



**COLUMBUS**  
REGIONAL AIRPORT AUTHORITY

## BOARD OF DIRECTORS | MEETING MINUTES OF FEBRUARY 26, 2013

### BOARD MEMBERS

Present:	Dwight Smith, Chair Susan Tomasky, Vice Chair Don M. Casto, III Frank J. Cipriano William R. Heifner Jordan A. Miller, Jr. Kathleen Ransier
Absent:	John W. Kessler William J. Lhota
CRAA Executive Staff:	Rod Borden, Chief Operating Officer John E. Byrum, Chief Financial Officer Robin Holderman, Chief Asset & Development Officer Tory Richardson, VP, Governmental Affairs & Strategy David Whitaker, VP, Business Development & Communications
CRAA Staff:	T. Carter, D. Finch, J. Lizotte, T. Osborn, J. Rockwell P. Streitenberger, A. Tabor, D. Wall, K. Whittington
Others Present:	Steve Wartenberg, The Columbus Dispatch Don Peters, Columbus Flight Watch William Faust, Ologie Matt Freedman, Ologie

Chair Smith called the meeting to order at 4:00 p.m.

Chair Smith asked if there were any additions or corrections to the Minutes of January 22, 2013. Hearing none, Cipriano moved for approval; Miller seconded. Minutes approved unanimously.

### BRANDING PRESENTATION

Chair Smith introduced guests from Ologie and requested David Whitaker to present the Board the Branding presentation. The PowerPoint presentation reviewed the following key points:

- What is a brand.
- The research completed by Ologie with CRAA staff and the community to discover the real story of the CRAA.
- The core values of integrity, appreciation, respect, excellence and innovation.
- Bringing the brand to life with our passengers, business partners and the community.
- Our brand promise and the benefits CRAA has to offer.
- CRAA's voice, personality, visual identity (logo), photography, and brand video.

Each Board member was presented with a branding package and new logo pin.

## COMMITTEE REPORTS

### BUSINESS DEVELOPMENT:

Casto reported that the Business Development Committee met on February 14 and requested Holderman to report.

Holderman reported that Resolution #17-13 is being presented to the Board for consideration for the sale of 61 acres at Rickenbacker at a price of \$4.5 million. CRAA staff recommends approval of this resolution.

Holderman reported that the hotel ground breaking will be in April and a Resolution to the Board is forthcoming to recommend a hotel operator.

### FACILITIES & SERVICES:

Heifner welcomed Ransier as a new member of the Facilities & Services Committee and reported the committee met on February 20 to review the Major Capital Projects report for 2013.

Also reviewed were the project status report, cost variance report, and construction schedules and timelines. The committee also reviewed the Capital Budget Variance Report, the Budget Pacing Report of budget vs. actual expenses, which includes Business Development, Finance and Technology, Operations and Facilities, Planning and Engineering, and Asset Management departments.

An open discussion was held with executives of each division including: Operations (R. Borden), Finance (J. Byrum), Asset Development (R. Holderman), Business Development & Communication (D. Whitaker), People Services (T. Richardson) and Governmental Affairs & Strategy (T. Richardson) to report on significant events. The committee discussed major projects underway including the South Runway, Terminal Modernization Program in Concourses A & C, the Data Center, and Rickenbacker Parkway improvements. The committee also reviewed the proposed resolutions being presented to the Board.

### FINANCE:

Miller reported that the Finance Committee met prior to the Board meeting and that the Authority's financials are in excellent condition. Miller requested Byrum to report on the financial statements. Byrum reviewed the financial statements for the year-to-date period ended January 31, 2013. Under the Analysis of Operating Revenues, with \$6.8 million in actual revenues and a budget of \$6.9 million this leaves a negative budget variance of \$159,000. Airline revenue's negative variance of \$116,000 is a result of a higher 2012 Airline carry forward due to increased 2012 expenses.

Under the Analysis of Operating Expenses, with \$6.3 million in actual expenses, and a budget of \$5.6 million, we have a negative variance of \$704,000. Salaries & Wages' negative variance of \$280,000 is due to the payout of accrued sick, vacation and compensatory time. Services' negative variance of \$484,000 is due to the purchase of the America's Best Value hotel at \$1.3 million and recording the transaction in accordance with generally accepted accounting principles (GAAP). This is offset by \$819,000 by the timing of spending related to professional services. The hotel was purchased with capital funds and was not budgeted in the operating budget, as the Authority did not know about the purchase at the time of establishing the budget.

Byrum reviewed the Statement of Net Asset Analysis. With an approved Capital Budget of \$72.3 million and expenditures to date of \$2.6 million, this represents a year-to-date execution of 4% of the approved Capital Budget spend. Byrum reported that the debt per enplaned passenger is \$19.72, compared to the Moody's Average of \$68.87 from 2011, which is positive and reflects low debt levels at the airport. The days of unrestricted cash on hand are 512 days, with the Moody's 2011 average being 486 days. We have \$103.9 million of outstanding debt, and \$20.0 million outstanding under our Revolving Credit Facility.

During February, the Authority reduced the amount of the credit facility outstanding by \$5 million to a total of \$15 million. This will be reflected in next month's Financial Statements.

Under the Statement of Revenues, Expenses, and Changes in Net Assets vs. Budget, actual Operating Revenues are \$6.8 million and actual Operating Expenses are \$6.3 million leaving Operating Income before Depreciation of \$446,076. This gives the Authority a negative variance of \$863,082 as compared to budget or -65.9%.

Under the Combined Statement of Net Assets vs. Prior Year End, total current assets totaled \$864.5 million with cash and cash equivalents being \$101.5 million. Land, property and equipment in the amount of \$720.3 million is the largest asset on the statement of net position.

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## HUMAN RESOURCES:

No report.

## PRESIDENT & CEO REPORT

**Borden referred** to the monthly activity report. Port Columbus passenger activity was down 2.1% compared to last January (as well as year to date). If you note at the bottom of page one of the activity report, commercial airline operations were down nearly 5% in January reflecting continued fine-tuning of airline schedules to streamline flight activity while retaining as much market share as possible. In addition to reduced operations, no football bowl activity for the Buckeyes this year and a wintery January leading to some flight cancellations likely had a negative year over year impact on January's figures.

**Borden reported** that on the activity report, we have introduced load factor information, per the Board's request last month. January's load factor came in at 70%, slightly below the past couple of years load factor. January is typically a slower travel month with generally lower load factors than the rest of the year. A note of caution regarding the most recent month's load factors shaded in grey on the report. Whitaker explained to the Board that these represent our calculations of load factor versus the Department of Transportation (D.O.T.) calculation, which is several months in arrears. The D.O.T. data is considered more accurate and can be a few points different from our calculation based on more limited information available to us.

**Borden reported** that Delta's spring seasonal schedule returned February 16 with weekly flights to Cancun and Orlando and the new destination of Fort Myers. Flights are throughout the spring and conclude at the end of March or early April. Delta's non-stop flight to Los Angeles returns on March 3 with three weekly flights until summer when frequencies typically increase. Southwest and AirTran increased their spring service to Orlando and Tampa, with a combined four daily flights to each destination during the spring months. Frontier begins service three times a week to Trenton, NJ effective April 8 and will operate from Concourse B.

**Borden referred** to Rickenbacker activity. Allegiant continues to provide service from the Rickenbacker Charter Terminal to Orlando Sanford airport, which is very helpful to our goal of achieving additional federal funding. We are working closely with them to expand service at the right time for them and all indications are positive.

**Borden reported** that cargo tonnage at Rickenbacker was up 5.3% last month (as well as year to date) compared to January 2012 so we are off to a good start in that area. Dave Whitaker and Bryan Schreiber on Whitaker's team will be traveling to Asia again in April to meet with industry leaders and participate in an industry conference in an effort to continue the upward trend.

**Borden reported** that the Airport Authority has reconvened the Columbus Region Air Cargo Association, which is a trade organization primarily comprised of local shippers, freight forwarders, trucking and 3PL companies serving the air cargo industry in central Ohio. The mission of the Columbus Region Air Cargo

Association is to find synergies among participants that will strengthen and develop the local air cargo environment. The end goal is to benefit those companies who ship through central Ohio by air with increased frequencies and cost-effective service.

**Borden reported** that we are preparing to welcome thousands of visitors this week for The Arnold Sports Festival February 28 – March 3, and have enjoyed working closely with the Festival’s organizing team again this year to ensure a warm welcome to Columbus.

**Borden reported** that we hosted our first Certified Tourism Ambassador (CTA) class for our volunteer Airport Ambassadors. The CTA program is an initiative being led by Experience Columbus as part of their Experience Dedicated Destination project. The CTA program is a nationwide certification program that teaches front line employees and volunteers the value of tourism to our local economy, how to ensure each interaction they have with a guest creates a positive experience for that guest, and customer service best practices. We are excited to be on the leading edge of this new community initiative.

**Borden reported** that TSA will be replacing the body scanners at the Port Columbus security checkpoints pursuant to a congressional mandate. The manufacturer of the equipment currently in use was unable to develop new software that addressed privacy concerns in time to meet the May 31, 2013 deadline established by Congress. As a result, TSA intends to replace the existing x-ray based equipment with new L-3 scanners that use millimeter wave technology. TSA has said they intend to complete the work by the end of March. We will have a net reduction of one scanner at Concourse B. However, the new L-3 equipment is faster and there should be no degradation in the time it takes to process passengers through security.

**Borden reported** that CRAA staff is in discussions with local TSA regarding a new program being piloted in Indianapolis and Tampa, called managed inclusion, as a means to bring TSA’s Pre-Check program to Columbus. Pre-Check is the expedited screening program that allows previously vetted passenger to avoid removing shoes, light outerwear, etc. Because of the configuration of our concourses and checkpoints, Pre-Check might actually degrade overall screening efficiency by diverting resources from normal screening operations. Managed Inclusion allows pre-screening of passengers by bomb dogs and TSA behavior detection officers, and then randomly diverting some of them into the Pre-Check lanes, thereby enhancing efficiency. The pilot program has been successful and well received by passengers.

**Borden commented** that there has been recent media coverage regarding Rickenbacker’s candidacy to receive the KC-46A, the new Air Force aerial refueling tanker aircraft. Rickenbacker has been designated as one of five finalist Air National Guard units to receive the new airplane in its initial rollout. A program team was on site in late January to conduct an evaluation of Rickenbacker. Charlie Goodwin attended the out briefing and reported that the evaluation team was favorably impressed with both the airport and the local Guard unit. We believe that a final decision is at least a year away, and that actual deployment of the aircraft will not occur until 2018.

**Borden reported** that with sequestration being all but certain to take effect on March 1, we have looked at the near impacts on the operation of the airports. The most significant concerns are potential staffing reductions in air traffic control and TSA screening operations. No impacts are expected on air traffic control at Port Columbus and Rickenbacker. FAA has identified Bolton Field as a candidate for closure of the control tower. If that occurs, the airport will continue to operate with the procedures applicable to uncontrolled airports. Bolton’s tower presently operates only 12-hours per day. TSA does not expect staffing reductions until at least the end of March, which will get us through the heavy spring break period. As of about a week ago, no specific information has been shared with local TSA officials regarding possible staffing impacts in April and beyond.

**Borden reported** that the Authority is in the middle of the annual audit and we expect a final signoff later this week.

**Borden reported** that we are currently reviewing our health care benefit options and will be discussing this with the Board’s Human Resources Committee in March.

**Borden reported** that we are preparing for the strategic planning session with the Board of Directors on April 23, 2013.

**Borden reported** that the South Runway will be commissioned on August 22, 2013 and that we received a visit on February 12, 2013 from Barry Cooper, FAA's Regional Administrator of the Great Lakes Region. Cooper assured FAA support of the runway project. Cooper also toured the North Runway with our Planning & Engineering staff.

## READING OF RESOLUTIONS

**RESOLUTION #10-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY FORMALLY ENDORSING A COMPREHENSIVE BRAND STRATEGY FOR THE AIRPORT AUTHORITY, PORT COLUMBUS INTERNATIONAL AIRPORT, BOLTON FIELD AIRPORT AND MULTIPLE COMPONENTS OF RICKENBACKER, AND THE RELATED BRAND STANDARDS BASED UPON THE DEFINED STRATEGIES.

MOVED: S. Tomasky;      SECONDED: D. Casto  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #11-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$156,978 TO THE TASK ORDER #1 WITH CRITICAL BUSINESS ANALYSIS INC. (CBA) FOR PROFESSIONAL SERVICES NECESSARY TO INTEGRATE CRAA'S CAPITAL BUDGETING AND PLANNING PROCESS INTO EXISTING PRIMAVERA SOFTWARE.

MOVED: J. Miller;      SECONDED: W. Heifner  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #12-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH CDW-G FOR THE PURCHASE OF BLADE SERVERS AND NETAPP STORAGE SYSTEM EQUIPMENT IN THE AMOUNT OF \$396,310.26 FOR THE DATA CENTER RELOCATION PROJECT #10027, AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: K. Ransier;      SECONDED: S. Tomasky  
YEA: 6 NAY: 0      ABSTAIN: \_\_\_\_\_Dwight Smith\_\_\_\_\_

**RESOLUTION #13-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH ADVIZEX TECHNOLOGIES, LLC FOR THE PURCHASE OF CORE NETWORK HARDWARE IN THE AMOUNT OF \$419,614 FOR THE ANNUAL TECHNOLOGY REFRESH PROJECT #13024 AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner;      SECONDED: S. Tomasky  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #14-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$410,000 TO THE CONTRACT WITH LANDRUM & BROWN, INC. FOR ON-CALL ENVIRONMENTAL REVIEW (NEPA) SERVICES AT PORT COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL AND BOLTON FIELD AIRPORTS.

MOVED: S. Tomasky;      SECONDED: K. Ransier  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #15-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE TO THE CONSTRUCTION MANAGER AT RISK GUARANTEED MAXIMUM PRICE (GMP) CONTRACT WITH MESSER CONSTRUCTION CO. IN AN AMOUNT UP TO \$877,751 FOR CONCOURSE A TELCO ROOM CONSTRUCTION AND PAGING SYSTEM UPGRADES AT PORT COLUMBUS INTERNATIONAL AIRPORT WITH

GMP AMENDMENTS SUBJECT TO REVIEW AND APPROVAL BY THE BOARD CHAIR AND FACILITIES AND SERVICES COMMITTEE CHAIR.

MOVED: K. Ransier;      SECONDED: S. Tomasky  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #16-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONSTRUCTION MANAGER AT RISK GUARANTEED MAXIMUM PRICE (GMP) CONTRACT WITH GILBANE BUILDING COMPANY IN AN AMOUNT UP TO \$5,467,766 FOR CONCOURSE C MODERNIZATIONS AT PORT COLUMBUS INTERNATIONAL AIRPORT, WITH GMP AMENDMENTS SUBJECT TO REVIEW AND APPROVAL BY THE BOARD CHAIR AND FACILITIES AND SERVICES COMMITTEE CHAIR.

MOVED: W. Heifner;      SECONDED: J. Miller  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #17-13** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT FOR SALE OF APPROXIMATELY 60.866 ACRES OF LAND LOCATED ON ROHR. RD. NEAR RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: F. Cipriano;      SECONDED: K. Ransier  
YEA: 7 NAY: 0      ABSTAIN: \_\_\_\_\_

#### OTHER BUSINESS

With no further business being brought before the Board, Tomasky moved to adjourn; Miller seconded. Chair Smith adjourned the meeting at 4:45 p.m. on February 26, 2013.

Respectfully submitted,



Elaine Roberts, A.A.E.  
Secretary  
ER/ksw