

REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
May 13, 2016

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, May 13, 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; Andrew T. Tate; William L. Moyer; Matthew C. Burril; and Stephanie Pace 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; 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; Mike Miller, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Ken Moody, Delta Airport Consultants; James Moose, Avcon; Bill Modlin, Mercury Transportation

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

SERVICE AWARD PRESENTATION:

A. Mike Miller: The Chair recognized Mike Miller for his service with the Authority and wished him well in his retirement.

B. Kevan Smith: The Chair recognized Kevan Smith with a service recognition award and gift for his 25 years of service with the Authority.

APPOINTMENT OF AT LARGE BOARD MEMBER: The Chair reminded the Board that as discussed at the March 24th Authority Board meeting, the consensus was to appoint the At Large member at the May Board meeting. The Chair requested a motion to reappoint K. Ray Bailey as the At Large member. Mr. Moyer moved to reappoint K. Ray Bailey as the At Large member of the Greater Asheville Regional Airport Authority. Mr.

Piccirillo seconded the motion and it carried unanimously. Mr. Bailey was sworn in by the Clerk to the Board.

PRESENTATIONS: None

FINANCIAL REPORT: The Director reported on the airport activity for March which included enplanements, aircraft operations, and general aviation activity. Mrs. Burnette reported on the financial activity for the month of March.

CONSENT ITEMS: The Chair remarked that Consent Items B and D, Approval of the Greater Asheville Regional Airport Authority March 11, 2016 Closed Session Minutes and Approval of the Greater Asheville Regional Airport Authority March 24, 2016 Closed Session Minutes would be reviewed in closed session.

A. Approval of the Greater Asheville Regional Airport Authority March 11, 2016 Regular Meeting Minutes:

C. Approval of the Greater Asheville Regional Airport Authority March 24, 2016 Regular Meeting Minutes:

E. Update to Budget Supplemental Fees and Charges:

F. Approval of 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>
Public Safety Department	_____	\$72,616
Totals	_____	\$72,616

This will result in a net increase of \$72,616 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$72,616
Totals	=====	\$72,616

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 13th day of May, 2016.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

G. Ratification of Contracts for Financial Consulting Services and Legal Counsel for Bond Issuance:

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>
Executive Department	_____	\$203,000
Totals	=====	\$203,000

This will result in a net increase of \$203,000 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$203,000
Totals	=====	\$203,000

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 13th day of May, 2016.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Tate requested a correction to Consent Item C, Approval of the Greater Asheville Regional Airport Authority March 24, 2016 Regular Meeting Minutes. Mr. Tate requested the addition of GF in front of the words Linamar project in Item A of the Authority Member Reports.

Mr. Moyer moved to approve Consent Items A, C with Mr. Tate's correction, E, F, and G. Mr. Bailey seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Insurance Renewals: Suzie Baker advised the Board that the Authority's broker has recommended staying with Cigna for health insurance. Cigna has quoted a 7% increase in rates for a total premium of approximately \$855,214. The cost to the Authority after employee contributions will be approximately \$740,902.

Mrs. Baker informed the Board that the Authority's broker recommended moving dental coverage to Delta Dental as they quoted a rate slightly lower than the Authority's current provider, Ameritas. Delta also guaranteed a two-year lock-in rate of approximately \$42,849. The Authority's cost after employee contributions will be approximately \$38,347.

The Authority has been using Mutual of Omaha for life and accidental death and dismemberment as well as short-term and long-term disability coverage. The Authority's broker has recommended staying with Mutual of Omaha for these benefits. Premiums for life insurance including accidental death and dismemberment will be approximately \$12,000 and the premium for short and long term disability coverage will be approximately \$22,197.

Mrs. Baker advised the Board that since the Authority's brokers recommend moving dental coverage to Delta Dental, an incidental benefit for eye care covered through Ameritas will no longer be available to employees. Staff would like to offer a vision plan to replace this lost benefit. Superior Vision has quoted \$4,154 for employees only, with the employee covering any dependent costs.

Mrs. Baker reported that the Authority has retained USI Insurance Services as a broker for business insurances. USI will place the Authority's business insurances with providers at an estimated cost of \$203,000, a decrease of \$2,344 from the current providers.

The Director informed the Board that the Authority's current Public Officials Liability coverage of \$2 million has a premium renewal of \$17,219. The Director requested the Board's input on increasing this coverage to \$3 million or \$5 million. It would be an additional \$1,115 for the \$3 million coverage or an additional \$1,792 for the \$5 million coverage. Ms. Brown asked if the broker had evaluated any claims that have happened against airport officials or evaluated the types of exposure the members would have and the kinds of damages that have been sought. The Director responded that he would check with the broker to see if this information could be obtained. The Chair suggested the Director gather some data from the broker or other airports and report back to the Board.

Mr. Moyer moved to approve renewal of the Authority's insurance coverages as presented by staff, excluding public officials' coverage but including vision benefit, and authorize the Executive Director to execute the necessary documents. Mr. Tate seconded the motion and it carried unanimously.

B. Adoption of Ordinance Policy: The Chair stated that this item would be discussed in Closed Session and the Board would then address it in Open Session at the conclusion of the Closed Session.

C. Approval of Amendment to the FY15/16 Budget – Series 2007 Bond Redemption: The Director advised the Board that the Authority has a bond with Wells Fargo for the rental car facility. There is approximately \$1.1 million left to be paid on the bond and has a payoff date in 2018. The bond provision has never allowed for an early payoff. Wells Fargo has recently provided written consent to the prepayment in full of this bond in the amount of \$1,140,946.47 as of May 20, 2016. The Director advised the Board that early payoff of this bond will save the Authority approximately \$60,000 in interest to Wells Fargo. Lost interest earned on the money in the bank is approximately \$2,200. Therefore the net savings through early payoff of the bond would be approximately \$58,000. The Director further stated that there is \$104,470 remaining in

the FY15/16 Budget for debt service payments. The following budget amendment will be necessary for the early payoff of this bond on May 20, 2016:

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>
Debt Service	_____	\$1,036,476
Totals	=====	\$1,036,476

This will result in a net increase of \$1,036,476 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$1,036,476
Totals	=====	\$1,036,476

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 13th day of May, 2016.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Burril stated that it was important that Wells Fargo be made aware that their decision to allow early payoff does not give the Authority incentive to place the bond for the parking garage with Wells Fargo.. The Director stated that the bond consultant recommended trying to pay off the bond early and the consultant did reach out to Wells Fargo on the Authority's behalf, but there were no strings attached with the early payoff

decision by Wells Fargo. Staff is not sure if Wells Fargo will even bid on the bond for the parking garage.

Ms. Brown stated that the Board is approving a very specific amount and asked if the amount could change before it was paid the following Friday. The Director responded that it could be a little less if the bond was paid before the following Friday.

Mr. Moyer moved to approve the payoff of the Series 2007 Bond for the rental car facility at a not to exceed amount of \$1,036,476 and amend the FY15/16 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Burril seconded the motion and it carried unanimously.

D. Approval of Amendment to the FY16/17 Budget: The Director informed the Board that along with the approval of the early payoff of the rental car facility bond, the FY16/17 Budget ordinance included funds in the amount of \$626,823 for the monthly payments on the rental car facility bond. With the Board's approval of the early payoff of the rental car facility bond, the monthly payments for the bond in FY16/17 will not be necessary. This will require the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Debt Service	\$626,823	
Totals	<u>\$626,823</u>	<u> </u>

This will result in a net decrease of \$626,823 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	\$626,823	
Totals	<u>\$626,823</u>	<u> </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 13th day of May, 2016.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Bailey moved to amend the FY16/17 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Burril 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. 2015 Annual Report: The Director called the Board's attention to the 2015 Annual Report at their seats. The Marketing team prepared the report and it will be shared with local government officials.

B. Parking Garage Bond: The Director reminded the Board that approval of a contract with a bond consultant was just approved and the parking garage is at 90% complete for the design. The documents will go out for bid on May 23rd with a July due date and staff will seek approval from the Board at the August Board meeting. The budget for the parking garage was established by the Board for approximately \$20 million. Staff expects to seek approximately \$20 to \$22 million for the bond issuance to cover all the costs. The bond documents are already out for bid and the responses are due back over the next few weeks. Staff has increased the amount of the bond in the RFP to \$25 to \$30 million with plans to have \$3 to \$7 million available for capital improvements, such as an office building, on airport property. The bond amount could be brought down and the Authority would not need to exercise the additional amount of the bond if the funds are not needed. The Director requested the Board provide input on whether to keep the bond strictly for the parking garage or increase the bond amount for future potential capital improvements.

Mr. Moyer inquired if there was more information on the design of the parking garage as questions were raised during the meeting when the presentation was made. The Director responded that staff is working with the arts community and once the information on the contractor, manufacturer, and process for the perforated metal has been obtained, staff will coordinate with the arts community on the design.

Mr. Burril questioned how staff was proposing the idea of additional funds in the bond package since the parking garage is a revenue producing entity and the other \$5 or \$6 million may not be a revenue producing property. The Director responded that the additional funds would definitely be for a revenue producing project such as an office type structure. The bond consultant has looked at this and has identified the additional funds in the RFP as taxable bonds. Mr. Burril asked if the building would be offered for tenant use. The Director responded that it would be offered for a revenue driven tenant and if the Authority were to also use the building for office space, the costs would be offset by the tenant.

Mr. Tate inquired if there was an impact to the rate for a \$20 million bond versus a \$30 million bond. The Director responded that according to the bond consultant, there is no difference in the rate. The Chair stated that he has read the RFP and it is basically a request to find out if the banks are interested if this happens and nothing is bound at this point. The Director stated that the decision for the amount of the bond will come to the Board for approval in August. If the Board is not interested in additional funds, staff can abandon that and take out the bond in an amount for the garage only.

Ms. Brown asked if the RFP specifies an option to pay early. The Director responded that the additional funds would not be used until needed. Mr. Burril stated that he would like the issue defined and for the Director to completely understand the process before a decision could be made. Mr. Burril further stated that he did not want to be tied to a future commitment that will cost the Authority to keep the line of credit open. The Director responded that he would gather more information from the consultants and would update the Board at the June meeting. Ms. Brown requested written materials from the consultant prior to the June meeting.

C. Operation Medicine Drop: The airport's Public Safety staff participated with Buncombe County's Operation Medicine Drop on April 30th and 50 pounds of medicine was collected.

D. Allegiant Inaugural Flights: The Director reminded the Board that two inaugural flights for Allegiant were due to take place over the next couple of weeks. The Baltimore-Washington service inaugural flight is scheduled will take place on May 19th and Jacksonville, FL the following week. Mrs. Kinsey shared plans for the Baltimore-Washington inaugural with the Board. Ms. Brown reported that the Asheville CVB has contributed \$100,000 towards Allegiant's billboard advertising in the capitol region and is also supplementing that with their own radio campaign with the hope that the service will be very successful.

E. SEC-AAAE Award: The Authority was recognized at the SEC-AAAE annual conference with an award for 2016 Commercial Airport Project of the year for the airfield category.

INFORMATION SECTION: No comments

AUTHORITY MEMBER REPORTS:

A. August Board Meeting Date: The Chair stated that the August 12th meeting date would be changed to August 5th and requested the Board Members adjust their schedules for this change.

B. Public Officials Reception: The Chair remarked that a reception for public officials would be planned for possibly January at the airport. This would give the Board an opportunity to update the legislators on the airport. The Director stated that due to unpredictable weather in January, it may be a better idea to host such an event in March.

PUBLIC AND TENANTS COMMENTS: Mr. Bill Modlin requested a moment to speak to the Board regarding Uber drivers. Mr. Modlin stated that the Authority has not done anything to stop the Uber drivers from operating at the airport and requested an answer as to why this was the case. Mr. Modlin further stated that other ground transportation operators are paying \$300 a year per vehicle for the permit to operate at the airport when the Uber drivers are not paying for the permit. The Director stated that when staff is able to catch Uber on airport property, a trespass letter is sent to the operator. If they return to the airport a second time, they are arrested. The Director further stated that staff has also been working with Uber on an operating permit and is finalizing an agreement to put in place. This has not happened as quickly as the Director would like, but is working under state legislation and dealing with the transportation network companies (TNC).

Mr. Burrell asked if the airport's concerns have been addressed with the state legislators. The Director responded that the state came out with legislation the previous summer and staff has been working with the TNCs to come to an agreement that is acceptable to both parties and conforms to the legislation.

Ms. Brown asked if there was an overall goal to provide some parity between the relationship the Authority has with Uber operators and the relationship with other ground transportation providers. The Director replied that the airport has an open system whereby anyone that pays the permit can operate at the airport.

Mr. Burril stated that it is very clear that as an Authority and as airport management, this has been a topic that has been discussed and a terrific amount of time has been spent on this as well as legislative and legal action. The Authority Board and staff have tried to prepare for this type of conversation, so to have a representation that nothing has been done is truly incorrect.

The Chair thanked Mr. Modlin for bringing this concern up for discussion and for his patience.

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be on June 17, 2016.

CLOSED SESSION: At 9:46 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 10:00 a.m., at which time the Board would resume in closed session.

Open Session resumed at 11:57 a.m.

EXECUTIVE DIRECTOR PERFORMANCE EVALUATION: The consensus of the Board was to take action at the June meeting after the Chair had an opportunity to speak with the Director.

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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. Bailey seconded the motion and it carried unanimously.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
MARCH 11, 2016 CLOSED SESSION MINUTES:**

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
MARCH 24, 2016 CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the minutes for the March 11, 2016 Closed Session and the minutes for the March 24, 2016 Closed Session, Parts A and B, and to seal and withhold the minutes for the March 11, 2016 Closed Session and the minutes for the March 24, 2016 Closed Session, Parts A and B, from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

NEW BUSINESS:

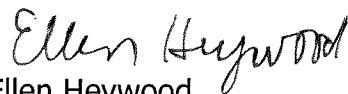
B. Adoption of Ordinance Policy: Ms. Rice stated that she understood that the Board would like certain revisions to the proposed policy and procedure, including: clarification that ordinances may be considered at regular, special or emergency meetings; clarification on the wording to specify that oral modifications of an ordinance must be documented in the final written ordinance; and adding a provision relating to a public hearing, public notice, and/or public posting of the proposed ordinances.

Ms. Brown recommended that the procedure for the adoption of ordinances follow the same process used for the budget ordinance. Mr. Moyer agreed that a public hearing should be held.


The consensus of the Board was to add a minimum of 10 days for public notice followed by a public hearing. Ms. Rice advised the Board that she would bring a revised version of the resolution to the June Board meeting.

ADJOURNMENT: Mr. Piccirillo moved to adjourn the meeting at 12:04 p.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,


Ellen Heywood
Clerk to the Board

Approved:


Robert C. Roberts
Chair