

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
MARCH 14, 2008
8:30 AM

The Asheville Regional Airport Authority ("Authority") met on Friday, March 14, 2008, at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

MEMBERS PRESENT: David R. Hillier, Chairman; Rhett Grotzinger, Vice-Chairman; James E. Ellis, Secretary/Treasurer; David Gantt, Brownie Newman Susan Fisher, Gerard P. Mozian (via conference call) and Chuck McGrady (Ex-Officio Member).

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; David N. Edwards, Jr., A.A.E., Airport Director ("Director"); D. David Nantz, Director of Operations and Maintenance; Royce Holden, IT Manager; Kevin Howell, Development Manager; Patti Michel, Director of Marketing and Public Relations; Beverley Vassell, Administration Manager; C. Jeffery Augram, Chief of Public Safety, Christy Brunson, Finance Manager, and Debra Roman, Recording Secretary.

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

APPEARANCES:

A. Introduction of Deputy Airport Director Lew Bleiweis: The Director introduced Mr. Lew Bleiweis as the new Deputy Airport Director. The Director stated that Mr. Bleiweis has had a long distinguished career of 20 plus years. The Board welcomed Mr. Bleiweis.

Mr. Bleiweis thanked the Board for the opportunity to serve and stated that his 20 plus years of experience will help him perform well in the position for the Authority.

CONSENT AGENDA:

The Chairman relayed his regrets to Mr. Goldstein (Patla, Strauss, Robinson, and Moore, PA) in regards to staying in open session and addressing regular business first. The Chairman stated that he did not want to interrupt regular business before going into closed session.

A. Approval of the Asheville Regional Airport Authority, February 22, 2008, Regular Scheduled Meeting Minutes: Mr. Grotzinger moved to approve the minutes for the February 22, 2008, regular meeting. Mrs. Fisher seconded the motion, and it carried by a unanimous vote.

B. Approval of the Asheville Regional Airport Authority, February 22, 2008, Closed Session Minutes: Mr. Grotzinger moved to approve the minutes for the February 22, 2008 closed session, and to seal and withhold the closed-session minutes from public inspection so long as public inspection would frustrate the purpose thereof. Mrs. Fisher seconded the motion, and it carried by a unanimous vote.

NEW BUSINESS:

A. Approval of Preliminary Fiscal Year 2008/2009: The Director relayed to the Board that a proposed Fiscal Year 2008/2009 Budget was presented to the Authority Board at a Budget Workshop Meeting held on February 22, 2008. Staff had worked to incorporate comments from the Authority Board in this Proposed Preliminary Fiscal Year 2008/2009 Budget. Staff had incorporated the new positions discussed at the Board Workshop meeting. There have been some minor adjustments to revenues and expenses.

Ms. Brunson gave a presentation on the Proposed Preliminary Fiscal Year 2008/2009 Budget.

Mr. Grotzinger requested from Staff more information on the funding of the Hangar Project. The Director stated that approximately \$500,000 was proposed to be funded from the Authority's fund balance with the remaining amount being funded utilizing borrowed funds. The Director relayed to the Board that Staff would come back to the Board at the time of financing to discuss the various funding options.

Mr. Grotzinger stated that he was concerned about increasing parking rates and other fees and charges when the country was in a recession. The Director relayed to the Board what surrounding airports are charging their users. The Director reported that Staff was trying to increase gradually each year instead of making a large increase every couple of years. The Director also stated that last Fiscal Year the objective for increasing short term parking rates was to discourage long term users from using the short term lot and that the increase had not been large enough to accomplish that objective.

The Director relayed to the Board that regarding Rental Car Fees and Charges, the rental car companies were actually paying less per square foot in the new contract. The Director reported to the Board that the new Rental Car Maintenance Facility fees which are related to the leasing of land have to be charged at a Fair Market Value according to Federal Regulation.

Mr. Ellis requested information on any differential parking rates for preferred customers. The Director stated that the Marketing Department was hosting a Business Forum to discuss items like the preferred parking.

Mr. Newman requested what the commuter rates were. The Director stated that commuter rates applied to flight crews that are not based here, but live here.

Mr. Grotzinger stated that he was concerned about a 25% increase in staffing and that with only two new projects coming up this year that the Development Department may not need another body. Mr. Grotzinger also stated that he felt the janitorial contract should be bid to get more accurate numbers.

The Chairman stated that a 25% increase in Staffing was somewhat misleading and that outside of bringing the janitorial services in-house there were only 3 new positions.

The Director relayed to the Board that although there were only two new projects to be started next fiscal year, that they are much more complex and that these projects do not include any of the non-aviation projects that are being discussed currently. The Director also relayed that many of the projects from last year are going to roll over to next fiscal year. The Director stated that he still supports bringing on a new Development position.

The Director relayed to the Board that Staff could certainly go out to bid for janitorial services, if this function is not brought in-house. The Director felt to seek bids as a litmus test would be unfair to bidders as they would spend time and resources unnecessarily. Mr. Nantz relayed to the Board what some other airports spend on in-house janitorial services. Mr. Nantz stressed the importance of being able to have a more flexible staff if the janitorial services were to be brought in-house. Mr. Grotzinger requested that Staff get more up to date information on what the cost for in-house janitorial services are at other airports and he also requested to get more information on the airports payment history of janitorial services. Mr. Gantt agreed that he would like to see more information as well.

There was a discussion regarding the numbers relating to janitorial services over the last several years.

Mr. Gantt moved to (1) approve the Proposed Preliminary Fiscal Year 2008/2009 Budget; and (2) accept public comment on the Proposed Fiscal Year 2008/2009 Budget during the next 30 days. Mrs. Fisher seconded the motion, and it carried by a unanimous vote.

DIRECTORS REPORT:

A. Airline Merger Update: – The Director relayed to the Board that Delta was still having difficulty in aligning their pilots union to support a merger and that as a result the merger may not occur. However, the Director also indicated that the pilot's approval was not required for a merger to move forward at this point.

B. Update on Additional Air Service: The Director relayed to the Board that he had been notified by Northwest and Continental regarding 3rd flights beginning soon to Detroit and Newark respectively. The Director stated that these additional flights would increase passenger numbers by about 25,000 passengers annually.

The Director briefed the Board regarding a Federal Aviation Forecast Conference he attended in Washington DC. The Director stated that the Airport Improvement Program will continue to be funded under continuing resolutions for now. This is due to the Senate not finalizing a Bill, as Senator Rockefeller will not agree to eliminate the segment fees requested by the airlines. The Director stated that he had heard Mr. John Mica (long time aviation advocate) speak while he was in Washington and that he was very pessimistic on a Bill getting passed this year.

The Director reported to the Board that the Storm Drain Pipe Extension Bids for the North General Aviation Project had gone beyond 90 days for which the successful bidder was required to hold their bid price. This is due to Staff awaiting the final permits required for the fill project prior to releasing the contractor on the pipe project. The original lowest bidder has indicated that they will not extend their bid price. As a result, Staff will begin discussions with the 2nd lowest bidder.

Mr. McGrady inquired as to the status of the Operating Agreement with the City of Asheville. The Director stated that the Authority was waiting on the City of Asheville to execute the final documents, but that Legal Counsel for the Authority has indicated that this is administrative in nature and that City's Counsel action to approve the changes means that such changes are in effect despite the agreement not being fully executed.

C. Verbal Update of Marketing and Public Relations Initiatives: Ms. Michel gave an in depth report/presentation on accomplishments and goals of the Marketing Department.

Mr. Grotzinger stated that the Authority needed to stay aggressive in the Marketing of the Airport.

Mr. McGrady stated that he has been hearing great things about the airport from the community.

INFORMATION SECTION: None

AUTHORITY MEMBERS REPORT: Mr. McGrady informed the Board that the Hendersonville Court House has moved to a new address.

PUBLIC AND TENANT'S COMMENTS: None

CLOSED SESSION: At 9:42 AM Mr. Ellis moved to go into closed session pursuant to subsection 143-318.11 (a) (3) (9) of the General Statutes of North Carolina, in order to consult with the Asheville Regional Airport Authority's Legal Counsel. Mr. Newman seconded the motion and it carried by a unanimous vote.

OPEN SESSION: Open session resumed at 10:16 AM.

ADJOURNMENT:

Mr. Ellis moved to adjourn the meeting at 10:17 AM. Mrs. Fisher seconded the motion, and it carried by a unanimous vote.

The next regular meeting of the Authority will be on Friday, April 11, 2008 at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

Respectfully submitted,

James E. Ellis
Secretary-Treasurer

Approved:

David R. Hiller
Chairman