

**Airport Commission of
Forsyth County**

Strategic Agenda

Flight Plan

2016-2019

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Airport Commission of Forsyth County Strategic Agenda

Flight Plan 2016-2019

The Strategic Agenda of the Airport Commission of Forsyth County (ACFC) describes the business plans for operating Smith Reynolds Airport for the four calendar years from 2016 to 2019. It will identify issues, opportunities, and challenges, outline fundamental business strategies, and create specific objectives. In general, it will serve as our flight plan for achieving our Vision of becoming the best general aviation airport in North Carolina.

Guiding Principles

Vision of the Airport Commission of Forsyth County

Our vision is to provide exemplary transportation services and facilities at Smith Reynolds Airport, and thereby be a catalyst for community and economic development.

Mission

Our mission is to manage, operate, maintain and develop Smith Reynolds Airport to meet the current and future aviation facility and service needs of the Piedmont Triad and North Carolina.

Core Values

Our Vision is achievable and depends on our collective ability to build a team-based, customer-focused culture defined by a set of values that guide our behavior.

The following are our organizational core values:

- Character: Honesty, Integrity, Loyalty
- Excellence: Competence, Service, Ownership
- Teamwork: Respect, Friendship, Fun



Issues, Opportunities, and Challenges

External Assessment

The ACFC was greatly impacted by the Great Recession of 2008 and the financial collapse of Pace Airlines in 2009 which represented approximately 70% of the ACFC's revenue. Other external factors have also forced ACFC to reexamine its priorities and the way it operates.

- Activity associated with the piston aircraft market has decreased dramatically over the past 20 years.
- Our revenue streams are more at risk and volatile.
- The Federal Aviation Administration (FAA) continues to make cuts to the contract tower program which may eliminate funding for the Smith Reynolds Tower at any time.
- The North Carolina Department of Transportation (NCDOT) has adopted the Strategic Transportation Investments (STI) program which makes aviation compete for funding with other modes of transportation.

Internal Assessment

It is vitally important that we continue to remain financially self-sufficient while at the same time, develop and maintain the infrastructure at Smith Reynolds.

- We must be flexible, adaptable, and responsive to our customers.
- We must be able to respond to unanticipated situations as necessary, while maintaining focus on day-to-day activities.
- We must all be safety-focused at all times.
- The ACFC has a knowledgeable but aging workforce.

Organizational Priorities

We have identified five organizational priorities for our four-year planning period.

- Firmly establish Guiding Principles of behavior that will define our character.
- Operate safely and securely
- Foster an environment that promotes economic growth and financial health.
- Develop the Airport's infrastructure and provide well maintained facilities
- Focus on our Customers -- large and small



Operate Safely and Securely

Operating our airport safely is of paramount importance. The public and our customers demand this and achieving a safe and secure environment is critical to achieve our Vision.

Goals and Objectives

A primary goal of the ACFC is to operate Smith Reynolds Airport in the safest and most secure way possible using the resources available.

- Continue to develop and implement safety and security programs that are efficient, fiscally sound and customer friendly.
- Continue to monitor, evaluate and upgrade the Smith Reynolds Airport Emergency Plan, Airport Certification Manual and Wildlife Management Manual.



Key initiatives

- Keep approaches clear of obstacles and comply with Federal Aviation Regulations (FAR) Part 77.
- Continue to keep FAR Part 139 Certification by meeting or exceeding the FAA standards.
- Develop an Airport Security Plan.
- Establish an ongoing safety training program for all employees in conjunction with Forsyth County Risk Management.
- Work with tenants and users to ensure they are familiar with all safety and security procedures and rules at the Airport (i.e. POV training, environmental concerns, rules and regulations).
- Manage wildlife utilizing the recommendations of the United States Department of Agriculture (USDA).



Foster an Environment that Promotes Economic Growth

To accomplish economic growth, it is essential to work with local government to create an environment that promotes business. The current taxes and fees assessed on Smith Reynolds has put the Airport at an economic disadvantage when compared to other airports across the State.

Goals and Objectives

The ACFC needs to continue to explore various options to “level the playing field”. The increased costs (e.g., property taxes) associated with charter operators and private aircraft owners locating aircraft at Smith Reynolds versus Piedmont Triad International (PTI) and other surrounding airports are significant. These impediments need to be neutralized in order to enhance the Airport as an economic development tool for the entire community. North State Aviation has demonstrated in recent years how the Airport can be a catalysis for job growth.

- Aerotropolis Vision – sell the importance of a system of Airports in the region, not just PTI.
- Develop and maintain key business development alliances with existing and new partners
- Solidifying existing business partnerships and strategically developing new opportunities, will position the ACFC to best grow and meet revenue objectives.

Key initiatives

- Work with local leaders to assist in economic development recruitment efforts around the community (e.g. Innovation Quarter, Whitaker Park).
- Work with local economic developers to ensure they target the aerospace industry and assist in selling the opportunities at Smith Reynolds (e.g. aircraft manufacture, MRO, corporate flight department relocation)
- Gather financial support to build additional hangars to meet market needs.
- Diversify and maximize revenue streams including terminal rental for special events.
- To foresee opportunities, the Staff and Commissioners need to remain active with organizations such as Winston-Salem Business Inc., Chamber of Commerce, Forsyth County, City of Winston-Salem, North Carolina Department of Commerce and others.
- Explore economic development grants available and suitable to the ACFC and/or future prospects.



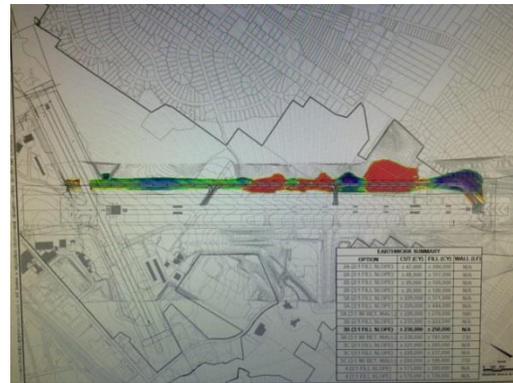
Develop Airport's Infrastructure

Implement a reasonable capital plan and aggressively pursue outside funding, in order to construct the facilities and infrastructure necessary to meet the needs of the traveling public. The ACFC needs to satisfy the aviation demand in a financially feasible and responsible manner, while at the same time addressing the aviation, environmental, and socioeconomic issues of the community.

Goals and Objectives

The primary business growth and development goal for the ACFC is to grow Smith Reynolds Airport by generating revenues sufficient to sustain measurable growth of infrastructure, facilities, organizational requirements, and remaining financially independent from financial support by local tax payers:

- Identify the needed airside, landside, and airspace improvements and recommend options to further optimize the economic aspects of the Airport while enhancing its safety and operational capability.
- Establish and implementation schedule for short, intermediate, and long-term improvements and insure that they are financially feasible.
- Incorporate current comprehensive land use (both on and off-airport property) and recommend developments that are compatible with existing and future land uses.



Key initiatives

- Gather support to build additional hangars to meet market needs.
- Proceed with planning efforts for both parallel Taxiway Quebec and Taxilane Lima.
- Federal and State Grants – Work with the NCDOT-DOA and other entities to investigate and obtain all available funds that can be used to improve Smith Reynolds Airport.
- Focus on developing the infrastructure to support the aircraft maintenance, repair and overhaul (MRO) business sector.
- Continue to focus on using the services and products of companies owned by disadvantaged and minority owners.
- Utilize existing Master Plan to depict usable land for future economic opportunities.



Financial Health

Before the great recession in 2008, the ACFC had projected robust growth in regards to net income. In the years following the recession and the collapse of Pace Airlines, the ACFC experienced a significant loss of revenue. Faced with financial challenges, we revised our approach and made dramatic changes to the rates and charges, as well as operating expenses. Staff was decreased and many services were done in-house such as custodial duties.

Going forward, we will encounter many financial challenges, including an unstable corporate aviation market and the burden of large cash outlays for roofs and many other infrastructure projects.

Goals and Objectives

Our primary financial management goals are to grow system-wide revenues sufficient to sustain operating margins at 35 percent or greater and meet ACFC's operating and capital needs based on demands:

Operating Revenues – Goal of 5 percent to 6.5 percent average annual growth. To achieve this goal, we will continue to seek ways to diversify our revenue sources and we will strive to maximize their income potential.

Operating Expenses – While our operational requirements continue to increase, we will make a conscious effort to control expenses and seek ways to cut costs to ensure that expenses remain within budget.



Key initiatives

- Financial Reporting – Establish timely and accurate financial reports.
- Cash Flow – Develop and track cash flow to ensure projects are funded and the cash balance does not reach critical low points.



Focus on Customers

We remain committed to the relentless pursuit of excellence in customer service. We recognize this operating principal as key to achieving our Vision.

Goals and Objectives

The primary goal is to transition the ACFC into a highly committed customer-focused organization:

- Keep all audiences fully informed
- Maintain open lines of communication
- Hire the best qualified people while promoting diversity
- Properly train employees and manage them for success
- Set and communicate expectations
- Foster and maintain good relationships with internal and external customers
- Partner with tenants and service providers to create unity and ensure their values reflect those of the ACFC

Key initiatives

External Customers

- Communicate/Public Awareness – Provide information in a timely and accurate manner to all customers.
- Public Awareness – Inform the public about our Airport and the benefits provided to the community.
- Media Relations – Provide timely accurate information and enhance our relationship with media.
- Community Relations – Involve the community in the ACFC in order to gain greater acceptance of activities.
- Government Affairs – Work with elected officials and trade associations to secure legislative support.
- Customer Feedback – Measure and monitor our service in order to maintain the focus on customers.



Internal Customers

- Attract and Hire the Best – Attract the best-qualified people and put them in the right jobs.
- Vision, Mission, and Values – Make sure the vision, mission and core values guide our decision making behavior.
- Compensation and Benefits – Provide our employees with a competitive compensation and benefits package and responsibilities and assignments that are meaningful.
- Training and Development – Help employees develop their full potential by implementing a formal training and development program.



Provide Well Maintained Facilities

We recognize that providing high quality facilities that are cared for and maintained properly adds value.

Goals and Objectives

The primary goal is to maintain first class facilities and assets while being driven by customer focus:

- Provide first class facilities that best meet operational requirements and provide tenant satisfaction.
- Prepare ACFC Facilities for requirements of the Air Show if the Airport Commissioners choose to host the event in the future.
- Provide a work force that is best trained technically while employing a very positive customer service focus.



Key initiatives

- Focus on our Employees – Define, shape and train our workforce.
- Encourage Innovation and Technology – Utilize technology, equipment and tools to maximize productivity.
- Establish life cycles process for all facilities and equipment.
- Work closely with Duke Energy and Piedmont Gas to discover more efficient utility usage.
- Develop and implement a preventative maintenance program.

