

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
June 12, 2009
8:31 a.m.

The Asheville Regional Airport Authority ("Authority") met on Friday, June 12, 2009 at 8:31 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; David Gantt, Vice-Chairman; Chuck McGrady, Secretary-Treasurer; Rhett Grotzinger; Susan C. Fisher (via conference call); Brownie Newman; and Jeffrey A. Piccirillo.

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; David N. Edwards, Jr., Airport Director; 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; M. Kevan Smith, Public Safety Captain; 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 8:31 a.m.

PRESENTATIONS:

A. Civil Air Patrol: Mr. Bauer presented an overview of the history of the Civil Air Patrol and how it has expanded over the years to become a teaching organization and a part of homeland security. The Asheville squadron, probably the largest in southeastern United States, was formed in 1952 and presently has 132 cadets and members and has sponsored several large exercises throughout the years.

Mrs. Fisher joined the meeting via teleconference at 8:39 a.m.

Mr. Bauer thanked the Authority for the opportunity to appear before the Board and volunteered the services of the Civil Air Patrol to the Board at any time in the future.

APPEARANCES: Cindy Carter of the Western North Carolina Pilots Association appeared before the Board to thank Mr. Edwards for his work at the airport and to wish him success in his new job.

Rick Barkes, Manager of Airport Development for the North Carolina Department of Transportation Division of Aviation, presented a Captain of First Flight Award to Mr. Edwards for his loyalty and dedication in furthering the development of aviation in North Carolina.

PRESENTATIONS:

B. Airport Director Recap and Wrap-up: The Director gave a presentation to the Board of all that has been accomplished during his tenure as Airport Director at the Asheville Regional Airport. A recap of the policies and procedures that were adopted, air service statistics, planning studies, construction projects and a financial recap were reviewed as well as a final list of transition items for the new Director. The Director thanked the Board for the opportunity of serving as the Director and as a representative in both the community and on a nation-wide basis in the airport industry. The Board gave the Director a standing ovation.

CONSENT AGENDA:

The Chairman stated that the following Consent Agenda Items would be pulled to be reviewed and approved in Closed Session:

B. Approval of the Asheville Regional Airport Authority April 24, 2009 Closed Session Minutes

C. Approval of the Asheville Regional Airport Authority May 18, 2009 Special Meeting Minutes

D. Approval of the Asheville Regional Airport Authority May 18, 2009 Closed Session Minutes

Mr. Grotzinger requested Consent Agenda Items E and H be pulled for discussion.

A. Approval of the Asheville Regional Airport Authority April 24, 2009 Regular Meeting Minutes:

F. Approval of a Waterline Easement Agreement for the North General Aviation Development Project:

G. Approval of Audit Contract:

I. Approval of Insurance Agreements with the North Carolina Association of County Commissioners Pool:

Mr. McGrady made a motion to approve Consent Agenda Items A, F, G and I. Mr. Gantt seconded the motion and it carried by unanimous consent.

E. Approval of Airline Operating Agreement and Rates and Charges Policy:

Mr. Grotzinger inquired if there were changes made to the Airline Operating Agreement since the Board had received it to review. Mr. Bleiweis replied that there were no substantial changes made to the agreement rather the majority of the changes were to address baggage delivery fines for the airlines.

A discussion of the thought process behind the new agreement model and the different types of contracts used in the industry were addressed by the Director. The Director stated that it is becoming more common for airports to enter into 30 day operating permits with the airlines. Long term agreements are somewhat of a detractor for new service if an airline wants to test the market. The new operating agreement is more of a business model and can be terminated with 30 days notice as well as rates adjusted in the event a catastrophe occurs.

Mr. Grotzinger applauded the language in the new agreement addressing baggage delivery problems at Asheville Regional Airport.

Mr. McGrady made a motion to approve the new rates and charges policy, to approve the airline operating agreement in essentially the same form as presented and to authorize the Airport Director to execute the necessary documents. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

H. Ratification of Agreements/Purchases Related to the Provision of Air Service Incentives for AirTran Airways:

Mr. Grotzinger inquired as to the financial exposure of the Authority if AirTran were to walk away from providing service in Asheville. The Director replied that staff has purchased and installed the Air IT equipment at a cost of \$149,000.00 but this equipment can be used for any other carrier operating in the future. Staff has also spent \$35,000 in marketing for AirTran in fiscal year 2009, ground handling related fee incentives and a few thousand for telephone costs for a total between \$150,000 to \$200,000 in sunk costs.

Mr. Newman asked to abstain from voting on this item for good cause. Mr. McGrady moved to excuse Mr. Newman from the vote on the AirTran incentives. Mr. Grotzinger seconded the motion and it passed by unanimous consent.

Mr. McGrady moved to ratify the provision of air service incentives in the total amount of \$585,000.00 and authorize the Director to execute the necessary contracts and documents associated with the provision of such incentives. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

OLD BUSINESS: None.

NEW BUSINESS:

The Director requested New Business Items C, D and the walk-on Item P be addressed at the end of New Business Item I.

A. Award of the Construction Contract for the Landside Parking Lot and Terminal Drive Revitalization Project: Mr. Howell informed the Board that three bids were received for this project on May 28, 2009. The lowest bidder was APAC Atlantic, Inc. The bid amount was \$1,614,092.45 and by adding a 10% contingency of \$161,409.25 this brings the project total to \$1,775,501.70. This project is not eligible for AIP funding and would be paid for with airport funds. Staff's recommendation was to award the bid to APAC Atlantic, Inc., approve a construction budget of \$1,775,501.70 and authorize the Airport Director to execute the necessary documents. Mr. Howell further informed the Board that staff will have an opportunity to work with The LPA Group and the contractor to try and reduce the costs most likely in the parking lot portion of this project. Mr. Grotzinger made a motion to approve this project as requested by staff. Mr. Gantt seconded the motion and it carried by unanimous consent.

B. Award of the Construction Contract for the Parking Lot Toll Plaza Expansion Project: Mr. Howell reported to the Board that four bids were received for this project on May 28, 2009. The lowest responsive bidder, Momentum Construction, withdrew their bid within 24 hours and staff recommends awarding the project to the second lowest bidder, Patton Construction Group. The bid from Patton Construction Group totals \$495,840.00 and with a 10% contingency of \$49,584.00, the total construction funding required by the Authority is \$545,424.00.

Mr. Grotzinger stated that since this project would be paid from airport funds and will not increase revenue in our parking lot, he did not feel this was the time given the economy to go forward with this project and suggested the Board revisit this item in the future.

The Chairman inquired about the life expectancy on the toll plaza building to which Mr. Howell responded 20-25 years if properly maintained. A discussion of the economic uncertainties and the need to be prudent ensued. However, it was also agreed that the mission of the Authority is to be the premier airport in the area. Mrs. Fisher moved to approve the award of the construction contract for the toll plaza expansion to Patton Construction Group, approve a construction budget of \$545,424.00 and to authorize the Airport Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

E. Award of a Contract for the Purchase and Installation of Pre-Conditioned Air and Fixed Ground Power Units: Mr. Howell informed the Board that this project would provide for 3 fixed ground power units and 3 PC air units for the B gates as well as 2 PC air units that will be purchased for future installation for the A gates. The lowest bidder was INET Airport Systems, Inc. in the amount of \$502,800.00 along with \$8,000.00 to be paid for professional services rendered by RS&H and 10% contingency of \$50,280.00 for a total project cost of \$561,080.00. The current CIP approves funding of \$516,550.70 for this project. These funds are a combination of money that has been set aside under the CIP as well as remaining funds from the regional boarding ramp project. The majority of the funds come from PFC charges that are being collected. Staff recommends approving the award of the contract to INET Airport Systems, Inc., approving a construction budget of \$553,080.00 and authorizing the Airport Director to execute the necessary documents. Mr. McGrady moved to approve the project as presented by Staff. Mr. Gantt seconded the motion and the vote carried by unanimous consent.

F. Award of a Construction Contract for the Triturator/Aircraft Lavatory Cart Service Facility Project: The Chairman requested a motion to be excused from the Board Room for this item due to a conflict in interest. Mr. McGrady made a motion to excuse the Chairman and Mr. Gantt seconded the motion. The vote carried by unanimous consent.

Mr. Howell stated that three bids were received for this project with the lowest bidder being Perry Bartsch Jr. Construction Company in the amount of \$198,800.00. The professional services contract with RS&H for \$48,174.00 as well as a 10% contingency bring the project amount to \$246,947.00 which is \$6,247.00 over the CIP budgeted amount. The funds for this project are obtained through PFC funds which are already being collected. The Vice Chairman inquired if staff's recommendation includes how this project would be funded today. Mr. Howell responded that staff has worked on a revised CIP and suggested that the PFC application be revised to put additional costs in

PFC and not use the Authority funds. Mr. Grotzinger moved to approve awarding the construction contract to Perry Bartsch Jr. Construction Company, approve a construction budget of \$218,680 and authorize the Airport Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried by unanimous consent.

G. Award of the Construction Contract for the Wright Brothers Way – General Aviation Access Road Improvements Project: Mr. Howell reported to the Board that the bid opening was held on May 28, 2009 and five bids were received. The lowest responsive bidder was Moore and Son Site Contractors in the amount of \$1,700,922.00. Additional allowances for utility relocation and a 10% contingency brings the project total to \$2,069,014.20. This project is eligible for 95% AIP funding, making the Authority's share for this project \$103,450.71. Mr. McGrady made a motion to approve awarding the construction contract to Moore and Son Site Contractors, Inc., approve a construction budget of \$2,069,014.20 and authorize the Airport Director to execute the necessary documents. Mr. Gantt seconded the motion and it carried by unanimous consent.

The location of the fuel farm safety issue, as well as the road alignment, was discussed and staff acknowledged it would be better from a security standpoint to locate the fuel farm inside the fenced area. However, it is a challenge at this time to find funding for this project.

H. Award of a Construction Contract for the Second Phase of the Reroofing and Repairs Project: Mr. Nantz reported to the Board that eight bids were received on June 9 and although the lowest bidder, Cityscape Roofing, Inc., did not meet the DBE goal of 10%, information on good faith effort was provided by the bidder. The total cost for this project amounts to \$173,750.00 which includes the construction contract amount of \$147,195.00, \$26,555.00 for professional services and \$7,375.00 which is 5% of the contract amount to cover any unforeseen project conditions.

A discussion of the DBE goals as well as the fact that the construction contracts for the agenda items were coming in under budget ensued. Mr. Newman made a motion to approve the award of the construction contract to Cityscape Roofing, Inc. in the amount of \$147,195.00, authorize an amount of \$7,375.00 for any unforeseen conditions, and authorize the Airport Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried by unanimous consent.

Mrs. Fisher did not respond to an inquiry by the Chairman if she was still connected via teleconference.

I. Award of a Construction Contract for the General Aviation Aprons Expansion and Connector Taxiway Project: Mr. Howell reminded the Board that this project was not selected for the stimulus funds but at the Board's direction staff continued with the design to compete for a second round of stimulus money or fallout AIP funds. Mr. Howell reviewed the five different bid schedules that were used for this project. The lowest responsive bidder for all five bid schedules was Young & McQueen Grading Company, Inc.

Mr. Howell further informed the Board that staff has been in contact with the FAA almost weekly regarding stimulus money. At this point the FAA is not going to release a second round of money until the first round of stimulus funds have been fully allocated. Staff should also be able to compete for year-end fallout money in the July/August timeframe. The Authority would have to pay 5% of the construction costs if year-end fallout funds were used for this project. The recommended action of the staff was to request that the Authority Board resolve to (1) pending the award and securing of FAA funding through either stimulus or year-end AIP discretionary programs approve awarding the construction contract to Young & McQueen Grading and Company, Inc. and (2) authorize the Airport Director to execute the necessary documents. Mr. Howell informed the Board that the bids were good for 90 days, that a contract would not be executed until funds were secured, and staff would keep the Board updated.

Mr. Grotzinger requested two motions for this agenda item:

Mr. Grotzinger made a motion to approve awarding the construction contract to Young & McQueen Grading and Company, Inc. and to authorize the Airport Director to execute the necessary documents provided year-end AIP discretionary funds are secured and the Authority's share of the costs are 5% of the project total. Mr. McGrady seconded the motion and it carried by unanimous consent.

Mr. Gantt made a motion to approve awarding the construction contract to Young & McQueen Grading and Company, Inc. and to authorize the Airport Director to execute the necessary documents provided 100% stimulus funds are secured for the funding of this project. Mr. McGrady seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

C. Award of a Construction Contract for the A Gates – Terminal Improvements and Renovation Project:

Mr. Howell reported to the Board that eight bids were received and the lowest responsive bidder in all scenarios of the project was Shelco, Inc. out of Greenville, SC. The FAA has approved an amount of \$7,629,527.00 in stimulus funds to cover the base bid and alternate one. The contract amount for the base bid and alternate one is \$5,999,000.00. Mr. Howell stated that it would be prudent for the Authority to invest in the project and award all of the alternates at one time. Staff believes the Authority has a good chance of obtaining stimulus funds for alternates two and three and can also compete for year-end fallout money with the Authority contributing 5% of the construction cost. Mr. Howell informed the Board that staff has come up with a third scenario for funding this project. Mr. Howell presented the Board with a revised CIP for fiscal years 2009 and 2010 and reviewed the funding sources. Staff is not suggesting that new funds be allocated but rather redistribute funds from projects that came in under budget, specifically the hangar under construction at this time and the second phase of the reroofing project that total \$550,000.00. Mr. Howell stated that it would be in the best interest of the Authority to award a single contract to a contractor for the base bid and three alternates. Mr. Newman inquired about the likelihood of the Authority receiving stimulus money or AIP fallout funds and the Director stated that the FAA knows staff is ready to go on this project and the Authority stands a better than 50/50 chance of getting additional stimulus funds. Staff is seeing very aggressive bids with costs coming in much lower.

Since there are three funding scenarios for this project, the Chairman suggested three separate motions for this agenda item, with Staff being authorized to execute the project based on one or a combination of the three funding scenarios:

Mr. Gantt moved to approve awarding the contract for the A-Gates Terminal Improvements and Renovation Project for the Base Bid and Alternates 1-3 to Shelco, Inc. and to authorize the Airport Director to execute the necessary documents with the Base Bid and Alternate 1 to be funded with stimulus funds. Mr. Piccirillo seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

Mr. Newman moved to approve awarding the contract for the A-Gates Terminal Improvements and Renovation Project for the Base Bid and Alternates 1-3 to Shelco, Inc. and to authorize the Airport Director to execute the necessary documents with Alternates 2-3 to be funded with year-end AIP discretionary funds and the Authority contributing 5% of the construction cost. Mr. Piccirillo seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

Mr. Gantt moved to approve awarding the contract for the A-Gates Terminal Improvements and Renovation Project for the Base Bid and Alternates 1-3 to Shelco, Inc. and to authorize the Airport Director to execute the necessary documents with Alternates 2-3 to be funded by the Authority with shortfall money from other projects for a not to exceed amount of \$550,000.00. Mr. McGrady seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

D. Award of a Contract for the Purchase and Installation of Passenger Boarding Bridges for the A Gates – Terminal Improvements and Renovation Project: Mr. Howell informed the Board that two bids were received for the purchase and installation of passenger boarding bridges and the lowest responsive bidder is ThyssenKrupp Airport Systems, Inc. in the amount of \$940,406.00. This contract would be funded 100% with stimulus funds. Mr. McGrady made a motion to approve awarding the contract for the purchase and installation of Passenger Boarding Bridges for the A Gates – Terminal Improvements and Renovation Project to ThyssenKrupp Airport Systems, Inc. in the amount of \$940,406.00 and to authorize the Airport Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

P. Approval of Scope of Services and Fees for Contract Administration and Resident Project Representative Services for the A Gates – Terminal Improvements and Renovation Project with RS&H: Mr. Howell informed the Board that this project was a walk on item. The amount of the contract for these professional services is still being refined as the contract would be based on the Board's actions at the meeting on the approval of alternates 1-3. Staff will review the contract with RS&H to make sure it is the proper fee for the project and scope involved. Mr. McGrady made a motion to approve the Scope of Services and Fee Proposal with RS&H for the Base Bid and Alternates 1-3 in the not to exceed amount of \$807,200.00. Mr. Newman seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

The Director requested a change in order of the agenda items and the Board agreed.

M. Approval of Space/Use/Operating Permit with WNC Aviation: Mr. Grotzinger requested a motion to be excused from the Board Room for this item due to a conflict in interest. Mr. McGrady made a motion to excuse Mr. Grotzinger and Mr. Gantt seconded the motion. It carried by unanimous consent.

The Director informed the Board that WNC Aviation would like to occupy the OD Lacy Griffin Building and staff would relocate the Civil Air Patrol. A five-year lease agreement has been prepared and staff is proposing to do some improvements to the outside of the building at a cost of approximately \$25,000.00 to the Authority. WNC Aviation has requested some improvements on the inside of the building at a cost of approximately \$22,000.00. A discussion on the different scenarios of paying for the interior improvements took place. Mr. Charles Thomas from WNC Aviation appeared before the Board to offer background information on WNC Aviation if needed. The Director stated that he will finalize the agreement before he leaves but that the new Director will execute the agreement since there will be a delay in occupancy until the CAP can be relocated. Mr. Newman made a motion to approve a Space/Use/Operating Permit with WNC Aviation, expenditures of up to \$47,000.00 plus a 10% contingency for improvements to the building and property, and authorize the Airport Director to execute the necessary documents. Mr. Gantt seconded the motion and it carried by unanimous consent.

K. Approval of Solar Energy Project with FLS Energy: Mr. Newman requested a motion to be excused from the Board Room for this item due to a conflict in interest. Mr. McGrady made a motion to excuse Mr. Newman and Mr. Gantt seconded the motion. It carried by unanimous consent.

The Director stated that although Mr. Newman has an association with FLS Energy and made the introduction, Mr. Newman has not been involved in any of the discussions and has kept an absolute arm's length from this project. The Director further stated that the airport is trying to be environmentally sensitive and renewable energy is an exciting prospect. The Director reviewed the components of the project with the Board and informed them of the Authority's \$20,000.00 upfront commitment for this project that would be recouped within the first five years and would later transition into a roof lease payment by FLS Energy. Mrs. Fisher made a motion to approve the Solar Energy Project including the use of Authority funds in the amount of \$20,000.00 and to authorize the Airport Director to execute the necessary documents subject to review by legal counsel. Mr. Piccirillo seconded the motion and it carried by unanimous consent.

L. Approval of Westside Site Preparation Project with Charah, Inc.: The Director informed the Board of a proposed project with Charah to use structural fill material on two additional locations on the westside of the airport. The Director gave an update of the current structural fill project on the north general aviation site. The Director further stated that unlike the north general aviation project, Charah would assume all costs for the westside project. Charah would use a 6' thick virgin soil cap on

top of the fill, 4' on any sideslopes of where any buildings would go, and 2' under any apron areas to meet their permitting standards. This project would fill in the area for the future parallel taxiway and also allow for future development in the low lying areas of the westside. A discussion of the amount of acreage used for the project as well as the timeframe ensued. Mr. McGrady made a motion to approve the addition of the two westside sites through an amendment to the current agreement between the Authority and Charah, Inc. and to authorize the Airport Director to execute the necessary documents. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

N. Approval of Space/Use/Operating Permit with AdvantageWest: The Director reported to the Board that staff has negotiated a new Space/Use/Operating Permit with AdvantageWest. AdvantageWest has requested new carpeting in the building and some exterior landscaping for an estimated cost of \$25,000.00. The new permit would net \$79,249.50 in revenue for the first year and be adjusted annually by the Consumer Price Index. Mr. McGrady made a motion to approve the Space/Use/Operating Permit with AdvantageWest, building improvements not to exceed \$25,000.00 plus a 10% contingency and authorize the Airport Director to execute the necessary documents. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

The Board recessed for a break at 11:00 a.m.

The Board reconvened at 11:10 a.m.

J. Purchase Award of a Rapid Intervention Vehicle for Aircraft Rescue Fire Fighting: Captain Kevan Smith appeared before the Board to seek approval for the purchase of a rapid intervention vehicle to replace the vehicle the Authority has used for 25 years. The purchase of this vehicle will be ready to award the bid to Crash Rescue in the event the Authority receives additional stimulus money or year-end AIP funds. If AIP funds are used to purchase this vehicle, the maximum cost to the Authority would be approximately \$42,000.00.

Mr. Grotzinger requested two motions for this agenda item:

Mr. Grotzinger moved to approve the award of the rapid intervention vehicle bid to Crash Rescue in the amount of \$417,540.00 contingent on receiving year-end AIP funding and authorize the Airport Director to execute the necessary documents. Mr. Newman seconded the motion and it carried by unanimous consent.

Mr. McGrady moved to approve the award of the rapid intervention vehicle bid to Crash Rescue in the amount of \$417,540.00 contingent on receiving stimulus funds and authorize the Airport Director to execute the necessary documents. Mr. Newman seconded the motion and it carried by a 6 to 1 vote with Mr. Grotzinger voting against the motion.

O. Discussion of Executive Director Evaluation Instrument and Desirability of Bonus Compensation: The Chairman stated that this agenda item was a two-part discussion; the evaluation instrument and the bonus compensation.

The Chairman had distributed a sample evaluation form from Sarasota Manatee Airport Authority for Board Members to review prior to the Board meeting. The evaluation instrument was discussed with Mr. Piccirillo noting that a broader scale of numbers in the evaluation was a benefit to the process and suggested a 7 point rather than a 5 point scale. Mr. Grotzinger stated that the form was very comprehensive and provides more feedback to the Director. Mr. Grotzinger suggested adopting the evaluation form at a future meeting and Messrs. Gantt and McGrady agreed.

The second part of the agenda item related to a general discussion of the desirability of bonus compensation. The bonus issue in the public service sector was discussed as well as compensation tied to performance. The consensus of the Board was not to proceed with a bonus package but to proceed with an evaluation instrument with compensation tied to specific criteria.

CLOSED SESSION: At 11:25 a.m. Mr. McGrady made a motion to go into closed session pursuant to subsections 143-318.11 (a) (3), (5) and (6) of the General Statutes of North Carolina, in order to consult with legal counsel, to establish, and instruct the Authority's negotiating agent or agents concerning, the position to be taken by or on behalf of the Authority in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract, and to consider personnel matters. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

Open Session resumed at 11:50 a.m.

Mrs. Fisher moved to approve the compensation of \$129,000.00 per year for Mr. Bleiweis with the Chairman and legal counsel to work in collaboration with Mr. Bleiweis to develop a letter of agreement consistent with the terms set forth in the Chairman's

memorandum of June 2, 2009. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

EXECUTIVE REPORT:

A. Financial Update: Mr. Bleiweis informed the Board that the Authority is looking to be 6.13% below budget for the year and anticipate \$1.2 to \$1.3 million to fund balance at year end. Staff requested the Board proceed with the budget as approved at the last meeting.

Mr. Grotzinger suggested removing the \$150,000 - \$160,000 for the raise pool from the budget as he did not believe this was the time to send a message that money is being allocated for raises.

Mr. McGrady inquired if funds were allocated in the budget for a deputy airport director position and was this something that staff anticipated doing this year. The Chairman stated that his perception was that the deputy airport director position would not be filled until such time as Mr. Bleiweis was comfortable in his position. Mr. Bleiweis informed the Board that he would not hire a deputy airport director without prior approval from the Board.

The Chairman felt the budget was a solid, conservative budget as did the Vice Chairman and Mr. Piccirillo. Mr. Gantt made a motion to maintain the budget as approved at the April 24, 2009 meeting. Mr. Piccirillo seconded the motion and it carried by a 5 to 1 vote with Mr. Grotzinger voting against the motion. Mr. Newman left during the Closed Session.

B. Status of the Airport Improvement Program: Mr. Bleiweis informed the Board of a potential new FAA funding bill that could force airports to comply with new national fire protection agency standards and would require additional staffing and facilities at all airports. Mr. Bleiweis expects something to move by the end of the month on AIP funding and will keep the Board apprised.

C. Report on Results of the Jumpstart Air Service Development Conference: Ms. Michel reported to the Board that she met with six air carriers while at the conference. There was some interest by American Airlines to provide service to Chicago from Asheville. Staff is providing additional information to American Airlines and hopes to be able to bring this service to Asheville. The potential start date would be between February and April of 2010. The possibility of service to Dallas/Ft. Worth as

well as to south Florida was also discussed with American Airlines. Ms. Michel met with Continental and although there was some discussion on service to Cleveland, Continental plans on concentrating on the Newark flights at this time. Delta Airlines continues to focus on their Atlanta hub and funneling service there. United Airlines does not have the equipment available to provide service to Chicago at this time but service to Washington, D.C. was also discussed. AirTran is happy with current bookings to Orlando and will see how this flight performs at Asheville before discussing south Florida service.

INFORMATION SECTION: Mr. Bleiweis reported a 17.8% increase in April enplanements with overall passenger traffic up by 15.7%.

AUTHORITY MEMBERS' REPORTS: Mr. McGrady mentioned to the Board that he made contact with the adjacent landowner about the possibility of donating land for a park along the French Broad River consistent with the greenway protection that the Board had taken up. Funding is not available at this time from the Clean Water Management Trust Fund but this other development would be consistent with the Board's thoughts along the river edge and would like to pursue this. Mr. McGrady may be in touch with Mr. Gantt regarding this issue.

PUBLIC AND TENANTS' COMMENT: No Comments

CLOSED SESSION: At 12:12 p.m. Mr. McGrady made a motion to go into closed session pursuant to subsections 143-318.11 (a) (3), (5) and (6) of the General Statutes of North Carolina, in order to consult with legal counsel, to establish, and instruct the Authority's negotiating agent or agents concerning, the position to be taken by or on behalf of the Authority in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract, and to consider personnel matters. Mr. Grotzinger seconded the motion and it carried by unanimous consent.

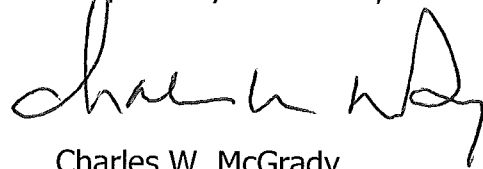
Open Session resumed at 12:24 p.m.

MOTION FOR APPROVAL AND SEALING OF CLOSED SESSION MINUTES: Mr. McGrady moved to approve the minutes for the May 18, 2009, Special Meeting, the April 24, 2009 Closed Session, and the May 18, 2009, Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the respective purpose or purposes thereof. Mr. Grotzinger seconded the motion and it carried by unanimous vote.

ADJOURNMENT: Mr. Grotzinger moved to adjourn the meeting at 12:25 p.m. Mr. Gantt seconded the motion and it carried by unanimous vote.

The next regular meeting of the Authority will be on Friday, July 10, 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