



MEETING OF THE CRAA BOARD OF DIRECTORS | MINUTES OF JULY 26, 2022

Present:	William R. Heifner, Chair Elizabeth P. Kessler, Vice Chair Frederic Bertley Paul Chodak, III Ramon Jones Kenny McDonald Jordan A. Miller Karen J. Morrison
Absent:	Terrance Williams
CRAA Strategic Leadership Staff - in person:	Joseph R. Nardone, President & Chief Executive Officer Casey Denny, Chief Operations Officer Kristen Easterday, Director, Communications & Public Affairs Shannon Fitzpatrick, Chief People Officer Charlie Goodwin, Director, Operations & Aviation Business Services Nicole Loucks, Interim General Counsel Tom McCarthy, Chief Planning & Engineering Mario Wong, Jr., Chief Financial Officer
CRAA Staff – in person:	J. Gardner, R. Gray, K. Hartwig, R. Jones, S. McQuaide, B. Sarkis, B. Taylor, C. Wing
CRAA Staff – via telephone:	T. Allen, S. Bell, E. Fellows, M. Joeright, C. Pollack, K. Shirer
Members of the Public present – via telephone:	Patrick Cooley - The Columbus Dispatch John Gallagher - CHA Consulting Matthew Jiang – BofA Securities, Inc. Peyman Majidi – City of Columbus, Department of Public Utilities

CALL TO ORDER

Chair Heifner called the meeting of the Columbus Regional Airport Authority Board of Directors to order at 4:04 p.m., Tuesday, July 26, 2022. Board member, staff and guest attendance was confirmed through visual or electronic means. Gardner confirmed that all attendees were able to hear the meeting and had access to the meeting materials.

MINUTES

Chair Heifner asked if there were any corrections to the minutes for May 24, 2022. Hearing none, Jones moved for approval; Chodak seconded. Motion to approve the minutes passed.

COMMITTEE REPORTS

Air Service and Customer Experience Committee:

Bertley reported the committee had not met since the last Board meeting.

The committee's next meeting is scheduled for August 17, 2022.



Business Development & Logistics Committee:

Kessler reported the committee met on July 20, 2022, and discussed:

- Logistics business update noting that the market is softening as global air freight demand declines.
- Real estate activities for the authority.

Board members inquired regarding any operational changes being made due to the softening of freight. Goodwin responded that although the cargo volume is still better than 2019 the team is being conservative and working to budget more precisely.

Board member Miller congratulated the team on management through the crisis.

The committee's next meeting is scheduled for October 19, 2022.

Facilities, Services & Innovation Committee:

Chodak reported the committee met on July 20, 2022, and discussed:

Safety

All leading safety indicators were met for the month of June.

- There was only one recordable incident or lost time injuries during the second quarter.
- The FAA is conducting the yearly Part 139 airport operating license inspection at CMH and LCK.

Update regarding the power interruptions experienced in the region in June the airport did not experience any operational issues as a result.

CMH – John Glenn International

- Construction is complete on the Garage Reclamation project. Level one opened to the public on May 7, 2022, including the addition of 20 EV charging stations.
- The construction of the rehabilitation of the Hold Pad for Runway 28L began in May 2022 with completion anticipated in Fall 2022.
- Taxiway C Relocation Phase I construction bids were received, and a resolution is being presented for approval. Construction is anticipated to commence in Spring 2023 pending the approval of a grant from the FAA. In addition, a resolution is being presented for a contract to design Phase II of the project.

LCK – Rickenbacker

- Ramp 1 Rehabilitation construction is underway and on schedule to be completed in the Fall 2022.
- Parking Lot #4 construction is out for bid, with responses due on July 28, 2022. Construction is anticipated to commence later this year with project completion scheduled for December 2022.
- Cargo Campus Development permits were submitted to the US Army Corps of Engineers for wetland and stream mitigation. Resolutions are being presented today for wetland mitigation agreements with Stream and Wetland Foundation and the Wetland Resource Center for isolated wetlands with the Ohio EPA.

TZR – Bolton Field

- The TZR T-Hangar Expansion bids were received on June 16, 2022. Only one bid was received and was deemed not awardable due to cost exceeding the engineer's estimate. The project is being deferred to 2023.

2022 Capital Improvement Plan (CIP)

- The current projected spend is \$37.7M vs a budgeted \$39.9M. The spend to date was reported as \$10.58M.

Innovation & Technology Update

Update focused on Organizational Maturity, Cyber Security, the ERP Project and planned Technology Investment.



- Third party assessments were conducted regarding Organizational Maturity and Cyber Security in 2021 and 2022. The scores have improved year-over-year and goals have been set for 2023 to bring overall scores in-line with industry standards.
- The ERP project is underway and scheduled to go live with the payroll module in December 2022, with full implementation expected in July 2023.

Resolutions

Review of eight resolutions: 33-22, 34-22, 35-22, 36-22, 37-22, 38-22, 39-22, and 40-22. The committee recommends their approval.

The committee's next meeting is scheduled for August 17, 2022.

Finance & Audit Committee:

Miller reported the committee met on July 20, 2022, and discussed:

June financial results which showed the following:

- Net operating income for the month of June was \$5.7M which totals \$33.3M year to date with CARES relief. The increase in non-airline revenues and cost discipline is driving profitability.
- Enplanements for June were 374K, bringing year-to-date to 1.9M which is approximately 86% of 2019 levels.
- With continued focus on building cash reserves, CRAA currently has \$222M in unrestricted cash on hand. This represents approximately 1,062 days of cash.
- Revenues were \$70M, favorable \$7.2M to budget.
 - Airlines: Airline revenue is favorable year-to-date by 6% due to higher than anticipated landed weight and gate usage.
 - Parking: Continues to drive the profitability of the authority by outperforming all other revenue streams. YTD revenue is 93.7% of 2019.
 - Hotels: Growth in the occupancy rate from 62% in April to 71% in June. Along with the growth in occupancy rates, an increase was realized in the Average Daily Rates.
 - Cargo: Flat from prior months.
- Expenses were \$45.7M, favorable \$3.4M to budget.
 - Staffing & Benefits: Vacancies are driving favorable variance against budget. Committee asked about staff variance and if it is related to issues finding and retaining staff? Staff responded that CRAA is having issues regarding both finding and retaining staff. Staff has a focus on continued recruiting but market is challenging. Increases have been made to salaries and the current lowest hourly rate is \$18 per hour for custodial staff members.
 - Services: Continued favorable spend against budget.
 - Contract labor: Competitive job market driving unfavorable variance to budget.
- Operating Income
 - As noted earlier, parking revenue is the driver in the better than planned revenue YTD variance of \$6.7M.
 - Generated \$10.6M of favorable year-to-date net operating income.

The committee received an update on the status of internal audits.

The committee's next meeting is scheduled for August 17, 2022.

Human Resources Committee:

Morrison reported the committee had not met since the last Board meeting.

The committee's next meeting is scheduled for October 19, 2022.



PRESIDENT & CEO REPORT

Nardone provided brief remarks regarding the July President's Report, which may be obtained in full online:

<https://columbusairports.com/about-us/leadership-team/craa-board-of-directors/craa-board-meetings-and-minutes>

Nardone shared the following top takeaways:

- **Emergency preparedness exercise:** On June 15, 2022, CRAA conducted its triannual full-scale exercise at Rickenbacker International Airport. This is a requirement of the Federal Aviation Administration and included simulated fire, rescue operations and a medical evacuation helicopter. The exercise was successful and demonstrated not only CRAA's commitment to safety but our community's commitment as well. The authority had the opportunity to engage with 15 partner agencies, organizations and municipalities as well as dozens of volunteers.
- **Rickenbacker accepts relief shipment of infant formula:** On June 17 and July 21, Rickenbacker received air shipments containing nearly 2 million 8-ounce bottles—of Bubs Australia infant formula from Melbourne, Australia as part of the federal government's Operation Fly Formula. Rickenbacker was chosen as one of the few airports to receive these vital shipments due to geographic advantage and speed to market. With these shipments, Rickenbacker continues to uphold its reputation as an important national asset, having also served as one of the select few airports to receive FEMA shipments of PPE during the pandemic. This incredibly positive story for our region received coverage by all local news outlets, earning a local reach of more than two million people. Board member Jones inquired about the baby formula media event and if it was CRAA's or the formula company. Easterday spoke of the press event for the formula company and the CRAA teams' assistance regarding media contacts and logistics for the day of.
- **Air service awareness campaign:** Recently new creative graphics, videos, and messaging highlighting our robust air service offerings have begun. Nardone asked Easterday to share about the launch of the campaign. Easterday noted that with new destinations recently added like Providence, Austin and San Francisco, the authority would like to share the great news with the community. The new air service awareness campaign is expected to run through the remainder of the year and has ample opportunity to build increased pride and excitement around Columbus' nonstop flights. The campaign's focus is to maximize awareness and exposure via a layered approach, leaning heavily on social media and digital advertising. Board member Bertley inquired how CRAA measures up against comparable size airports in flight traffic. Nardone responded that CRAA is ahead of the curve and can provide additional information at the upcoming committee meeting. Board members expressed their appreciation to Taylor for her air service efforts.

RESOLUTIONS

Resolution #33-22 of the Columbus Regional Airport Authority authorizing a construction contract with Shelly and Sands Inc. in the amount of \$8,585,551 for project #24007 Taxiway C Relocation phase 1 at John Glenn Columbus International Airport.

MOVED: J. Miller;

SECONDED: P. Chodak III

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #34-22 of the Columbus Regional Airport Authority authorizing an increase in the amount of \$897,067 to the Master Services Agreement with HDR Engineering Inc. for engineering services associated with project #24044 Taxiway C Relocation Phase 2 at John Glenn Columbus International Airport.

MOVED: F. Bertley;

SECONDED: P. Chodak III

YEA: 8 NAY: _____

ABSTAIN: _____



Resolution #35-22 of the Columbus Regional Airport Authority authorizing a purchase agreement in the amount of \$967,860 with the Stream & Wetlands Foundation for credits to mitigate stream impacts to support development of the Global Logistics Park at Rickenbacker International Airport.

MOVED: K. Morrison;

SECONDED: J. Miller

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #36-22 of the Columbus Regional Airport Authority authorizing a purchase agreement in the amount of \$292,500 with the Wetlands Resource Center for credits to mitigate wetland impacts resulting from development of the Global Logistics Park at Rickenbacker International Airport.

MOVED: R. Jones;

SECONDED: P. Chodak III

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #37-22 of the Columbus Regional Airport Authority authorizing a construction contract with JB Roofing, a Tecta America Co. LLC, in the amount of \$567,473 for project #18042 LCK roof replacements and project #19009 CMH garage roof replacements at Rickenbacker International Airport and John Glenn Columbus International Airport, and a contingency amount of \$68,096.

MOVED: E. Kessler;

SECONDED: J. Miller

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #38-22 of the Columbus Regional Airport Authority authorizing a construction contract in the amount of \$619,000.00 with Simplified Living LLC dba Heartland Construction for the replacement of terminal roof sections on C concourse at John Glenn Columbus International Airport.

MOVED: K. Morrison;

SECONDED: R. Jones

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #39-22 of the Columbus Regional Airport Authority authorizing a contract with Brown Enterprise Solutions LLC in the amount of \$329,418.25 for the purchase and installation of Hewlett Packard enterprise synergy servers at the John Glenn Columbus International Airport and Rickenbacker International Airport, project number #21000 technology refresh.

MOVED: J. Miller;

SECONDED: R. Jones

YEA: 8 NAY: _____

ABSTAIN: _____

Resolution #40-22 of the Columbus Regional Airport Authority authorizing a Master Services Agreement with Ringcentral Inc. in the amount of \$412,868.00 for software, hardware, licensing, hosting, support, and professional services for project #20029, voice over internet protocol phone system replacement, and a contingency amount of \$82,573.60.

MOVED: E. Kessler;

SECONDED: R. Jones

YEA: 8 NAY: _____

ABSTAIN: _____

OTHER BUSINESS

Chair Heifner asked Dr. Bertley about the status of COVID. Dr. Bertley stated that Coronavirus is on the rise again and advised to continue with vaccinations.



MOTION TO ADJOURN

With no further business brought before the Board, Bertley made a motion to adjourn; Miller seconded. Chair Heifner adjourned the meeting at 4:49 p.m. on Tuesday, July 26, 2022.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph R. Nardone". The signature is written in a cursive style with a large, looping initial 'J'.

Joseph R. Nardone
Secretary
JRN | jg