

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 16, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 16, 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; William L. Moyer; Matthew C. Burrell; and Stephanie Brown

MEMBERS ABSENT: Jeffrey A. Piccirillo; 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; Sherman Stark, Interim Director of Operations; Shane Stockman, IT Director; Rick Barthels, Accounting Coordinator; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Matt Braswell, Martin Starnes & Associates; Ken Moody, Delta Airport Consultants; Mike Darcangelo, Avcon; Eric Rysdon, RS&H

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

The Director introduced Shane Stockman as the new Director of Information Technology. The Board welcomed Mr. Stockman.

RETIREMENT RECOGNITION: The Chair recognized Rick Barthels for his service with the Authority and wished him well in his retirement.

PRESENTATIONS: None

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

CONSENT ITEMS: The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority August 21, 2015 Closed Session Minutes would be reviewed in closed session.

A. Approval of the Greater Asheville Regional Airport Authority August 21, 2015 Regular Meeting Minutes:

C. Approval of the Greater Asheville Regional Airport Authority Board 2016 Schedule:

D. Approve Change Order No. 1 to Agreement with Harrison Construction Company, Division of APAC Atlantic, Inc.:

E. Approve Lease Contract GS-04P-60384 with General Services Administration (GSA) for Transportation Security Administration (TSA) Terminal Building Office and Operational Space: The Director stated that there were a few finite points in the contract that staff is tweaking but should not affect the overall content of the contract.

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

OLD BUSINESS: None

NEW BUSINESS:

A. Presentation of the Annual Audited Financial Report for Fiscal Year 2014/2015: Janet Burnette informed the Board that the firm of Martin Starnes & Associates, CPAs, P.A. performed the annual audit for the fiscal year ended June 30, 2015. The audited financial statements have been submitted to and approved by the Local Government Commission (LGC). Mrs. Burnette introduced Matt Braswell from Martin Starnes & Associates. Mr. Braswell advised the Board that the audited statements were approved and there were no comments. The audit report was an unmodified opinion which means it is a clean opinion. Mr. Braswell reviewed total revenues and expenses, as well as the total net position and pointed out that the fund balance increased \$13 million from the prior year. Mr. Braswell further reviewed debt service, depreciation expenses, operating income, non-operating revenue, and cash flow. The Chair thanked Mr. Braswell for his presentation.

Mr. Burril moved to accept the 2014-2015 Audit Report as presented. Mr. Moyer seconded the motion and it carried unanimously.

B. Approve Amendment to Airfield Re-development Project Budget: Michael Reisman advised the Board that staff had visited the FAA Memphis office in August and shared updated data on the airfield program with them. Mr. Reisman prefaced the presentation for the Board with a reminder that the FAA Atlanta office dictated the funding and program phasing at the onset of the project. Staff was directed by the FAA to complete the project in four phases with each phase to be designed independently, told to reduce the length of the temporary runway from 8,000 feet to something shorter, and instructed to employ a level of creativity to reduce costs. There was a brief discussion on the implications of reducing the length of the temporary runway with the Director advising the Board that staff does not anticipate a problem with this, but that there could be a handful of days during summer months where baggage is left behind and sent at a later time to help decrease the weight of an aircraft. Mr. Reisman informed the Board that the manner in which the Atlanta FAA directed staff to design the project in multiple phases is inconsistent with the manner of conducting preliminary engineering for a project of this magnitude. Some preliminary engineering was done, however, for a project of this size there was a lot of discovery that needed to take place on the front end of this project. As a result of the FAA not allowing this to be done, and not being able to discover those out of the ordinary issues until the project was already in design and under construction, staff is now coming across situations that were not known about or in need of being addressed.

Mr. Reisman advised the Board that the FAA specified the amount of funding that would be given to the airport for the Airfield Re-development project and required that staff find the remaining funds. Mr. Reisman further stated that all airports in North Carolina were shifted from the FAA Atlanta office to the FAA Memphis office at the start of the Airfield Re-development project. Mr. Reisman reviewed the four construction phases, the original \$64 million project budget, as well as the sources of funding. The estimated and actual costs for Phase I and II were detailed and included the additional expenses incurred on this project to date. Mr. Reisman reported that had the FAA allowed the proper preliminary engineering and discovery to be completed, these additional items should have been discovered and the expenses would have been built into the overall project budget. Mr. Reisman stated that the original work for Phase III was the demolition and site prep for the new permanent runway. The FAA Atlanta office was planning to give a \$15 million grant for this phase knowing only \$6.3 million would be spent. The remainder would be carried over for the following year and used for the final phase of construction in addition to the final grant. The Memphis FAA decreased the amount of funding for Phase III and is requiring the money to be spent for that phase. If the money is not spent, it will be lost. Staff has been working the last several months trying to rearrange the last two construction phases of this project and have some of the work originally

planned for Phase IV to be completed in Phase III. Mr. Reisman informed the Board that staff is a few million dollars short of completing this project with the \$64 million budget that was approved. Value engineering for Phase IV was performed to help decrease the costs, and this included removal of two connector taxiways and paved shoulders which will save a few million dollars. However, additional funds are needed to complete the primary aspect of the project which is the runway. Removal of the taxiways and paved shoulders will allow staff to get closer to getting the permanent runway operational, however, this will leave the project incomplete in terms of the overall scope of the airfield project. While visiting the FAA in Memphis, staff proposed adding a fifth phase to the project, Bid Package V. This is based on the assumption that the FAA can find additional funding at the end of the project. The Memphis office is realizing the need to find further funding, however, the FAA cannot commit to additional funds at the present time. Phase V would include putting the two connector taxiways back into the project as well as paving shoulders on the connector taxiways at an additional cost of \$4.9 million. This will fulfill the entire scope of work for the Airfield Re-development project. In addition, Mr. Reisman requested the Board give approval for paving the remaining Taxiway A shoulders at a cost of \$1.2 million. This would bring the total estimated cost of Phase V to \$6.1 million. Mr. Reisman stated that the total estimated program cost including the fifth phase of construction is an additional \$11.8 million. The revised program budget of \$75.8 million based on the five phases of funding was reviewed. Mr. Reisman remarked that \$5.7 million is what is short in the original \$64 million budget for the project in order to commission the permanent runway without the two connector taxiways. An additional \$10.6 makes the project whole in terms of the scope of the overall project, and an additional \$11.8 will finish the full scope of the project including the shoulders on taxiway A.

Mr. Bailey questioned what the danger was in the long term were the Board to approve all this. Mr. Reisman responded that staff does not have a commitment from the FAA for the additional funding. Mr. Reisman further stated that approval of a higher budget for the airfield project does not give staff approval to spend the money. Staff will still need to work with consultants and the FAA to determine where the funds will come from. Staff will still need to come back to the Board for approval of each contract.

Ms. Brown asked when staff would know if the FAA will commit the additional funds. Mr. Reisman replied that it is likely during the construction of Phase IV.

The Director advised the Board the staff was trying to be as transparent as possible on this project and that staff knows the project is going to cost more than the original budget approved by the Board.

Mr. Moyer moved to approve an amended budget of \$75.8 million for the Airfield Re-development Project. Mr. Bailey seconded the motion and it carried unanimously.

C. Approve Consultant Scope of Services No. Seven with Delta Airport Consultants, Inc. for Parking Garage Design and Construction Services:

The Director gave a presentation on the proposed parking garage that included parking demand analysis through 2025, existing parking inventory, location and inventory scenarios, as well as financial analysis. The Director advised the Board that staff recommends scenario one which places the location of the garage in the parking lot in front of the terminal building just north of the exit toll booth. Funding methods were reviewed and included use of the fund balance, financed with non-taxable bonds, or to use a parking operator as a third party financier. The Director stated that staff plans to look to the rental car companies to cover a portion of the cost of the garage through collection of the Customer Facility Charges (CFC's). The Director further reviewed a scenario to increase the size of the garage by 200 spaces to potentially reduce the need for a second garage in 10 or 15 years. The cost for the garage with the additional 200 spaces would be \$22.8 million versus the \$19.8 million outlined in scenario one.

Ms. Brown asked the Director to explain what was driving the demand estimate. The Director responded that the master plan that was completed a couple of years ago identified the need for a parking garage and that the airport has already surpassed numbers the master plan projected. Also, the new service Allegiant plans to bring to the airport next year, as well as the anticipated future growth of 3% or 4% called for in the master plan have driven the need to move forward with a parking garage.

Mr. Reisman reminded the Board that at a previous meeting the Board approved expenditures related to temporary parking facilities to provide relief on parking constraints until a permanent solution could be constructed. Staff has been working with Delta Airport Consultants to determine the proper location for a parking garage. The Scope of Services No. Seven with Delta Airport Consultants includes environmental, design, and construction related services at a not to exceed amount of \$1,627,575.00. Mr. Reisman advised the Board that the following reimbursement resolution and amendment to the FY15/16 budget were necessary:

RESOLUTION OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
DECLARING THE INTENT OF THE AUTHORITY TO REIMBURSE ITSELF FOR CAPITAL
EXPENDITURES INCURRED IN CONNECTION WITH THE DESIGN AND CONSTRUCTION
OF A MULTI LEVEL PARKING FACILITY AT THE ASHEVILLE REGIONAL AIRPORT FROM
THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE ISSUED IN 2016

WHEREAS, the Board of Directors of the Greater Asheville Regional Airport Authority, Fletcher, North Carolina ("*Authority*") has determined that it is in the best interests of the Authority to finance the design and construction of a multi-level parking facility at the Asheville Regional Airport (the "*Project*");

WHEREAS, the Authority presently intends, at one time or from time to time, to finance all or a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver its tax-exempt obligations (the "*Obligations*") to finance, or to reimburse itself for, all or a portion of the costs of the Project; and

WHEREAS, the Authority desires to proceed with the Project and will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the "*Original Expenditures*"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the Authority intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Obligations to be issued at a date occurring after the dates of such Original Expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Greater Asheville Regional Airport, Fletcher, North Carolina as follows:

Section 1. **Official Declaration of Intent.** The Authority presently intends, and reasonably expects, to reimburse itself for the Original Expenditures incurred and paid by the Authority on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The Authority reasonably expects to execute and deliver the Obligations to finance all or a portion of the costs of the Project and the maximum principal amount of Obligations expected to be issued by the Authority to pay for all or a portion of the costs of the Project is \$22,000,000.

Section 2. **Compliance with Regulations.** The Authority adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Authority's intent to reimburse itself for the Original Expenditures from proceeds of the Obligations.

Section 3. **Itemization of Capital Expenditures.** The Finance Officer of the Authority, with advice from special counsel, is hereby authorized, directed and designated to act on behalf of the Authority in determining and itemizing all of the Original Expenditures incurred and paid by the Authority in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

That this resolution shall be effective upon its adoption.

This the 16th of October, 2015.

ATTEST

GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY

Ellen M. Heywood, Clerk to the Board

By: _____
Robert C. Roberts, Chair

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>
Capital Improvement	\$0	\$1,627,575
Totals	<u>\$0</u>	<u>\$1,627,575</u>

This will result in a net increase of \$1,531,000 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	\$1,627,575
Totals	<u>\$0</u>	<u>\$1,627,575</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 16th day of October, 2015.

Robert C. Roberts, Chairman

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Bailey questioned the length of time it would take to develop the parking garage. Mr. Reisman responded that is expected to take approximately seven-months to complete environmental work, design work, and a 30-day bidding period. Construction is expected to take an additional 12 months. Mr. Bailey asked if the Board would be able to see the schematics. The Director advised the Board that the design process would be brought to the Board for approval.

The Chair stated that the garage needs to be attractive since it is located at the front of the airport. The Chair questioned what makes up the \$22 million in Section One of the Resolution. The Director responded that it includes the extra 200 spaces in the garage if the Board gives approval of that. The Director further stated that if the Authority decides to use bonds to pay for the garage, the Reimbursement Resolution will allow the Authority to reimburse itself.

Mr. Moyer expressed concern about the percentage of the fee of \$1.6 million for Delta Airport Consultants and asked how it was broken out between design work and construction administration. Mr. Reisman replied that of the \$1.6 million fee, \$988,000 is for the design of the garage or approximately 5.3% of the fee. Mr. Reisman stated that some research has been done and there are two municipal parking garages being constructed in the area. The fee for the design of the garages is between 5.4% and 5.5% so staff is comfortable with the figure for the design portion of the fee being charged by Delta. Mr. Reisman reviewed the remainder of the \$1.6 million fee which includes \$392,000 for construction administration, \$218,000 for resident program engineering services, and \$49,575 for environmental work. Mr. Moyer affirmed that the Board could stop further work from being done by Delta Airport Consultants after the design of the garage was completed, and the remainder of the \$1.6 million fee would not be paid. The Director responded that this was correct. The Director also pointed out that the fee includes construction administration which would continue over to the following fiscal year and would be appropriately budgeted.

Mr. Bailey moved to approve Scope of Services No. Seven with Delta Airport Consultants, Inc. with a not to exceed cost of \$1,627,575.00, authorize the Executive Director to execute the necessary documents, approve the reimbursement resolution presented by staff, and amend the FY15/16 budget by adopting the budget ordinance amendment presented by staff. Mr. Moyer seconded the motion and it carried unanimously.

The Chair called for a break at 10:44 a.m.

The Board reconvened at 10:55 a.m.

D. Approve Expenditure for Temporary Paid Remote Parking Lot: Michael Reisman remarked that the Board is aware of the anticipated shortage of parking for passengers beginning in 2016. Construction of a temporary remote parking lot for employees is underway as are plans to design and construct a parking garage to meet the long term parking needs. Although the conversion of the existing south employee lot to a paid passenger parking lot will temporarily assist with meeting the need for additional parking spaces, construction of the new parking garage will temporarily displace a number of parking spaces during the construction project. Mr. Reisman reported that staff has been contacted by the Western North Carolina Agricultural Center (Ag Center) with a request for assistance from the Authority in the form of purchasing stone/gravel for a new parking lot to be built on Ag Center property. If the Authority were to purchase the material for the Ag Center, the airport would have use of a number of parking spaces in the new parking lot at the Ag Center throughout construction of the airport's parking garage as well as for overflow parking and/or special events as may be needed. The cost for the Authority to design and construct several additional remote parking lots on airport property is expected to cost upwards of several hundred thousand dollars, whereas the cost to purchase the material for the Ag Center parking lot is \$90,000.00. There would be additional expenses in the future that include shuttle service as well as lighting and a bus stop shelter, however these expenses may be incorporated into the overall cost of garage construction. Mr. Reisman advised the Board that the following amendment to the FY15/16 budget would be necessary:

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	\$90,000
Totals	<u>\$0</u>	<u>\$90,000</u>

This will result in a net increase of \$90,000 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	\$90,000
Totals	<u>\$0</u>	<u>\$90,000</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 16th day of October, 2015.

Robert C. Roberts, Chairman

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Burril inquired if there would be a contractual agreement with the Ag Center that states the Authority would have control over use of the parking lot in perpetuity. The Director replied that he was not sure the Authority would have control of the parking lot but that there would be a contractual agreement showing use of the lot. The Ag Center knows the airport has a need for parking spaces as well as their own need for additional

parking, so the lot will be large enough for the airport to be guaranteed use of a number of parking spaces during the state fair.

Mr. Moyer questioned how long an agreement would be in place and what the cost of shuttle service would be. The Director responded that there was not an agreement in place but that it was anticipated that it would be long term. Mr. Reisman stated that the cost of the shuttle service has not yet been determined, but may be included in the overall cost of the parking garage project.

Mr. Bailey moved to approve participation in the construction of the additional parking at the Ag Center at a cost not to exceed \$90,000.00, authorize the Executive Director to execute any necessary documents, and amend the FY15/16 budget by adopting the budget ordinance amendment as presented by staff. Ms. Brown seconded the motion and it carried unanimously.

E. Adoption of Asheville Regional Airport Five-Year Capital Improvement Program (CIP) for FY 2017-2021:

Michael Reisman informed the Board that the FAA requires all airports to submit a five-year CIP to be eligible for federal funding. The CIP is submitted to the North Carolina Department of Transportation (NCDOT), Division of Aviation simultaneously. In late August the NCDOT announced that the CIP was due by September 15th. Staff submitted the CIP to the NCDOT to meet the deadline, however, the document needs to be approved by the Authority Board. An amended CIP may be submitted to the NCDOT should the Board decide to make any changes. Mr. Reisman stated that the CIP includes funding for the Airfield Re-development Project, several equipment replacements items and a few capital construction needs that go beyond the end of the airfield project. Mr. Reisman briefly reviewed the funding for the projects which included the Airfield Re-development project, the parking garage construction, extension of Wright Brothers' Way, repairs to the terminal apron, and replacement of portions of the airport security system.

The Director advised the Board that the CIP would be updated with proper numbers for the parking garage and re-submitted to the NCDOT and then submitted to the FAA in January.

Mr. Moyer moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan with amended figures for the parking garage and runway if necessary. Mr. Burril seconded the motion and it carried unanimously.

F. Approve Amendment No. 2 to Management and Operations of Public Parking Facilities Agreement with SP+ f/k/a Standard Parking Corporation:

The Director reminded the Board that at a prior meeting the Board approved remote parking lots for the tenant employees. Shuttle service is necessary for transporting

employees from the remote parking lot located across NC280. Staff obtained quotes from two local transportation companies, SP+ the current airport parking management company, and also looked at operating the service internally. The most economical option is to contract with SP+ to provide manpower to operate the vehicle that will be provided by the Authority along with fuel and vehicle maintenance. The Director advised the Board that the Agreement and Amendment in the agenda package will be modified slightly as staff just learned of some liability issues with the Authority providing insurance. It is likely that SP+ will purchase the insurance and the Authority will reimburse them for this. The service is estimated to cost approximately \$125,000.00 for the first year of service. The Director stated that to cover the cost of their labor and some costs for the management of operations, SP+ is willing to waive this fee as an extended service of the contract, and to not charge the Authority. The Director needs to verify this with SP+ to find out exactly what this means. The Director informed the Board that the following amendment to the FY15/16 budget would be necessary, but may change depending on what SP+ is and is not charging the Authority for:

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>
Operations Department	\$0	\$125,000
Totals	<u>\$0</u>	<u>\$125,000</u>

This will result in a net increase of \$125,000 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	\$125,000
Totals	<u>\$0</u>	<u>\$125,000</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 16th day of October, 2015.

Robert C. Roberts, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Ms. Brown moved to approve Amendment No. 2 to Management and Operations of Public Parking Facilities Agreement with SP+, in major form and content with what was included in the agenda package other than the changes mentioned by the Director, to provide employee shuttle service at a cost not to exceed \$125,000 for the first year of service, authorize the Executive Director to execute any necessary documents, and to amend the FY15/16 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. Entryway Project Pole Relocation: At the August Board meeting, the Board approved payment of \$69,000.00 for the relocation of a utility pole at the main entrance. The Director was pleased to report that the NCDOT has offered to pay for the relocation.

B. FAA AIP Update: The Director reported that the FAA approved a six-month continuing resolution for the Airport Improvement Program.

C. Industry Conference Schedule: A copy of a schedule of industry conferences was available at the Board Members' seats. The Director requested the Board Members announce interest in a particular conference at the December Board Meeting to assist staff with budgeting purposes.

D. Contingency Transfer: The Director reported that \$10,491.00 was transferred from contingency to equipment and small capital outlay for a new mower that needed replacement.

E. FAA Lease Agreement: The lease with the FAA expired on September 30th and the FAA has not yet renewed the lease, although the process was started in April. The FAA sent a six month extension of the agreement under the terms and conditions. The lease allows for day to day extensions, not six month extensions, but it does not give any increase to the rental rate. The Director is agreeable to a six-month extension, but is working to get an increase in the rental rate.

F. Wind Shear Tower Update: The FAA is finalizing some agreement documents for the relocation of the wind shear tower to Sierra Nevada's property.

G. TSA Checkpoint: Staff has been receiving complaints about the wait times at the security checkpoint. TSA put in a body scanner and it is fully operational. The reason for the delays seems to be with the x-ray equipment for the baggage. TSA is also short on staff and the Director has been told that TSA plans to have their employees bid on their schedules to accommodate flexibility and help alleviate the shortage. TSA is also considering adding a third x-ray machine.

H. Operation Medicine Drop: The Director reported that Public Safety staff participated in Operation Medicine Drop on September 26th. It was a successful event with 196 pounds of prescription drugs turned in.

I. US Airways: On October 17th US Airways will become American Airlines. Signage at the airport will be changed.

J. Holiday Reception: The Director requested the Board mark their calendars for the holiday reception on December 10th at 5:30 p.m.

K. FAA Office Space: The FAA has approached the Director about leasing additional office space. In order to accommodate this request, staff is planning to build office space in the terminal between the art gallery and baggage claim to house the IT staff as well as a conference room. The FAA will lease the current IT staff offices on the second floor for their use.

Mr. Moyer asked the Director for a status of the airline agreements. The Director stated that Allegiant was still the only airline to sign the agreement. Delta, American, and United are paying non-signatory rates. The airlines have until October 31st to sign the agreements and the Authority will refund the 25% fees retroactive to July 1st, otherwise Allegiant will receive credits on that 25% fee. The Director will meet with the Vice

President of Property for American in Dallas at the end of October to discuss American's approach, not just for the Authority, but also as the Chair of the US Policy Board for ACI. This is happening across the country to a lot of small airports and ACI is working to understand why the airlines are taking this approach.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS' COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that it was not anticipated that there would be a need for the November 13th meeting. The Chair further stated that the next regular meeting will be December 11th.

AUTHORITY MEMBER REPORTS:

A. Key Strategic Elements: The Chair requested the Board Members review those key strategic elements to make sure the Board is staying aligned with the Board's priorities. The Chair further stated that it may be a good idea to tweak these a little in 2016.

CLOSED SESSION: At 11:36 a.m. Mr. Bailey moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (4) 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. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 12:34 p.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 16, 2015

CLOSED SESSION MINUTES: Mr. Bailey 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.

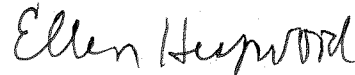
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 21, 2015

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the August 16, 2015 Closed Session 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 unanimously.

AREA TWO FILL PROJECT: The consensus of the Board was for the Director to seek indemnification from Duke Energy for Area Two or the permit to be in Duke Energy's name with a 20 year insurance policy or the Authority will not move forward with Area Two.

ADJOURNMENT: Mr. Bailey moved to adjourn the meeting at 12:40 p.m. Mr. Moyer seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair