

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
June 6, 2014**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, June 6, 2014 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; Andrew T. Tate; Douglas J. Tate; and Carol W. Peterson

**MEMBERS ABSENT:** K. Ray Bailey

**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; David Nantz, Director of Operations; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Vickie Thomas, Director of Finance and Accounting; Royce Holden, IT Director; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Stephanie Brown, Asheville CVB; Ken Moody, Delta Airport Consultants; Henry Johnson, WNC Pilots Association; Nate Otto, RS&H

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

The Director requested a moment to recognize Kevan Smith's promotion to Chief of Public Safety. The Authority conducted a national search for the chief's position and 120 applications were received. Of the forty qualified applicants, Kevan was chosen for the position. The Director congratulated Chief Smith on this significant achievement.

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

**CONSENT ITEMS:** The Director advised the Board that Consent Item C, Approval of Amendment to the FY 13/14 Budget was no longer necessary as training for Chief

Kevan Smith will not take place in June as originally planned. The Director requested this item be removed from the agenda.

**A. Approval of the Greater Asheville Regional Airport Authority May 9, 2014 Regular Meeting Minutes:**

**D. Approval of Amendment to the FY 14/15 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, 2015:

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

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Carry-over Capital Expenditures		\$21,000
Totals	<u>\$0</u>	<u>\$21,000</u>

This will result in a net increase of \$21,000 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$21,000
Totals	<u>\$0</u>	<u>\$21,000</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 6th day of June, 2014.

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David Hillier, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mrs. Peterson moved to approve Consent Items A and D. Mr. Douglas Tate seconded the motion and it carried unanimously.

**B. Approval of the Greater Asheville Regional Airport Authority May 9, 2014 Closed Session Minutes:** Minutes for the Greater Asheville Regional Airport Authority May 9, 2014 Closed Session were distributed and reviewed by the Authority Members.

Mr. Piccirillo moved to approve the Greater Asheville Regional Airport Authority May 9, 2014 Closed Session Minutes and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Roberts seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Grant Acceptance Resolution:** The Director informed the Board that the Federal Aviation Administration (FAA) distributes both entitlement and discretionary grants annually. The grants are a part of the annual budget based on the capital improvement program and requests are submitted by staff to the FAA annually. Once the grants are awarded, the airport's sponsor, currently the City of Asheville and Buncombe County, must accept the grants, sign, and return within a specified timeframe to avoid forfeiture. There has been some discussion with the FAA to include the Authority as an additional sponsor of the grant paperwork while the Greater Asheville Regional Airport Authority works its way through the process of becoming the sole sponsor with the FAA. The Director advised the Board that the following resolution will provide the Authority with the ability to accept and sign the grants should the FAA move forward with adding the Authority as a co-sponsor.

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***Greater Asheville Regional Airport Authority***

***~ Resolution ~***

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A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR

**WHEREAS**, the Greater Asheville Regional Airport Authority ("Authority") is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act ("Act"); and

**WHEREAS**, the Authority operates the Asheville Regional Airport ("Airport"); and

**WHEREAS**, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

**WHEREAS**, the Federal Aviation Administration ("FAA"), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

**WHEREAS**, the Airport is eligible for such grants; and

**WHEREAS**, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

**WHEREAS**, the Executive Director recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

**NOW, THEREFORE, BE IT RESOLVED** and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., Executive Director of the Greater Asheville Regional Airport Authority, Michael Reisman, Deputy Executive Director – Development and Operations, David Hillier, Chair of the Authority, and/or Robert C. Roberts, Vice Chair of the Authority, or any of them or their successors in office (each an "Authorized Officer") be, and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 6<sup>th</sup> day of June, 2014

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David R. Hillier, Chair

Attested by:

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Ellen M. Heywood, Clerk to the Board

Mr. Andrew Tate moved to approve the Resolution as presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

**B. Approve Consultant Scope of Services No. 2 with Delta Airport Consultants, Inc.:** Michael Reisman advised the Board that the North Carolina Department of Transportation (NCDOT) has begun construction on the I26/NC280 interchange project. The airport's main entrance will be reconfigured as part of this project, and the NCDOT will assume the expense for this. The Authority will sell several small pieces of land to the State for the project, and a number of light poles, way finding signs, parking areas, and landscaping will be lost due to the construction. The Authority is receiving payment from the State for the lost items, and the State will not be responsible for the replacement of any of these items.

Authority staff has requested Delta Airport Consultants design the necessary improvements to replace what is being lost to the project. At a later date, the Authority will bid and construct these replacement improvements under a separate contract. Mr. Reisman informed the Board that all of the expenses associated with the design, as well as future construction to replace the lost items, will be paid for from the funds received from the State. Mr. Reisman further stated that the following budget amendment is necessary for this requested action, and an additional amendment will be needed at a later date once the construction costs are known.

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, 2015:

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

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Renewal and Replacement	\$0	\$84,507
Totals	<u>\$0</u>	<u>\$84,507</u>

This will result in a net increase of \$84,507 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	\$84,507
Totals	<u>\$0</u>	<u>\$84,507</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 6<sup>th</sup> day of June, 2014.

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David Hillier, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

The Chair asked how the reconfigured main entrance would differ from the current main entrance. Mr. Reisman responded that the entrance would be moved to the location across from the entrance to the J&S Cafeteria which will become a four-way

intersection. A new airport main entrance sign will be installed, the loop road will be reconfigured, as will Wright Brother's Way so that it intersects with the loop road.

Mr. Roberts questioned if the NCDOT has agreed upon a price for the damages and if they have already paid the Authority. The Director responded that the State agreed to a total price of \$1.165 million which includes real property they are acquiring, permanent easements, construction easements, and personal property. The cost for lost light poles, signs, shrubbery, and parking spaces amounted to \$245,000. Since the property is still under the City of Asheville's name, the City has to provide approval. It should take the State approximately three weeks to process the check once the City gives approval. The Authority was able to purchase back some of the light poles from the State. The State paid the Authority \$8,500 per light pole, but the airport was able to purchase the light poles at salvage for 5% at a cost of just over \$6,000 for 15 light poles. The Director further stated that the State does not pay for consulting work for the design of the improvements, so the Authority will use the funds from the State to pay Delta Airport Consultants.

Mrs. Peterson commented that she was happy to hear a new sign was planned for the entrance of the airport as she felt the current sign was not as visible as it could be. Mrs. Peterson asked if the Board would be able to see what the new sign would look like. Mr. Reisman responded that once the new sign was designed, it could be shown to the Board.

Mrs. Peterson moved to approve the Consultant Scope of Services No. 2 with Delta Airport Consultants, Inc. with a not to exceed cost of \$84,507.00, authorize the Executive Director to execute the necessary documents, and amend the FY14/15 budget by adopting the budget ordinance amendment as presented by staff. Mr. Douglas Tate seconded the motion and it carried unanimously.

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

**A. Contingency Transfer:** The Director advised the Board that the furniture in the Board Room is not conducive to everyday business at the airport. The existing furniture will be utilized in other parts of the airport and new tables are being purchased. The Director informed the Board that \$5,700 was transferred from contingency to equipment and small capital outlay to purchase the tables.

**C. Staff Recognition:** The Director informed the Board that David Nantz has been serving on the Board for the North Carolina Airports Association for a couple of

years. The Director further stated that David was recently nominated and installed as the Secretary of the organization.

**D. Annual Audit:** The Authority's annual audit is underway and the Director advised the Board that the auditing firm will send each Board Member a letter via e-mail regarding the reporting of fraud. The Director requested the Board review, sign, and return the letter to the auditing firm.

**E. Airfield Re-development Project Ground Breaking:** A ground-breaking ceremony for the Airfield Re-development project will be held on August 8th immediately following the Authority Board meeting. Later that same month, a ribbon-cutting ceremony will take place for the new Aircraft Rescue Firefighting Facility.

**F. ACI-NA Board Meeting:** The summer meeting of the ACI-NA Board will be held in Canada the second week in June. The Director has been nominated and will be seated as the Chair of the US Policy Board which will become part of the Executive Committee for ACI. A final vote from the ACI membership for the Director's position on the US Policy Board will take place at ACI's annual meeting in September.

**G. Runway 5k:** The fourth annual runway 5k will be held on September 20<sup>th</sup>. The Director encouraged the Board Members to participate.

**B. Airline Rates and Charges Discussion:** The Director informed the Board that over the last year, discussions with the airlines have taken place regarding the airline Rates and Charges Policy, which was incorporated into the airline agreement in 2008. The Director further stated that when the agreement was created in 2008, the aircraft operating in Asheville were different than they are today. A consultant was hired earlier in the year to look into the airport's Rates and Charges Policy and three issues were found that need to be addressed.

The Authority charges the airline based on a compensatory method, which allows the Authority to set rates on what is believed to be the cost of the airfield for use by the airlines. The rates are set at the beginning of each budget year and are estimated with assistance from the airlines. Every effort is made to set rates as neutral as possible with revenue and expenses. If the airlines perform better than expected, the Authority makes money, however, if the airlines don't perform as projected, there is a loss to the Authority. This is a rather unique way to operate in the industry, and although it worked when it was implemented, there have been changes in the industry that increase the risk for the Authority to continue to operate in this manner. As part of the Rates and Charges Policy, the airlines are only paying approximately 27-28% of the airfield costs with the Authority subsidizing the remainder. The reason for the lower



cost to the airlines is that the rates and charges are calculated on the number of operations. The industry standard is to calculate airfield costs by landed weight. Results of this calculation method usually flip to airlines paying 70% to 80% of the airfield costs and the remaining cost would be paid by the general aviation community or subsidized by the Authority. This will be a major impact to the airlines but this is more transparent, and the Authority has the ability to continue the subsidy to the airfield cost center if the budget is able to sustain it.

Another issue found in the rates and charges policy is the way runway deicing chemicals are handled. The Authority budgets for these chemicals within the operating budget and spent approximately \$35,000 per year in the past. With new EPA regulations, the cost is approximately \$120,000 per year. These costs are rolled into the airfield cost center of which the Authority is paying approximately 70%. Staff is trying to change the way this is billed. A couple of years ago, the Authority amended the airline lease agreement to exclude the deicing chemicals and to bill the airlines separately for the chemicals on an as used basis. The airlines would be charged for 80% of those chemical costs. Three airlines negated to sign the amendment and one airline did. Staff has been using two rate methods for charging the airlines. Rolling these expenses into the airfield costs at a higher rate and billing separately is another item to address.

The final issue is how the airport is charging charter aircraft or planes that fly less than 7 times per week. As airlines started operating larger aircraft, the rates were a little better than other airlines were paying. Staff has to re-analyze the way operators who fly less than 7 times per week are charged.

The Director stated that staff is working with airlines to find an acceptable way to operate. Staff plans to modify the Rates and Charges Policy and will bring in the consultant who did the analysis and ask them to come up with some new operating models. Staff will be meeting with the airlines later in June to explain this. It may take up to a year to work through this process and bring a revised Rates and Charges Policy to the Board for approval.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS REPORTS:**

**A. Formation of a Nominating Committee:** The Chair stated that the first order of business at the next meeting of the Authority Board should be the election of officers. The Chair appointed Carol Peterson and Doug Tate to serve on the Nominating Committee.

**B. Executive Director Compensation:** The Chair stated that the Executive Director's compensation for the next fiscal year needs to be finalized. An increase of 3% and a modification to the vehicle allowance were discussed during a closed session meeting, however, legal counsel has advised against the modification to the vehicle policy.

Mr. Andrew Tate moved to approve an increase of 3% to the Executive Director's salary effective July 1, 2014. Mr. Roberts seconded the motion and it carried unanimously.

**C. Independent Authority:** The Chair informed the Board that Representative Tim Moffitt has advised the Director that the legislators are considering allowing elected officials to serve on the Authority Board. Representative McGrady introduced an amendment to the statute and also asked for some additional input from Mr. Hillier and the Director. The Chair stated that the central piece of the input he and the Director provided Representative McGrady was to stipulate that the legislation allowing elected officials to serve be effective once the deed for the airport property is transferred to the Authority. The Chair further stated that he and Mr. Douglas Tate will meet with Mayor Manheimer and Councilman Marc Hunt the following week to discuss the independent authority.

**PUBLIC AND TENANTS' COMMENTS:** No comments

**CALL FOR NEXT MEETING:** The Chair advised the Board that a meeting in July was not necessary, therefore the next regular meeting of the Board will be held on August 8, 2014.

**CLOSED SESSION:** None

**SERVICE RECOGNITION AWARD – DAVID R. HILLIER:** Mr. Roberts thanked Mr. Hillier for the tremendous amount of personal time and effort he has expended throughout his service on the Board. Mr. Roberts further thanked Mr. Hillier for his role as mentor to all of the members that serve on the Board. Mr. Roberts read the following resolution of appreciation for Mr. Hillier:

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***Greater Asheville Regional Airport Authority***

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***~ Resolution ~***

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**WHEREAS**, the Greater Asheville Regional Airport Authority was created in June 2012, by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

**WHEREAS**, David R. Hillier has diligently served as Member of the Asheville Regional Airport Authority from August, 2006 through June, 2014 and the Greater Asheville Regional Airport Authority from August, 2012 through June, 2014; and

**WHEREAS**, David R. Hillier served as Chairman of the Asheville Regional Airport Authority from January, 2008 through June, 2014; and

**WHEREAS**, David R. Hillier served as Chair of the Greater Asheville Regional Airport Authority from August, 2012 through June, 2014; and

**WHEREAS**, during his service to both organizations, David R. Hillier fulfilled his position with diligence, conscientiousness, an unparalleled sense of humor; exceptional leadership, and contributed to the positive perception of the Asheville Regional Airport and its mission of being the premier airport of choice for Western North Carolina; and

**WHEREAS**, during David R. Hillier's term and under his leadership, great improvements were made at the airport, including a more efficient and enhanced baggage claim area, renovation of the terminal building to a state-of-the-art facility, addition of passenger boarding bridges, construction of a new Aircraft Rescue Firefighting Facility, preparation for an airfield redevelopment, implementation of a 20-year master plan, and greatly improved customer service.

**NOW, THEREFORE, BE IT RESOLVED** that the Greater Asheville Regional Airport Authority expresses its sincere gratitude to David R. Hillier for his dedication and service to the Asheville Regional Airport and the Western North Carolina community.

**Adopted this 6<sup>th</sup> day of June, 2014.**

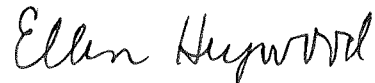
**Greater Asheville Regional Airport Authority**

The Chair stated that it has been a pleasure serving on the Board and had no doubt that the airport would continue in its current course as one of the best airports in the country.

Mr. Roberts moved to approve the Resolution of Appreciation for Mr. Hillier. Mrs. Peterson seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Andrew Tate moved to adjourn the meeting at 9:23 a.m. Mr. Roberts seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Vice-Chair