

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
February 15, 2013**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, February 15, 2013 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: David R. Hillier, Chair; Robert C. Roberts, Vice-Chair; Jeffrey A. Piccirillo; and Martha W. Thompson

MEMBERS ABSENT: Andrew T. Tate

STAFF AND LEGAL COUNSEL PRESENT: Vic 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; Royce Holden, IT Director; Suzie Baker, Director of Administration; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Amy Burrirt, Marketing Supervisor; Kevan Smith, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Bruce Goforth, Goforth Builders; Jeff Kirby, Michael Baker Corporation; Mike Darcangelo, Avcon, Inc.; Nate Otto, RS&H; Bob Oast, City of Asheville

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

DISCUSSION AND APPOINTMENT OF NEW BOARD MEMBER: The Chair called for discussion or motion for appointment of the Authority Board At Large member. Mr. Roberts moved to appoint K. Ray Bailey as the At Large member to the Authority Board. Mr. Piccirillo seconded the motion and it carried unanimously.

PRESENTATIONS:

A. Crisis Communication Plan: Tina Kinsey and Amy Burrirt presented an overview of the Crisis Communication Plan which is designed for Marketing and Public Relations use to manage communication in a crisis situation. Mrs. Kinsey advised the Board that the Crisis Communication Plan provides an immediate plan to identify and clarify responsibilities ahead of time and also provides guidance for decision making, information dissemination, and relationship management. Mrs. Kinsey gave scenarios

of various crises for an airport, reviewed the role of the communication team, and identified the members of the team. Ms. Burritt further detailed the roles of the team and highlighted the different phases of a crisis along with the priorities of the team during each phase. Mrs. Kinsey outlined the training she and Ms. Burritt have participated in as well as the research involved in creating this plan.

Ms. Thompson applauded Mrs. Kinsey and Ms. Burritt for their efforts in producing the plan and suggested that due to the limited number of staff in the Marketing Department, perhaps it would be beneficial to collaborate with peers from other airports to help monitor the social media aspect in the event an emergency occurs. Mrs. Kinsey agreed that mutual aid in the communication realm was a wonderful idea.

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of December. Passenger enplanements for the month totaled 23,209, a decrease of 16.3% over the same period last year. The Director reported that commercial operations for the month totaled 1,193, a decrease of 18.1% over the same period last year, scheduled flights totaled 578, a decrease of 20.1% from last year, and seats totaled 32,680, a decrease of 14.7% over last year. Vickie Thomas reported on the financial results for the month stating that operating revenue was \$654,000, which was right on budget, and operating expenses were \$530,000, which was 19.4% below budget. The cash position for the month was also reviewed. The Director also advised the Board that the cash position should be over \$16 million, however, the FAA has a new electronic draw-down system and staff has been having technical problems with the system and has been unable to draw down about a million in FAA grant money.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority January 11, 2013 Regular Meeting Minutes: The Chair requested a correction to Item D, Review of First Draft of By-Laws, of Authority Members Reports. The word "first" in the third sentence of the second paragraph should be substituted with the word "last". Ms. Thompson made a motion to approve as corrected the regular minutes of the January 11, 2013 Authority Board meeting. Mr. Roberts seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Amendment No. 1 to the Management and Operation of Public Parking Facilities Agreement with Standard Parking Corporation: The Director informed the Board that staff solicited bids for the management and operation

of the public parking facilities at the airport during the Fall of 2007. The bid documents proposed a contract term of five years with a five-year option at the sole discretion of the Authority. Standard Parking Corporation was awarded the contract in January of 2008, however when the final contract was created, the five-year option was inadvertently omitted from the agreement. The Director further stated that since the current contract expires April 30, 2013, either a contract amendment extending the term of the contract needs to be approved or staff needs to prepare a new bid process in order to meet the expiration time period. Extending the current parking contract will allow staff time to evaluate the Master Plan recommendations for parking and develop the appropriate course of action. Staff has been pleased with Standard Parking and recommends extending the current contract for two-years with three one-year renewal options. The amendment to the contract also assigns the parking agreement from the Asheville Regional Airport Authority to the Greater Asheville Regional Airport Authority.

The Chair inquired if the three one-year options were mutual. The Director responded that the options were at the discretion of the Authority.

Mr. Roberts moved to approve Amendment No. 1 to the Management and Operation of Public Parking Facilities Agreement with Standard Parking Corporation and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

B. Approve Aircraft Rescue Firefighting Facility Project and Contract for

Construction: Michael Reisman advised the Board that staff solicited bids for the construction of the Aircraft Rescue Firefighting (ARFF) facility in January and the bids were opened on February 8th. Four bids were received with the lowest responsive bid received from Goforth Builders, Inc. in the amount of \$4,122,500 including all additive alternate items. An additional 10% allowance for miscellaneous expenses is recommended for a total project cost of \$4,534,750. Mr. Reisman further stated that staff has advised the Board at previous Board meetings that the big add alternate item on this project is for the fifth vehicle apparatus bay. Although the fifth bay was considered eligible for federal funding, staff was not sure at the time that there would be adequate funding for construction of this fifth bay. Mr. Reisman reported that given the extremely competitive nature of the bids received, as well as additional federal and state funding that has become available, staff will be able to move forward with construction of the fifth bay. Mr. Reisman informed the Board that the total project will be funded with as much as \$2,933,979 of FAA AIP Entitlement funds, \$1.3 million of NC DOT funds, and \$300,771 of approved PFC funds. As a result, amendment to the FY 2012/2013 budget is also required. Mr. Reisman requested the Board approve the ARFF facility construction project with a budget of \$4,534,750; approve the contract with Goforth Builders, Inc. in the amount of \$4,122,500; (\$4,007,398, plus \$115,102 in

refundable sales tax); authorize the Executive Director to execute the necessary documents; and amend the FY2012/2013 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, 2013:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$225,459
Contingency		168,159
Totals	<u>\$0</u>	<u>\$396,618</u>

This will result in a net increase of \$393,618 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Grants – AIP Entitlement Funds		\$788,517
NC Department of Transportation Grants		550,000
Passenger Facility Charges	\$300,000	
Transfer from GARAA Cash	644,899	
Totals	<u>\$944,899</u>	<u>\$1,338,517</u>

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 15th day of February, 2013.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Roberts inquired about the time frame for the project. Mr. Reisman responded that staff anticipated construction to begin in late April or early May with a 14-month construction schedule.

Ms. Thompson moved to (1) approve the Aircraft Rescue Firefighting Facility construction project with a budget of \$4,534,750; (2) approve the contract with Goforth Builders, Inc. in the amount of \$4,122,500 (\$4,007,398, plus \$115,102 in refundable sales tax); (3) authorize the Executive Director to execute the necessary documents; and (4) amend the FY2012/2013 budget by adopting the budget ordinance amendment as presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

C. Approval of a Utility Easement Agreement for the Aircraft Rescue Firefighting Station Project: The Chair stated that Ms. Thompson had a conflict with this item. The remaining three members present did not constitute a quorum, therefore action on this item was postponed to a special meeting.

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

A. Guide Dog Training: The Director reported that staff member Rita Yanz recently worked with the Guide Dog Foundation of Asheville to bring guide dogs to the airport for training. The dogs were trained by their handlers at the ticket counter, TSA checkpoint and baggage claim. Delta allowed the dogs and handlers to go on one of their aircraft. The training went very well and staff looks forward to working with this organization in the future.

B. Property Appraisals: The Director informed the Board that staff is in the process of having appraisals done for some property, including the Ag Center and property on the west and south sides of the airport. Staff will also have the existing Public Safety building appraised in order to continue negotiations with the City of Asheville on a future lease.

C. I-26 Widening Project: The Director and Mr. Reisman attended a public officials forum with NCDOT for the I26 widening project which consists of widening the 22 mile stretch from Henderson County to I40 in Buncombe County. The I26/NC280 interchange project that is scheduled to start this fall will not interfere nor be affected by the I-26 widening project which is expected to start in either 2019 or 2020.

D. Sealing and Rejuvenation of Taxiway A: A couple of years ago, staff completed rejuvenation of the runway. Taxiway A will now undergo the same process which includes rejuvenation, crack sealing, and applying a sealant. The State is

assuming the total cost of \$110,000.00 for this rejuvenation project. Work is expected to begin in April.

E. Airline Service: Allegiant Airlines is doing well in Asheville and they are planning on increasing the Orlando service in March, June, July, and August from two to four times a week. Staff is also noticing an increase in seats with other airlines this spring and hopes this is a sign of the end of capacity cuts.

F. The Paradies Shops: Paradies has requested a reduction in the hours of their pre-screening facility due to the slower traffic the airport has been experiencing. Paradies' pre-screening facility has been averaging \$3.00 - 5.00 per hour in revenue sales during the early morning and late day hours. Staff is working with them to modify their operation hours through the end of March to help them stem their losses for the amount of manpower time due to a lack of revenue sales.

G. Zoning Issues: The Director advised the Board that staff has been working with Buncombe County on zoning issues around the airport. Some zoning was instituted by the County, however, one piece of property on the east side of I26 off of Old Fanning Bridge Road remains un-zoned. Mr. Reisman has informed the County Commissioners of the importance of having this property zoned to protect the airspace. The County Commissioners have deferred zoning this property to October which is the time county staff will be presenting a new master zoning program. In conjunction with the airport's Master Plan, airport staff is looking for implementation of an airspace overlay district by the municipalities around the airport. The municipalities adjacent to the airport have been aware of this project for our Master Plan and staff is hopeful all the issues will be resolved by the October timeframe.

H. US Airways & American Airlines Merger: The Director stated that a merger between the two airlines was not unanticipated due to American Airlines' bankruptcy. The possibility of new service in smaller cities has been mentioned and staff hopes there is an opportunity for growth in Asheville. The merger will keep the American name rather than US Airways and the company will be headquartered in Dallas.

I. ACI-NA Board Meeting: The Director reported that at a recent ACI Board meeting, the topic of increasing Passenger Facility Charges (PFC) was discussed and the organization feels the time is right to propose implementation of higher PFC's to Congress. There are a few ways the PFC's could be increased. One option would change the PFC from \$4.50 to \$8.50. If the PFC was raised to this amount, large and medium hub airports would no longer be entitled to AIP entitlement money and this would save approximately \$1.9 billion from the federal budget over ten years. The second way to increase PFC's would be to uncap the PFC for large and medium hub airports and they would set their own rates to support their facility. The airports would give up entitlement and discretionary funding from the FAA. This would save

approximately \$4.4 billion from the federal budget over ten years. The third option would be a combination of the first two options which would raise the PFC to \$8.50 and allow large airports to cap their PFC's. Those savings could amount to \$4.9 billion over 10 years. These options look attractive to Congress at a time of budget cuts, however airlines don't want the PFC to be raised. There is a possibility of reducing the ticket tax to the passengers if the PFC is raised, so it could work out to be a net zero impact to the passengers.

Mr. Roberts asked if increasing the PFC's would help smaller airports. The Director responded that it would help smaller airports as more funding would be available for smaller to medium hub airports.

INFORMATION SECTION: The Chair asked if there was an explanation for the negative comments found in the Airport Facilities Review for the Fourth Quarter. Mrs. Kinsey responded that this was an anomaly.

AUTHORITY MEMBERS REPORTS:

A. Review of Second Draft of Bylaws: The Chair suggested Mr. Buchanan briefly summarize the changes to the Bylaws. Mr. Buchanan stated that only essential matters were dealt with in the Bylaws as the Session Law itself was very detailed. One of the items Mr. Buchanan addressed in the Bylaws was how to structure meetings and reviewed that section of the Bylaws. Mr. Buchanan also briefly reviewed the Obligations of Duties of the Members. Mr. Buchanan further stated that the Board has the ability to amend or change the Bylaws.

The Chair asked the Director if the Mission Statement would be changed. The Director responded that staff has been tasked to look at the Mission Statement and there is a possibility of bringing in a facilitator for assistance. The Director also stated that the Board would be asked for input. The Director further stated that the current Mission Statement portrays the commercial traveler and not general aviation, and this is something that may be looked at as well.

The Director stated that he had some questions about items not incorporated in the new Bylaws including the corporate seal, conflict of interest statement for Authority Board Members, and the responsibility of the Chair to form committees. Mr. Buchanan referenced the provisions in the Session Law that encompassed the items the Director questioned. Mr. Buchanan further stated that some of the items that were not included in the new Bylaws, such as committee formation, would be considered a Board action and would not need to be identified in the Bylaws.

Mr. Piccirillo moved to approve and adopt the Bylaws for the Greater Asheville Regional Airport Authority effective as of February 15, 2013. Ms. Thompson seconded the motion and it carried unanimously.

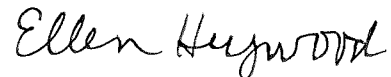
PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair advised the Board that the next regular meeting of the Board will be March 8, 2013.

CLOSED SESSION: None

ADJOURNMENT: Mr. Roberts moved to adjourn the meeting at 9:36 a.m. Ms. Thompson seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



David R. Hillier
Chair