

**REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 24, 2009
8:30 a.m.**

The Asheville Regional Airport Authority ("Authority") met on Friday, April 24, 2009 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, Chairman; Chuck McGrady, Secretary-Treasurer; Rhett Grotzinger; Susan C. Fisher; and Jeffrey A. Piccirillo.

MEMBERS ABSENT: David Gantt, Vice-Chairman; Brownie Newman

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew S. Bleiweis, Deputy Airport Director; D. David Nantz, Director of Operations and Maintenance; Kevin Howell, Development Manager; Patti Michel, Director of Marketing and Public Relations; Royce Holden, IT Director; C. Jeffrey Augram, Chief of Public Safety; Christy Brunson, Finance Manager; Suzie Baker, Administration Manager and Ellen Heywood, Recording Secretary.

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

APPEARANCES: None

PRESENTATIONS:

A. Terminal Area Parking and Access Road Improvements Project Presentation: Mr. Howell reminded the Board that on August 8, 2008 the Board approved Option C of the Terminal Area Parking and Access Road Improvements Project which consists of three bid packages including the terminal access roadway and parking lot improvements, general aviation access roadway improvements and toll plaza improvements. Mr. Howell has been working with the LPA Group on the design portion of this project.

Mr. Howell reviewed the improvements to the terminal access roadway and parking lot and informed the Board of the engineering estimates of \$1,680,000 for the parking lot and \$860,000 for the access roadway for a total of \$2,540,000. Although the parking lot portion of the project is not eligible for AIP reimbursement funds, the terminal access roadway will be eligible for AIP reimbursement funds.

Mr. Howell updated the Board on the General Aviation Access project on Wright Brothers Way with details of the repairs to the roadway as well as landscape options, sidewalks and lighting plans. Mr. Howell informed the Board that the design is still being

finalized as staff is continuing to work with the LPA Group to possibly modify the designs in order to lower the estimated cost of \$2,900,000 for this portion of the project.

The final portion of this project is the Toll Plaza. This phase includes toll plaza expansion to add a third lane and a small administrative building. The engineers estimate this project to cost \$270,000.00 for site work and \$286,000.00 for the building for a total cost of \$556,000.00. If the Board decides not to move forward with the toll plaza expansion, the site work portion of this phase of the project would need to be transferred to the terminal access roadway and parking lot phase as this is site work that needs to be done immediately around the toll plaza.

Mr. Howell informed the Board that staff would come before the Board at the June 12th meeting with a recommendation for the construction contract award.

Mr. Grotzinger questioned the passenger enplanement figures from the TAP study that were used to determine the need for this project. Mr. Howell responded that the parking lot piece of the project was scaled back from the original designs but due to deteriorating pavement there is a need to maintain the parking lot. Mr. Howell further stated that the toll plaza improvement is the only portion of the project that was included in the TAP study. Mr. Grotzinger also questioned what phases of the project were AIP eligible and which portions would need to be funded by the Authority. Mr. Howell replied that the parking lot and toll plaza would need to be funded 100% by the Airport Authority and the general aviation roadway would be eligible for 95% AIP funding. Mr. Howell further stated that the out of pocket funds for this project would be \$3 million total.

Mr. Grotzinger also inquired if any further information was gathered on the Odyssey Fuel Farm relocation. Mr. Bleiweis responded that due to the cost of the relocation and the lack of funding from the FAA as well as the decision of the Board to not go forward with this project at this time, staff has not had further discussions with Odyssey Aviation to date.

B. Runway 16/34 Rehabilitation/Reconstruction Project Phase 1 – Pavement & Lighting Evaluation Presentation: Mr. Howell reminded the Board that in October of 2008 RS&H was engaged for a pavement and runway lighting evaluation. Bill Sandifer and Bob Overby from RS&H were present to give the Board the results of the evaluation performed and their recommendation for the Runway project. Mr. Sandifer informed the Board that the presentation was given to the FAA a couple of times and this project is a two-phase program to reconstruct or rehabilitate the runway.

Mr. Sandifer informed the Board that an assessment of the pavement and lighting was completed and current FAA design standards were looked at. A history of the runway construction was given with the last rehabilitation completed in 1995. Sections of the

pavement are deteriorating rapidly and currently show a fair to poor condition. Reconstruction may be needed in 5 to 7 years if rehabilitation is not done in the next 2 years. The pavement structure is sound and the runway can effectively be rehabilitated today.

The airfield electrical system was also evaluated and is in very bad shape. The lighting system needs to be significantly upgraded in the future because of age.

FAA design standards were also reviewed with the current runway/parallel taxiway separation standard being 400 feet. Asheville's 325 feet separation does not meet the current guidelines. Runway signage would also need to be updated to meet current standards. Mr. Sandifer summarized by stating that pavement rehabilitation is recommended and replacement of a significant amount of lighting and NAVAIDs is needed. A discussion of the Pavement Condition Index (PCI) followed with a review of the particular areas of the runway used by aircraft for takeoffs and landings. The Chairman noted that this is a critical time in determining the need for rehabilitation.

Mr. Overby reviewed the various options for reconstructing/rehabilitating the runway including closure times, operational impacts and costs. Mr. Overby further stated that discussions have been held with the FAA regarding these projects and 7-year funding guidelines were given to the FAA. The FAA sees the benefits of reconstructing the runway and constructing a parallel taxiway and Staff is hoping to have more feedback from the FAA in the next few months on whether they are open to funding this project. The recommendation of the consultants was to reconstruct the runway with a 75 foot shift and construction of a parallel taxiway.

Mr. Howell summarized by stating that the FAA agrees with the recommendation of the consultants and that it comes down to a funding issue. A discussion of the FAA's Letter of Intent program ensued with Mr. Howell stating that this is not a guarantee from the FAA but just a letter of intent.

Mrs. Fisher inquired about loss of traffic during a seven year project and safety issues involved. Mr. Bleiweis responded that it was not financially possible to close the airport so a night-time option is the most viable but there is always the possibility of delays and cancellations for passengers. Mr. Bleiweis further stated that the safety standards are set by the FAA and the types of aircrafts operating at AVL does not pose an immediate danger due to the close proximity of the taxiway and runway centerline separations.

Mr. McGrady questioned the possibility of the pavement going from a satisfactory condition to a poor condition within 4 to 5 years since the recommendation is a 7 year reconstruction project. Mr. Overby responded that by the 5 year forecast the pavement would not be unusable but would need to be reconstructed and as long as the rehabilitation is done or in the process of being done it would be fine. If a 7 year program was chosen, by the time the runway would need to be reconstructed the new taxiway/alternate landing area would be completed.

A discussion of the loss of developable land on the Westside took place as well as safety issues and future plans of a new parallel taxiway.

C. A-Gates/Terminal Renovation Project Presentation: Mr. Howell appeared before the Board to give an update on the A-Gates/Terminal Renovation Project. Mr. Howell reminded the Board that the FAA has approved \$7.5 million in stimulus funds for this project. The project components consist of a new ground level boarding lounge area, two new passenger boarding bridges capable of handling up to group III aircraft, relocated office functions, centered security checkpoint and new finishes consistent with landside terminal design. The project consists of two bid packages; the Terminal Renovation and Expansion which includes a base bid with three alternates, and one for Passenger Boarding Bridges. Aerial photographs of the existing terminal were shown as well as renderings of the design of the terminal expansion and floor plans with the base bid and three alternates. The project schedule was outlined with construction scheduled to begin in July of 2009.

A discussion of potential job gains, the centered security checkpoint, grant documentation and use of a resident inspector on the project followed with the Chairman thanking Mr. Howell for his work on these projects.

CONSENT AGENDA:

A. Approval of the Asheville Regional Airport Authority March 13, 2009 Regular Meeting Minutes: Mr. Grotzinger made a motion to approve the Regular Meeting Minutes of the March 13, 2009 Board Meeting. Mr. McGrady seconded the motion and it carried by unanimous consent.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2009/2010 Budget: Mr. Bleiweis reminded the Board that the draft Budget was presented to the Board at the February 13 Board Meeting and was discussed at the Retreat Meeting later in February. The Board approved the preliminary Budget at the March 13 Board Meeting and then the Budget sat for 30 days for public comment.

The Chairman opened the floor to public comment at 10:47 a.m. There were no public comments and the Chairman closed the floor to public comment at 10:47 a.m.

Mr. Grotzinger commented that the budget calls for an increase in revenue and spending, however, revenues at this time last year were \$5.2 million and are currently at \$4.4 million today which is an \$800,000 decrease in revenue over last year. Considering the downward trend of revenues, Mr. Grotzinger would like to see staff take a look at the budget, make some cuts, freeze salaries and hiring of non-essential positions and decrease overall spending by 5 to 10%. Mr. Bleiweis responded that staff is concerned with what is happening but relayed to the Board that although revenue is down this month, expenses are also below budget by almost 12% and staff is watching

costs. Mr. Bleiweis recommended that the Board wait until June to look at the March and April figures and then decide to make recommendations to the budget if needed.

Mr. Buchanan reminded the Board that due to the City/County Agreement revised in January of 2008, the Authority is required to submit the budget to the County Finance Manager on or before April 30th. The Chairman stated that he was confident in the staff's ability to monitor the situation. Mrs. Fisher made a motion to approve the Fiscal Year 2009/2010 Budget as presented by staff and Mr. Piccirillo seconded the motion. The motion carried by a 4 to 1 vote with Mr. Grotzinger voting against the motion.

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
2009-2010
BUDGET ORDINANCE**

BE IT ORDAINED by the Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2009-2010 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Asheville Regional Airport for the fiscal year beginning July 1, 2009 and ending June 30, 2010 in accordance with the following schedules:

EXPENDITURES

Administration	\$ 1,544,428
Terminal	2,643,374
Airfield	1,245,283
General Aviation	423,728
Parking Lot/Roadway	223,852
Other	209,097
Carry-over Capital Expenditures from Prior FY	6,625,658
Other Reserve Funds	3,894,880
Capital Improvement Fund	5,450,068
Renewal and Replacement Fund	142,277
Equipment and Small Capital Outlay Fund	104,440
Business Development Fund/Agreement Obligations	300,000
Debt Service Fund	626,823
Total Expenditures	<u><u>\$23,433,905</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

REVENUES

Administration (Interest Income)	\$ 157,200
Terminal	3,154,910
Airfield	819,650
General Aviation	873,790
Parking Lot/Roadway	2,154,100
Other	140,940
FY 08/09 Capital Carry-Over Funds	6,625,658
FY 09/10 PFCs	850,000
FY 09/10 CFCs	900,000
Federal Grants FY 09/10	5,177,564
NCDOT Grants FY 09/10	136,252
Transfer from ARAA Cash/Investments	<u>2,443,841</u>
Total Revenues	<u><u>\$23,433,905</u></u>

Section 3. This Budget Ordinance shall be entered in the minutes of the Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Asheville Regional Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Asheville Regional Airport Authority as described in G.S. 159-13.

Section 4. This ordinance shall become effective on July 1, 2009

Adopted this 24th day of April, 2009.

David R. Hillier, Chairman

Attested by:

Charles W. McGrady, Secretary-Treasurer

NEW BUSINESS:

A. Award of a Construction Contract for the North General Aviation Expansion Project – Waterline Extension: Mr. Howell reported to the Board that it

is the responsibility of the Authority to provide utilities to the site per the agreement with Landmark Aviation. An extension of the existing waterline is required to service Landmark Aviation's fuel farm site to meet fire marshal requirements. Two bids were submitted and the lowest bid of \$53,900 exceeds the \$50,000 signing authority of the Director. The recommendation of staff was to award the construction contract to Patton Construction Group, Inc. for a waterline extension in the amount of \$53,900.00. Mr. McGrady made a motion to approve the construction contract in the amount of \$53,900.00 to Patton Construction Group, Inc. and Mr. Grotzinger seconded the motion. The vote carried by unanimous consent.

EXECUTIVE REPORT:

A. TSA Gate Screening: Mr. Bleiweis reported that TSA has decided to bring back random gate searches and checks at airports. Mr. Bleiweis further stated that this was not anticipated in Asheville but would be conducted at other airports.

B. AIP Extension: Mr. Bleiweis informed the Board that President Obama signed House Bill 1512 that fully authorizes AIP funding through the end of the current federal fiscal year of September 30, 2009 in the approximate amount of \$3.5 billion on top of an additional \$1.1 billion for the economic recovery act. Congress is also moving forward on trying to set up a new reauthorization program for the next couple of years.

C. Honor Air Flights: Mr. Bleiweis stated that three Honor Air Flights that fly WWII veterans to Washington D.C. were scheduled from Asheville. The first took place the weekend of April 18 and two more scheduled for May 16 and May 30. Mr. Bleiweis recognized Ms. Michel for her work on this program.

Mr. Bleiweis also informed the Board of an upcoming Public Safety full exercise emergency drill with full support from Asheville City Fire and Rescue. This drill takes place on May 14 and 15 and tests all forms of emergency preparedness throughout the city.

Mr. Bleiweis further reported that on May 29 the B17 Bomber would be coming to Asheville for land and air tours.

D. Air Service Incentive: Since Mr. Newman was not in attendance at this Board meeting, the air service incentive discussion was postponed until the June 12 Board Meeting.

INFORMATION SECTION: Mr. Bleiweis informed the Board that February traffic was up .2% continuing our five month trend of increased traffic. Preliminary numbers for March show an increase of 8.2%.

AUTHORITY MEMBERS' REPORTS: Mr. Grotzinger mentioned the possibility of a potential situation with regards to the minimum standards for FBO's. Landmark

Aviation has been closing at 8:00 p.m. and leaving a phone number to call. Odyssey Aviation meets the minimum standards and has staff on site 24 hours a day. Mr. Grotzinger suggested staff review the minimum standards with Landmark Aviation. Mr. Bleiweis responded that he had spoken with the general manager of Landmark Aviation and their hours are currently 6:30 a.m. to 8:30 p.m. but are in the process of hiring additional staff to extend their hours. Mr. Bleiweis will be happy to look at the minimum standards now or wait to see if Landmark hires additional people. The Chairman stated this could be a presentation to consider for the June meeting. The Chairman further stated that the Board hopes to have the Civil Air Patrol presentation at the Board meeting in June.

PUBLIC AND TENANTS' COMMENT: No Comments

CLOSED SESSION: At 10:06 a.m. Mr. McGrady moved to go into closed session pursuant to subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina, in order to consult with legal counsel and to consider personnel matters. Mr. Grotzinger seconded the motion and it carried by unanimous vote.

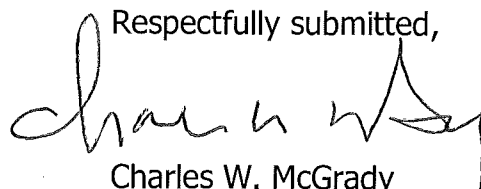
Open Session resumed at 10:54 a.m.

MOTION FOR APPROVAL AND SEALING OF CLOSED SESSION MINUTES: Mr. McGrady moved to approve the minutes for the February 27, 2009, Closed Session and the March 13, 2009, Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mrs. Fisher seconded the motion and it carried by unanimous vote.

ADJOURNMENT: Mr. McGrady moved to adjourn the meeting at 10:55 a.m. Mrs. Fisher seconded the motion and it carried by unanimous vote.

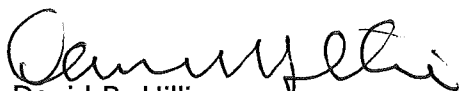
The next regular meeting of the Authority will be on Friday, June 12, 2009 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

Respectfully submitted,



Charles W. McGrady
Secretary-Treasurer

Approved:



David R. Hillier
Chairman