

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 23, 2010
8:30 a.m.

The Asheville Regional Airport Authority ("Authority") met on Friday, April 23, 2010 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; David Gantt, Vice-Chairman; Chuck McGrady, Secretary-Treasurer; Susan C. Fisher; Rhett Grotzinger; and Brownie Newman.

MEMBERS ABSENT: Jeffrey A. Piccirillo

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Airport Director; D. David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Suzie Baker, Administration Manager; Vickie Thomas, Director of Finance and Accounting; and Ellen Heywood, Recording Secretary.

ALSO PRESENT: Joe Weinflash, Civil Air Patrol; Ray Davis, Civil Air Patrol; Bob Bauer, Civil Air Patrol; Nancy Grace; Jerry Rice

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

APPEARANCES: None

PRESENTATIONS: None

FINANCIAL REPORT: The Director reviewed the airport activity section of the Executive Summary for the month of February. Vickie Thomas reported on the operating revenue and expenses for the month as well as the cash. Mr. McGrady questioned how the current cash reserves compare to the cash reserves in the past and inquired if a report could be created that compares the Authority's cash reserves to the reserves of other airports of similar size. Mrs. Thomas replied that the Authority did have higher cash balances several years ago but explained that some of the reserves were used for construction projects. Mrs. Thomas further stated that she believed a study on cash reserves was done some time ago and was used to establish cash

reserves but the information would probably be at least ten years old. The Chairman agreed that a ten-year history of the Authority's cash reserves and analysis of other airports of similar size cash reserves would be beneficial to the Board and requested this be on the agenda for the next Board Meeting. Mr. Gantt suggested comparisons to other airports' cash reserves also include construction projects completed by the other airports. The Director stated that a study of cash reserves and comparisons would be completed for the Board.

CONSENT AGENDA:

A & B. Approval of the Asheville Regional Airport Authority March 12, 2010 Regular Meeting Minutes and the March 12, 2010 Closed Session

Minutes: Mr. McGrady moved to approve the meeting minutes for the March 12, 2010 Regular Meeting and the minutes for the March 12, 2010 Closed Session and to seal and withhold the minutes for the Closed Session from public inspection so long as public inspection would frustrate its purpose or purposes. Mrs. Fisher seconded the motion and it carried by unanimous consent.

C. Ratification of Change Order No. 5 for the Triturator Facility Project:

The Chairman requested a motion to be recused from the Board Room for this vote due to a conflict of interest. Mr. Grotzinger moved to recuse the Chairman for the vote due to a conflict of interest. Mrs. Fisher seconded the motion and it carried by unanimous consent.

Mr. Grotzinger moved to Ratify Change Order No. 5 for the Triturator Facility Project. Mr. McGrady seconded the motion and it carried by a 5 to 0 vote.

OLD BUSINESS:

A. Public Hearing and Final Adoption of Authority's Fiscal Year 2010/2011

Budget: The Chairman opened the floor to Public Comments at 8:46 a.m.

Mr. Jerry Rice appeared before the Board regarding his concern with the three percent increase in the budget for employee raises. Mr. Rice stated that the Board should not adopt raises for employees due to the state of the economy.

There were no further Public Comments and the Chairman closed the floor at 8:48 a.m.

Mr. Grotzinger remarked that there was room in the budget to cut expenses and felt it would be unwise to proceed with the budget as it is currently proposed.

Mr. Gantt moved to adopt the Authority's Fiscal Year 2010/2011 Budget as presented by staff. Mrs. Fisher seconded the motion and it carried by a 5 to 1 vote with Mr. Grotzinger voting against the motion.

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
2010-2011
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 2010-2011 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, 2010 and ending June 30, 2011 in accordance with the following schedules:

EXPENDITURES

Administration	\$ 1,540,567
Terminal	2,389,219
Airfield	1,217,701
General Aviation	418,011
Parking Lot/Roadway	677,234
Other	206,134
Carry-over Capital Expenditures from Prior FY	719,609
Emergency Repair Costs	750,000
Capital Improvement Fund	3,030,800
Equipment and Small Capital Outlay Fund	151,405
Renewal and Replacement Fund	262,444
Business Development Fund/Agreement Obligations	300,000
Debt Service Fund	626,823
Contingency	178,613
Total Expenditures	<u><u>\$12,468,560</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2010 and ending June 30, 2011.

REVENUES

Administration (Interest Income)	\$ 20,000
Terminal	3,347,801
Airfield	826,157
General Aviation	818,890
Parking Lot/Roadway	2,138,860
Other	159,170
Passenger Facility Charges	1,192,000
Customer Facility Charges	840,000
Federal Grants – AIP Entitlements	1,543,182
Federal Grants – Discretionary Funds	832,500
NCDOT Grants	750,000
Total Revenues	<u><u>\$12,468,560</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item/cost center without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$10,000 between budget ordinance line items/cost centers, including contingency appropriations, within the same fund. The number of transfers between board meetings is limited to three (3) transfers. He must make an official report on such transfers at the regular meeting of the board.

Section 4. 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 5. This ordinance shall become effective on July 1, 2010

Adopted this 23rd day of April, 2010.

David R. Hillier, Chairman

Attested by:

Charles W. McGrady
Secretary-Treasurer

NEW BUSINESS: None

DIRECTOR'S REPORT:

A. Airport Property Update: The Director informed the Board that in front of them was a copy of the first draft of a property map which shows all the Authority's property parcels. The next map will show the county boundary lines. Title searches will be conducted with the help of Mr. Buchanan's office and all of this information will culminate in a full property map which the Director anticipates will be available for distribution at a future Board Meeting.

B. R/W 16-34 Timeline with Options: The Director reported that a timeline and cost structure of Option D for the runway reconstruction project was completed for the Board's information. The Director reminded the Board that in November of 2011, staff will move forward with this project if the FAA issues a Letter of Intent. If the FAA does not plan to provide the funding for this project, staff will go back to Option B. Construction will start in late 2012 regardless of what option is chosen.

Mr. Grotzinger questioned what requires the FAA to fund a rehabilitation project at 95% of the estimated \$11 million cost for Option B. The Director responded that under the National Plan of Integrated Airport Systems (NPIAS) the FAA will provide the airport with what is needed to keep it operational.

Mr. Grotzinger inquired if the Authority has a commitment from the FAA for the \$332,000 in discretionary funds for the preliminary runway environmental work. The Director responded that staff is in discussions with the FAA regarding the discretionary funds.

A discussion regarding the risk of the potential lack of funding from the FAA ensued.

C. PFC Extension: The Director informed the Board that Vickie Thomas worked with the FAA to extend PFC Application No. 4 which was due to expire this month. The full amounts of the PFCs were not collected due to lower enplanement levels. The application has been extended to August of 2011 and the Authority will now be able to continue to collect these funds.

D. Grant Acceptance: The Director reported that the FAA has issued Part A of the AIP grant in the amount of \$902,000. These funds are for the reimbursement of the design of the A Gates project.

E. Organizational Chart: The newly revised organizational chart was reviewed by the Director. The Deputy Airport Director position remains unfunded for the next year and the only other change was the reporting of the receptionist position to the Administration Manager rather than the Director of Marketing.

F. Marketing Director Position: The Director advised the Board that Ms. Amy Burritt had been promoted to Interim Department Manager. The job description for the Director position has been completed and the position is in the process of being advertised. Ms. Burritt will be considered during the interview process and the Director hopes to make a decision within the next two months.

G. Conference Schedule: A conference schedule was available for the Board's review and the Director advised the Board of a few conferences which would be beneficial for new Board Members.

H. March Statistics: The Director was pleased to report that the airport saw a 19.2% increase in enplanements for the month of March. This was the largest increase in over four years. The Director attributed this increase to new service with AirTran and United.

I. Security Checkpoint: The Director advised the Board that the addition of the second lane for the security checkpoint should be completed within the next couple of weeks as temporary walls still need to be erected.

INFORMATION SECTION: No comments

AUTHORITY MEMBERS' REPORTS:

A. Environmental Policy: Mrs. Fisher stated that a copy of the draft Environmental Policy was before the Board for their review. Mrs. Fisher suggested the Director go through the points listed on the policy for the Board. The Director reviewed the policy and stated that once the policy is adopted, staff will communicate the goals of the policy to all staff and tenants. Mr. Newman commented that the three areas listed in the draft policy were not the only areas in which the Authority can work to protect the environment but these areas stood out as areas that had potential to improve upon.

Mr. McGrady suggested goals be part of the policy and the Chairman agreed that was important to include as part of the policy. The consensus of the Board was to move the three paragraphs under the fourth bullet in the draft policy to a separate addendum that can be reviewed regularly.

Mr. Grotzinger questioned if the Board was creating this policy solely for the Authority or also for the inclusion of the tenants thereby creating unfunded mandates for tenants. The Director responded that an Authority policy does usually become rules and regulations for all tenants and there could be some unfunded mandates that arise from this policy. The Director further stated that most tenants are under some type of contractual agreement that dictates how the tenant does business. Mr. Newman commented that Mr. Grotzinger brought up a good point and suggested wording be included in the policy that specifies the objectives and goals of the Authority and also provide a separate set so tenants can participate but are not mandated.

The Chairman requested the Director put the draft environmental policy on the website and on the agenda for consideration at the June Board Meeting.

PUBLIC AND TENANTS' COMMENTS: Mr. Jerry Rice appeared before the Board to inquire about the safety of using fly ash on airport property. The Director responded that the use of fly ash meets EPA guidelines and is considered safe.

Major Joe Weinflash of the Civil Air Patrol (CAP) appeared before the Board to request assistance in gaining approval to place a storage trailer, with the ability to access it, somewhere on airport property. The Director informed the Board that the CAP was given the option of having either a FEMA camper which they use for their communication center or a storage trailer and the CAP chose to put a FEMA camper next to their office. The Director further stated that with the beautification of the Wright Brothers Way area, staff is trying to keep the area aesthetically pleasing. After discussion, the consensus of the Board was for staff to look once more for an area for the CAP to place a storage trailer.

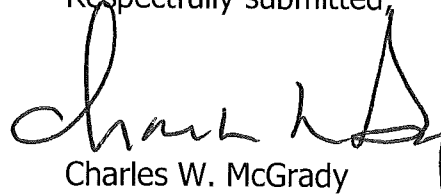
CLOSED SESSION: None

ADJOURNMENT: Mr. McGrady moved to adjourn the meeting at 10:08 a.m. Mr. Gantt seconded the motion and it carried by unanimous vote.

The Chairman informed the Board that the Board would not meet in May unless it was determined there was a need by the Chairman in consultation with the Airport Director.

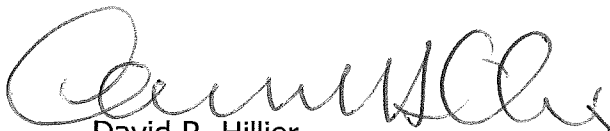
The next regular meeting of the Authority will be on Friday, June 11, 2010 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Asheville, NC 28732.

Respectfully submitted,



Charles W. McGrady
Secretary-Treasurer

Approved:



David R. Hillier
Chairman