

RICHLAND-LEXINGTON AIRPORT DISTRICT
Commission Meeting
July 18, 2022 @ 4:00 p.m. Carolina Room
Draft Minutes

Attendance

Carol Fowler, Chair; Hazel Bennett, Vice Chair (Zoom); Dan Bell; Duane Cooper (Zoom); Breon Walker (Zoom); Pat Smith; Hank Jibaja (Zoom); Jim Wellman; LaJoia Broughton; Sarah Johnson (Zoom); Anton Gunn (Zoom); John Folsom

Staff

Mike Gula; Gregg Hornsby; Eddie Martin; Ryan Kreulen; Joel Livingston; Kim Crafton; Tamie Head; Jessica Foster; Cameron Zimmerman; John Fisher (Attorney); Lynne Douglas (Secretary)

Guests

Joseph Barkevich (WK Dickson & Company, Inc.); Ron Harvey (Global Core); Dave Carpenter (Foth)

1. Approval of Agenda

Mr. Gunn made the motion to approve the agenda. Mr. Smith seconded the motion. Motion carried.

2. Approval of Commission Minutes of June 20, 2022

Mr. Wellman made the motion to approve the minutes. Mr. Bell seconded the motion. Mr. Cooper brought to mind the conversation, at the June Commission meeting, about the passenger tracking software reflecting 51% of travelers using CAE are under 35 years of age. He said that he did not see it reflected in the minutes and reminded staff that he would like to receive a better understanding of how this system works and how it is being used. Mr. Gula reported that staff is continuing to learn the system and how to generate reports but will provide a brief overview at the next meeting. **(Note: the June minutes did reflect the conversation and was reported under Agenda Item 3. a. Finance Committee Report, Paradies Contract Extension).** Motion to approve the minutes carried.

3. Committee Reports

a. Operations Committee Report – Pat Smith

i. Ground Transportation

Committee Chair Smith reported that the committee met to discuss a request from one of the independent taxi cab companies to reduce the annual taxi fee from \$1000 to \$300. He put forth the committee's recommendation as a motion to compare CAE's taxi license fee to other similarly sized airports in the state and in the region. Based on the survey's findings, there will be consideration whether to make an adjustment or not. Motion carried.

4. June 2022 Financial Report – Gregg Hornsby, CPA

Mr. Hornsby reported that days cash on hand is at 581. Enplanements were strong this month and have surpassed the 2018 numbers. Parking revenue reflects a substantial variance to the budget and can be attributed to the increase in traffic and also a reconfiguration of the agreement with the Manchester Airport Group (MAG). MAG provides our discounted pre-booking parking services. We have been reporting the MAG revenue at Net but should have

been reporting at Gross which reflects an increase in the revenue. Mr. Hornsby continued by saying that Leased Site Rentals are over about \$130,000. The main contributors to this: Eagle Aviation's concessions totaled about \$44,000, the McEntire Air National Guard monthly lease, and some HVAC work we provided for McEntire. Under Expenses, Outside Professional Services included engineering design services for the new traffic light planned at the intersection of Enterprise Parkway and Platt Springs Road. Under Non-Airline Terminal Rents, three of the rental cars (Hertz, Dollar, and Thrifty) have been under budget more so than the others. The rental cars seem to be less this year over last year primarily due to the lack of vehicles. However, staff will look into this further to determine if there are other issues. Year to date, enplanements are 77% of where we were in 2019 and that percentage continues to climb. Mr. Cooper asked about the Cost Per Enplaned Passenger (CPE) number and if we still want to keep it under \$10 and what is that number currently. Mr. Hornsby advised that he would compute the number and provide to the Commission. He said that would be good information to add to the monthly dashboard. He went on to say that we budgeted around the \$9.00 mark and that the legacy airlines, especially, like to see the CPE at \$10 or less.

5. DBE Report for Quarter Ended 6/30/2022 – Gregg Hornsby, CPA

Mr. Hornsby reported that this is the same format that was presented in March. As has been previously discussed, the expenses covered in the report are non-salary/benefits related. Under the Ineligible column, Mr. Hornsby gave examples of items covered in Airport Operations such as utilities and management contracts as the one with MAG (Manchester Airport Group – pre-booking parking services). For operating expenses, we are at 14.25% for our DBE percentage. The Fixed Asset Additions includes paving that was performed by a DBE. This was a capital item and brings this category total to 23.65%. Moving forward, Mr. Hornsby explained that the Fixed Asset line will reflect expenses with the IDC (Indefinite Delivery Contractors). He went on to explain that the Summary at the bottom of the page reflects DBE Organization at 1.28% and includes expenditures with AMAC for conference registration. The Quarterly DBE spend YTD is \$314,307.

Mr. Gunn requested the total number of vendors that are registered and eligible to do business with CAE. Mr. Hornsby responded that he will email that information to the Commission. Vice Chair Bennett said that Mr. Murray had reported at a previous meeting that he is working with a list of DBEs to advise them on how to do business with CAE. She asked if any of those are being used. Mr. Hornsby replied that he will find out if we have received bids from any and, if so, if any have been awarded. Following Mr. Cooper's question and subsequent answer from Mr. Hornsby regarding the Marketing category, Mr. Cooper went on to ask if we had received any marketing requests from Newberry College or any of the colleges/universities in our catchment area. He also asked when the last time was we conducted a catchment study and when are we due to conduct another one. Mr. Gula responded we are due for an updated study; however, it is best to wait until we reach our 2019 numbers as this will provide better representation. Ms. Crafton shared that Newberry College is currently advertising in baggage claim. She is also working with Voorhees College on their request to advertise inside the terminal. Ms. Crafton went on to say that she has had conversations with Allen University, Benedict College (signed contract for CAE to advertise at Benedict), and SC State University (CAE has signed a \$15,000 contract) regarding marketing opportunities. Ms. Crafton reported that CAE is hosting a tailgate party in the main lobby on September 1 and that invitations to participate are going out to all the colleges and universities in the Midlands area. She invited the Commission to attend. Per Mr. Cooper's

questions about marketing to the colleges/universities during football season, Ms. Crafton explained that CAE has a marketing plan in place, which she is happy to share, that is far reaching to the communities served by the airport.

Ms. Broughton asked if there is a breakout on the IDCs (Indefinite Delivery Contractors) and how it is impacting the DBE Program. Mr. Hornsby responded that four different projects have been offered to the IDCs and the projects have been awarded. He explained that these numbers will be reflected in the quarterly report once the payments have been made. He continued to explain that the numbers reflected in the quarterly reports are based on payments that have been made to the vendors. Based on the start and end dates of the IDC projects, the December quarterly report will most likely better reflect this information. Ms. Broughton asked about the IDCs assisting with DBE workshops and noted she saw where Boyer Construction (an IDC) had recently assisted. Ms. Head confirmed that Boyer and Foth Engineering had both assisted CAE with a recent workshop. She said another DBE event is scheduled for October.

6. Staff Reports

a. **Chairman's Report – Commission Chair Carol Fowler**

Chair Fowler reminded Commissioners, who are attending conferences, to share a brief report to the Commission upon their return. Mr. Cooper and Ms. Broughton will present reports at the August Commission meeting of recently attended conferences. Chair Fowler went on to pass along complimentary remarks she has received regarding the Art in the Airport Program and the recent reception held for the current artist. She also passed along complimentary remarks regarding the new lighting system in the parking garage. She commended staff on this good work and the impact it is making on the community.

b. **Director's Report – Mike Gula, AAE**

Mr. Gula reported that he and Ms. Crafton recently spoke at the Lexington Chamber of Commerce Breakfast and that CAE received several compliments. He continued his report to say that staff is beginning to prioritize the budget for CIP (Capital Improvement Plan) projects. CAE will receive approximately \$85 million to spend over the next five years and needs to be strategic in planning those projects. Mr. Gula reported that staff had a recent de-brief with Ailevon (CAE's air service consultant) regarding Silver Airways and their discontinuation of service at CAE. They did not perform well as their overall load factor at CAE was 47%. Airlines typically like to have 80% loads to stay in a market. Mr. Gula continued his report to say that the pilot shortage and fuel costs continue to be major concerns. Smaller airlines are particularly struggling to hire pilots. Many of the airlines are trying to rebuild their networks. As more pilots are hired, we'll begin to see improvements but it will take time. Mr. Gula gave an update on the state's funding for the six commercial service airports. He said the six airport directors were asked to devise a plan to divvy the money. On the first level, each airport will receive \$2 million and a percentage of O&M. CAE should receive about \$8.3 million if the state gives final approval.

Mr. Cooper asked if airfare information for Silver Airways at CAE was available. Ms. Crafton advised she would send out the summary of information from Ailevon received at the de-briefing. He also asked if there was a difference in airfares for flights from CAE as compared to Greenville-Spartanburg and Charleston Airports. Ms. Crafton said she would check on that information. There followed some discussion regarding

advertising/marketing of Silver's markets to specifically include Orlando. Mr. Gula expressed that an issue is the community's lack of support for these airlines and the hurdle of getting the community to support the hometown airport. He explained that the larger airlines were watching Silver to see if they would be successful. Mr. Gunn said he would like to see CAE's marketing plan and strategy as well as information on our current airline service to include flights and destinations. He went on to say that a big part of our growth and success is getting people to come here as a destination. He suggested that we consider (1) how we can work with local business and community leaders and others on this issue, and (2) market those destinations from CAE to which folks can get affordable flights. Moving forward, Mr. Gunn suggested that we look at events/opportunities that may be happening at the nonstop destinations we serve and potentially build some marketing efforts around that idea. Mr. Cooper suggested that, when marketing to an airline, a plan be put together for Commissioners to advocate for help with incentives from Richland and Lexington Counties. Ms. Broughton asked if there were any updates on Breeze. Ms. Crafton responded that there are none. She went on to say that she has had great conversations recently with other airlines who have expressed favorable comments about the community and potential service. She said that it is a waiting game as the airlines are still re-building from 2019.

7. Discussion & Suggestions

a. Comments from Public

Chair Fowler shared that she was recently in the terminal waiting on a flight and heard one of McEntire's F-16s take off. She said that folks were surprised as they did not realize what was happening. She had the opportunity to explain to those around her about McEntire's operation at CAE and they were impressed to hear about it. She suggested that a handout or a terminal display be created advising folks about the operation. Ms. Crafton said she would work on putting together some information. Mr. Gula said that a media day had previously been held at which 14 media outlets had attended. He also reported that a public observation area will soon be available in the cell phone parking lot.

Ms. Broughton and Mr. Gunn both expressed their concerns about recent unpleasant customer service experiences with TSA at the checkpoint to include closing one of the two lanes when the passenger line is growing, the wait for Pre-Check passengers, and the rudeness of some of the TSA personnel when explaining the screening process to passengers who are not familiar with the process. Mr. Gula said that he will reach out to the TSA Federal Security Director for our region to discuss these concerns.

8. Next Meeting is August 15, 2022

9. Adjournment

Chair Fowler adjourned the meeting.

Respectfully Submitted,



Lynne Douglas, Commission Secretary