Mr. Reisman stated that the CIP provides for funding of projects and equipment that go beyond the current airfield re-development and garage projects and the items are consistent with improvements identified in the Master Plan. Mr. Reisman provided a high-level summary of the CIP that included extension of the terminal apron, security system improvements, Wright Brothers Way extension and roadway improvements. Mr. Reisman stated that overall the five-year CIP is a \$78.9 million program that includes information on how funding is expected to be provided for the projects.

Mr. Moyer suggested that staff start thinking about a terminal improvement plan. The Director stated that the Master Plan is the guideline staff uses to make these determinations and it is completed every 10 years. The FAA approves the projection numbers used in the Master Plan. The Director further stated that the Master Plan shows short-term, mid-term, and long-term planning for development over 20 years and projects a 2% growth in enplanements. The existing terminal is suitable for the 10 year planning process that the Master Plan shows going out 20 years. Staff could look at the Master Plan to provide some projections of what the Authority will need to do with the terminal if staff feels it is going to fall outside of the 10 year Master Plan process. Staff would then report back to the Board with some recommendations.

Mr. Burril inquired if there was a timeline for a new FAA tower. Mr. Reisman stated that there were no plans on the horizon for the FAA to do anything about the tower. Mr. Burril thought that it would be an opportune time for staff to coordinate with the FAA to build a new terminal or develop another piece of the terminal around a new control tower at the appropriate time.

Mr. Bailey moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan. Mr. Gantt seconded the motion and it carried unanimously.

C. Approval of Change Order Nos. 1 and 2 to Agreement with GLF Construction Corporation for Airfield Redevelopment Project – Bid Package 3:

Mike Reisman reminded the Board that a contract with GLF Construction Corporation for Bid Package 3 was approved on March 11, 2016. Mr. Reisman reviewed the work that was to be included with Change Order No. 1 and stated that the change order amounts to \$74,717.86 and increases the contract with GLF to \$14,082,226.76. Mr. Reisman summarized the items for Change Order No. 2 which reduces the contract amount by \$3,684.01 for a total contact amount of \$14,078,542.75. The overall additional amount from the change order is within the allowance set by the Board when the contract was awarded. Mr. Reisman stated that the bulk of Change Order No 1. was due to some changes on the south end with the fencing. There were dual fence lines on the south

end and a decision was made to eliminate approximately 1,000 feet of the interior fence which required an upgrade to a portion of the outer fence that was being replaced. Staff also decided to upgrade the rusted fence on the south end that runs along Ferncliff Park Drive.

Mr. Moyer moved to approve Change Order Nos. 1 and 2 to the Agreement with GLF Construction Corporation and to authorize the Executive Director to sign the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

D. Approval of Ordinance Establishing Rules and Regulations of the Asheville Regional Airport: Mike Reisman advised the Board that the Authority, through Session Law 2012-121, has the ability to make all reasonable rules, regulations and policies necessary for the proper operation of the airport. Staff has previously discussed with the Board the need to adopt by ordinance the airport's rules and regulations, and to establish penalties for their violation, in order to properly and sufficiently manage and govern the airport in accordance with applicable law. Mr. Reisman stated that the proposed ordinance contains rules and regulations similar to those previously approved by the Board and are consistent with those used by most public airports. Without approval of the ordinance, it would be difficult for staff to enforce the rules and regulations of the airport.

Mr. Gantt inquired if the district attorney was onboard with helping the Authority enforce these rules and regulations. Chief Smith responded that District Attorney Williams was very supportive of the airport's public safety department and of the actions the organization was taking.

Mr. Moyer moved to approve the proposed Ordinance No. 201701 Rules and Regulations of the Asheville Regional Airport, to schedule a public hearing and accept public comment on the proposed Rules and Regulations of the Asheville Regional Airport and following the minimum ten day period for public comment and the public hearing, adopt the Ordinance establishing the Rules and Regulations for the Asheville Regional Airport. 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. Contingency Transfer: The Director reported that \$23,239.00 was transferred from contingency to equipment and small capital outlay for terminal seating. Due to the cost of the shipping, staff decided to purchase all the chairs that were needed rather than to purchase a portion of the chairs that were included in the current fiscal year budget and the remainder under the following year's budget.

B. Parking for Commuter Pilots: The Director advised the Board that 16 individuals that have no type of tenancy relationship with the airport have been receiving

extremely reduced commuter parking rates over the years. These individuals are corporate pilots and crew members from cargo and charter companies. Due to the shortage of available parking, effective January 1st this benefit will no longer be available to these individuals and letters to this effect will be sent out. Once the garage is open, staff will look at other options to see if something can be done to accommodate the commuter parkers. Ms. Brown asked for the capacity of the parking lot that was being used. Mr. Reisman responded that there are 65 parking spaces in that lot and it is crammed full and can't always accommodate employees. The Director stated that an internal directive regarding parking will be established for future reference.

C. Wings for Autism: In conjunction with ARC of Buncombe County, a second event is planned for Saturday, February 11th from 9 to 11:00 a.m. This event was well received last year and staff is anticipating a similar response.

D. Change Order for Garage Project: The Director reported change order no. 2 in the amount of \$30,967.00 to divert passengers parking in the north end to Loop Road to provide access to the toll booth. A conduit for AT&T lines was also added as well as a general transfer switch for power switch over in the event of a future power failure. This change order was approved as it was within the Director's spending authority and within the budget for the garage project.

E. Conservation Easement: The Director reported that staff has been working with CMLC for several years to establish an easement along the French Broad River. The Authority received \$42,712 for the 11.99 acres in the easement and the funds were applied to the airfield re-development project.

F. United Way: The Authority's annual United Way campaign was held recently and employees pledged \$9,670 which well surpassed the Authority's goal of \$8,001.

G. Taxi Cabs: The Director reported that issues with passengers waiting for taxi cabs at night have resolved itself. The number of taxi cabs have decreased due to Uber and now Lyft. Staff will continue to monitor and will advise the Board if any problems arise. Mr. Moyer requested an approximate number of passengers that were not able to get taxi cabs late at night. The Director stated that this information would be sent to the Board via e-mail.

INFORMATION SECTION: No comments

AUTHORITY MEMBER REPORTS: The Chair stated that he would like to have some dedicated time at the February Board meeting for planning and discussion of the administrative policies.

Mr. Gantt mentioned that he would like to attend the ACI Commissioners Conference in April. The Director highly encouraged all Board Members to attend.

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Authority Board on January 13, 2017 is not anticipated, therefore, the next regular meeting of the Board will be on February 17, 2017.

CLOSED SESSION: At 9:41 a.m. Mr. Bailey 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 Regarding, Among Other Things, that Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Greater Asheville Regional Airport Authority, Thalle Construction Co., Inc. and Liberty Mutual Insurance Company; and 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.

The Chair indicated they would break until 9:50 a.m. at which time the Board would resume in closed session. Following closed session, the Board will resume in open session for any additional business that may need discussion.

Open Session resumed at 10:46 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 9, 2016

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

DECEMBER 27TH HOLIDAY: The Chair remarked that the Director would like to align the Authority's holiday schedule with the holiday calendars of Buncombe County and the State this year. The Director stated that as a reward to employees for a good year, he would like to provide an extra holiday on December 27th. This would be a one-time event. For those that have to work that day, the direct cost for the holiday pay would be approximately \$1,000.

Mr. Burril inquired if employees would have to work in the event of an emergency such as snow. The Director responded that employees needed for snow removal would have to work.

Mr. Moyer stated that he was opposed to this and felt the Board needed to follow set policy or it could cause problems.

Mr. Burril moved to approve December 27, 2016 as a holiday for employees. Ms. Brown seconded the motion and it carried by a 5 to 1 vote with Mr. Moyer voting against the motion.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 10:59 a.m. Mr. Burril seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair