

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**June 17, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, June 17, 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; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; William L. Moyer; Matthew C. Burril; and Stephanie Pace Brown

**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; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Richard Marvin, PFM; Eric Rysdon, RS&H; Kerry Friedman, Patla, Straus, Robinson & Moore; Bill Case, PFM via telephone

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

The Chair advised the Board that Andrew Tate has been reappointed to the Board by Henderson County and that the City of Asheville has reappointed Stephanie Brown to the Board. The Director advised the Board that Buncombe County will be taking action in August for their seat that will be available.

The Director requested a moment to recognize Tina Kinsey with a plaque and shirt from the American Association of Airport Executives for her recently earned AAE accreditation. The Board congratulated Mrs. Kinsey of this significant achievement.

**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.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority May 13, 2016 Closed Session would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority May 13, 2016 Regular Meeting Minutes:**

**C. Authorize Donation of Surplus Property:**

**D. Approve Write-off of Uncollectible Account:**

Mr. Bailey moved to approve Consent Items A, C, and D. Mr. Piccirillo seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Adoption of Ordinance Policy:** The Director remarked that this item would be discussed in Closed Session and then brought back to Open Session for action.

**B. Approval of Public Officials Insurance Policy:** The Director stated that there was a discussion at the previous Board meeting regarding liability limits for public officials' coverage. The current \$2 million coverage has been quoted for renewal with a premium of \$17,219. Staff has received quotes of \$18,334 for \$3 million coverage and \$19,011 for \$5 million coverage. The Director reviewed the details of the insurance coverage and provided examples of types of violations that would be covered by the insurance.

Mr. Bailey moved to increase the Public Officials Insurance Policy to \$5 million coverage and to authorize the Executive Director to sign the necessary documents. Mr. Moyer seconded the motion and it carried unanimously.

**C. Bond Issuance:** The Director informed the Board that Bill Case with PFM Group would join the meeting via conference call. Staff has been working with PFM Group over the past several months to develop a strategy for obtaining financing for the construction of the parking garage. Mr. Case reviewed a presentation that highlighted the structure of the financing as well as information on both tax exempt and taxable series bond financing. Mr. Case advised the Board that staff conducted a solicitation for fixed rate direct placement with a bank for 15 or 20-year commitments. Four proposals were received. Two of the four proposals did not meet the minimum needs for the project.

The remaining proposals only offered a 15-year repayment option. It was determined that Raymond James provided the best proposal with a locked-in rate, provided the ten-year treasury does not go above 2%. Mr. Case stated that PFM's recommendation was to proceed with a direct placement bond with Raymond James. Mr. Case presented a comparison of the proposal received by Raymond James versus estimated public offering of bonds as well as the benefits of the direct placement option. An outline of the estimated timeline for execution of the bond was also reviewed.

Mr. Moyer asked if the rate was locked in for any period of time or if the over 2% of the ten-year treasury kicks in even if it's 30 days from the present time. Mr. Case responded that the actual rate would be identified 10 days prior to the closing.

Mr. Moyer also inquired if there were any other financial or operational covenants that Raymond James would require. Mr. Case responded that Raymond James is looking for a rate covenant which means the Authority would agree to fixed rate charges or the airport to generate enough revenues to cover the debt service on a 1.25 times basis. Mr. Case stated that this is pretty standard and the indenture that PFM is drafting already has that rate in place in there so Raymond James was comfortable with that. The Director stated that Trillion Aviation, the Authority's financial consultant for the bond, has done a rate analysis and shows rate coverage of 1.63% beginning in 2017 all the way up to 1.7% in 2021, so the Authority more than covers the 1.25% debt service coverage that Raymond James is requesting.

Mr. Burril asked if there were any call provisions. Mr. Case responded that there was a call provision where it will be callable at par after 10 years. This has been discussed with Raymond James and they will allow a make-whole call provision before 10 years which allows the Authority to pay off the debt early.

Mr. Moyer moved to proceed with a direct placement bond purchase with Raymond James and to authorize the Executive Director to finalize the negotiations and sign the necessary documents. Mr. Burrill second the motion and it carried unanimously.

## **NEW BUSINESS:**

**A. Award Contract for Building Demolition and Site Restoration:** Mike Reisman informed the Board that the site of the former Public Safety building has been identified for future use in the Master Plan for expansion of the terminal apron or terminal building as needed. Currently that property is needed to help accommodate aircraft parking and ground support equipment. Mr. Reisman further advised the Board that the abandoned Skyland Fire Rescue training facility located on the northeast corner of the property has been identified in the Master Plan as future expansion of the fuel farm

facility. Staff publicly bid demolition and the lowest bid of \$60,000.00 was submitted by DH Griffin Wrecking Company, Inc. The FY2016/2017 capital budget includes \$125,000.00 for this project. Mr. Reisman advised the Board that although the bid amount was substantially lower than the budgeted amount, staff feels confident the amount proposed by DH Griffin is a good bid. DH Griffin Wrecking Company previously helped staff establish the budget for the demolition, but the funds were not available at that time to move forward with the project. DH Griffin has also done work for the airport in past years and is a well-known company with a national reputation. Mr. Reisman further advised the Board that before a permit could be obtained for the demolition of the former Public Safety building, it was necessary to perform an asbestos analysis. Some minor amounts of asbestos were found, so staff is obtaining quotes to remove the asbestos prior to the demolition taking place. DH Griffin is providing a quote for removal of the asbestos, and if the quote is within the dollar amount staff expects it to be, this will be paid for separate from the demolition contract, but included within the overall budget for the project.

Mr. Bailey moved to award contract to DH Griffin Wrecking Company, Inc. for a not to exceed cost of \$66,000.00 (\$60,000 plus 10% allowance of \$6,000.00) for building demolition and site restoration and authorize the Executive Director to sign the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

**B. Approval of FAA Lease:** The Director reported that this item would be pulled from the agenda since the final lease has not yet been received from the FAA.

**C. Approve Grant of Easement to BellSouth Telecommunications, LLC d/b/a AT&T North Carolina for Airport Main Entrance:** The Director advised the Board that the utility poles blocking the airport's sign at the main entrance are a result of the interchange project. The NCDOT is working with Duke Energy to relocate the utility poles to the east side of Airport Road and has agreed to absorb the cost of this relocation. AT&T is also located on the Duke owned utility poles and needs an easement from the Authority to proceed with the relocation of the poles.

Mr. Burrell moved to approve the grant of an easement to AT&T so Duke may proceed with the relocation of utility poles to the east side of Airport Road and authorize the Executive Director to sign the necessary documents. Mr. Bailey 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. Allegiant Inaugurals:** The Director reported that the inaugural flight to Baltimore was held on May 19<sup>th</sup> and was a great way to show the community the ease of getting to Washington, DC from AVL. The flight to BWI had a 90% or 92% load factor and the flight coming back to AVL was almost full. The inaugural flight to Jacksonville, FL was held on May 27<sup>th</sup> and although the load factor was a little lighter than staff would have liked, the incoming flight was almost sold out. The numbers have been improving and staff hopes it will continue.

**B. Changes with American:** American Airlines decided to change their summer schedule with the first flight out of AVL in the morning at 9:10 a.m. instead of approximately 7:00 a.m. and their last arrival to 8:40 p.m. instead of 11:30 p.m. This does not work well for the business community. American is blaming it on a crew shortage, however, the Director has done some research with other airports with similar enplanement numbers and does not believe this is the case. Mrs. Kinsey spoke with American at a conference earlier in the week and was told that American was not aware of the fact that these changes affected business travelers. Staff is hopeful that American will adjust their schedule in the fall.

**C. Blood Drive:** In conjunction with The Blood Connection, the airport will host a blood drive for employees and tenants on June 30<sup>th</sup>.

**D. TSA Checkpoint:** The Director reported that Congress and TSA have worked to alleviate some of the long lines at security checkpoints and have approved reprogramming of \$28 million in June to help fund agency handling. In May Congress approved a \$34 million program to hire staff, move part-time workers to full-time status, and authorize overtime for checkpoint employees. Behavior Detection Officers have also been deployed to perform ID checks and airlines have hired additional staff to help process people at the ticket counters more efficiently. The Federal Security Directors can use overtime to make sure the screening checkpoints are fully staffed and TSA has set up a command center that is watching airports and will direct staff to different airports to work as they see fit. So work is being done to help alleviate the problems at airports.

**E. Gravel Parking Lot with Western North Carolina Agricultural Center:** The Director stated that at a previous Board meeting, the Board approved \$90,000 for gravel to be used to construct a parking lot at the WNC Ag Center. The Ag Center had expected the National Guard to grade and prepare the area, however, the National Guard has been deployed so the plans for that gravel parking lot have been cancelled. The Ag Center has agreed to let the airport use some of their parking area while construction of the parking garage is taking place, with the exception of state fair time and the Christmas season. Staff will work with the Ag Center on the logistics and will keep the Board apprised.

**F. Contingency Transfer:** The Director reported that four transfers totaling \$71,468 had been transferred from contingency to the operating budget for the following purposes:

- \$4,020 to Guest Services Department for the new display racks.
- \$4,448 to Information Technology to finalize additional upgrades in the Board Room.
- \$25,000 to the Executive budget for professional services to cover the cost of the consultant for the independent authority.
- \$38,000 to the Development budget - \$33,000 for preliminary work on the parking lot in preparation for the parking garage and \$5,000 for additional travel for Mike Reisman.

**G. Findings Resolution:** This item will be addressed at the Special Meeting in July.

**H. Bond Pay-off:** Payment in the amount of \$1,088,681.18 was made on May 20, 2016 to pay off the bond for the rental car facility.

**I. Uber Agreement:** An agreement is in place with Uber that will allow Uber drivers to operate on the airport effective June 22<sup>nd</sup>.

**J. ACI Annual Conference:** The Director reminded the Board that the ACI Annual Conference is in Montreal in late September and to let staff know if interested in attending.

**K. Parking Garage:** The Director reported that he and Mr. Reisman traveled to Miami to view a parking garage with a perforated metal design. The Director was pleased with what they saw and feels confident that the perforated metal design on the parking garage in Asheville will easily be viewed from the terminal building. The Director further stated that staff met with representatives from the arts community and while pleased with the design planned, they were able to offer some suggestions that will be incorporated into the final design.

**L. Phase II of Airfield Re-development Project:** The Director was pleased to report that this phase of the project came in under budget by \$700,000 due to the diligence of Mike Reisman and his staff.

Mr. Moyer inquired if there had been any discussion with Duke Energy regarding the coal ash. The Director responded that there had not been any discussion and that Duke Energy was transporting their coal ash to South Carolina. The grading work that is visible from I26 is Charah cleaning up the area so that the Authority can accept the property to maintain.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBER REPORTS:**

**A. Formation of a Nominating Committee:** The Chair requested that Messrs. Moyer and Burril serve with him on a Nominating Committee for the election of officers. The committee will wait to act until Buncombe County makes their appointment to the Authority Board.

**B. Key Strategic Elements:** The Chair commented that the Key Strategic Elements were the Board's guiding principles and were a reminder to govern and to allow staff to manage.

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** It was determined that the regular meeting of the Board on July 8, 2016 would not be necessary so the meeting was cancelled. A special meeting of the Board will be held on July 22, 2016.

The August 12, 2016 meeting of the Board was also cancelled and a special meeting will be held on August 5, 2016.

**CLOSED SESSION:** At 10:00 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 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; 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 10:05 a.m., at which time the Board would resume in closed session.

Open Session resumed at 11:46 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 17, 2016**

**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 unanimously.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
MAY 13, 2016 CLOSED SESSION MINUTES PARTS A AND B:**

Mr. Piccirillo moved to approve the minutes for the May 13, 2016 Closed Session, Parts A and B, and to seal and withhold the minutes for the May 13, 2016 Closed Session, Parts A and B, from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Adoption of Ordinance Policy:** Ms. Brown moved to approve the Resolution regarding the policy and procedure for the adoption of ordinances by the Greater Asheville Regional Airport Authority. Mr. Moyer seconded the motion and it carried unanimously subject to the removal of the language in Section 1.1.3. regarding approval of all members required for adoption of an ordinance.:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
RESOLUTION**

*A RESOLUTION REGARDING THE POLICY AND PROCEDURE FOR THE ADOPTION OF  
ORDINANCES BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY.*

**WHEREAS,** the Greater Asheville Regional Airport Authority (the "GARAA" or the "Authority") was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012 (the "Session Law");

**WHEREAS,** Section 1.6(a)(7) of the Session Law gives the GARAA the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority; provide and enforce civil and criminal penalties for the violation of such rules, regulations and policies; provided that such rules, regulations, policies and penalties are not in conflict with any applicable law, rule or regulation of the State of North Carolina, the United States, or any agency, department, or subdivision of either of them, including the rules and regulations of the Federal Aviation Administration."*



**WHEREAS**, Section 1.6(a)(21) of the Session Law gives the GARAA the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

**WHEREAS**, the powers conferred in North Carolina General Statute Section 63-53(2) specifically include the powers to: adopt and amend all needful rules, regulations and ordinances for the management, government and use of any properties under its control and to fix by ordinance, penalties for the violation of said ordinances and enforce said penalties;

**WHEREAS**, North Carolina General Statute Section 63-53(2) also specifically requires that such ordinances be published as provided by general law or the charter of the municipality for the publication of similar ordinances, and that such ordinances conform to and be consistent with the laws of the State of North Carolina, and the then current federal legislation governing aeronautics and the regulations promulgated thereunder;

**WHEREAS**, the GARAA now finds that it is necessary, beneficial, helpful and/or needful to the Authority, if the GARAA can, from time to time, enact certain ordinances regarding the maintenance, use, occupancy, operation, government, and/or control of the Asheville Regional Airport and any facility owned, leased, subleased, or controlled by the Authority, and to provide for and enforce the civil and criminal penalties for violations of such ordinances; and

**WHEREAS**, prior to the adoption of any ordinances by the GARAA, the Authority first desires to adopt a formal policy and procedure for the consideration and adoption of ordinances and ordinance amendments by the Authority.

**NOW, THEREFORE, BE IT RESOLVED**, and Adopted by the Authority that, effective immediately, the following shall constitute the Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances:

**Greater Asheville Regional Airport Authority**  
**Policy and Procedure for the Adoption of Ordinances**

**1.1.1. Ordinance-Making Power.** The GARAA may adopt, amend, and repeal any reasonable ordinance it may deem to be necessary, beneficial or helpful: for the proper maintenance, use occupancy, operation, and/or control of any airport or airport owned facility owned, leased, subleased, or controlled by the GARAA, in accordance with Session Law 2012-121; and in exercising all rights, powers and authority given to the counties and/or municipalities by the statutes of North Carolina, which may now be in effect, or which may be enacted in the future relating to the development, operation, maintenance, regulation and/or control of municipal or other governmental airports and the regulations of aircraft, including,

but not limited to, the exercise of all powers conferred by Chapter 63 of the General Statutes of North Carolina or any successor Chapter of law. All ordinances shall be consistent with the Constitution and laws of North Carolina and of the United States, and all agencies, departments and subdivisions of either of them, including the rules and regulations of the Federal Aviation Administration, or the then current federal legislation governing aeronautics and the regulations duly promulgated thereunder and issued from time to time pursuant thereto, and shall not: infringe upon a liberty guaranteed to the people by the State or federal constitution; make unlawful an act, omission or condition which is expressly made lawful by State or federal law; make lawful an act, omission or condition which is expressly made unlawful by State or federal law; purport to regulate a subject that local governments are expressly forbidden to regulate by State or federal law; purport to regulate a field for which a State or federal statute clearly shows a legislative intent to provide a complete and integrated regulatory scheme to the exclusion of local regulation; or define an offense containing identical elements to the elements of the offense defined by State or federal law. However, the fact that a State or federal law, standing alone, makes a given act, omission, or condition unlawful shall not preclude the GARAA ordinance requiring a higher standard of conduct or condition. Enumeration of specific powers herein does not regulate, prohibit or abate other acts, omissions or conditions, and is not exclusive, nor is it a limit on the authority of the GARAA to adopt ordinances pursuant to the powers conferred upon the GARAA in Session Law 2012-121 and Chapter 63 of the North Carolina General Statutes.

**1.1.2. Introduction of Ordinances.** A proposed ordinance or ordinance amendment may be introduced at any regular, special or emergency meeting of the GARAA. A proposed ordinance or ordinance amendment shall be deemed to be introduced at the first meeting at which it is actually considered by the GARAA. The initial introduction of a proposed ordinance or proposed ordinance amendment may only be made in written form. A copy of a proposed ordinance or ordinance amendment shall be attached to the agenda of the meeting at which it is to be introduced. At the same time, the proposed ordinance or ordinance amendment shall be filed with the Clerk to the GARAA, where it shall remain for public inspection until the governing board considers the ordinance for adoption. The Clerk to the GARAA shall publish a statement that the proposed ordinance or ordinance amendment has been submitted to the GARAA for consideration and is available for public inspection, and the Clerk must make a copy of the proposed ordinance or ordinance amendment available to all news media in the county. Once an ordinance or ordinance amendment has been introduced, and prior to approval,

modifications or changes to the proposed language may be orally made and considered by the GARAA.

**1.1.3. Adoption of Ordinances.** The GARAA must wait a minimum of ten days after a proposed ordinance or ordinance amendment is initially introduced before adopting the ordinance or ordinance amendment. Following the waiting period, the GARAA must also hold at least one public hearing on the proposed ordinance or ordinance amendment before adopting the proposed ordinance or ordinance amendment. The Clerk of the GARAA shall at, or prior to, the time the proposed ordinance or ordinance amendment is introduced, set the time and place for the public hearing, and notice of the public hearing shall be published by the Clerk. During the public hearing any person who wishes to be heard on the proposed ordinance or ordinance amendment must be allowed time to speak. Following the public hearing, the proposed ordinance may be approved by the Board, at any time thereafter, within 100 days of its introduction, and upon receiving a majority of the votes cast, a quorum being present, the ordinance is adopted.

**1.1.4. Ordinance Book.** The Clerk shall maintain an ordinance book, separate from the minute book of the GARAA. The ordinance book shall be indexed and shall be available for public inspection in the office of the Clerk. Each ordinance adopted by the GARAA shall be indexed in the ordinance book. Each ordinance (and amendment) included in the ordinance book shall reflect the ordinance as adopted by the GARAA, including any oral modifications or changes approved by the GARAA. The budget ordinance and any amendments thereto, any bond orders, and any other ordinance of limited interest or transitory nature may be omitted from the ordinance book. However, the ordinance book shall contain a section showing the caption of each omitted ordinance and the location in the minute book where the ordinance may be found.

**1.1.5. Enforcement of Ordinances.** The GARAA may provide for fines and penalties for violation of ordinances and may secure injunctions and abatement orders to further insure compliance with its ordinances. Unless provided otherwise, violation of an ordinance of the GARAA is a misdemeanor or infraction as provided by N.C.G.S. 14-4. The GARAA may provide by express statement that the maximum fine, term of imprisonment, or infraction penalty to be imposed for violation of the ordinance is some amount of money or number of days less than the maximum imposed by N.C.G.S. 14-4. An ordinance may provide that violation subjects the offender to a civil penalty to be recovered by the GARAA in a civil action in the nature of debt if the offender does not pay the penalty within a prescribed period of time after he has been cited for violation of the ordinance. An ordinance may

provide that it may be enforced by an appropriate equitable remedy issuing from a court of competent jurisdiction. An ordinance may be enforced by one or more remedies, and an ordinance may provide, when appropriate, that each day's continuing violation is a separate and distinct offense.

**Adopted this 17th day of June, 2016.**

**THE GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Robert C. Roberts, Chair

**ATTEST:**

\_\_\_\_\_  
Ellen M. Heywood, Clerk to the Board

**EXECUTIVE DIRECTOR PERFORMANCE EVALUATION:**

Mr. Bailey moved to increase the Executive Director's salary by 4% and 2% paid on a bi-weekly basis to a 457 deferred compensation plan effective July 1, 2016. Mr. Burril seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Bailey moved to adjourn the meeting at 11:49 a.m. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,

*Ellen Heywood*

Ellen Heywood  
Clerk to the Board

Approved:

*Robert C. Roberts*

Robert C. Roberts  
Chair