

**REGULAR MEETING**  
**ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**June 11, 2010**  
**8:30 a.m.**

The Asheville Regional Airport Authority ("Authority") met on Friday, June 11, 2010 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, Chairman; David Gantt, Vice-Chairman; Chuck McGrady, Secretary-Treasurer; Susan C. Fisher; Jeffrey A. Piccirillo; Brownie Newman and Rhett Grotzinger (via conference call).

**MEMBERS ABSENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; C. Jeffrey Augram, Chief of Public Safety; Kevin Howell, Director of Properties and Development; Royce Holden, IT Director; Suzie Baker, Administration Manager; Vickie Thomas, Director of Finance and Accounting; Amy Burritt, Interim Manager of Marketing and Public Relations; Sherman Stark, Operations Supervisor; and Ellen Heywood, Recording Secretary.

**ALSO PRESENT:** Karen Cragolin, RiverLink; Jerry Rice; Bill Moss; Mike Darcangelo, AVCON; Glenn W. Wilcox, Sr., Wilcox Travel Agency.

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

**APPEARANCES:** None

**PRESENTATIONS:**

**A. Riverlink Presentation:** Ms. Karen Cragolin, Executive Director of Riverlink, appeared before the Board to present an overview of Riverlink's projects and mission. Ms. Cragolin reviewed the many projects funded by Riverlink as well as the goals and features of the Wilma Dykeman Riverway and Urban Plan. Ms. Cragolin informed the Board that Riverlink would be happy to work with the Authority to create a greenway area on airport property along the French Broad River and possibly connect Westfeldt Park with the airport's river frontage property.

The Board thanked Ms. Cragolin for her presentation.

Mr. Jerry Rice spoke to the Board to stress that the use of fly ash on airport property could be a serious contamination issue for the river and also have the potential for a lawsuit.

**B. Storm Water Presentation:** Kevin Howell gave a brief update on the storm water permit process. Background information, a timeline and status of the process were explained with Mr. Howell advising the Board that by January of 2011 the airport needs to complete written plans for compliance of the permit.

Mr. Piccirillo asked who would train the person responsible for training airport employees and tenants for compliance with the permit. Mr. Howell responded that initially a third party consultant would be used to train an Authority staff member who could then train tenants and other airport employees going forward. Mr. Howell also informed the Board that the airport would ultimately be responsible for all tenants to be in compliance with the permit.

Mr. Grotzinger inquired if compliance with the permit would require a change to the current minimum standards and also asked about the possibility of unfunded mandates for the tenants. Mr. Howell responded that a change to the minimum standards was uncertain at this point in time and stated that most of the agreements with the tenants contain language for compliance with environmental policies. Mr. Howell further stated that most tenants do not intentionally pollute but there could be some issues tenants would have to address.

**FINANCIAL REPORT:** The Director reviewed the airport activity section of the Executive Summary for the month of April noting the 23.8% increase in enplanements over April of last year. Vickie Thomas reported on the operating revenue and expenses for the month.

**CONSENT AGENDA:**

Mr. McGrady requested Consent Agenda Item B be pulled for discussion.

**A. Approval of the Asheville Regional Airport Authority April 23, 2010 Regular Meeting Minutes:**

**C. Approval of Insurance Renewals:**

**D. Approval of Resolution for Donation of Wireless Telephones:**

**E. Approval of Resolution for Adoption of North Carolina Public Employee Deferred Compensation Plan:**

Mr. McGrady moved to approve Consent Agenda Items A, C, D, and E. Mr. Gantt seconded the motion and it carried by unanimous consent.

**B. Approval of Authority Environmental Policy:** Mr. McGrady stated that although he was fully supportive of the Environmental Policy, he felt the second paragraph was awkward and suggested the language following the word "environment" be omitted from the second paragraph. Mr. Newman requested that the Addendum to the policy be posted with the policy at all times. Mrs. Fisher moved to approve the Environmental Policy with the amendment suggested by Mr. McGrady. Mr. McGrady seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Approval of Amendment to the FY2009/2010 Budget:** Mrs. Thomas informed the Board that the original FY09/10 Budget included \$2,200,000.00 in Federal Grants for the current year's entitlement funds. Due to delays in Congress, the Authority does not expect to receive the Part B balance of the grants until August, 2010. As a result, staff needs to use an additional \$1,297,510 of funds from ARAA Cash/Investments in FY09/10 to cover construction costs. Mrs. Thomas further reported that staff found it difficult to allocate expenditures from departments to cost centers in the budget process and in the Airlines' Rates and Charges calculation process. Staff recommends reclassifying expenditures from a cost center basis to a department basis for ease of monitoring and transparency purposes.

Mrs. Thomas reported that amending the budget would decrease the Federal Grant revenue by \$1,297,510 and Transfer from ARAA Cash/Investments will increase by \$1,297,510 with no net change in total revenue. In addition, the budget amendment would reclassify expenditures from cost centers to departments, with no net change in total expenditures. Mrs. Thomas recommended the Authority Board resolve to amend the FY09/10 Budget by adopting the following budget ordinance amendment:

**BE IT ORDAINED** by the Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2010:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Administration	\$ 1,479,961	
Terminal	2,643,374	
Airfield	1,245,283	
General Aviation	423,728	
Parking Lot/Roadway	227,557	
Other	477,305	
Administrative Department		589,380
Development Department		458,268
Executive Department		578,920
Finance Department		316,959
Guest Services Department		204,550
Information Technology Department		450,700
Marketing Department		526,496
Operations Department		2,212,065
Public Safety Department		1,159,870
Totals	<u>\$6,497,208</u>	<u>\$6,497,208</u>

This will result in a no net increase in the appropriations. In addition, revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal Grants FY09/10	1,297,510	
Transfer from ARAA Cash		1,297,510
Totals	<u>\$1,297,510</u>	<u>\$1,297,510</u>

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

Adopted this 11<sup>th</sup> day of June, 2010.

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David Hillier, Chairman

Attested by:

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Charles W. McGrady, Secretary-Treasurer

Mr. Gantt affirmed that the \$1.29 million would be reimbursed to the Authority to which Mrs. Thomas stated that staff expected Congress to release the entitlement funds by August. Mr. McGrady inquired if a similar change would be needed for next fiscal year's budget and Mrs. Thomas responded that it was likely. Mr. Grotzinger questioned whether the agreements with the contractors that are contingent on the entitlement money contained language allowing the Authority to terminate a contract without penalty if the grant money is not received. The Director responded that there is language to terminate a contract, however the Authority is responsible for any work already performed on the project until the project is put on hold. Additional mobilization costs would be incurred when construction was started again.

Mr. McGrady moved to approve the Amendment to the FY09/10 Budget as presented by staff. Mr. Gantt seconded the motion and it carried by unanimous consent.

**B. Approval of Updates to the Administration Policies and Procedures**

**Manual:** Mrs. Suzie Baker advised the Board that a draft of the Administration Policies and Procedures Manual had been included in the May Board Informational Package for the Board's review. Comments from the Board as well as staff have been incorporated into the manual for approval at the June Board meeting.

Mr. McGrady stated there were changes he would like made to the manual. The first was a correction to the approval date on page 75. Mr. McGrady also commented that the duties of the Secretary/Treasurer in paragraph 3 on page 5 of the manual were under the control of staff and requested this paragraph be addressed for rewording the next time the policy was to be revised. In addition, Mr. McGrady was uncomfortable with the wording in the first sentence of the Meetings Time and Place section on page 5. Mr. McGrady felt cancellation of a Board meeting should be a collective decision

made by the Board rather than just the Chairman. Mr. McGrady suggested the word Chairman be replaced with Authority Board in that first sentence.

Mr. Buchanan stated that he and the Director would work together to reword the Secretary/Treasurer section on page 5 to resolve the issues Mr. McGrady had with this section.

Mr. McGrady moved to amend the Administration Policies and Procedures Manual with correction to the approval date on page 75 and rewording of the first sentence of the Meetings Time and Place section on page 5 to read, The Authority shall meet regularly once a month, unless the Board determines to cancel a monthly meeting. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

Mr. McGrady moved to adopt the Administration Policies and Procedures Manual with the amendments made in the previous motion. Mr. Gantt seconded the motion and it carried by unanimous consent.

**C. Approval of Scope of Services and Fees for Extended Contract Administration and Resident Project Representative Services for the A Gates – Terminal Improvements and Renovation Project with RS&H:** Kevin Howell gave the Board the background information on the Board's June 12, 2009 approval of the scope and fee proposal with RS&H for the A gates project. Several delays to the project due to unforeseen structural conditions and weather have resulted in an extension to the contractor for the construction contract. The existing contract with RS&H for professional or inspection services would also require an extension. The proposed fee totals \$134,568.00 and would require Board approval. Staff proposes funding the new fee with a combination of deleting allowances in the original construction contract and securing additional funds from the FAA.

Mr. Grotzinger moved to approve the Scope of Services and Fee Proposal with RS&H not to exceed the amount of \$134,568.00; and to authorize the Airport Director to execute the necessary documents. Mrs. Fisher seconded the motion and it carried by unanimous consent.

Mr. Grotzinger informed the Board that he had to discontinue the conference call.

**SERVICE RECOGNITION AWARD FOR RHETT GROTZINGER:** The Chairman read the following resolution of appreciation to Rhett Grotzinger for his service to the Board:

***Asheville Regional Airport Authority***

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***~ Resolution ~***

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**WHEREAS**, Rhett Grotzinger served as a Member of the Asheville Regional Airport Authority for a period in excess of 8 1/2 years; and

**WHEREAS**, this is the longest period of service as an Authority Member in recent memory, if not forever; and

**WHEREAS**, Rhett Grotzinger was elected Secretary/Treasurer of the Authority in July of 2004 and Vice-Chair of the Authority in August of 2006;

**WHEREAS**, Rhett Grotzinger brought to the Authority extensive knowledge of and enthusiasm for the aviation industry;

**NOW, THEREFORE, THIS RESOLUTION IS ADOPTED**, in recognition of the service of Rhett Grotzinger to the Asheville Regional Airport Authority.

**Adopted this 11th day of June, 2010**

**Asheville Regional Airport Authority**

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**David R. Hillier, Chairman**

**ATTEST:**

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**Charles W. McGrady, Secretary/Treasurer**

Mr. Newman moved to approve the Resolution of Service Recognition for Rhett Grotzinger. Mr. McGrady seconded the motion and it carried by unanimous consent.

Mr. Grotzinger stated that it was an honor and privilege to serve on the Board.

Mr. Grotzinger disconnected at 10:14 a.m.

## **DIRECTOR'S REPORT:**

**A. City Smoking Policy:** The Director informed the Board that Mr. Buchanan had looked at the City's smoking ordinance and how it would affect the Authority. The City's ordinance allows for the Authority to make its own decisions for smoking on airport property. Mr. Buchanan advised the Board that the City's ordinance goes into effect on July 1, 2010 and felt it would be appropriate for the Authority Board to enact whatever decision it wanted regarding a smoking policy after that effective date.

The Director relayed to the Board that under the City County Agreement, the Authority Board sets policy and felt the Board could set a smoking policy at the next Authority Board meeting. Copies of the current Authority Smoking Policy were distributed for the Board's review.

**B. Two Expenditures from Contingency for Toll Plaza/Parking Lot Computer Equipment and Triturator Project:** The Director informed the Board that under his authority, there were two expenditures from Contingency made. One was for the toll plaza/parking lot for computer system servers in the amount of \$4,500.00 and the other contingency movement was for \$5,000.00 for the Triturator project. At the April Board meeting, the Board approved an amendment to the contractor for the Triturator project in the amount of approximately \$1,900.00. The Director moved \$5,000 from contingency to the Triturator project for some engineering expenditures in order to close out that project.

**C. Parking Lot (Shuttle):** The Director told the Board that with continued growth the airport is experiencing some parking issues with the lots being full. Staff is gathering information and performing cost analysis for consideration of two options; a 6 to 8 person golf-cart shuttle and economy parking where rates in the lower lot would be reduced to \$5.00 per day but customers would not have access to the shuttle. The Director stated that staff would be back before the Board if need for more parking spaces arises.

**D. History and Analysis of Cash Reserves:** A history of the Authority's cash reserves was available for the Board's review. Only two replies were received to staff's request for information on other airports' cash reserves and the Board was apprised of the responses received. The Authority's cash reserves have remained consistent over the past ten years. With \$53.9 million worth of capital improvements made to the airport, this resulted in a change of only \$5.5 million to the cash reserves.



Mr. Gantt affirmed that there were no statutory minimums for cash reserves and Mrs. Thomas agreed that was correct.

The Chairman commented that it was amazing that cash reserves have remained so close to what they were 10 or 12 years ago considering the amount of construction that was done and commended staff for a job well done.

**E. Property Map:** The next rendition of the airport property map showing parcels in both Henderson and Buncombe counties was distributed for the Board's information. The Director will keep the Board apprised of the status of this project moving forward.

**F. Concession Space in Terminal:** The Director reported to the Board that the five-year contract with MSE Branded Foods is expiring on June 30, 2010 and upon mutual agreement the contract will not be renewed. MSE was given the option to continue as the concessionaire and expand into the new airside concession space in the terminal upon its completion. MSE's terms were not acceptable to staff and an agreement was not reached. MSE has agreed to stay on as the concessionaire until a new operator is in place. The Director has had preliminary discussions with a nationally recognized concessionaire who is willing to bring a local theme to the airport. Under the current concession policy, the Authority has the ability to enter negotiations directly with an operator without a Request for Proposal process as long as the concessionaire brings in at least one national brand. The Director will keep the Board apprised of the discussions.

**G. Industry Updates:** The Director informed the Board that there was no formal AIP Reauthorization, rather another three-month extension through July. Other industry news included rules regarding tarmac delays, the possibility of reimbursing passengers for bag fees when bags are not delivered, and also an increase in airline bump fees if passengers get bumped from a flight.

**H. Designation of Airport Director as an Authorized Signer:** The Director advised the Board that designation of the Airport Director as an authorized signer was addressed in the updates to the Administration Policies and Procedures manual. The Director stated that language allowing the Director to sign checks or other documents was never included in previous updates to the policy. Inclusion of this language in the recent update to the policy allows for continued transparency.

**I. Airport Bench:** A picture of the new bench crafted by Leisurecraft was available to the Board. The Authority purchased the bench and Leisurecraft donated the airport logo plaque that was built into the bench.

The Director reported that he had a few more items to address that were not on the agenda:

**J. ATM:** A new ATM has been installed in the terminal building under a six-month contract with ATM USA, LLC which will give staff time to put together a bid package for local banks to submit bids.

**K. GRANT:** The state has finally sent notice that the diesel reduction grant money will be released soon and staff will move forward with purchasing equipment.

**L. DELTA AIRLINES:** Beginning in August, Delta will be starting 70-seat jet service to Atlanta. There will be one flight per day utilizing the 70-seat jet which will have two classes of service.

**M. ASHEVILLE CHAMBER TRIP:** The Director will be accompanying the Asheville Chamber next week on their annual legislative visit to Washington, DC.

**N. JUMPSTART CONFERENCE:** The Director just returned from the ACI-NA Jumpstart Conference. The Director met with representatives from six different airlines for 20 minutes each and discussed service to Asheville. The Director hopes to hear some good news within the next six months to a year.

**O. KEVIN HOWELL:** Mr. Howell has accepted a position at Greenville Spartanburg International Airport and his last day at Asheville will be June 30. The Director stated Mr. Howell's leaving will be a great loss for the Authority. The Director is looking at restructuring this position to possibly a Deputy Director of Facilities and Operations. This will enable the Authority to create a succession plan. The Director will be working with the Board over the next few months on this.

The Chairman stated that Mr. Howell had the Board's utmost respect, thanked him for his exemplary performance, and wished him success in his future endeavors.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS' REPORTS:**

**A. Nominating Committee:** The Chairman appointed a Nominating Committee for the purpose of nominating Authority Board Officers at the next meeting of the Board. The Chairman asked Mr. Piccirillo to serve as the Chairman of the Nominating Committee and Mr. Newman as the Co-Chair.

**CANCELLATION OF JULY AUTHORITY BOARD MEETING:** Mr. McGrady moved to cancel the July 9, 2010 meeting of the Authority Board subject to call of the Chairman. Mr. Newman seconded the motion and it carried by a 6 to 0 vote.

**PUBLIC AND TENANTS' COMMENTS:** Mr. Jerry Rice appeared before the Board to recognize Susan Fisher for her service and to request the Board be aware of environmental issues, especially relating to Progress Energy.

**CLOSED SESSION:** None

**SERVICE RECOGNITION AWARD FOR SUSAN FISHER:** The Chairman read the following resolution of appreciation to Susan Fisher for her service to the Board:

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***Asheville Regional Airport Authority***

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***~ Resolution ~***

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**WHEREAS,** Susan Fisher has served as a Member of the Asheville Regional Airport Authority for a period of two full terms of four years each; and

**WHEREAS,** for the entire period of her service she was the only female Member of the Authority; and

**WHEREAS,** she served the Authority with distinction, often juggling her duties as elected Representative to the North Carolina House of Representatives; and

**WHEREAS,** she brought to the Authority particular concern and awareness regarding environmental matters;

**NOW, THEREFORE, THIS RESOLUTION IS ADOPTED,** in appreciation of the service of Susan Fisher to the Asheville Regional Airport Authority.

**Adopted this 11th day of June, 2010**

**Asheville Regional Airport Authority**

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**David R. Hillier, Chairman**

**ATTEST:**

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**Charles W. McGrady, Secretary/Treasurer**

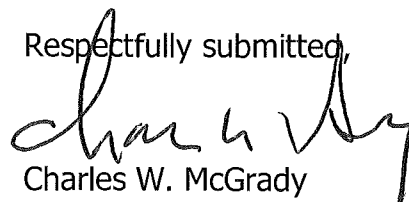
Mr. McGrady moved to approve the Resolution of Service Recognition for Susan Fisher. Mr. Gantt seconded the motion and it carried by a 6 to 0 vote.

Mrs. Fisher thanked the Board and commented that she had developed a fondness for the airport.

**ADJOURNMENT:** Mr. McGrady moved to adjourn the meeting at 10:55 a.m. Mr. Piccirillo seconded the motion and it carried by a 6 to 0 vote.

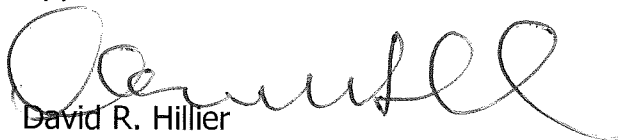
The next regular meeting of the Authority will be on Friday, August 13, 2010 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

Respectfully submitted,



Charles W. McGrady  
Secretary-Treasurer

Approved:



David R. Hillier  
Chairman