



BOARD OF DIRECTORS | MEETING MINUTES OF FEBRUARY 24, 2015

Present: Susan Tomasky, Chair
William R. Heifner, Vice Chair
Don M. Casto, III
William J. Lhota
Jordan A. Miller, Jr.
Kathleen Ransier

Absent: Frank J. Cipriano
Elizabeth P. Kessler
Dwight Smith

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

Others Present: Steve Wartenberg, The Columbus Dispatch
John Montgomery, Central Ohio Severe Weather Network
Don Peters, Columbus Flight Watch
Alan Harding, Columbus Flight Watch

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:02 p.m.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of January 27, 2014. Hearing none, Lhota moved for approval; Heifner seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

Tomasky reported that the committee met on January 29. The committee reviewed 2014 air service activity, prospects for 2015 and received an update on Mayor Coleman's Air Service Working Group under the JET Task Force initiative.

Tomasky reported that CRAA hosted a large group from Southwest Airlines last week and we received terrific news, which was also covered at Mayor Coleman's State of the City address. Southwest will begin providing once daily service to Oakland and twice daily to Boston service beginning August 9. This service is in addition to their new

service to Washington National Airport and Dallas Love Field beginning April 8. The service to the San Francisco Bay Area in particular is very exciting news for Columbus and the Region, as it is expected to open up tremendous opportunity for the technology sector that would not be possible without nonstop service. Port Columbus currently has more than 400 passengers flying daily between the Bay Area and Columbus. The community has supported the Oakland service with a performance based revenue guarantee program, reflecting the importance of this service. Tomasky congratulated the CRAA team for this outstanding collaborative victory for Columbus.

BUSINESS DEVELOPMENT:

No report.

FACILITIES & SERVICES:

Heifner reported that the committee met on February 18.

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. Work on the ceiling and new sky lights has been significant. The skylights offer great enhancement to the area and provide a light and open feeling. Work is on schedule for the south half of the lobby, which should be complete in May. The north half of the lobby is ahead of schedule. Lessons learned from the project have been applied to accelerate the work. The overall project is to be complete by February 2016.

Heifner reported that work in Concourse B continues and is schedule to be complete July 2015. A decision was made to complete the south portion of the "T" in Concourse B. This provides the additional capacity of 3 gates.

Heifner reported that work in the baggage claim area will begin soon. The Air Traffic Control Tower at Rickenbacker is scheduled to be in service by June 2016. Request for Proposals for Air Cargo Terminal #5 are under review. CRAA staff plans to present a resolution for the selected team at the March 2015 CRAA board meeting.

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 three resolutions being presented to the board. Miller requested Bush to report on the monthly financial statements.

Bush reviewed the preliminary financial statements for the year-to-date period ending January 31, 2015.

Under the Operating Revenues – Actual vs. Budget, with \$8 million in actual revenues and a budget of \$7.6 million, this leaves a positive variance of \$356,000.

- Airline's positive variance of \$225,000 is related to the 2013 and 2014 Airline Carryforward adjustments.
- Auto Parking's positive variance of \$52,000 is the result of higher than anticipated activity in the long-term garage offset by decreased activity in the short-term garage.
- Other Income's positive variance of \$52,000 is due to increased ground handling services at Rickenbacker.

Under the Operating Expenses – Actual vs. Budget, with \$5.7 million in actual expenses, and a budget of \$6.3 million, we have a positive variance of \$598,000.

- Supplies & Materials' positive variance of \$211,000 is due to \$288,000 in the timing of spend offset by \$77,000 increase in snow supply usage due to inclement weather.
- Service's positive variance of \$341,000 is primarily the result of timing to spend of \$241,000 relating to professional services and \$100,000 in glycol discharge fees.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$62.3 million and total cash expenditures to date of \$1.4 million, this represents a year-to-date execution of 2% of the approved Capital Budget spend. The total accrued expenditures to date of \$1.4 million represent 2% of the approved Capital Budget.

Bush reported that the debt per enplaned passenger is \$17.38, 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 597 days, with the Moody's 2013 average being 526 days. Days of unrestricted cash excluding any rental car facility charges is 403 days, which is well ahead of the 365 days the Authority wants to maintain. CRAA has \$116 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 \$2.3 million vs. a budget of 1.4 million. This gives the Authority a positive Operating Income before Depreciation variance of \$953,610 as compared to budget, or 67.8%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$905.7 million with current cash and cash equivalents of \$119.6 million. Net land, property and equipment in the amount of \$748.4 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 – Roberts reported how pleased we are with Southwest Airline's growth in Columbus. With the new service, Southwest will offer 32 daily departures to 16 destinations from Port Columbus. The combination of an outstanding airline in Southwest, combined with an outstanding and growing regional economy such as ours, is very powerful and it is exciting to see these two forces coming together.

Port Columbus – All Port Columbus airlines except US Airways finished January up year over year, leading to an 8.6% increase or over 37,000 additional passengers using the airport for the month and year to date. It has been seven years – since February, 2008, just before the bottom fell out of the economy – since we have seen an increase of this magnitude. That increase in February 2008 was 17.2% greater than February 2007 and was driven by Skybus. Last month it was Air Canada that had the biggest percentage increase year over year with a 42% gain in passengers driven by an additional frequency to Toronto this year versus last. Southwest Airlines had the largest increase in passengers with nearly 16,000 more passengers this year than last – an 11% spike. Regarding US Airways, a reminder that they are merging with American Airlines with the US Airways brand expected to disappear over the next year or so. US Airways combined with American Airlines was up 2.5% in January.

Two factors drove the strong passenger increase: 1.) Better weather. Last January, 330 flights were cancelled due to winter storms while this January the airlines operated a relatively normal schedule, with just a few significant storms to the Boston and New York areas. 2.) The National Championship Game played in

Dallas this year created some passenger traffic we would not have otherwise seen. Over 5,000 passengers flew on charter flights from Port Columbus while a significant number also flew on scheduled service or out of Rickenbacker.

For both the Sugar Bowl and the National Championship game, 35 additional flights (some in late December) were added from Port Columbus and Rickenbacker allowing passengers to fly nonstop to these exciting games.

Rickenbacker Charter Terminal – The Rickenbacker Charter terminal was quite active in January with over 11,000 passengers using the facility last month. Allegiant continues to do very well beginning seasonal service to New Orleans earlier this month. As previously announced they will begin their year-round service to Fort Lauderdale in March, and just announced that they will start seasonal service to Savannah, Georgia beginning June 4. The route will be offered two times per week on Thursdays and Sundays through August 16. Savannah will be the seventh Allegiant destination from Rickenbacker.

Cargo Air Service

International air cargo continues to drive our total cargo volume up with January being no exception. International volume was up over 180% compared to last January given both Cathay Pacific and Cargolux are now exporting from Rickenbacker in addition to importing. Domestic air cargo, still the lion's share of total cargo, was down just under 2% in January leaving the month (and year) up 13%.

CRAA has two major initiatives slated for Rickenbacker this year – the new Air Traffic Control Tower and a new cargo warehouse facility that we are referring to as Air Cargo 5. We expect to break ground on the tower in the next few weeks and hope to break ground on Air Cargo 5 this summer. We are in the midst of briefing public officials on these critical infrastructure projects, seeking their support. We anticipate bringing a recommended design build contract to the Board next month for consideration to commence work on the Air Cargo Building #5 with related infrastructure.

Jobs, Expansion and Transportation

On January 28 the Mayor's Jobs, Expansion and Transportation, or JET Task Force, is scheduled to host their final meeting here at Port Columbus. The task force has been led by Dan Rosenthal of Milestone Aviation and was broken into three working groups, all of which CRAA played a key role in. The final report introduction and executive summary of key recommendations is expected to be adopted by the task force.

The primary objectives of the JET were to:

- Enhance Air Service
- Advance Port Columbus as a Regional Transportation Center
- Promote economic development in the Port Columbus area
- Sustain efforts over time.

There are several findings and recommendations under each of the objectives in the report along with detailed support. We are eager to work closely with the community to see these focused, collaborative efforts sustained over time.

Communications / Community Relations

At the March Board meeting you will be receiving a copy of CRAA's 2015 community report, formerly referred to as our annual report. The theme of this year's report is Open Sky and touches upon the organization's recent accomplishments and our future goals. While we normally distribute this report to community leaders and industry stakeholders in February, this year we opted to wait until March so that we could include the significant Southwest expansion news.

Washington DC Trip

Next week, Roberts and Richardson will be in Washington D.C. to attend the AAAE/ACI Legislative Issues Conference. They will meet with the Central Ohio Congressional representatives to discuss the need for Congress to pass legislation reauthorizing the Federal Aviation Administration and funding for airport capital improvements.

Noise Report for 2014

Total noise complaints for all CAAA airports decreased by 25 complaints (a 32% decrease) from 2013, for a total of 52 noise complaints in 2014. The total number of 2014 complaints remains well below the 10-year average of 75 noise complaints. Port Columbus' noise complaints decreased by 16 complaints (a 27% decrease) in 2014, from 59 complaints in 2013, to 43 complaints in 2014. This decrease is contributed to larger and new aircraft operating less frequently than previous years, and the replacement runway being operational for more than a year. Rickenbacker's noise complaints decreased from 16 complaints in 2013 to 8 complaints in 2014 (a 50% decrease). Bolton Field's complaints decreased by one complaint from the two complaints filed in 2013, to one complaint in 2014.

Winter Operations

After a near normal first half of the winter, the weather has turned very cold and snowy. With this weekend's storm dropping nearly 7" of snow, we have now equaled Columbus' total seasonal average snowfall of 28". Crews at both Port Columbus and Rickenbacker are working very hard and doing an outstanding job, despite a shortage of seasonal workers at both airports. As a result, the airport conditions have allowed most flights to operate normally. However, the harsh weather has resulted in numerous delays due to aircraft de-icing, and the weather in Chicago and along the eastern seaboard has resulted in the cancellation of hundreds of flights to and from Columbus. Saturday's storm resulted in 50 cancellations and 53 delays. Many of the cancellations were pre-emptive. Others, and most of the delays, were due to the inability of the airlines to de-ice their aircraft in a timely fashion. No known cancellations or delays resulted from the condition of the airport, despite the challenges posed by this storm.

Guns at Checkpoints

The TSA caught 17 firearms at the CMH screening checkpoints in 2014, nearly triple the 2013 total of six. Nationwide, TSA caught more than 2200 firearms at screening checkpoints, up 22% from 2013.

READING OF RESOLUTIONS

RESOLUTION #07-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH SHELLY AND SANDS, INC. FOR THE CONCOURSE A APRON SUBGRADE IMPROVEMENTS PROJECT, #17005, AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: **D. Casto**;
YEA: 6 NAY: 0

SECONDED: **J. Miller**
ABSTAIN: _____

RESOLUTION #08-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$73,038 TO THE MASTER SERVICES AGREEMENT WITH WOOLPERT, INC. FOR ON-CALL CIVIL ENGINEERING SERVICES AT PORT COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL, AND BOLTON FIELD AIRPORTS.

MOVED: **W. Lhota**;
YEA: 6 NAY: 0

SECONDED: **W. Heifner**
ABSTAIN: _____

RESOLUTION #09-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO AUTHORIZE THE PURCHASE IN THE AMOUNT OF \$102,704, FOR TEMPORARY PROJECT MANAGEMENT STAFFING SERVICES AT PORT COLUMBUS INTERNATIONAL AIRPORT PURSUANT TO THE COOPERATIVE STATE OF OHIO STATE TERM SCHEDULE (STS) CONTRACT #534317 WITH PROTEAM SOLUTIONS, INC.

MOVED: **J. Miller**;
YEA: 6 NAY: 0

SECONDED: **W. Lhota**
ABSTAIN: _____

RESOLUTION #10-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO AUTHORIZE AN INCREASE WITH THE SOPHIC GROUP dba IMPROVING ENTERPRISES FOR TEMPORARY PROJECT MANAGEMENT STAFFING SERVICES UNDER PROFESSIONAL SERVICES MASTER AGREEMENT PEO-2013-008.

MOVED: **W. Heifner**;
YEA: 6 NAY: 0

SECONDED: **J. Miller**
ABSTAIN: _____

RESOLUTION #11-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO AUTHORIZE AN INCREASE IN THE AMOUNT OF \$181,658 TO PROFESSIONAL SERVICES MASTER AGREEMENT PEO-2013-009 WITH STAFFORD RESOURCES dba STAFFORD TECHNOLOGY FOR TEMPORARY STAFFING SERVICES AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: **W. Lhota**;
YEA: 6 NAY: 0

SECONDED: **J. Miller**
ABSTAIN: _____

RESOLUTION #12-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE LEASING OF APPROXIMATELY 1,351 ACRES OF FARMLAND AT RICKENBACKER INTERNATIONAL AIRPORT TO CLIFTON FAMILY FARMS PARTNERSHIP.

MOVED: **K. Ransier**;
YEA: 6 NAY: 0

SECONDED: **W. Heifner**
ABSTAIN: _____

RESOLUTION #13-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE LEASING OF APPROXIMATELY 814 ACRES OF FARMLAND AT BOLTON FIELD AIRPORT TO CLIFTON FAMILY FARMS PARTNERSHIP.

MOVED: **D. Casto**;

SECONDED: **J. Miller**

YEA: **6** NAY: **0**

ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the Board, Casto moved to adjourn; Heifner seconded. Chair Tomasky adjourned the meeting at 4:44 p.m. on February 24, 2015.

Respectfully submitted,



Elaine Roberts, A.A.E.

Secretary

ER | ksw