

**Richland-Lexington Airport District
Commission Meeting
Draft Minutes
May 14, 2021 @ 4 p.m. Carolina Room**

Commissioner Attendance

Dan Bell, Chair; Carol Fowler, Vice Chair; James Whitmire (Zoom); Hazel Bennett; David Jordan; Duane Cooper; Breon Walker; Bill Dukes; Pat Smith; Hank Jibaja; Jim Wellman; DJ Carson (Zoom)

Commissioners Absent

None

Staff Attendance

Mike Gula; Ryan Kreulen; Frank Murray; Bri Ferguson; Joel Livingston; Gregg Hornsby; Malia Ropel; Chappelle Stevenson; Eddie Martin; Tamie Head; John Fisher

Other Attendees

Dave Carpenter (FOTH); Michael Slapnik (Scott & Company)

1. Invocation

Mr. Jordan offered the invocation.

2. Approval of Agenda

Mr. Jordan made the motion to approve the agenda. Mr. Smith seconded the motion. Motion passed unanimously.

3. Approval of Commission Minutes of April 19, 2021

Mr. Jordan made the motion to approve the April 19, 2021 Commission Meeting Minutes. Ms. Bennett seconded the motion. Motion passed unanimously.

4. Consideration of the Acceptance of the 2021 Affirmative Action Plan

Mr. Jordan made the motion to accept the 2021 Affirmative Action Plan. Ms. Bennett seconded the motion. Before the vote, the following discussion occurred:

Ms. Bennett presented that there was a Labor & Personnel Committee Meeting on 5/3/2021. Hudson Mann presented our 2021 Affirmative Action Plan (AAP). She mentioned that there are a few areas that we are working on, but that this is a legal document that we have on-the-shelf at all times.

Mr. Cooper asked if there is any flexibility to hire someone or to do more related to DBE and AAP. Mr. Gula confirmed that the budget was crafted based on conservative covid-recovery numbers, so there is a chance that this could work within the budget. Ms. Stevenson mentioned that there have been discussions about a procurement person to

centralize the process. Mr. Cooper asked if that person would be an internal or external hire. Mr. Gula mentioned that this would be something to consider if the decision is made to move forward with hiring a procurement person. Mr. Gula mentioned that there is a new hire— Mr. Chris Davis, who has been working with Operations. He has a background in HR and will be working with Ms. Stevenson full-time. Ms. Stevenson is excited about our new hire and believes he may be able to take on some of the responsibility of a procurement hire.

Mr. Dukes expressed that he was impressed with Mr. Ron Harvey, a presenter at the Commission Retreat earlier in the day on 5/14/2021. He felt that the conversation was helpful, and that Mr. Gula has great leadership potential. He believes that Mr. Harvey has been helpful in Mr. Gula's development, and therefore effectiveness in communicating with the CAE staff. He asked if it would be advantageous to have Mr. Harvey at commission meetings, in order to aid all of our development. He asks that as staff is considering ideas, they keep this one in mind.

Chair Bell asked if Mr. Gula could explain his relationship with Mr. Harvey in more detail. Mr. Gula explained that he has consulted Mr. Harvey for leadership and development services such as workshops and phone calls, and that these happen as frequently as 1+ times per week. He also explained that CAE utilized him for Edge360 leadership evaluations. Mr. Dukes commented that there are Commissioners who need his leadership advice.

Mr. Jordan disagreed with Mr. Dukes, commenting that he feels the commission is not broken, so there is not a need to fix it. Mr. Cooper mentioned that if Mr. Harvey was not compensated, we should formalize that relationship. Ms. Fowler asked what his hourly rate would be. Mr. Gula stated he would find out if Mr. Harvey has an interest in these ideas, and if so what the rate would be.

Chair Bell asked if there was any further discussion regarding the AAP. Seeing none, the commission voted and unanimously approved the 2021 AAP.

5. Acceptance of the 2020 Audit—Presented by Michael Slapnik, CPA, Scott & Company

Mr. Hornsby introduced Mr. Slapnik to the commission.

Mr. Slapnik explained that the audit went well, and thanked Mr. Hornsby and Ms. Ropel for their hard work and help throughout the process. The audited document is 96 pages long and gives a thorough review of their findings. He reminded the commission that the audit cannot give 100% assurance, but that it is a statistical sample of our 2020 finances. The audit did not find any material exceptions.

Mr. Slapnik presented that there were no weaknesses or deficiencies detected. Furthermore, there were no compliance issues with the single-audit. Mr. Slapnik expressed that he and Mr. Hornsby will be in touch this summer to change lease types

to comply with a new pronouncement, and more information will be available about that later.

He stated that the balance sheet is healthy despite COVID-19, as of 12/31/2020, and we do see positive current ratios. CAREs Act helped us a lot, and so did the subsequent Airport COVID Response Act. He also mentioned the new CBIS-related Construction Loan we have taken. The remote audit went well, and this may be a model that we stick to in the future.

Ms. Bennett asked for clarification that nothing was found. Mr. Hornsby replied that the audit found immaterial exceptions. An example was that one expense was mistakenly categorized as an asset, but has since been fixed.

Mr. Dukes made the motion to accept the 2020 Audit. Ms. Bennett seconded the motion. Motion carried unanimously.

6. April Financial Report—Gregg Hornsby, CPA

Mr. Hornsby started by mentioning that the audit would be placed in dropbox for the Commissioners, should they want to review the document. There is a “Management Discussions and Analysis” section that serves as the “cliff notes version”, which is definitely worth reading. Mr. Hornsby welcomes any questions that the commission may have upon further review.

He presented that we sold a parcel in CAE Park and drew down approximately double what we have been per month on CARE’s funds—causing an influx of cash on-hand. Looking forward, as we draw down on the loan for the CBIS project, we will not borrow for those amounts reimbursed by TSA. The TSA reimbursements have a ~4 month lag time, and will total approximately \$1.7M before we start receiving the TSA reimbursement on a monthly basis. We will receive that amount over time, but the land sale proceeds of \$1.1M will help us ride out the difference. Mr. Gula also mentioned that there has been another transportation bill passed, so more grant money may be coming through eventually.

Mr. Hornsby showed that the enplanement trend lines between 2018, 2019 and 2021 are similar—which is encouraging. Mr. Gula mentioned that we need business travel back, but right now leisure travel is rebounding. Military travel will resume in June. Mr. Jibaja mentioned that business travel usually has a boom in the fall, and asked if there was any indication that it would be coming back. Mr. Gula responded that the projections are currently foggy and that this will depend on COVID-19 case numbers in the fall. Mr. Gula also mentioned that the United Airlines direct flight to HOU is returning, LaGuardia is the only flight that has not been on the schedule to return so far. He mentioned that he and Ms. Jamieson had an encouraging call with Allegiant, a low-cost carrier. They indicated that low-cost carriers have their eye on Silver, so we should

promote those flights any way that we can. Ms. Jamieson is away next week at a roundtable, and has plans to meet with multiple low-cost carriers.

Mr. Hornsby presented that line 3 is parking revenue, a new high-water mark for us so far. He mentioned that this has been a good indicator to us about travel returning and revenues. Mr. Gula told the commission to reserve a rental car if anyone is going to be travelling, because the fleets are struggling to keep up with demand.

Mr. Hornsby showed us that the income statement has some one-time expenses, but no major variances. Examples are Line 24, which had some broker fees associated with the land sale. There were no other consulting fees causing this number to be larger than usual.

Ms. Bennett asked if we currently have a staff person who focuses on real estate. Mr. Gula responded that we do have a property manager, Ms. Lindsay Copelan.

Mr. Hornsby presented that anything modeled off the 2019 budget will improve, because our budget was based off of a conservative projection of 235,000 enplanements, but we are now projected to see 319,000. We are trying to get back to 2019 numbers, and Mr. Hornsby will be working on some of those projections to present to the commission at a later date.

Mr. Jibaja asked if we are seeing differences in the ride-sharing, and Mr. Hornsby confirmed. He explained that MAG is now managing our online parking booking system, and that neither the rideshare or the taxis are recovering as well as the parking is. Mr. Eddie Martin also mentioned that we are doing all we can to help keep the taxis here, one example being waiving fees. Chair Bell asked how MAG is performing, and Mr. Hornsby replied that from January to April, we have seen ~\$26K in revenues, but Mr. Hornsby plans to present more information on that at a later date.

7. Staff Reports

a. Chairman's Report—Commission Chairman Dan Bell

Chair Bell expressed that he felt the commission retreat was a productive day for the attendees. He indicated that the best way for CAE to grow is to increase air service and economic development. He encouraged the commissioners to work within their networks, and with CAE staff to help this happen. He asks this especially as we come out of COVID.

b. Director's Report—Mike Gula, AAE

Mr. Gula thanked everyone for being here today for the retreat and the meeting. He also thanked the CAE staff and mentioned that they mean a lot to the success of the airport.

8. Discussion and Suggestions

Mr. Jordan asked if you have to have a vaccine to fly, and Mr. Gula responded that you do not currently have to have a vaccine to fly on domestic flights. Mr. Jordan expressed that he felt that the retreat was great, and thanked everyone involved.

Mr. Wellman mentioned that he is more and more impressed with the staff at CAE as time goes on, and expressed that he feels that the commission does not appreciate them enough. Chair Bell and Mr. Jordan agreed.

9. Next Meeting is June 21, 2021 @ 4 p.m.

10. Adjournment

Chair Bell adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Brianna Ferguson".

Brianna Ferguson, Commission Secretary