Foothills Regional Airport Authority
Minutes
Stated Meeting
June 25, 2025
Airport Terminal Building

PRESENT: Those members present were: Joe Gibbons, Chairman; and Board members: Jeff Branch, Butch McSwain, Thomas Fraley, Bruce Roberts, Tom Smith, and Lewis Carswell. Also present were: Brent Brinkley, Airport Manager; Derek Brown, Assistant Manager; Norm Sherwood, Accountant; Pat Turney, Engineer; Jessica Lowman, Clerk; and members of the public.

CALL TO ORDER: The meeting was called to order by Chairman Gibbons at 12:06 p.m. A quorum was present.

AGENDA: Upon motion by Roberts and seconded by McSwain, the Agenda was adopted as presented.

APPROVAL OF MINUTES:

Upon motion by McSwain, seconded by Carswell, and passed unanimously, the Minutes of the regularly scheduled May 28, 2025 meeting were approved as presented.

FINANCIAL REPORTS: The month-end cash balance across all accounts was approximately $8,500,000, reflecting an increase of just over $39,000 for the month. Of that increase, $22,500 was allocated to the state appropriation account, which now totals $6,340,000. An additional $54,000 was added to the accounts in June as of the 23rd. Only one load of fuel was purchased during the reporting period, minimizing expenses.

Year-to-date operating revenues, excluding grants and state appropriations, totaled $500,108, an increase of approximately $54,000 over the same period last year. This growth is largely attributed to higher jet fuel sales, which are up by $94,000, while AvGas sales are down by $17,000, resulting in a net revenue gain of $76,000. The cost of sales has increased by $18,000, with Jet-A fuel costs up $34,000, though AvGas

costs were down by $16,000. This drove a $58,000 increase in gross margin year over year.

Hangar rental income remains slightly lower than last year. T-hangar occupancy is down due to temporary reductions associated with new door installations, while corporate hangar revenue is down about $2,000. Additionally, the airport lost two prior tenants who were paying a combined $400/month, which contributed to the variance.

Interest income from the Capital Management Trust is up modestly, bringing in $843 more than the prior year, while year-to-date state appropriations total $260,200. Overall operating expenses are up by approximately $76,500 compared to the prior year, with significant increases in building repairs ($52,000), maintenance ($5,700), and storm-related costs from Helene ($7,200). Insurance costs rose by approximately $3,500.

As a result, net income without grants or capital funding stood at $38,543, compared to $61,453 this time last year, a decrease of roughly $23,000. However, after accounting for grant and capital contributions, the final net position is $227,091, compared to $260,255 last year, a year-over-year difference of about $33,000.

A motion to approve the financial report as presented was made by Smith, seconded by Fraley, and approved unanimously.

BUDGET:

a. 2024-25 Budget Amendment - Norm Sherwood presented a proposed budget amendment for the fiscal year ending June 30, 2025. The amendment totals $357,000 and is necessary to account for increased revenues and end-of-year grant-related expenses. Sherwood explained that one major expense, a substantial payment to Mountaineer Grading for ongoing project work, will be incurred before the end of the fiscal year. To prepare for this, $200,000 in grant expenditures was added to the budget along with a corresponding revenue entry to reflect anticipated reimbursement.
   In addition to the grant adjustment, the amendment includes an increase of $50,000 in cost of sales, driven by higher-than-expected jet fuel activity. General operating expenses were increased by $107,000, though Sherwood noted that actual expenses are only expected to exceed the original budget by $25,000 to $30,000. The amendment was described as a conservative adjustment to ensure statutory

compliance and adequate budget authority through the close of the fiscal year.

A motion to approve the budget amendment dated June 25, 2025, was made by Roberts, seconded by McSwain and passed unanimously.

b. 2025-26 Budget Ordinance Approval - Sherwood then presented the proposed budget ordinance for the fiscal year beginning July 1, 2025, and ending June 30, 2026. The total estimated revenue for the upcoming year is $1,011,964. This includes projected operating income, local tax revenue, capital contributions, and funds from supporting counties. The accompanying expense plan allocates $373,800 for cost of sales, $490,496 for general operating expenses, and $147,668 for capital projects.
Sherwood confirmed that this is the same budget draft previously distributed to the board and that it reflects expected revenue and expenditure patterns based on the airport's current activity and anticipated growth. The motion to approve the FY2025–2026 budget ordinance was made, seconded, and approved unanimously without further discussion.

A motion to approve the FY2025–2026 budget ordinance as presented was made by Roberts, seconded by Fraley and passed unanimously.

FBO REPORT: Derek Brown presented the FBO report, noting that accounts receivable continues to perform well, with only $61 outstanding beyond 60 days. This represents 99.7% of receivables collected within the current billing cycle, indicating strong financial management. There were six after-hours service requests during the month, which Derek noted is typical for this time of year. Hangar occupancy averaged 87% in recent weeks. While this does not include transient aircraft, there were several days when the airport was operating at or near full hangar and tie-down capacity. This high level of usage highlights sustained demand for space and supports the ongoing need for additional hangar development.

In terms of fuel sales, AvGas is down 6% year to date compared to last year. However, Jet-A fuel sales remain strong, showing a 37% increase over the same period.

No operational concerns were reported, and there were no questions from the board.

PUBLIC COMMENTS:

Ashley from the Economic Development Office announced that state project managers from the N.C. Department of Commerce will visit Caldwell County next week and will be brought to the airport as part of a regional economic development tour. She emphasized that many of these officials are unfamiliar with western North Carolina and that the visit is intended to increase visibility for the region's aviation assets.

Jimmy Harrison, representing the Burke County Manager's Office, noted that the county's budgeting process is complete and implementation is underway.

No additional updates were provided, and no formal public comments were made.

OLD BUSINESS:

a. Future Hangar Development - Local pilots and business owners Todd Bennick and Tim Newton presented their proposal to construct new privately funded hangars on airport property. Both currently base aircraft at the facility and have expressed long-term interest in expanding their involvement by building modern hangar space for personal use, aircraft storage, and potential rental to other owners. They outlined a plan to build hangars similar in size and style to the existing corporate hangar. The goal is not only to house their own planes, including a Vision Jet and several SR22s, but to also attract other aircraft owners currently based elsewhere. They referenced multiple contacts who might relocate from Hickory if modern space were available at Foothills.

   Discussion then shifted to the business structure, lease expectations, and construction feasibility. The board and staff confirmed that the current lease rate for new construction is $0.28 per square foot per year, based on the building footprint plus required buffer and parking. A standard 30-year lease is typical for privately funded projects of this nature. Developers would be responsible for site preparation, utilities, and building costs.

Concerns were raised about access to the proposed hangar location, which is in an undeveloped section of the airport designated for future expansion. The ongoing taxiway project will eventually provide direct access, but a temporary access solution may be needed for early construction. Staff confirmed that engineering work is nearing completion and that bid advertisements for the taxiway are expected in July, with potential construction starting in late 2025.
Other topics included questions about whether financing would be allowed on leased land (it would), building standards (state minimums will apply), and interest from other developers. It was noted that two additional hangars are planned by the airport using grant funding, and another private party recently expressed interest in the same general area. Staff indicated the available space could likely accommodate four to six hangars depending on layout.
Bennick and Newton emphasized that they intend to move forward quickly, citing their experience with similar projects at Lake James Marina and the need for timely development. They stressed that time and cost efficiency would be critical, and that they preferred a process not hindered by long delays or excessive regulatory layers.
The board and staff agreed to work with them on reviewing lease terms, confirming site access, and identifying a buildable footprint. Staff will continue coordinating with engineers and legal counsel to ensure all parties have the necessary information to proceed.

b. Parallel Taxiway – Pat Turney reported that the taxiway extension project remains on schedule. Final engineering submittals are being sent to the Division of Aviation this week, with the goal of advertising the project for bids in July 2025. If bids come in within budget, construction could begin as early as December, weather permitting. The project includes a new taxi lane to serve future hangar sites, which will be completed early in the construction sequence to allow for timely access.
The board discussed coordination between the taxiway project and private hangar development proposals. Staff indicated that once the taxi lane is built, private construction could begin adjacent to it without delay. Access and site logistics will be reviewed to avoid conflicts during overlapping construction phases.

c. New T-Hangar/NC Grant Funding – The T-hangar site prep project is also progressing. Initial clearing and erosion control work has been completed. The main construction crew is scheduled to mobilize during the second week of July, with a 60-day contract in place. The site is expected to be ready for building delivery and installation later this summer.

NEXT MEETING:

The board does not plan to meet in July. However, due to ongoing project activity and potential lease negotiations, members agreed that a special or early called August meeting may be necessary. Rather than setting a firm date during the meeting, the board decided to remain flexible and allow staff to coordinate scheduling as needed based on developments in the coming weeks.

There being no further business, the meeting was adjourned by the Chairman at 12:58 p.m.

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Joe Gibbons, Chairman Jessica Lowman, Clerk