



**FAYETTEVILLE REGIONAL AIRPORT
AIRPORT COMMISSION MEETING
ZOOM & IN PERSON MEETING
Tuesday, June 28, 2022
2:00 P.M.**

ATTENDANCE

Mr. Mark Lynch, Mr. Jay Wyatt, Mrs. Sandy Ammons (ZOOM), Mrs. Judy Dawkins, Mr. Naynesh Mehta, Dr. Robert Hambly, Mr. Robert Van Geons (ZOOM), Dr. Wilson Lacy (ZOOM),

ABSENT

Mrs. Kim Medley, Mr. Randy Fiveash

OTHERS

Dr. Toney Coleman, Airport Director
Mr. Deontae Watson, Deputy Airport Director
Ms. Patricia Campbell, Sr. Administrative Assistant
Mr. Greg Davis, All American Aviation (ZOOM)
Ms. Tosha Szabo, Signature Flight Support (ZOOM)
Ms. Kecia Parker, City Real Estate (ZOOM)
Mr. Paul Allen, Assistant City Attorney (ZOOM)
Mr. Andrew Brandstetter, Clear Channel Interspace Airport Advertising

Chairperson Lynch called the meeting to order at 2:00 P.M.

ITEM 1: Consider Approval of the Revised Agenda

Chairperson Lynch asked for a motion to approve the revised agenda.

Mr. Mehta made a motion to approve the revised agenda.

Mr. Wyatt seconded the motion.

ACTION: The motion was carried unanimously.

ITEM 2: Consider Approval of the Minutes of the Meeting held May 31, 2022

Chairperson Lynch asked for a motion to approve the minutes.

Mr. Mehta made a motion to approve the minutes.

Dr. Hambly seconded the motion.

ACTION: The motion was carried unanimously.

ITEM 3: Interspace Services, Inc. DBA Clear Channel Airports Brief to Commission

Mr. Andrew Brandstetter is the Business Development Director. He addressed the Commission via ZOOM and explained where Clear Channel began, where they are today and where they intend to be in the future with our Airport. Clear Channel Airports is the industry leader in airport advertising with over 45 years of experience. Clear Channel Airports currently has 73 U.S. Airports including 125 FBOs and has designed, implemented, and managed more than 700 airport media programs. We did not get this far without great effort and brilliant work done by our team. What separates Clear Channel Airports from our competitors is that our entire staff of over 190 employees is solely dedicated to airport advertising. While our competitors may dabble in both airports and out-of-home advertising, we strictly focus on airport advertising.

Below are impactful stats that tells how Clear Channel Airports separates and stands out from all other airport advertising companies in the industry:

- Clear Channel Airports' portfolio consists of 31 of the top 50 U.S. Airports
- More than 1 billion passengers flew through our U.S. Airports in 2019 (pre-pandemic)
- Clear Channel Airports reached more than 50% of 2019's U.S. passenger traffic according to ACI Traffic (pre-pandemic)

Partnership Overview

Term:

- Current Term Start Date: 9/1/2019
- Current Term End Date: 8/31/2022

Financials:

- Revenue Share: 30%
- Minimum Annual Guarantee (MAG): \$10,600

Mr. Brandstetter showed a breakdown of sites where ads are now and how many can be added. Mr. Mehta asked about the ratio of fabric versus digital displays, (80% fabric to 20% digital) is the breakdown at our Airport. He also wanted to know how we compare to other airports. Mr. Brandstetter explained all airports have a mix which is good for clientele and budgets. Print displays allows the client to dominate that space. Mr. Brandstetter explained due to the wall space at FAY, the digital displays will not fit appropriately. The displays are arranged for the public to see them head-on. If digital screens are in these area, the display is not very good. Where the digital displays are in your airport are the best places. If more digital displays are added, they would be smaller and would not have much impact. Mr. Mehta stated he would like more digital displays. This would be more functional and better looking for the airport along with the renovations. Mr. Brandstetter said this can be explored. Mr. Van Geon asked if our fabric displays are rotating to which Mr. Brandstetter said the fabric displays are not rotating.

Mr. Lacy asked about the return on capital. Chair Lynch stated the Airport receives a commission plus minimum annual guarantee. Dr. Hambly asked if the displays are networked in? Mr. Brandstetter said yes and it is proprietary to Clear Channel. Mr. Brandstetter thanked the Commission for the opportunity to address them.

ITEM 4: Consider recommending approval to City Council for approval of the License Agreement for Interspace Services, Inc. DBA Clear Channel Airports

Dr. Coleman stated the lease is from September 1, 2022 to June 30, 2026. He stated Clear Channel has been a great client for the Airport and we have a good relationship. He recommends approving this lease to be sent to City Council for approval. Mr. Mehta said if this lease is approved and the term ends, he recommends the Airport going out for requests for proposals to see what other advertising agencies have to offer.

Chairperson Lynch asked for a motion to approve recommendation to City Council.

Mrs. Dawkins made a motion to recommend to City Council for approval.

Dr. Hambly seconded the motion.

ACTION: The motion was carried with all voting in favor except Mr. Mehta.

ITEM 5: Consider recommending approval of proposed pay & rate adjustment for REEF Parking

Dr. Coleman stated the current wages for Reef parking attendants and supervisor at Fayetteville ranged from 8.50 to \$15.00 per hour. Per request from Reef Parking (Parking Concession Management Company), Dr. Coleman was proposing an increase to the supervisor's pay by \$8.00 and other staff from \$1.50 to \$3.50 more per hour. This would have a \$45,844.52 annual impact on the budget.

To address the long-term budget impact, Dr. Coleman would recommend an increase of \$1 to the daily cost of the long and short-term parking rates effective July 1, 2023. Current rates are \$9 and \$12 and would go to \$10 and \$13 per day, respectively. He said the rates and charges schedule had already gone before City Council and been approved for this fiscal year. Accordingly, he proposed to allow Reef to make the change wage rates immediately, but submit same as an authorized expense from gross receipts. The Commission consented to the wage increases, but directed Dr. Coleman to request the parking lot fee increase immediately in lieu of next fiscal year. Dr. Coleman will advise the City Manager of the Commission's request.

Chairperson Lynch asked for a motion to recommend approval of proposed pay and rate adjustments with the caveat that if Dr. Coleman was unable to get approval for a change in the long and short-term parking daily rates this year, the wage increases would remain approved.

Mr. Mehta made a motion to recommend approval.

Mr. Wyatt seconded the motion.

ACTION: The motion was carried unanimously.

ITEM 6: Management Report

Enplanements. Total enplanements for all carriers as of May 2022 were 15,163. This indicates a 25.5% decrease compared to May of last year and a 4.7% year to date decrease. Total deplanements were 14,912. This is a total of 30,075 passengers in and out of FAY last month.

Average load factor (LF) target is 80%. American LF from 87.8% in April 2022 to 87.4% in May 2022. American's passenger count is down 21% compared to May 2021.

Delta LF increased from 86.6% in April 2022 to 86.4% in May. Delta passenger count is down 38.4% compared to May 2021.

Ridership Averages as of May 2022: Business Travel is at 30.6411%, Personal Travel at 45.23% and Military Travel at 22.73% and "other" at 1.93%.

Rental Car Revenue in May 2022 was down 3.61% as compared to May 2021. This is a 26.51% increase year to date.

Parking Lot revenues up 2% in May 2022 compared to May 2021 with an 42.07% increase year to date.

American operating 14 flights per day, 7 in and 7 out. Delta is operating 6 flights per day, 3 in and 3 out. Also, 2 charters are operating a month.

Facebook Ads Executive Summary: Expense leveled at 0% increase/decrease between April and May. Infinity Marketing spent available funds before year's end to increase Airport's presence on Facebook. Total Facebook views (impressions) in May were around 57,000. That is an increase over previous month. Facebook cost per click (CPC) is down 40%. We see this as a positive because it means searchers redirected to our landing page are finding more of what they were looking for.

Google expenses also down 33% between April and May. Just like Facebook, Infinity increased Airport presence to take full advantage of funds budgeted in fiscal year ending June 30, 2022.

The ACE Academy currently has 75 applicants. The deadline is July 15th. This will be held August 1 through the 4th.

The request for proposal for Terminal Art status is as follows: The final 3 have been determined. There will be a meeting coming up to pick the winner.

The City Manager has requested the Airport hire an Air Cargo Development Consultant. A Request for Proposals (RFQ) has been submitted to Purchasing and awaits City Manager approval.

Dr. Coleman attended the Jump Start Conference. He met with a couple of airlines and talks will continue.

Nearly 4,500 pilots at American Airlines three major regional carriers will receive massive pay raises that will bump hourly rates to as much as \$90 an hour for new pilots.

Dr. Coleman gave an update on the Terminal Renovations.

ITEM 7: Commission Members Concerns

Mr. Wyatt stated he was told Delta was only having one flight in July and no 6:00 AM flight. Dr. Coleman said he would check into this. Mr. Wyatt asked if we were hiring another Marketing Specialist. Dr. Coleman stated he was in talks with the City Manager and the Assistant City Manager. Mr. Wyatt requested that before the punch list is signed off, he would like the Commission to do a walk around.

Chairperson Lynch asked if a fare comparison to key destinations could be done. Dr. Coleman will check into getting one done. He also wanted to know how many surveys are completed for us to get the customer survey numbers. Dr. Coleman committed to included that number with future Management notes.

ITEM 8: The next regularly scheduled meeting of the Airport Commission will be Tuesday, July 26, 2022 at 2:00 P.M. This will be a ZOOM and In-Person Meeting in the First Floor Airport Conference Room.

Chairperson Lynch asked for a motion to approve the next regularly scheduled Airport Commission meeting and to adjourn the meeting.

Mr. Naynesh made the motion to approve the next regularly scheduled Commission meeting and adjourn.

Mr. Wyatt seconded the motion.

ACTION: The motion was carried unanimously.

The meeting was adjourned at 3:24 P.M.



Sandy Ammons, Secretary
Transcribed: PAC 07/12/2022