



BOARD OF DIRECTORS | MEETING MINUTES OF JANUARY 27, 2015

Present: Susan Tomasky, Chair
William R. Heifner, Vice Chair
Frank J. Cipriano
Elizabeth P. Kessler
William J. Lhota
Jordan A. Miller, Jr.
Kathleen Ransier
Dwight Smith

Absent: Don M. Casto, III

CRAA Executive Staff: Elaine Roberts, President and Chief Executive Officer
Rod Borden, Chief Operating Officer
Randy Bush, Chief Financial Officer
Robin Holderman, Chief Asset & Development Officer
Tory Richardson, Vice President, Human Resources & Strategy
David Whitaker, Vice President, Business Development & Communications

CRAA Staff: A. Beaver, S. Bell, H. Brown, D. Finch, P. Gehrisch, C. Goodwin,
J. Lizotte, B. Sarkis, P. Streitenberger, K. Whittington

Others Present: Andrew Schneider, TranSystems
John Montgomery, Central Ohio Severe Weather Network
Don Peters, Columbus Flight Watch
Alan Harding, Columbus Flight Watch
Chris Franzmann, Squire, Sanders & Dempsey L.L.P.

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:01 p.m.

Chair Tomasky congratulated board members Ransier and Heifner who were reappointed to the CRAA Board for a four-year term effective January 1, 2015 through December 31, 2018. Ransier was reappointed by the City of Columbus and Heifner was reappointed by the Franklin County Board of Commissioners.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of November 25, 2014. Hearing none, Cipriano moved for approval; Miller seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

Tomasky reported that the committee will meet on January 29 to review 2014 air service activity, receive an update on the Mayor's *Jobs, Expansion and Transportation Task Force*, and review 2015 air service plans.

BUSINESS DEVELOPMENT:

Cipriano reported that the committee will meet on February 11.

FACILITIES & SERVICES:

Heifner reported that the committee met on January 21.

B. Sarkis reviewed the Major Capital Projects report for 2015. Also reviewed were the project status report, cost variance report, and construction schedules and timelines. A. Beaver reviewed the 2015/2015 Capital Budget Update report.

Heifner reported that work in the ticket lobby continues. Terminal modernization work continues in Concourse B which proves to be more challenging compared to Concourses A and C. Also underway are baggage claim renovations, curb front improvements, and Runway 10L-28R rehab and shoulder improvements. At Rickenbacker, work continues on the new Air Traffic Control Tower and Air Cargo Terminal #5.

Also reviewed were the Resolutions being presented to the Board.

FINANCE:

Miller reported that the Finance Committee met prior to the Board Meeting and that the Authority's finances are in great shape. The committee reviewed the Investment Policy and investment strategy for 2015. The Investment Policy is being presented to the Board as Resolution #01-15. The committee also reviewed Resolution #06-15 being presented to the Board. This resolution authorizes a bond purchase agreement with FlightSafety International. Miller requested Bush to review the financial statements.

Bush reviewed the preliminary financial statements for the year-to-date period ending December 31, 2014.

Under the Operating Revenues – Actual vs. Budget, with \$89.7 million in actual revenues and a budget of \$86.8 million, this leaves a positive variance of \$2.8 million.

- General Aviation's positive variance of \$361,000 is the result of higher than anticipated use fees of \$109,000, fuel flow fees of \$24,000 and rental fees of \$228,000 related to new lease tenants.
- Air Freight's positive variance of \$327,000 is due to increased cargo airline activity and related fuel revenue at Rickenbacker, which is partially offset by a decrease in ground fuel revenue at Rickenbacker.
- Hotel's positive variance of \$243,000 is a result of the pacing of the budget for the new operations.
- Concessions and Miscellaneous Lessees' positive variance of \$1,042 million is primarily related to increased commissions of \$567,000 for the rental cars, and \$611,000 in miscellaneous lessees offset by a \$136,000 reduction in advertisement fees related to the terminal modernization project.
- Other Income's positive variance of \$749,000 is due to increased ground handling services at Rickenbacker of \$443,000, Intermodal lift fees of \$105,000, \$101,000 in security deposit retirements and \$100,000 related to a farm land bonus.

Under the Operating Expenses – Actual vs. Budget, with \$65.5 million in actual expenses, and a budget of \$66 million, we have a positive variance of \$506,000.

- Salaries and Wage's positive variance of \$1,092 million is related to \$1,728 million in vacant positions, offset by less than anticipated project management hours of \$636,000.
- Benefits and Personnel's negative variance of \$178,000 is due to increased health insurance costs of \$108,000, less than anticipated project management hours of \$221,000 and increased worker's compensation of \$155,000; offset by a \$307,000 decrease related to PERS, Medicare, and unemployment claims.

- Service's negative variance of \$109,000 is primarily the result of \$578,000 in unbudgeted tenant improvements, \$124,000 increase in HVAC maintenance expense and \$238,000 in increased hotel expenses. This is offset by a \$573,000 reduction in airport maintenance expense related to the deferment of projects, \$141,000 reduction in pollution related insurance expense and a \$117,000 increase in the reimbursement of real estate taxes.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$82.6 million and total cash expenditures to date of \$55.9 million, this represents a year-to-date execution of 68% of the approved Capital Budget spend. The total accrued expenditures to date of \$58.2 million represent 71% of the approved Capital Budget.

Bush reported that the debt per enplaned passenger is \$17.19, compared to the Moody's Average of \$66.92 from 2013, which is very strong and reflects low debt levels at the airport. The days of unrestricted cash on hand is 612 days, with the Moody's 2013 average being 526 days. Days of unrestricted cash excluding any rental car facility charges is 410 days, which is well ahead of the 365 days the Authority wants to maintain. We have \$119.2 million of outstanding debt which includes \$45 million outstanding under our Revolving Credit Facility.

Under the Statement of Revenues, Expenses, and Changes in Net Assets vs. Budget, actual Operating Income before Depreciation is \$24.2 million. This gives the Authority a positive Operating Income before Depreciation variance of \$3.3 million as compared to budget, or 16%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$914.2 million with current cash and cash equivalents of \$123.1 million. Net land, property and equipment in the amount of \$751.4 million is the largest asset on the Combined Statement of Net Position.

HUMAN RESOURCES:

Nothing to report.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service

Overview

With a tenth consecutive positive month of passenger traffic, December solidified 2014 as a great year for Port Columbus. Over 6.3 million passengers passed through our doors, up 2.1% from the year prior and the highest passenger total since 2011.

Port Columbus

Southwest Airlines remained the market share leader for passenger traffic at Port Columbus by flying over 2.1 million passengers, an increase of +1.7% compared to the year prior. With additional service provided by the airline starting soon, including expanded service to Las Vegas, Phoenix and Denver during peak times and a new daily flight to Washington Reagan National beginning in April, the partnership between Southwest and Port Columbus is on solid footing.

While Southwest carried the most passengers in 2014, the newly merged American Airlines and US Airways saw the largest growth. Over 1.8 million passengers (6.3%) traveled on the two airlines, an increase of over 111,000 passengers compared to the year prior. Throughout the year the two carriers continued to optimize

their schedule, increasing capacity to nearly all of their ten combined routes. Their overall seat offerings from Port Columbus were 8% higher than in 2013. This merger should be completed in approximately one year when the US Airways brand will be retired.

Delta saw a 3.2% growth in traffic, or over 45,000 more passengers, while Air Canada grew by 10.6% with the increased service to Toronto to three times daily beginning last November.

United Airlines continues to work through its merger with Continental and on optimizing its fleet of aircraft. They had a 7% reduction in seats year over year resulting in 5.8% fewer passengers.

Rickenbacker Charter Terminal

Over 91,000 passengers traveled through the Rickenbacker Charter Terminal in 2014. Virtually all of these passengers flew on Allegiant, who began operating from the Rickenbacker Charter Terminal in October 2012 with twice-weekly service to Orlando Sanford. Since then the airline has grown their Rickenbacker portfolio flying up to 10 weekly departures to 6 destinations as of this coming April.

Cargo Air Service

December closed a successful year for air cargo at Rickenbacker. The airport handled 17,850,985 lbs. of cargo, a 35% increase over December of 2013, pushing total cargo up 2.9% for the entire year.

We experienced robust growth on the international side of the business, a trend we will be working hard to nurture in 2015. While the domestic package carrier volumes declined 5% for the year due to a modal shift in favor of trucks, the international air cargo component rose by 58%. Total cargo handled by Rickenbacker rose to 158,087,915 lbs. Rickenbacker saw nearly 278 Boeing 747 freighters carrying international freight arrive at the airport in 2014, a 72% increase over 2013.

Customer Service

The Customer Service team welcomed and assisted many eager Buckeye fans for the 35 charters and additional airline operations that were offered for the Sugar Bowl semi-final game, as well as the National Championship from Port Columbus and Rickenbacker in late December and early January. Special decorations in the center ticket lobby, including balloons and a larger-than-life inflatable Brutus Buckeye, added to the excitement and provided a great photo opportunity that hundreds of fans took advantage of.

We were equally excited to welcome players, coaches and fans for the NHL All Star game last weekend. The league was very pleased with our support for this significant event which went off without a hitch.

Citation of Recognition

David Whitaker was recognized last week by the Greater Columbus Sister Cities Board of Directors, recognizing his three year term as Chair of that board which ended in December. He was presented with this Citation of Recognition signed by Mayor Coleman who is the honorary Chair of Sister Cities. Whitaker continues to serve on the Sister Cities board.

General Aviation Appreciation Month

CRAA received a Proclamation by Mayor Coleman in December for *General Aviation Appreciation Month*. Highlights of the Proclamation include:

- Total employment impact of all airports in Ohio is 142,800 jobs with an annual payroll of nearly \$3.2 billion.
- Ohio's 98 general aviation system airports support a payroll of nearly \$287.3 million.
- The total direct and induced impact was 17,352 jobs and \$498 million in payroll.

- Organizations like the Ohio Aviation Association, the National Air Transportation Association as well as many others recognize and promote the interests and importance of aviation in Ohio and throughout the world.
- The Mayor honors and recognizes General Aviation as a positive community partner and asset within our community.

FAA Title VI Audit

Last month, the Authority was audited by the FAA for Title VI compliance.

Background: Title VI of the Civil Rights Act of 1964 prohibits discrimination on the grounds of race, color or national origin. Title 49 of the U.S.C. section 47123 further prohibits recipients of FAA financial assistance from engaging in discrimination based on sex and religion. Additionally, the Age Discrimination Act of 1975 prohibits discrimination against FAA program beneficiaries on the grounds of age.

The FAA Audit Team participated in an exit briefing with various staff members. The Audit Team was very complimentary of their time here at Port Columbus and stated that we were on the leading edge of airports with our Title VI preparations and program. Their preliminary exit briefing contained only three required actions and two recommended best practice suggestions.

Roberts thanked everyone involved in this successful visit. Roberts recognized our Legal Counsel, Suzanne Bell, for her extraordinary efforts in pulling together the vast amount of material the FAA required for this compliance audit and for her leadership during the entire process. The feedback Roberts personally received during her interview was how impressed the FAA was with our responsiveness and cooperation. The term "best practice" was used on several occasions as it relates to CAAA's approach in complying with Title VI requirements.

Winter Operations

The 2014-2015 winter season has so far been a near normal winter. Season total snowfall is 11.5 inches, just under half of the average annual total of 27 inches. After a very quiet December, we have had two significant events in January. On January 11-12, a significant freezing rain & ice event occurred which resulted in numerous flight cancellations and delays, both at Port Columbus and Rickenbacker. This past Sunday night and Monday morning, another freezing rain/sleet/snow event added 2.8 inches of snow to the season total at Port Columbus, less at Rickenbacker. Few, if any, cancellations resulted from local conditions; several departures from Port Columbus to east coast cities were cancelled as the airlines began preparations for a major winter storm along the eastern seaboard.

January 7 Incident

There has been very little activity in the last week related to the January 7 officer-involved shooting incident. A few items that you might not be aware of:

- Per standard protocol, all three officers underwent a psychological evaluation prior to being released to return to active duty. All officers were approved for return to work and have returned to their regular jobs.
- Because a fatality was involved, the case will automatically be presented to the grand jury when the investigation is completed. A January 18 Dispatch story explained that this is standard practice in Franklin County, and noted that Franklin County Prosecutor Ron O'Brien has not seen or heard anything related to the case that causes him concern.
- We received a public records request for the officers' personnel files from the media. After redacting non-public information, the records were provided. The requestor reviewed the files and replied that the officers' "records are pretty stellar" and they do not plan a story at this time.

2014 Year In Review

Roberts presented a slide presentation of 2014 highlighted accomplishments of the Authority. A copy of the presentation is attached.

READING OF RESOLUTIONS

RESOLUTION #01-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A REVISION TO THE INVESTMENT POLICY FOR THE MANAGEMENT AND INVESTMENT ACTIVITIES OF MONIES UNDER THE CONTROL OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY.

MOVED: W. Heifner;
YEA: 8 NAY: 0

SECONDED: J. Miller
ABSTAIN: _____

RESOLUTION #02-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN AMENDMENT TO THE SCHEDULE OF FEES, RATES AND CHARGES FOR CALENDAR / FISCAL YEAR 2015.

MOVED: D. Smith;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

RESOLUTION #03-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN AN AMOUNT NOT TO EXCEED \$300,000 TO THE CONTRACT WITH CTBX AVIATION GROUP, LLC FOR THE NEW AIR TRAFFIC CONTROL TOWER (ATCT) ARCHITECTURAL AND ENGINEERING CONSTRUCTION PHASE SERVICES AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: D. Smith;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

RESOLUTION #04-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN EMERGENCY PROCUREMENT IN THE AMOUNT OF \$350,367 FROM AMERIBRIDGE, LLC FOR THE PURCHASE AND INSTALLATION OF A REFURBISHED PASSENGER BOARDING BRIDGE AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: W. Heifner;
YEA: 8 NAY: 0

SECONDED: W. Lhota
ABSTAIN: _____

RESOLUTION #05-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH BUS SERVICE INC. IN THE AMOUNT OF \$312,275 FOR THE PURCHASE OF FIVE (5) 2015 PROPANE/GAS HYBRID SHUTTLES FOR USE IN THE REMOTE SHUTTLE LOTS AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: D. Smith;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

RESOLUTION #06-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF PORT AUTHORITY REVENUE OBLIGATIONS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$75,000,000 TO FINANCE COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE; AUTHORIZING A LEASE AGREEMENT AND A LOAN AGREEMENT IN CONNECTION WITH THOSE FACILITIES; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF THE REVENUES RECEIVED FOR THE PAYMENT OF THE BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER INSTRUMENTS, DOCUMENTS OR AGREEMENTS APPROPRIATE TO THE FOREGOING AND RELATED MATTERS.

MOVED: J. Miller;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the Board, Lhota moved to adjourn; Ransier seconded. Chair Tomasky adjourned the meeting at 5:02 p.m. on January 27, 2015.

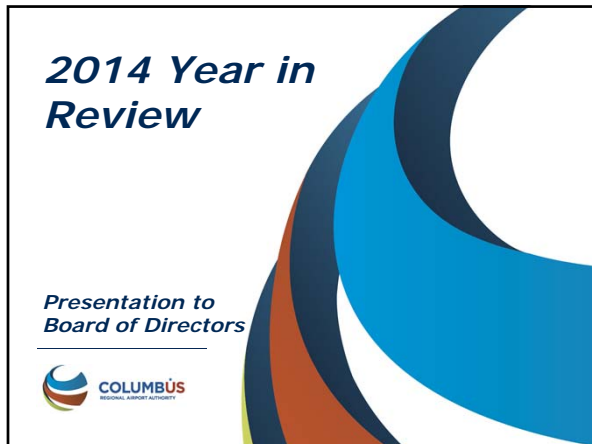
Respectfully submitted,

A handwritten signature in blue ink that reads "Elaine Roberts". The signature is written in a cursive, flowing style.

Elaine Roberts, A.A.E.

Secretary

ER | ksw



Build a Productive and Engaged Workforce
People Drive our Success

105
Positions filled, 26% internal promotions

39
President's Award of Excellence recipients

21
employees attended the Professional Development Achievement Luncheon

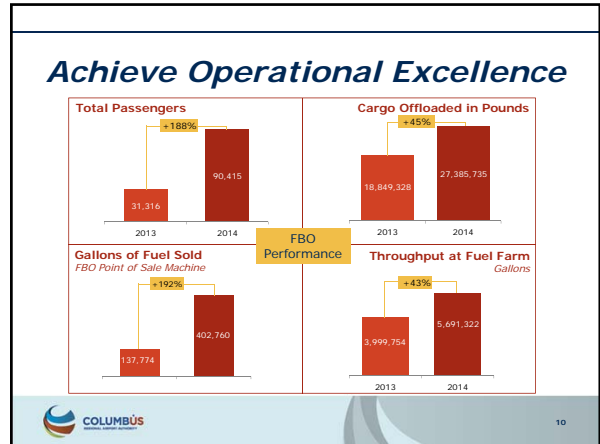
- Conducted Employee Engagement Survey with **82% response rate**
- New AFSCME and FOP **collective bargaining contracts**
- First **online open benefit enrollment**

COLUMBUS
REGIONAL AIRPORT AUTHORITY

Accomplish Organizational Effectiveness

- Passed annual FAA certification inspections at CMH & LCK with 0 discrepancies
- Successful full scale emergency exercise at CMH
- Airport Police reaccredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA)
- Updated all Business Continuity Plans
 - including an Enterprise Backup Solution for disaster recovery
- Updated the 5 Year Technology Master Plan

COLUMBUS
REGIONAL AIRPORT AUTHORITY



Achieve Operational Excellence

LCK FBO: Ground handling

Cargo

- 308 all-cargo aircraft handled (mostly 747-8 Aircraft)
- Over 27 million pounds of cargo offloaded
- Passed audits from Cathay Pacific, Cargolux

Passenger

- 325 commercial passenger aircraft handled
- Over 90,000 passengers served
- Over 1,500 aircraft handled at the FBO
- Passed station operational audit from Allegiant & Miami Air

Fueling

- 5.4 millions gallons of fuel uplifted to aircraft
- Passed fuel quality audits from many airlines (FedEx, UPS, Cathay Pacific, Cargolux to name a few)



Achieve Operational Excellence

Rickenbacker Aviation...

...Compliments from Auditors

"Top 5 of all Cathay stations... and can be a **role model for North America.**"

"Your operation is like watching a show."

- ### Achieve Operational Excellence
- #### Developing our Assets to Serve Community
- Completed Replacement South Runway Program
 - \$130 Million over 7 Years
 - Terminal Modernization Program
 - Completed Concourses A & C
 - Completed Rickenbacker Parkway
 - \$35 Million – 3 Phases in 9 years
 - Completed Loop Road Study for long-term Master Plan
-

Strengthen Financial Health

Section 4



Strengthen Financial Health
 Diversify & Increase Revenue
Flight Safety development to serve NetJets' growth



COLUMBUS

Strengthen Financial Health

- 22nd consecutive Certificate of Achievement for Excellence in Financial Reporting (CAFR)
- Received **AA- rating** from Kroll Rating Agency
- Negotiated new 5 year **Airline Use and Lease Agreement**
- Generated over **\$136,000** from sale of surplus assets
- Saved over **\$125,000** by updating property insurance
- Received over \$107,000 in **AEP Ohio rebates** for TMP improvements

COLUMBUS

Strengthen Financial Health
 Diversify & Increase Revenue
Development of Airside Business Park



COLUMBUS

Strengthen Financial Health
 Diversify & Increase Revenue
New Fairfield Inn & Suites | Opened August 2014



COLUMBUS

Exceed Customer Expectations

Section 5



Exceed Customer Expectations

- Maintained **high customer satisfaction scores** from CMH passengers during TMP
- Celebrated the 50th anniversary of **Jerrie Mock's** historic flight
- Launched the **"Empty Pockets, Full Plates"** program with Fifth Third Bank to benefit the Mid-Ohio Foodbank





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Maximize Regional Economic Growth

Section 6




20

Exceed Customer Expectations

Renovated Car Rental Facility

Before

After






20


Exporting from LCK

Contributing to Region's Economic Growth

747 freighter landings have increased by **155%** since 2009.

Exporting began September 2014




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Exceed Customer Expectations

B
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A
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21

Foreign Trade Zone #138

Contributing to Region's Economic Growth

2013 Top 10 Foreign Trade Zones
Merchandise Received

- Memphis, TN
- Gramercy, LA
- Baltimore, MD
- Harris County, TX
- Dallas, TX
- Los Angeles, CA
- Columbus, OH**
- Newark, NJ
- El Paso, TX
- Knoxville, TN



+129%

\$6.3 billion in cargo moved through the FTZ in 2013


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Rickenbacker Global Logistics Park

Contributing to Region's Economic Growth

American Showa Build to Suit Project
in Intermodal Campus



In closing...

The executive staff and I are **extremely proud** of our CRAA team for making 2014 an incredible year.



Port Columbus

Contributing to Region's Economic Growth

- Collaborated with Mayor's Jobs, Expansion & Transportation (JET) Task Force
- Working Groups
 - Air Service
 - Regional Transportation
 - Economic Development



CMH & LCK Air Service Additions

2014: +2% Passenger Growth

