

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 6, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 6, 2017 at 9:00 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; Matthew C. Burrell, Vice-Chair; Andrew T. Tate; K. Ray Bailey; William L. Moyer; Stephanie Pace Brown; and David Gantt

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; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Amira Trebincevic, Delta Airlines; Tracy Montross, American Airlines; James Seadler, American Airlines; Eric Rysdon, RS&H; Christa Horvath, United Airlines

CALL TO ORDER: The Vice-Chair called the meeting to order at 9:00 a.m.

The Chair called for a moment of silence in remembrance of the victims of the Las Vegas shooting.

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

CONSENT ITEMS: It was determined that the September 8, 2017 Closed Session Minutes were not available and would be added to the agenda for the November meeting.

A. Approval of the Greater Asheville Regional Airport Authority September 8 2017 Regular Meeting Minutes:

C. Approval of Amended Human Resources Policies and Procedures and the Administration Policies and Procedures:

Mr. Moyer stated the Board has followed procedure and everything was done according to what the Board thought was right. Mr. Moyer heard in the presentation by Ms. Montross that if the Board decides to return the non-signatory premiums, it's because staff and the Board did not follow proper procedures or negotiate in good faith and Mr. Moyer was not willing to concede to that.

Mr. Bailey concurred with Mr. Moyer's comments.

Mr. Gantt stated that there were rules of engagement and that all parties were aware of the rules and the airlines chose not to sign the agreement. Mr. Gantt was in agreement with the procedures the Board took and did not feel the need to backtrack.

Mr. Tate was in agreement with the comments made by Mr. Moyer and Mr. Gantt. The Board supported the process when it started and was not sure why the terms would change at this point.

Ms. Brown stated that from the partner side of the issue, she was not sure what options were available to the airlines during this whole process. The airlines were not in concurrence with the agreement that was presented to them nor were in control of the timeline to resolve those issues. Ms. Brown stated that she does not believe the Board or the Director acted inappropriately, but when there is an outcome that is unsatisfactory to part of the partnership, the question must be asked if they had an influence over that negative outcome.

Mr. Burril stated that while he appreciated Ms. Brown's perspective, he was of the opinion that the airlines were given plenty of time to negotiate on their side of the table. It seemed to him that the timeline was fully engaged by both parties. Mr. Burril stated that it was difficult for him to say that this was a business decision that the Board has caused solely and are responsible for. Mr. Burril stated that while the Board does value and appreciate all of the airlines and are supportive of what they provide to the community, he did not see that there was fault or issue contractually that the Board had erred and created harm.

Ms. Brown remarked that there is a penalty for one party and questioned whether or not there should be a penalty in this process. Ms. Brown was not sure that it admits fault or was done incorrectly, but questioned if it was appropriate for one party to have a penalty for engaging in that process.

The Director informed the Board that the Authority is contractually obligated to pay the non-signatory fees to Allegiant since they were signatory to the agreement. If the Board is looking to repay all of the legacy carriers' non-signatory premiums, the \$240,000 paid to Allegiant could not be taken back and would need to come from the fund balance.

Ms. Brown moved to defer action on this item until a discussion with legal counsel could take place in closed session during that meeting. Mr. Gantt seconded the motion and it carried unanimously.

CLOSED SESSION: At 9:45 a.m. Mr. Gantt moved to go into Closed Session pursuant to Subsection 143-318.11 (a) (3) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss the Legal Ramifications. Mr. Moyer seconded the motion and it carried unanimously.

Open Session resumed at 9:59 a.m.

Mr. Burril moved to finalize the non-signatory fees and go back to the date of ordinance and what was agreed to at that time. Mr. Moyer seconded the motion and it carried unanimously.

NEW BUSINESS:

A. Approval of the Greater Asheville Regional Airport Authority Board 2018

Schedule: Mr. Moyer inquired if a planning workshop would be held during the year to review or revise the strategic plan and also make plans once the terminal assessment study is complete. The Chair responded that some of those discussions would take place later during the meeting. The Chair further stated that it may be a good opportunity to have a planning session during the March 23, 2018 meeting. The Director remarked that one of the meetings denoted with an asterisk on the schedule could be set aside for a planning session once the terminal assessment study is completed, possibly the July 13, 2018 meeting.

Mr. Gantt stated that he had several conflicts with the schedule that was proposed. The Director stated that this agenda item could be held for discussion in November which would give the Board members time to notify the clerk of any conflicts.

B. Approval of Scope of Services No. 12 to Contract with Delta Airport Consultants, Inc. for Environmental Assessment Services Associated with

South Terminal Apron Expansion: Michael Reisman advised the Board that expansion of the south terminal apron was identified in the 2013 Master Plan. Continued growth of enplanements and flight operations has resulted in the need to move forward with this project. The FAA requires environmental review services take place prior to any design work. Mr. Reisman advised the Board that the cost to move forward with an environmental review would not exceed \$70,000.00 and would be paid from the \$2,026,331.00 of recent state appropriations. The following budget ordinance amendment 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, 2018:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvement	\$0	\$2,026,331
Totals	<u>\$0</u>	<u>\$2,026,331</u>

This will result in a net increase of \$70,000 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
NC DOT Appropriation	\$0	\$2,026,331
Totals	<u>\$0</u>	<u>\$2,026,331</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 6th day of October, 2017.

Robert C. Roberts, Chairman

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Moyer moved to approve Scope of Services No. 12 with Delta Airport Consultants, Inc. for Environmental Review Services, authorize the Executive Director to execute the necessary documents, and to amend the FY17/18 budget by adopting the budget ordinance amendment as presented by staff. Mr. Bailey seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had a couple of additional items to include that were not on the agenda.

A. FAA Grant: The Director informed the Board that the first grant that has been executed solely by the Greater Asheville Regional Airport Authority was received at the end of September. The grant amount was for \$7.8 million.

B. TSA: The Director reported that TSA has begun enhanced security screening procedures for electronic devices larger than a cell phone. The new procedures were implemented the prior week and as a result, there have been issues with long lines at the security checkpoint. TSA has assured staff that once passengers become familiar with the new procedures, the security process will move more quickly. TSA is aware of the issues. Staff has had discussions with airline staff about the possibility of setting up a line for premium flyers that would feed into the document checking station. The frequent flyers would not have to wait in as long a line. Staff has broached the idea of the airlines hiring a contractor to operate this line. Staff has also had discussions with TSA about a third lane that could be used for a pre-check lane. TSA has criteria the airport would need to meet in terms of number of passengers to allow for a pre-check lane to be created. Staff has requested the airlines gather information on premium lanes or ideas from other airports to resolve the issue for frequent travelers. The Director reported that staff is also trying to collaborate with the airlines to go to Washington, DC to meet with TSA regarding a third lane. Staff will keep the Board apprised.

C. ACI-NA: The Director advised the Board that at the recent annual conference for Airports Council International, he was elected as Vice Chair of the organization's Board.

PRESENTATIONS:

A. Department of Public Safety: Chief Kevan Smith gave a presentation to the Board on the Department of Public Safety that included the functions covered by the department as well as the numerous training requirements involved. Chief Smith highlighted some of the additional certifications obtained by staff as well as industry and community involvement. The Board thanked Chief Smith for all that he and his staff do at the airport.

DISCUSSION OF KEY PRIORITIES:

The Chair stated that all of the topics included under this item on the agenda could not be covered during the meeting, so the Board would use future meetings to cover the remaining topics.

A. Air Service Development: Tina Kinsey provided basic air service development information that highlighted the airport's top 25 market for origin and destination, air service goals relating to retention, growth and engagement, data on how the airport benchmarks with regional peers, as well as local and industry challenges.

Mrs. Kinsey explained how staff handles retaining existing service as well as seeking new air service. Mr. Moyer inquired if the airport's existing facility hampers air service growth. The Director responded that at the present time, the answer was no, but the airport is getting close. Mr. Moyer also asked if consultants serve a role in attracting new air service. Mrs. Kinsey responded that staff has a consultant on retainer that is communicated with weekly to analyze data and discuss potential new air service as well as retention of existing service.

Mrs. Kinsey described how the airport uses data to benchmark with regional peers. Ms. Brown commented that from a Board perspective, the Board needs to stay on top of understanding the trends for other markets such as Charleston and Savannah. The Chair stated while the airport is doing well, the Board will have to figure out how to leverage that and do even better. Ms. Brown suggested that the Board may need to focus on air service development as a priority in the strategic plan.

Mr. Moyer questioned if the equestrian games in Tryon were a part of the planning. Mrs. Kinsey stated that all of the airlines are aware of this event and will add seats to the market during this time.

The Chair suggested the Board digest the information received and discuss further at the next meeting.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The next regular meeting of the Authority Board will be held on November 9, 2017.

AUTHORITY MEMBER REPORTS: The Chair announced that Mr. Tate had accepted a new position and would no longer be able to serve on the Board.

Mr. Tate left the meeting at 11:30 a.m.

CLOSED SESSION: At 11:30 a.m. Mr. Burril 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 Regarding, Among Other Things, That Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Thalle Construction Co., Inc. and Liberty Mutual Insurance Company and vs. Defendant & Third-Party Plaintiff, Greater Asheville Regional Airport Authority, vs. Third-Party Defendant, Avcon, Inc. d/b/a Avcon Engineers and Planners, Inc. and that Informal Part 13 Complaint Filed with the Federal Aviation Administration on or about August 28, 2017 by the Aircraft Owners and Pilots Association, in Order to Preserve the Attorney-Client Privilege, and 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 by a 6 to 0 vote.

Open Session resumed at 12:10 p.m.

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CLOSED SESSION MINUTES: Mr. Burril moved to seal the minutes for the Closed Sessions Parts A, B, and C 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 by a 6 to 0 vote.

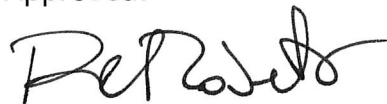
ADJOURNMENT: Mr. Moyer moved to adjourn the meeting at 12:12 p.m. Ms. Brown seconded the motion and it carried by a 6 to 0.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Robert C. Roberts
Chair