

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
August 9, 2013**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 9, 2013 at 8:55 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: David R. Hillier, Chair; Robert C. Roberts, Vice-Chair; Jeffrey A. Piccirillo; Martha W. Thompson; Andrew T. Tate; K. Ray Bailey; and Douglas J. Tate

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Vickie Thomas, Director of Finance and Accounting; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Callie Polk, Marketing and Public Relations Specialist; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: James Moose, AVCON; Jeff Kirby, Parrish & Partners; Nate Otto, RS&H; Mike Reiter, Michael Baker Corporation; Claudia Holliway, Michael Baker Corporation; Matt Fogleman, ECS Carolinas

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

The Director introduced Ms. Callie Polk to the Board. Callie was hired in July as a Marketing and Public Relations Specialist. The Board welcomed Ms. Polk.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Financial Report for June which included enplanements, aircraft operations and general aviation activity. Vickie Thomas reported on the Financial Results for the month of June.

CONSENT ITEMS: Mr. Buchanan suggested that Consent Items B and D, Approval of the Greater Asheville Regional Airport Authority June 21, 2013 Closed Session Minutes, and Approval of the Greater Asheville Regional Airport Authority July 12, 2013 Closed Session Minutes, could be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority June 21, 2013 Regular Meeting Minutes:

C. Approval of the Greater Asheville Regional Airport Authority July 12, 2013 Special Meeting Minutes:

E. Approval of Amendment to the FY 2013/2014 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, 2014:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administrative Department	\$52,083	
Development Department		\$4,696
Executive Department		\$431
Finance Department		\$5,161
Guest Services Department		\$4,048
Information Technology Department	\$2,923	
Marketing Department	\$5,030	
Operations Department		\$17,631
Public Safety Department		\$28,069
Carry-over Capital Expenditures		\$1,557,045
Totals	\$60,036	\$1,617,081

This will result in a net increase of \$1,557,045 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Grants – AIP Entitlement Funds		\$1,177,506
Federal Funds – AIP Discretionary Funds	\$435,599	
NC Department of Transportation Grants		\$465,302
Transfer from GARAA Cash		\$349,836
Totals	\$435,599	\$1,992,644

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 August, 2013.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Thompson moved to approve Consent Items A, C and E. Mr. Piccirillo seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Airline Incentives for Allegiant Air: The Director informed the Board that Allegiant has had discussions with staff about adding seasonal service to Punta Gorda/Ft. Myers, Florida (PGD) from November through May with two flights per week. Based on the possibility of seasonal service and in accordance with the Authority's Air Service Incentive Policy, staff would like to offer Allegiant up to \$50,000 for marketing and advertising of this new service and airport related fee waivers, excluding PFCs, for a one-year period as directly related to the PGD service. The Director further stated that the total incentive package is worth approximately \$91,000. Funds are currently in the budget for this type of business development. The Director advised the Board that should Allegiant decide to make this yearly service without any hiatus, staff would like to offer an additional \$100,000 for marketing and advertising money along with the appropriate waived fees. The total incentive package for yearly service would be approximately \$220,000. The Director stated that offering the additional marketing money would require approval of a budget amendment by the Board.

The Chair questioned when staff would know if the additional \$100,000 would be needed. The Director responded that staff should have a better idea in December if Allegiant plans to make the service yearly. The Chair affirmed that the Director was seeking approval for the \$50,000 in marketing funds at this time. The Director replied that this was correct.

Mr. Bailey moved to approve the airline incentives of up to \$50,000 for marketing and advertising of the PGD service and airport related fee waivers, excluding PFCs, for a one-year period as directly related to the AVL-PGD service with Allegiant Air and authorize the Executive Director to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.

B. Approval of Agreement for Relocation of LLWAS Tower with Federal Aviation Administration (FAA): Michael Reisman informed the Board that the FAA owns and operates seven Low Level Wind Shear Alert System (LLWAS) towers that provide real time information to the air traffic controllers concerning wind shear conditions. One of these towers sits on private property and the FAA has a month to month lease with the property owner. The property owner wants the tower to be moved to another location on or off his property as he plans to develop the property where the tower is located. This tower also could have a negative impact on the protection of airspace surrounding the temporary runway that will be constructed as part of the airfield redevelopment project. Mr. Reisman advised the Board that the FAA still needs to identify an alternate suitable site for the tower. However, due to budgetary constraints and sequestration issues, the FAA is unable to fund the relocation of the tower at this time. The FAA has requested the Authority fund the relocation which is expected to cost up to \$200,000, and then the FAA would reimburse the Authority over a five-year time period.

Mr. Bailey questioned how long the tower has been in its current location. The Director responded that the tower has been there for a very long time. Mr. Bailey also asked how long the property owner has owned the land. The Director responded that the land has been in the property owner's family for a very long time. The Director further stated that the landowner has been very cooperative and this tower does not belong to the airport but it does affect safety systems at the airport. Staff would like to continue the good relationship with adjacent property owners and is trying to facilitate a resolution of this issue. Ultimately the FAA could condemn the property in order to keep the tower in its current location.

Mr. Roberts asked if the FAA was limited in the number of locations where the tower could be located. Mr. Reisman responded that there are a limited number of locations on that side of the airport where the tower could be located. The tower needs to stay in that general area or it would create a gap in the system which would create a hazard.

The Director advised the Board that staff has checked the Local Government Commission's (LGC) ruling on loaning the money to the FAA and there was nothing

specifically identifying this situation. The LGC also thought some of the legislation which created the GARAA may allow for this. The Director further stated that with the Board's approval to move forward, if the FAA is able to find a suitable alternate location and negotiate the relocation of the tower with the property owners, staff will come back to the Board for approval of a budget amendment to assist the FAA in funding this project.

Mr. Douglas Tate moved to approve entering into an agreement with the FAA for funding and reimbursement of costs associated with the relocation of the LLWAS tower, not to exceed \$200,000, should the circumstances warrant it; and authorize the Executive Director to negotiate an agreement for same and execute the necessary documents. Mr. Andrew Tate 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. Budget Transfer: The Director advised the Board that two transfers were made from contingency to the operating budget. The first transfer was in the amount of \$26,750 from contingency to capital carry-over for a vehicle that was purchased. The vehicle was not received before the end of June so those funds needed to be carried over to cover this expense. The second transfer was for changes of salary and benefits in the Executive Department due to Board negotiations so \$20,000 was moved from Contingency into the Executive Department.

B. TSA Exit Lane Funding: The Director reported that since September 2001 when TSA was created, it has been the responsibility of TSA to monitor the exit lanes leaving the secure area. There has been some discussion in the last four to six months about putting that responsibility on to the airports rather than TSA. Before 2001, it was the responsibility of the airlines to monitor these lanes. TSA requested airports submit their comments on this issue, so staff sent a letter to TSA in July expressing concerns. Staff estimates that the cost to monitor the exit lanes would be approximately \$300,000 annually. This would have to be passed on to the airlines. TSA has not yet made a determination on this issue. TSA is also looking into technology rather than manpower to monitor the exit lanes and this would be a capital expense for airports. The airline industry has also been fighting this issue and our DC legislators are aware of what is going on. The Director will keep the Board apprised of the situation.

C. September Flight Schedules: The Director advised the Board that both US Air and Delta are removing their early morning flights beginning in September. US Air is combining their 5:30 a.m. and 7:30 a.m. flights from 30-50 seat jets to a 78 seat

aircraft. Travelers will not be able to get to west coast destinations before noon. Staff has reached out to US Air but has not had a response. Staff hopes this does not cause traffic to leak to other airports.

D. Endeavor Air: Pinnacle Airlines filed for bankruptcy earlier in the year and was fully acquired by Delta. Pinnacle has changed their name to Endeavor Air.

E. Implementation of New Service Fee: The Director reported that each year when the Board approves the budget, there is a section of fees for services and use of equipment that is included in the budget. One service that is currently provided free of charge is lockouts for tenants. The rental car employees are habitually using this service to unlock rental cars when their employees lock the keys in the cars. Staff proposes to implement a fee to tenants for this service, possibly in the \$25 range, and may provide a few free lockouts before fees are applied. Fees will not be charged to the traveling public. Staff intends to bring this back to the Board for approval in October.

F. Allegiant Air: Allegiant has acquired new aircraft, the Airbus 319 and 320 series. Allegiant advised staff they will begin using this aircraft for the Orlando-Sanford service the end of August.

G. PFC Approval: The FAA has given approval of the Amendment to PFC Application No. 5 and PFC Application No. 6. The Authority may now move forward with expending the fees collected.

H. Master Plan Update: Staff has received comments from the FAA regarding the Airport Layout Plan (ALP), the only part of the Master Plan Study that the FAA formally approves. Staff is working with the consultant and will resubmit the ALP once the revisions are complete.

INFORMATION SECTION: Mr. Roberts commented that in the Airport Facilities Review survey, the passenger demographics reports a majority of business travelers rather than leisure travelers. Mr. Roberts asked if this was a change from past demographics. Mrs. Kinsey responded that this particular survey is contracted by Delta Airlines and staff looks at the results from more of an annual perspective rather than quarterly as the passengers surveyed are small and results can be skewed. Mrs. Kinsey further stated that the annual statistics have some validity. Ms. Thompson asked if Delta uses this information to determine flights. Mrs. Kinsey replied that Delta uses the data for various reasons.

AUTHORITY MEMBERS REPORTS:

A. Service Recognition Award – Martha Thompson: The Chair read the following Resolution of Appreciation for Ms. Thompson:

*Greater Asheville
Regional Airport Authority*

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority (succeeding its predecessor, the Asheville Regional Airport Authority) was created for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, Martha W. Thompson served as Member of the Asheville Regional Airport Authority from August 2010 to August 2013, and its successor, the Greater Asheville Regional Airport Authority, from July 2012 to August 2013; and

WHEREAS, Martha W. Thompson resigned her position as Member of the Authorities due to a well-deserved promotion in her professional capacity, which required her to transfer from Buncombe County; and

WHEREAS, Martha W. Thompson, during her period of service to the Authorities, performed her duties with diligence, conscientiousness, and constant good spirits; and

WHEREAS, Martha W. Thompson provided to the Authorities her wisdom, especially in connection with matters regarding public relations and the perception of the Asheville Regional Airport in the Western North Carolina community.

NOW, THEREFORE, BE IT RESOLVED that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Martha W. Thompson for her dedicated efforts in serving the needs of the Asheville Regional Airport.

Adopted this 9th day of August, 2013.

Greater Asheville Regional Airport Authority

Mr. Roberts moved to approve the Resolution of Appreciation for Ms. Thompson. Mr. Piccirillo seconded the motion and it carried unanimously.

PUBLIC AND TENANTS' COMMENTS: No comments

CALL FOR NEXT MEETING: The Director advised the Board that there may be a need for a September meeting and requested the Board keep the date open. If the September meeting is not needed, the next regular meeting of the Board will be held on October 11, 2013.

Ms. Thompson left the meeting at 9:21 a.m.

ETHICS PRESENTATION: Victor Buchanan stated the information he would present relates to Board Members and that Board Members are public officials as is the Executive Director or anyone who takes an oath of office. Public officials are considered protectors of the public's money and property and there are certain expectations and responsibilities that go along with these positions such as trustworthiness, fairness, and citizenship. Mr. Buchanan stated that public officials are there to serve the public and should not benefit personally from their position. Public Officials should seek guidance if it is questionable whether a member can vote on an item. Mr. Buchanan gave an example of a situation where a conflict of interest existed and also distributed copies of the General Statutes of North Carolina with regard to misuse of confidential information; public officers or employees benefiting from public contracts, exceptions; and gifts and favors regulated.

The Chair called for a break at 9:55 a.m.

The Board reconvened at 10:00 a.m.

CLOSED SESSION: At 10:00 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsection 143-318.11(a)(3) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege. Mr. Roberts seconded the motion and it carried by a 6 to 0 vote.

Open Session resumed at 10:37 a.m.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
JUNE 21, 2013 CLOSED SESSION MINUTES:**

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
JULY 12, 2013 CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the minutes for Part A and Part B of the June 21, 2013 Closed Session and the July 12, 2013 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. Roberts seconded the motion and it carried by a 6 to 0 vote.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 9, 2013
CLOSED SESSION MINUTES:

Mr. Piccirillo moved to seal the minutes for the August 9, 2013 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. Roberts seconded the motion and it carried by a 6 to 0 vote.

ADJOURNMENT: Mr. Andrew Tate moved to adjourn the meeting at 10:39 a.m. Mr. Roberts seconded the motion and it carried by a 6 to 0 vote.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair