



**COLUMBUS**  
REGIONAL AIRPORT AUTHORITY

## BOARD OF DIRECTORS | MEETING MINUTES OF APRIL 28, 2015

Present: Susan Tomasky, Chair  
William R. Heifner, Vice Chair  
Don M. Casto, III  
Frank J. Cipriano  
Elizabeth P. Kessler  
Jordan A. Miller, Jr.  
Dwight Smith

Absent: William J. Lhota  
Kathleen Ransier

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

CRAA Staff: A. Beaver, S. Bell, H. Brown, D. Finch, C. Goodwin, M. Kelby,  
J. Lizotte, B. Sarkis, P. Streitenberger, D. Wall, 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. on Tuesday, April 28, 2015.

Chair Tomasky encouraged board members and guests to visit the Ticket Lobby area towards the Southwest ticketing area to see the numerous changes, particularly the new natural lighting.

## MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of March 24, 2014. Hearing none, Casto moved for approval; Heifner seconded. Minutes approved unanimously.

## LOOP ROAD STUDY PRESENTATION

Roberts reported that over one year ago, the board approved a \$400,000 Loop Road study. The study involved both external and internal stakeholders and identified long-term opportunities and optimal uses for the Loop Road Land consistent with the CRAA Master Plan and Program Management Airport Development Plan.

Roberts requested D. Wall to present the Loop Road Study findings. Wall provided a presentation to the board which covered the background of the study, forecast, Phase 1 development, Phase 2 development, environmental reviews, and the cost estimate. All board members were provided a DVD and Executive Summary of the Loop Road Land Use Study.

## COMMITTEE REPORTS

### AIR SERVICE DEVELOPMENT:

Tomasky reported that the committee met on April 23, 2015 and reviewed the passenger traffic statistics. The committee discussed prospects for a flight to London and other market opportunities. The committee will continue discussions with airlines and the community. The committee discussed the JET task force findings. The committee discussed the Oakland flight and other new announcements.

### BUSINESS DEVELOPMENT:

Casto reported that the committee met on April 21, 2015. The committee discussed the ACT5 building at Rickenbacker and potential resolutions to be presented to the board in May dependent upon funding. Several development opportunities at Port Columbus and Rickenbacker were discussed, however, are not ready for open discussion.

### FACILITIES & SERVICES:

Cipriano reported that the committee met on April 22, 2015.

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 2015/2016 Capital Budget Update report.

Cipriano reported that the committee discussed projects including work on Concourse B, the Ticket Lobby, baggage claim renovations, curb front improvements, runway improvements, the Rickenbacker Air Traffic Control Tower which is scheduled to open June 2016, ACT5, ramp construction at Rickenbacker, and the Loop Road Study.

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 also met with the auditors, Plante & Moran to discuss the 2014 audit report. The auditors found no deficiencies or weaknesses, instances of non-compliance, no deficiencies in internal controls for Federal award programs; no difficulties, and no management consultations with other accountants. The committee met independently with the auditors who were very complimentary of CRAA staff. The auditors performed a surprise audit of payroll accounting and found zero deficiencies.

Miller requested Bush to report on the financial reports. Bush reviewed the preliminary financial statements for the year-to-date period ending April 30, 2015.

Under the Operating Revenues – Actual vs. Budget, with \$24.2 million in actual revenues and a budget of \$23.3 million, this leaves a positive variance of \$936,000.

- Other Income's positive variance of \$336,000 is due to increased ground handling services at Rickenbacker of \$340,000 offset by a decrease in lift fees of \$4,000.
- Air Freight's positive variance of \$407,000 is due to a \$218,000 increase in landing fees related to unreported 2014 cargo landings, and a \$189,000 increase in Rickenbacker fuel revenue.

Under the Operating Expenses – Actual vs. Budget, with \$17.9 million in actual expenses, and a budget of \$17.8 million, we have a negative variance of \$130,000.

- Salaries & Wage's negative variance of \$617,000 is related to less than anticipated project management hours of \$80,000 and \$152,000 in overtime related to inclement weather. The remaining increase is due to higher than anticipated sick leave accruals of \$207,000, incentives of \$104,000 and \$74,000 related to budget pacing.
- Benefits & Personnel's positive variance of \$180,000 is due to a reduction in OPERS and health insurance costs of \$222,000 related to open positions, offset by less than anticipated project management hours of \$42,000.
- Supplies & Materials' positive variance of \$181,000 is due to \$374,000 in the timing of spend and \$139,000 decrease in FBO usage offset by \$332,000 increase in snow supply usage due to inclement weather.
- Services' positive variance of \$238,000 is primarily the result of increased utilities related to inclement weather of \$343,000 offset by the timing of spend for professional services of \$581,000 related to airport maintenance.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$62.3 million and total cash expenditures to date of \$5.9 million, this represents a year-to-date execution of 10% of the approved Capital Budget spend. The total accrued expenditures to date of \$7.8 million represents 13% of the approved Capital Budget.

Bush reported that the debt per enplaned passenger is \$28.72, compared to the Moody's Average of \$66.92 from 2013, which reflects the recent borrow of \$40 million. The days of unrestricted cash on hand is 593 days, with the Moody's 2013 average being 526 days. Days of unrestricted cash excluding any rental car facility charges is 395 days, which is ahead of the 365 days the Authority wants to maintain. CRAA has \$112.6 million of outstanding debt which includes \$2 million outstanding under our Revolving Credit Facility.

Under the Statement of Revenues, Expenses, and Changes in Net Position vs. Budget, actual Operating Income before Depreciation is \$6.3 million vs. a budget of 5.5 million. This gives the Authority a positive Operating Income before Depreciation variance of \$805,833 as compared to budget, or 14.7%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$904.2 million with current cash and cash equivalents of \$120 million. Net land, property and equipment in the amount of \$747 million is the largest asset on the Combined Statement of Net Position.

## HUMAN RESOURCES:

Smith reported that the committee met on April 24, 2015 to review and approve several items.

The committee received an update from staff on the 2015-2016 health and wellness benefits renewal process. Staff has negotiated the various elements of the plans and the premiums associated with those plans. The open enrollment process concluded this past week. The plan year runs from May 1 to April 30.

The committee discussed the Collective Bargaining Agreement with the OPBA, which represents about eight of CRAA's police corporals and sergeants. These team members, like all employees, are critical to the safe and efficient operation of our airports and we have been negotiating to provide a fair and equitable contract to these valued employees.

Negotiations began in January of 2015. The parties had several productive negotiation sessions which resulted in a tentative agreement on all contract articles. On March 30, 2015, the OPBA bargaining unit members voted and approved the tentative agreement that included the following economic provisions, similar to the other two collective bargaining agreements in place at CRAA:

- 3% wage increase each year of the collective bargaining agreement
- 1% reduction from employer paying the employee's share of pension each year of the collective bargaining agreement
- 13% contribution from the employee towards the cost of health insurance for this year, 14% next year, and 15% during the last year of the contract

Two resolutions: #28-15 and #29-15 are presented to the full Board for review and approval to implement the changes contemplated in the new OPBA agreement. The Committee reviewed the resolutions and recommends approval.

The committee reviewed the Authority's 2014 and 2015 pay-for-performance programs. The committee has recommended some changes for staff to incorporate into the plan documents and authorized associated payouts under the plans.

Finally, the committee is seeking clarification and ratification of the delegation of certain powers and duties from the Board to the Board Human Resources Committee. Resolution #30-15 addresses those items and is being presented to the board for consideration.

The next committee meeting is scheduled for June 25, 2015.

## PRESIDENT & CEO REPORT

**Roberts reported** on the following business items:

### **Passenger Air Service**

#### **Overview**

The month of March and the first quarter as a whole were excellent for CRAA as we ride the wave of an improved economy and a region that is among the best performing in the country. Passenger and cargo numbers reflect this very refreshing economic climate.

#### **Port Columbus**

Port Columbus saw a 2.2% growth of passengers in March compared to the year prior with over 580,000 travelers taking to the skies. If you compare this March to March, 2013, we experienced 7% growth. We ended the recent quarter up 4.1%, the best first quarter from a passenger perspective since 2008 – which was heavily influenced by Skybus activity.

Delta saw the largest increase in traffic with 9,400 more passengers flying than in March of last year, a growth of 7%. This increase matches the amount of scheduled seats that the airline added during the busy travel month.

Our largest carrier Southwest is trending up 4.5% year to date with another solid month of passenger growth in March – up 2%. This month Southwest launched its daily service to both Dallas Love Field and Washington D.C. Ronald Reagan Airport on April 8. New Oakland and Boston service will be introduced in August along with an additional Atlanta frequency.

Air Canada saw a passenger increase of 48% when compared to March of last year, driven by additional capacity, while United experienced flat passenger activity in March but is up 3% year over year for the first quarter.

American, combined with US Airways, saw a -3% decrease in passengers for the month. It is important to note that this decrease is in comparison to March of last year, which saw American and US Airways' passengers grow by 11% compared to the year prior.

### **Rickenbacker Charter Terminal**

Over 14,000 passengers traveled on Allegiant at the Rickenbacker Charter Terminal in March, an increase of 68% compared to the year prior. The airline launched its year-round service to Fort Lauderdale on March 13, and this month returns its seasonal service to Myrtle Beach.

### **Allegiant Ground Handling Audit**

Earlier this month, Allegiant Airlines conducted a 3-day compliance and quality assurance audit of the ground handling operation at Rickenbacker. We earned a perfect score with zero non-conformances. We are the only ground handling agent to achieve a perfect score from Allegiant so far this year, and only the eighth since the beginning of 2013. The FAA performed a similar 3-day audit in March as part of their Allegiant inspection program, with identical results.

### **Rickenbacker Cargo**

March saw a continuation of outstanding volume increases at Rickenbacker as the airport capitalized on the labor disputes impacting west coast deep water ports. In March Rickenbacker experienced an additional 56 wide body freighter flights, primarily out of Asia, carrying assembly line parts and consumer goods to keep factories running and store shelves stocked. Cargo handled at Rickenbacker was almost double (up 96%) what was handled in March of 2014 at nearly 25M lbs. of throughput, with the international portion almost six times what it was in 2014 (up 576%). Domestic air cargo was down 6% for the month.

As the port labor issues have been largely resolved, the charter activity has tapered off in April, however, one long term result of the charters has been making very favorable impressions on a number of first time users, including airlines and freight forwarders. This heightened awareness on the international stage is a boost to future business development efforts currently underway. Another item to note is that the airport saw its very first livestock flight depart Rickenbacker since recently becoming certified by the United States Department of Agriculture as one of the few US airports that can serve as a departure point for animals. Further business development efforts in this niche area are also currently underway. All totaled, Rickenbacker handled 56.6M lbs. of air cargo in the first quarter of 2015, up 63% from the first quarter of 2014.

In order to capitalize on the current momentum there have been several business development visits to air cargo "catchment" cities in the region in order to talk to air freight forwarders in those cities about the benefits of scheduling their cargo services through Columbus / Rickenbacker. The BD team also had productive meetings at the annual conference for industry heads of air cargo transportation companies and airlines, and will travel to Europe in May to engage potential future business partners at one of the world's largest logistics shows.

### **Communications | Positive Feedback to 2015 Community Report**

The CRAA Board of Directors were sent the 2015 Community Report. CRAA has received very positive feedback to the Authority's 2015 Report, which highlights the organization's recent accomplishments and future goals. We welcome your thoughts and opinions as well.

## FAA Reauthorization

Last month, Tory Richardson reported on CRAA's efforts in Washington D.C. to seek support from our elected officials to pass an FAA Reauthorization Bill which would include increased airport funding through the Airport Improvement Program (AIP), an increase in the Passenger Facility Charge (PFC), and the Federal Contract Tower Program. We were very pleased to see the Dispatch Editorial Board support the proposed PFC increase in a key editorial that ran on April 4. A week later a senior representative of the Airlines for America trade association responded with a letter to the editor stating that airports don't need an increase in the passenger fee. The irony is that all the airlines serving Port Columbus have requested that we use the maximum amount of PFCs possible for projects like our recent replacement runway, inline baggage handling system, and other key projects to reduce the need for issuing new debt to pay for these projects. (Copies of both editorials were provided in the Board packet.)

## South African Aviation Forum

Thank you for understanding my absence at last month's Board meeting. I attended a U.S.-South African Aviation Forum sponsored by the U.S. Trade and Development Agency in cooperation with the U.S. Department of Transportation and FAA. I was honored to participate on a panel that discussed the importance of women's leadership in the aviation sector. This event previewed the launch of Tomorrow's Transportation Leaders, which is an initiative under the current Administration that will include up to five workshops over the next 2 years to engage 100 young African transportation professionals on adopting U.S. best practices. One of those workshops will be specifically focused on women's inclusion in the transportation workforce. It was a very rewarding and informative Forum.

## Winter Operations

Final numbers are in for 2014-15 winter operations. Port Columbus received 32.9" of total snowfall, approximately 5-1/2" or 20% above our average annual total of 27-1/2 inches. Snow removal costs totaled \$1.7 million for all three airports. This was \$400,000 less than last winter, but \$500,000 more than the two prior winters.

## READING OF RESOLUTIONS

**RESOLUTION #24-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN AN AMOUNT NOT TO EXCEED \$168,000 TO THE MASTER SERVICES AGREEMENT WITH RS&H OHIO, INC., FOR GENERAL, ON-CALL AIRFIELD ENGINEERING SERVICES FOR MISCELLANEOUS AIRPORT PROJECTS AT PORT COLUMBUS, RICKENBACKER AND BOLTON FIELD.

MOVED: **W. Heifner**;

YEA: **7** NAY: **0**

SECONDED: **J. Miller**

ABSTAIN: \_\_\_\_\_

**RESOLUTION #25-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT IN THE AMOUNT OF \$344,267 WITH DECKER CONSTRUCTION FOR THE B APRON REHABILITATION AT BOLTON FIELD AIRPORT.

MOVED: **D. Casto**;

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

SECONDED: **D. Smith**

ABSTAIN: **W. Heifner**\_\_\_\_\_

**RESOLUTION #26-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT IN THE AMOUNT OF \$932,982 WITH M-B COMPANIES, INC., FOR THE PURCHASE OF TWO (2) REPLACEMENT HIGH SPEED SNOW BROOMS, PROJECT #15010, FOR USE AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: **J. Miller**;

YEA: **7** NAY: **0**

SECONDED: **W. Heifner**

ABSTAIN: \_\_\_\_\_

**RESOLUTION #27-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT IN THE AMOUNT OF \$324,227.40 WITH GOLON, INC. FOR THE CONCRETE JOINT REPAIRS PHASE 3 PROJECT AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner;  
YEA: 7 NAY: 0

SECONDED: J. Miller  
ABSTAIN: \_\_\_\_\_

**RESOLUTION #28-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT & CEO TO ENTER INTO A THREE-YEAR NEGOTIATED COLLECTIVE BARGAINING AGREEMENT WITH THE OHIO PATROLMEN'S BENEVOLENT ASSOCIATION, RETROACTIVE TO APRIL 1, 2015, THROUGH MARCH 31, 2018.

MOVED: D. Casto;  
YEA: 7 NAY: 0

SECONDED: J. Miller  
ABSTAIN: \_\_\_\_\_

**RESOLUTION #29-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY RESCINDING RESOLUTIONS 13-11 AND 49-12, AND AUTHORIZING THE CONTINUATION OF THE EMPLOYER PICK-UP PLAN FOR EMPLOYEES' SHARE OF PUBLIC EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS FOR CERTAIN EMPLOYEES.

MOVED: J. Miller;  
YEA: 7 NAY: 0

SECONDED: W. Heifner  
ABSTAIN: \_\_\_\_\_

**RESOLUTION #30-15** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY DELEGATING CERTAIN POWERS AND DUTIES OF THE BOARD TO THE BOARD HUMAN RESOURCES COMMITTEE TO: ANNUALLY REVIEW AND ESTABLISH COMPENSATION AND OTHER BENEFITS OF ITS OFFICERS IN COMPLIANCE WITH THE BOARD BYLAWS ARTICLE V.4.; ANNUALLY REVIEW AND APPROVE CRAA'S PAY FOR PERFORMANCE COMPENSATION PROGRAMS AND AUTHORIZE PAYOUTS UNDER THE PROGRAMS IN ACCORDANCE WITH THE PROGRAM DOCUMENTS, SUPPORT MATERIALS, AND PERSONNEL BUDGET; AND TO ANNUALLY ESTABLISH THE PERSONNEL BUDGET AND HEADCOUNT.

MOVED: J. Miller;  
YEA: 7 NAY: 0

SECONDED: W. Heifner  
ABSTAIN: \_\_\_\_\_

## OTHER BUSINESS

With no further business being brought before the board, Smith moved to adjourn; Miller seconded. Chair Tomasky adjourned the meeting at 5:04 p.m. on April 28, 2015.

Respectfully submitted,



Elaine Roberts, A.A.E.  
Secretary

ER | ksw