

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**June 12, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, June 12, 2015 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; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate; William L. Moyer; Matthew C. Burril; and Stephanie Brown

**MEMBERS ABSENT:** None

**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; Royce Holden, IT Director; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Sherman Stark, Interim Director of Operations; David Nantz, Safety Manager; Cortez Johnson, Network Engineer; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Ken Moody, Delta Airport Consultants; Mike Darcangelo, Avcon; Eva Ritchey, Trolley Company; William Paulk, Pegasus Airport Limousine

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

**PRESENTATIONS:** None

**FINANCIAL REPORT:** The Director reported on the airport activity for April which included enplanements, aircraft operations and general aviation activity. Mrs. Burnette reported on the financial activity for the month of April and informed the Board that while a negative amount of \$87,000 was shown for the FAA AIP Grants, the report will show a positive number for the next month. Mrs. Burnette stated it was simply an accounting issue due to closing out a project.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority April 10, 2015 Closed Session Minutes would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority April 10, 2015 Regular Meeting Minutes:**

is not in the business to set fares, this is an open market place, and staff would not regulate fares. The Director has also received requests to conduct drug testing which is something the Authority cannot become involved with and should be regulated by the state.

Mr. Moyer wondered if the \$300 permit fee was cost justified but was willing to let that stand. However, Mr. Moyer stated that the age requirement for limousines is making it too restrictive, there is no ability for exemption, and could not agree with this.

Mr. Tate had concerns that this issue has been discussed for months only to arrive at a directive that is more restrictive and punitive. With respect to the age requirement, Mr. Tate felt that the consumers have the ability to choose their transportation and most of the limousines are arranged in advance. Mr. Tate felt the providers should have the ability to operate at the airport.

Ms. Brown felt that the Authority's highest priority should be availability of transportation. While Ms. Brown did not disagree with staff's recommendations for monitoring and being concerned with the quality, availability should be monitored.

The Chair asked if the Director could address whether the age of Uber vehicles was going to be addressed in the legislation. The Director stated that a copy of the legislation for transportation network companies (TNC's) was at their seats. The Director believed the legislators will pass a bill that requires a state permit of \$5,000 for each company. The bill will also allow airports to regulate and charge TNC's a per trip fee. The TNC's will be allowed to provide the data to the airports for the number of trips made. If the TNC's are unable to provide this data, the airport will be allowed to charge back the TNC's for the cost of the equipment necessary to calculate the per trip fee. The legislation also allows airports to require decals in order for TNC's to operate, so the airport would possibly move from a per vehicle permit fee to a decal fee which would be the same for all ground transportation providers. The Director further stated that the legislation does not state that airports cannot regulate age of vehicles so the airport would be able to regulate this. However, Uber has strict regulations on the quality and age of their vehicles and these fall within the directive requirements.

Mr. Burril inquired if there were records of pick-ups and drop-offs by vendor and asked for the number of ground transportation providers. The Director responded that there were 10 limousine service providers with approximately 75 limousines and that staff did not have a record of drop-offs, but had a good feel for the number of pick-ups for each company if arranged by guest services staff. Mr. Burril stated that this issue has been ongoing for several months, is taking up a lot of everyone's time, and wondered if the Authority should be concerned about a company that is only picking up a few times each year. Mr. Burril commented that maybe a minimum amount of pick-ups be required in order to be a provider at the airport. The Director stated that the Authority has an open

system, that companies should be able to regulate themselves, and if they are not making money perhaps they should not operate at the airport. If the Board would like to consider a closed system, that would pare down the number of vehicles and make those vehicles operating at the airport more profitable.

Mr. Moyer felt that this issue needed to be resolved and that the Board should agree to what staff is recommending except for the age of limousines and there should be no age limit.

Mr. Bailey remarked that his concern was for the safety of the passengers and that if there is no ruling for the age of the vehicles, what does that mean for the passengers. The Director stated that staff will only be able to look at aesthetics, i.e. cleanliness, no dents, etc.

Mr. Tate affirmed that staff has the capacity to remove a vehicle from service for aesthetic reasons, and remarked that this would not change regardless of the age of a for-hire vehicle. The Director responded that this was correct, however, inspections are not done on a daily basis, and unless damage on a vehicle is noticed by a staff member, it could go undetected for a while.

The consensus of the Board was for staff to implement the ground transportation directives as recommended by staff, but to remove the age restrictions on for-hire vehicles (limousines). The for-hire vehicles would still be subject to the state inspections and the quality inspections.

## **NEW BUSINESS:**

### **A. Approval of Airline Operating Agreement and Airline Rates & Charges:**

The Director informed the Board that staff has been having negotiations with the airline representatives regarding a new agreement that clears up three main issues in the old agreement: amount and transparency of the subsidy being granted to the airlines for the airfield cost center (landing fees), the method of charging the airlines for the use of runway deicing chemicals, and the method of charging those airlines that fly less than seven flights a week. The Director called the Board's attention to the rate-making methodology that outlines the rates and charges. The Director noted that today the cost to the airlines is \$6.21 per enplanement. The new methodology changes the rate to \$6.59 per enplanement. The Director stated that with the new agreement, the airlines would be taking on more of the risk of operating and detailed the difference between the current compensatory model and the new residual model on the airfield side. The model that staff and the consultant recommended is a 65/35 split on the charges; 65% based on enplanements and 35% based on the number of operations. This benefits all the airlines. The Director further stated that since there are only four legacy carriers left in the United State, the airlines feel they can demand control and have been taking a hard stand on lease agreements with airports across the country. Those airlines that sign the

agreement will become signatory airlines. Those that don't sign the agreement become non-signatory airlines and a 25% charge is assessed that gets applied to the rents and fees of the signatory airlines. The Director advised the Board that if all the airlines decide not to sign the agreement, staff can establish rates and charges by ordinance where an agreement is not signed and the airlines operate under those rates and charges. If a rates and charges ordinance becomes necessary, staff will bring the ordinance to the Board for approval in August.

Mr. Tate asked if this agreement affects the Authority's business development efforts. The Director responded that it would not as the agreement is negotiated with the airlines' property folks. The Director further stated that the route planners are very happy with the service in Asheville and the airlines are making money with the service.

Mr. Bailey moved to approve the new airline operating agreement and rates and charges methodology, and authorize the Executive Director to execute the necessary documents. Mr. Tate seconded the motion and it carried unanimously.

**B. Approval of Post-Closure Fill Agreement:** The Director reminded the Board that an Amendment to the Structural Fill Agreement dated 2007 between the Authority and Charah to fill a new area on the airport designated as area 2 was approved at the December, 2014 Authority Board meeting. The Director reported that the Post-Closure Fill Agreement has been created to provide protection to the Authority for long term liability issues. After a brief discussion by the Board, this item was pulled for discussion in Closed Session.

**C. Update to Budget Supplemental Fees and Charges:** The Director advised the Board that supplemental fees and charges are approved each year when the Board approves the budget. The supplemental fees and charges are fees for services and/or products the airport provides to its various tenants, customers, and passengers. The Transportation Security Administration (TSA) recently issued a new directive which requires a change in the renewal of ID badges for employees with access to the Security Identification Display Area (SIDA). Each SIDA badge renewal must now include submittal of fingerprint records. The cost for the renewal of each SIDA badge will now increase from \$37 to \$70 necessitating a revision to the supplemental fees and charges schedule.

Mr. Moyer moved to approve the amended changes to the FY 2015/2016 Annual Budget Supplemental Fees and Charges Schedule for the inclusion of an annual SIDA badge renewal fee, and authorize the Executive Director to implement the necessary changes. Mr. Bailey seconded the motion and it carried unanimously.

**D. Approve Award of Contract for Remote Parking Lot Construction:** Michael Reisman reminded the Board that approval was given at the April, 2015 Authority Board meeting for the design of two temporary remote parking lots. Mr. Reisman advised the Board that it is necessary for construction of the temporary lots to be underway this

summer to ensure adequate parking is available this fall when staff expects there to be an increased need for parking. The documents are out for bid and with the Board's approval, staff would like to award a contract for construction in early July provided a responsive low bid is received within the limits of the project funding. Staff recommends an overall construction budget for this project not to exceed \$250,000.00. This would require an amendment to the FY15/16 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, 2016:

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

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Equipment and Small Capital Outlay	\$0	\$250,000
Totals	<u>\$0</u>	<u>\$250,000</u>

This will result in a net increase of \$250,000 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash/Investments	\$0	\$250,000
Totals	<u>\$0</u>	<u>\$250,000</u>

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

Adopted this 12<sup>th</sup> day of June, 2015.

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Robert C. Roberts, Chairman

Attested by:

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Ellen Heywood, Clerk to the Board

The Director advised the Board that staff would come back to the Board at a future Authority meeting regarding shuttle service to the remote parking lot in front of the Fairfield Inn. Preliminary figures range between \$35,000 and \$55,000 for the cost of the vehicle and approximately \$90,000 a year for staff. If the Authority were to hire a contractor to supply the staff for the shuttle service and the Authority would supply the vehicle, the cost would be approximately \$125,000 a year. The cost to hire a contractor with a vehicle and staff would cost between \$150,000 and \$160,000 a year.

Mr. Bailey inquired if there were sidewalks for the property across the street. Mr. Reisman responded that there were sidewalks on the airport side but not adjacent to the property across the street. The state is proposing to install a crosswalk but staff feels the shuttle service will be necessary as the full safety system may not be in place. The Director stated that he has expressed concerns with the state regarding a crosswalk.

Mr. Bailey moved to approve the award of contract for remote parking lot construction to the responsive low bidder in an amount not to exceed \$250,000.00, authorize the Executive Director to sign any necessary documents; and to amend the FY15/16 budget by adopting the budget ordinance amendment as presented by staff. Mr. Tate seconded the motion and it carried unanimously.

**DIRECTOR'S REPORT:** The Director informed the Board that Royce Holden has tendered his resignation effective June 19<sup>th</sup> to accept a position with a consulting firm. The Director stated that Royce has been a true asset and it will be a great loss to the Authority. The Director introduced staff member Cortez Johnson as the Interim Director of Information Technology. The Chair thanked Mr. Holden for all that he has done to bring the airport to where it is today and wished him well.

The Director advised the Board that he had a few additional items to include that were not on the agenda.

**A. ART and Apple Country Transportation:** The Director advised the Board that the Asheville Redefines Transportation (ART) and Apple Country Transportation established a transfer station at the airport approximately 18 months ago. Since the creation of the transfer station there have been an increase in public safety calls to the bus station. The calls range from disturbances to drugs, etc. and this is not what should be happening on the front curb of the terminal. The Director met with representatives from both companies and expressed his concerns. An alternative location on airport property was offered for the bus stop. The two companies elected to move the bus transfer to the Park and Ride at the south end of the Ag Center in early May. ART is still providing bus service to the airport, however Apple Country Transportation decided to discontinue service to the airport in late May. The Director has received a few complaints and wanted the Board to be aware of the situation. The Director stated that Mr. Moyer

Ms. Brown inquired if TSA planned to increase the capacity at the security checkpoint especially when Allegiant has flights. The Director responded that TSA is of the opinion that the lanes and personnel performing the checks are at an adequate level. Authority staff has been advising the general public to arrive two hours before their flights. The checkpoint line looks long but it usually takes no more than 20 minutes to go through. TSA does a fairly good job of opening the second lane when the line gets too long. There is room for an additional lane if ever needed.

**J. NCDOT Check:** The Director informed the Board that the Authority is in the process of receiving a \$93,000 check from the NCDOT for land the state purchased with Board approval two years ago for the round-about on Ferncliff Park Drive and the I26 interchange project.

**K. Contingency Transfer:** The Director reported that \$56,000 from contingency funds had been transferred to the following line items:

1. \$14,000 to equipment and small capital outlay for the repaving of the rear parking lot of the cargo building. Allegiant will be leasing the cargo building.
2. \$10,000 to the Finance Department for temporary CFO assistance between August and November.
3. \$5,500 for professional services for the consultant services for the airline use and lease agreement. Negotiations took a little longer than anticipated and this also included some of the consultant's travel expenses.
4. \$26,500 for legal expenses incurred for the post-closure fill agreement. These fees will be reimbursed to the Authority by Charah.

**L. Entrance Road Project Change Order:** The Director reported that Change Order No. 2 in the amount of \$2,200.00 was for additional electrical cables for the new entrance sign. This will close out the project and brings the project to a total of \$412,000. The original contract was for \$414,000 so the project is \$2,000 under the original contract.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS' COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the July 10th meeting would not be necessary and was cancelled. The Chair further stated that the meeting in August will be changed from August 14th to August 21st.

## **AUTHORITY MEMBER REPORTS:**

**A. Report on ACI-NA Commissioners Conference:** Mr. Moyer stated that attending the Commissioners Conference gave him an opportunity to interact with his peers in the industry. Mr. Moyer remarked that Royce Holden gave an excellent presentation on cyber security, IT challenges at small airports, and common use technology. Mr. Moyer also found the session on the First Amendment problems facing airports very informative and interesting, and commented that there was a lot of discussion on airplane security.

Ms. Brown agreed that one of the most valuable aspects of attending was the opportunity to meet with other commissioners and learn about the different appointment processes. General Leslie Clark's talk was also very informative and covered the history of airline consolidation, the motives behind that, and the impact on communities across the country.

The Chair remarked that Uber was at the top of the list of concerns for other airports as well as the PFC charges. The Chair stated that other airports were particularly interested in finding out about the status of Asheville's independent authority.

**B. Key Strategic Elements:** The Chair stated that including this item on the agenda was for the purpose of keeping the Board's strategic priorities at the forefront of the Board's focus.

**CLOSED SESSION:** At 10:50 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break until 11:00 a.m., at which time the Board would resume in closed session.

Open Session resumed at 12:21 p.m.



**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 12, 2015 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. Moyer seconded the motion and it carried by a 5 to 0 vote.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 10, 2015**

**CLOSED SESSION MINUTES:** Mr. Piccirillo moved to approve the minutes for the April 10, 2015 Closed Session (Parts A and B) and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried by a 5 to 0 vote.

**EXECUTIVE DIRECTOR COMPENSATION:** Mr. Piccirillo moved to approve a 4.5% increase in the Executive Director's salary, effective July 1, 2015 and to approve, also effective July 1, 2015, a \$600.00 monthly motor vehicle allowance or car allowance in accordance with the Board Policy Concerning Executive Director's Use of Motor Vehicle, in lieu of the Executive Director's use of an Authority owned vehicle. Mr. Moyer seconded the motion and it carried by a 5 to 0 vote.

**ADJOURNMENT:** Mr. Moyer moved to adjourn the meeting at 12:23 p.m. Mr. Bailey seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,

*Ellen Heywood*

Ellen Heywood  
Clerk to the Board

Approved:

*Robert C. Roberts*

Robert C. Roberts  
Chair