

The Airport Governance Study Oversight Committee convened on Thursday, April 11, 2013 at 1:40 p.m. in Room 280 of the Charlotte Mecklenburg Government Center with Project Manager Kim Eagle presiding.

Those present included: Project Manager Kim Eagle; Consultant Bob Hazel, Oliver Wyman; Shawn Dorsch (via phone), Airport Advisory Committee; Natalie English (for Frank Emory), Charlotte Chamber; LaWana Mayfield, Charlotte City Council; Mike Minerva, US Airways; Tom Murray, Charlotte Regional Visitor's Authority; Various City staff and members of the media

Kim Eagle said we will get into the agenda starting with item number one, Stakeholder Interview Report (Phase I). Study Consultant Bob Hazel will provide a brief overview and then we will open that item up for discussion.

Study Consultant Bob Hazel said thank you to members of the Study Oversight Committee for meeting today and also for the time you spent during my initial interview. Our first task was basically to understand why there is interest in changing the current airport governance structure. There is a long list of disclaimers in the report as to what the report does not accomplish. It does not list all the pros and cons, it does not take position on the merits; it just lists the reasons given for an interest in changing airport governance. I interviewed over 40 stakeholders over a two-week period in Charlotte and in Raleigh to get an understanding of what their concerns were for those interested in changing the current governance structure. In order to obtain candid interviews, I committed not to attribute specific remarks or viewpoints directly or indirectly to individuals. I will provide a list of all stakeholders who I spoke with in the final report. The interviews were very candid. I tried to carefully summarize the themes, which I've listed as seven points in the report. I heard many stories, most of which have already been published. As you might expect, I heard different context perhaps than what's already been reported. If there was one theme of most importance to the greatest number of proponents it was their belief that the Airport's low cost structure is an advantage and it's most likely to be preserved under a governance structure that is separate and distinct from the City. That's not to say that the other reasons given are also not important and different individuals obviously placed the greater importance on some reasons than on others. There's clearly an interest in managing the Airport as a regional asset as opposed to a City asset among those who are proposing a change in governance. To me, it seemed the core focus was on preserving the Airport's long-term cost advantage. With that, I'm finished with my report on this subject. It's a short report. I'm glad to answer questions on it.

Tom Murray said did you have any challenges accessing interview candidates ...?(inaudible)

Bob Hazel said no I did not. Some of the interviews took a while to set up, but once people started talking to me they spoke freely and I spoke to a number of people that had a strong interest in the subject and strong views on the subject.

Mike Minerva said do you think you got everything you needed to put in the report? Did you feel like there was anything missing, either people you didn't talk to or information you didn't get?

Bob Hazel said no, I felt that I was able to capture the full range of concerns from those who are interested in changing the Airport governance.

Tom Murray said how many total people did you speak with?

Bob Hazel said over 40. It may have been 42 or 43. Until the report was issued I was continuing to do interviews; but it is in that range.

Natalie English said will there be a list of those people in the final report? Can you give us where you found those people and who they represent?

Bob Hazel said we said in my summary that we would identify people who were in the Study Oversight Committee, City Council, State Legislators, Sponsors of the legislation, business leaders, proponents who have been vocal about the need for change. And so, it's a broad group.

Council Member Mayfield said so what main concerns have been identified?

Bob Hazel said I'm happy to read the seven reasons they gave. The first reason is, "As the City's most important economic asset and the most important economic engine for the region, the Airport must be overseen using the governance structure most likely to ensure its continued success. A critical factor in the Airport's success is its low cost to the airlines." And then, the related reason because that's not really a stand-alone reason, "The Airport's success to date is attributed to a combination of a very capable airport manager and very limited prior City involvement in the management of the Airport. Recent City actions are seen as demonstrating that the City will be more involved in Airport management going forward."

Council Member Mayfield said so this is the perceptions?

Bob Hazel said this is the perception. I try to be very careful to say these are the reasons expressed by those who are proponents of changing the Airport governance. These are not expressing an opinion on the merit. I'm not, in this report, saying this is a valid set of pros and cons. I'm just summarizing the views of those who want a change in governance. I want to be very clear that this is all this report is designed to do. The full report, which addresses a much broader scope, we'll talk about best practices in airport governance, transition issues and other issues, but that's not in this first report, which has a very limited purpose.

Natalie English said given that this group is to make sure that this is an unbiased study, I heard you say that you heard from proponents. Did you interview any strong opponents?

Bob Hazel said I did get interviews with a number of strong opponents as well. I will say that the assignment for the first half was not to interview strong opponents. The original task was to

identify the reasons given; it was not to assess whether those are legitimate, just to assess the reasons given. I certainly interviewed many strong opponents in this original group, as well.

Mike Minerva said have you been able carry out your duties without any undue influence? Have you felt free to do the job you came to do?

Bob Hazel said yes, absolutely. I've had no influence by the City. I've had no influence by US Airways. I've had no influence by anyone in terms of what the conclusions are. My main challenge right now is to get the work done in the time allotted. The final draft report is due exactly two weeks from today and there's a great deal to be done in that time. We have multiple people working on the project, but it's quite a large scope in a limited time period with a limited budget.

Kim Eagle said is there anyone else on the phone line other than Shawn? It beeped a few times; I just wanted to make sure for the record.

We will go on with the agenda. Item number two concerns the Public Input Meeting. It is scheduled for Tuesday, April 16th in the Charlotte Mecklenburg Government Center. It will begin at 7:00 p.m. in Room 267. Kim McMillan will speak briefly to the press release concerning that meeting and some opportunities; in addition, we will have on the website for folks to give input.

Kim McMillan said the meeting will be held in 267. The room will be set up auditorium-style with a microphone in the center, allowing the community to come in and provide comment. We will have members of the Oversight Committee available at the front, along with Bob Hazel. The news release will be provided to the media now. We will issue this locally, regionally as well as to the media in the Raleigh area. We have had some inquiries from the community that cannot come that night. We have made accommodations to gather input via the web. The community can go and provide comment beginning Monday, April 15th through the close of the business day on April 22nd. I want to underscore that the City does not see these comments, we are facilitating the process, and an email has been set up to go directly to Consultant Bob Hazel. If citizens wish to sign up and want to speak, you can call the City Clerk's Office at 704-336-2248 and the community will also have the opportunity to sign up that evening. All information continues to be posted on the Airport Governance Study website.

Tom Murray said how long will the speakers be allowed to speak?

Kim McMillan said a three-minute limit. If we can't get through the entire task, they will be free to give their comments to Bob Hazel that night.

Tom Murray said there is an ending time?

Kim McMillan said 7:00 to 8:30.

Mike Minerva said our role there is to listen, correct?

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Kim McMillian said that is correct.

Bob Hazel said my role there is to listen as well. It's an opportunity for the public to provide input on the governance of the Airport as it relates to the Study. I will provide a brief overview of the Study but my view is that this is an input session only. I'm not going to answer questions about best practices in airport governance because those are the subject of the final report and that's where it will be done.

Tom Murray said there will be no responding there to any questions?

Kim Eagle said that is correct.

Bob Hazel said my email is available and folks can contact me directly, as well.

Kim Eagle said we will move then to item number three on the agenda. "Open Discussion".

Bob Hazel said I should repeat our schedule. April 25th I will draft our report. April 29th we will meet to review that draft report. That will be a lengthy report and you may have some substantive comments on it. The final report is due Thursday, May 1st. The City has asked that I make a presentation to the City Council on the report on Monday, May 6th. Though I technically think that is outside of the project scope, I've agreed to do that as a courtesy. Those are the next steps in the process.

Kim Eagle said our next meeting will be at 1:30 p.m., Monday, April 29th in Room 280. That will likely be a longer discussion because we will have the benefit of Bob Hazel's draft report for the first time... (Inaudible) including best practices in governance issues and will likely take more time to review.

Tom Murray said I appreciate the hard work you're doing.

Bob Hazel said it has been interesting.

The meeting was adjourned at 1:56 pm.

Stephanie C. Kelly, MMC, NCCMC
City Clerk

Length of Meeting: 16 minutes

Minutes Completed: April 19, 2013

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