



BOARD OF DIRECTORS | MEETING MINUTES OF APRIL 22, 2014

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

Absent: William J. Lhota

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, D. Finch, P. Gehrisch, C. Goodwin, J. Lizotte, M. Mulchaey,
D. Saleme, B. Sarkis, W. Shelby, P. Streitenberger, A. Tabor, B. Varga, K. Whittington

Special Guests: Kim Conley, Felisa Thoburn, Gabriel Narh, Carol Ellis, John Hazen

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

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:00 p.m.

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

OUTSTANDING CUSTOMER SERVICE RECOGNITION

Chair Tomasky announced that the Board of Directors will be recognizing employees of the Authority and its tenants who have assisted our customers and received an award for "Outstanding Customer Service". These individuals are nominated by their peers and publically recognized by the Authority. Special guests who were recognized are:

Kim Conley, CRAA: Kim assisted two elderly female passengers after their late night international flight, twice in a night. First, she provided a wheelchair for their use, and later after finding them lost on ticketing, helped them to baggage claim, to collect their baggage and then escorted them to the curb front pick up area to meet their ride.

Felisa Thoburn, The Paradies Shops: Felisa aided an elderly female wheelchair passenger in the restroom, after she observed that the passenger had soiled herself. The woman was traveling alone and incapable of helping herself. Felisa assisted the woman out of her wheelchair and into the restroom stall where they cleaned her up and changed her clothes. This customer assistance allowed the passenger to continue on with her travel home.

Gabriel Narh and Carol Ellis, CRAA: Gabriel and Carol encountered a distraught young mother and her 7 week old infant after having missed their flight. Gabriel escorted the woman to the ticket counter where she was rebooked for a flight the next day. Carol then bought her dinner in the food court as the passenger had no extra money. Capping off their assistance, the two employees felt it would be more comfortable for the woman and baby to be in a hotel than stay in the airport overnight and therefore reserved and thus shared the cost of a hotel room.

John Hazen, CRAA: After recognizing his co-worker's vehicle parked along International Gateway after an apparent accident, John stopped to ensure no one was injured. With the Airport Police contacted and his co-worker okay, John's attention turned to the woman who had caused the accident. She was in her daughter's car in route to pick up her husband arriving from Arizona. With the vehicle inoperable, John returned to the terminal where he met the husband curbside and brought him out to join his wife.

COMMITTEE REPORTS

Chair Tomasky announced that effective immediately, Jack Kessler has resigned his position on the Authority's Board. Kessler was the last remaining original board member since the Authority was formed and is thanked for his contributions and many years of service. Discussions are underway with the Franklin County Board of Commissioners who are working expeditiously to appoint a replacement.

Chair Tomasky reported that she will temporarily chair the Air Service Development Committee. Once a replacement is appointed, that Board members' talents will be evaluated before any further committee changes are made.

AIR SERVICE DEVELOPMENT:

No Report.

BUSINESS DEVELOPMENT:

No Report.

FACILITIES & SERVICES:

Heifner reported the committee met on April 16, 2014.

Heifner reported the committee met to review the Major Capital Projects report for 2014. Also reviewed were the project status report, cost variance report, and construction schedules and timelines. A. Beaver reviewed the 2013 Capital Budget Recap, proposed 2014 Capital Budget Recap.

Heifner reported that work has commenced on the south runway relocation following the harsh winter.

Heifner reported that the terminal modernization work has been completed in Concourses A and C.

Heifner reported that terminal modernization work is underway. TSA check point at Concourse A has been moved as work begins.

The committee also reviewed and approved the proposed resolutions being presented to the Board.

The committee will report in May on the curb front study.

FINANCE:

Miller reported that the Finance Committee met prior to the Board Meeting and that the Authority's finances are in great shape.

Miller reported that the Finance Committee also met with Plante Moran and reviewed the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2013. Miller referred to page 79, Summary of Auditor's Results, specifically to the following:

- The independent auditors' report on the financial statements expressed an unmodified opinion.
- No significant deficiencies or material weaknesses in internal control over financial reporting were identified.
- No instance of noncompliance considered material to the financial statements were disclosed.
- No significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.

Miller requested Bush to report on the financial statements. Bush thanked Paul Streitenberger and his staff for their work in completing the CAFR.

Bush reviewed the financial statements for the year-to-date period ended March 31, 2014. Under the Operating Revenues – Actual vs. Budget, with \$20.8 million in actual revenues and a budget of \$20.8 million this leaves a flat variance. Auto Parking's positive variance of \$191,000 is due to increased activity in the parking garage. Airline's negative variance of \$323,000 is the result of lower than anticipated enplanement activity as well as adjustments to the 2013 Airline carry forward. Numbers have not yet been adjusted to account for the extra cost of snow removal.

Under the Operating Expenses – Actual vs. Budget, with \$16.9 million in actual expenses, and a budget of \$16.7 million, we have a negative variance of \$209,000. Salaries & Wages negative variance of \$187,000 is due to seasonal labor and overtime costs as a result of winter weather. Benefits & Personnel's negative variance of \$219,000 is due to increased health insurance costs and incremental pension costs associated with higher Salaries and Wages related to winter weather.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$82.6 million and expenditures to date of \$9.8 million, this represents a year-to-date (cash basis reporting) execution of 12% of the approved Capital Budget spend.

Bush reported that the debt per enplaned passenger is \$18.74, compared to the Moody's Average of \$59.37 from 2012, which is very strong and reflects low debt levels at the airport. The days of unrestricted cash on hand is 580 days, with the Moody's 2012 average being 439 days. We have \$106.6 million of outstanding debt which includes \$30 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 \$3.9 million. This gives the Authority a negative Operating Income before Depreciation variance of \$181,219 as compared to budget, or -4.4%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$882 million with current assets being \$149 million. Net land, property and equipment in the amount of \$731 million is the largest asset on the Combined Statement of Net Position.

HUMAN RESOURCES:

No Report.

PRESIDENT & CEO REPORT

Roberts requested K. Whittington to present to the Board a new community outreach program. Whittington provided a presentation which explained a partnership between the Authority and Fifth Third Bank, benefitting Mid-Ohio Foodbank. This program provides secure donation stations in each Concourse prior to the security checkpoint. Passengers are given the opportunity to donate their loose change to help create a hunger-free and healthier community. Fifth Third will sponsor the project which provides the collection units, advertising, collection and banking of the donations. One-hundred percent of the donations will go to Mid-Ohio Foodbank. Casto moved that the Board endorse this program and that a Resolution be presented. Smith seconded. Motion passed.

Roberts reported on the following business items:

Passenger Air Service:

Monthly Activity Report

As previously reported the amount of seats scheduled in and out of CMH is trending up over last year. This is a strong signal our airlines continue to invest in Columbus. This positive trend was reflected in March passenger numbers, which were up 4.9% compared to the year prior.

Meaningful Examination of Statistics

Three out of the four major airlines experienced passenger growth compared to last March. The largest gains were from Delta and American.

Delta saw the largest increase of passengers at 12.8%. These numbers may reflect the success of their seasonal spring-break enhancements to Orlando, Tampa, Fort Myers, and Cancun.

The new American, which combines statistics for the merger of US Airways and American, saw a passenger increase of 11%.

New Port Columbus Service

We are looking forward to Vacation Express' launch of seasonal service from Port Columbus to Freeport, Grand Bahamas Island coming up on May 5 followed by the launch of their Cancun service on May 17.

Rickenbacker Charter Terminal Activity and New Service

In March over 8,500 customers traveled through the Rickenbacker Charter Terminal, with the lion's share flying on Allegiant. Allegiant is up over 200% from last year given the year-round service they provide to Orlando- Sanford and Tampa-St. Petersburg, which is complimented by their spring break seasonal service to Punta Gorda.

We are pleased that on May 29 they launch their summer seasonal service with three flights a week to Myrtle Beach, which has proven to be a popular destination for Ohio travelers.

Cargo Air Service

International air cargo at Rickenbacker was up 32% in March. However, the total tonnage was down 7.5% due to the continuing trend of companies like FedEx switching domestic air cargo to truck transport.

Amerijet Announcement

Building upon the launch of Cathay cargo service in March, we have more positive news for Rickenbacker. Fort Lauderdale-based Amerijet International has announced that Rickenbacker will be one of its key freight hubs for new domestic Boeing 767 freighter service that will start July 7. Amerijet will begin regularly scheduled service between Columbus and Reno, Nevada. Major East and West coast markets will be served from Columbus and Reno, respectively, via truck.

Amerijet currently operates very successful air cargo services to destinations in Central America, South America and the Caribbean with a hub at Miami International Airport. Company officials are in town this week to discuss this new service, which will be facilitated with their lease of 20,000 square feet in Air Cargo Terminal #3. The timing of the new service is very well received as we continue to deal with FedEx's shift to truck from air here and elsewhere.

Foreign-Trade Zone #138 Sets New Record

Foreign-Trade Zone #138, which is administrated by CRAA and serves 25 central Ohio counties, set another record in 2013 with \$6.3 billion in goods entered through the zone, more than double the \$2.75 billion entered in 2012.

Much of this increase was attributable to a major retailer in the area recently entering the zone. Companies take advantage of the Foreign-Trade Zone for economic and time-saving benefits, and this strong growth is indicative of the strength and advantages of distribution logistics in central Ohio.

Successful April 17 Events

Nearly 250 people joined the Airport Authority and The Columbus Foundation on April 17 when we celebrated the 50th anniversary of Jerrie Mock's historic flight around the world. The event culminated with the unveiling of a bronze Jerrie Mock sculpture that will become part of the Port Columbus Legacy of Leadership, which will be located in the ticket lobby as part of the Terminal Modernization Program.

Roberts thanked the Pilot Club of Columbus, which donated the sculpture to the Airport Authority after spearheading nearly \$50,000 in fundraising efforts for its creation by local artist Renate Fackler.

Board Chair Susan Tomasky led the event, which included remarks by the following:

- Douglas F. Kridler, President and CEO, The Columbus Foundation
- Congresswoman Joyce Beatty
- Mayor Michael B. Coleman
- Franklin County Commissioner Paula Brooks
- Dorothy Cochrane, Smithsonian Curator of General Aviation Aircraft & Flight Material

Our annual general aviation (GA) business partner networking event was held immediately following the Jerrie Mock event. Attendees heard a special keynote address from Ms. Cochrane of the Smithsonian. This valuable GA event is an excellent opportunity for the Airport Authority to connect with our GA business partners from all three CRAA airports.

Noise Report

Total noise complaints for all CRAA airports rose by 28 complaints from 2012, for a total of 77 noise complaints in 2013. However, 2013 remains below the 10-year average of 85 noise complaints. Noise complaints for Port Columbus (CMH) nearly doubled in 2013, from 30 complaints in 2012, to 59 complaints. The contributing factors to the increase at CMH was related to weather, extended runway closures associated to the Replacement Runway Program, and the opening of the replacement south runway causing aircraft operations to occur over areas that previously did not have the overhead operations. Rickenbacker's noise complaints decreased by one complaint from the 2012 total, to 16 noise complaints in 2013. Bolton Field's complaints remained the same for 2013, as it was in 2012, at 2 complaints.

Airline Use Agreement Negotiations

Discussions are well underway with our airline partners to negotiate a new airline use agreement. The current 5-year agreement expires at the end of this year. Tomorrow is our second negotiating session with corporate representatives from the 4 major carriers expected to attend. We anticipate a full agreement by early summer on a new 5-year agreement to present to the Board.

President's Awards of Excellence

This month we had our semi-annual luncheon to recognize 19 employees and present them with the President's Award of Excellence. Since the Award was established in 2008, we have recognized 115 employees for demonstrating excellence and embracing and exemplifying our core values on a daily basis. Each recipient receives a signed certificate from Roberts and \$1500.

Washington, DC Congressional Visits

Shortly after last month's Board meeting, Tory Richardson and Roberts attended the AAAE/ACI-NA Legislative Conference in DC. They met with six members of our Central Ohio Congressional delegation or their staffs. The meetings were productive as they discussed our legislative priorities, including the importance of raising the cap on the Passenger Facility Charge (PFCs) from \$4.50 to at least \$8.50 to pay for airport capital improvements.

U.S. Secretary of Transportation, Anthony Foxx

On April 14, Department of Transportation Secretary Anthony Foxx made a site visit to the East-West Connector Project – a regional project that included \$16.1M in TIGER grant funding. This was the first of several stops as the Secretary visited eight states over five days to highlight the need for investment in transportation infrastructure. After the site visit and a media event, we hosted the Secretary at Rickenbacker for a roundtable discussion. About 50 attendees joined the Secretary in the Rickenbacker Charter Terminal for a discussion about transportation infrastructure needs in the area. CRAA staff emphasized the need for a surface transportation reauthorization bill; an FAA reauthorization bill; the need for funding for the air traffic control tower at Rickenbacker, as well as our request for LCK to re-enter the Military Airports Program (MAP) to help fund additional capital projects at the airport to help it become self-sustaining.

Despite the rainy morning that day, the Secretary's visit was good and the East-West Connector Project is on schedule for completion by November 1 of this year. There has been a lot of work completed so far and the project area looks much different already. It might be worth doing a site visit with the Board later in the year as it gets closer to completion.

Mayor's Jobs, Expansion & Transportation (JET) Task Force

On April 11, CRAA hosted the kickoff meeting of the Mayor's JET Task Force. We were asked to provide background information on work to date in the three areas of focus for the Task Force: air service development, expanding economic development around Port Columbus, and examining the feasibility of making Port Columbus a regional transportation center. It was a very positive meeting and everyone is interested in building upon the great regional asset that Port Columbus already is for our community.

Final Winter Operations Statistics

Final numbers for the 2013-14 winter season are in. Total snowfall was 55.5 inches, double Columbus' annual average of 27.6 inches. For all three airports, the total cost of winter operations exceeded \$2.1 million, by far our most expensive winter ever. Over half the total cost was in de-icing materials at \$1,165,000; \$647,000 was the cost of labor, and fuel was \$234,000. The next most expensive winter was the winter of 2012-13 at \$1.4 million.

Weather Observations

A question was raised at last month's Board meeting regarding the location at which the Port Columbus weather observations are taken. Rod Borden met with the official weather observer, whose office is at the air traffic control

tower, and obtained a detailed briefing. Rainfall and snowfall measurements are taken in an open area adjacent to the tower. Temperature and winds are measured by electronic instruments located in the northwest and southeast quadrants of the airport. Visibility during favorable conditions is taken at the tower, while in low visibility conditions it is reported by the electronic runway visual range equipment located adjacent to the runways.

CALEA

The Airport Police Department's triennial evaluation for re-accreditation by the Commission for Accreditation of Law Enforcement Agencies (CALEA) was conducted on April 18-20. The evaluation team gave our police department extremely high marks. The re-accreditation will be officially awarded in Chicago at CALEA's summer conference.

READING OF RESOLUTIONS

RESOLUTION #18-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A FIRST SUPPLEMENTAL TRUST INDENTURE AMENDING AND SUPPLEMENTING A TRUST INDENTURE DATED AS OF MARCH 1, 2004 BETWEEN THE COLUMBUS REGIONAL AIRPORT AUTHORITY AND U.S. BANK, NATIONAL ASSOCIATION (AS SUCCESSOR TO NATIONAL CITY BANK) AS TRUSTEE IN CONNECTION WITH THE OHIO MUNICIPAL BOND POOLED FINANCING PROGRAM.

MOVED: J. Miller; SECONDED: F. Cipriano
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #19-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY RESCINDING RESOLUTION 38-09 AND AUTHORIZING THE PRESIDENT & CEO, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, DIRECTOR OF ACCOUNTING AND FINANCE AND MANAGER OF ACCOUNTING AND ANALYTICS TO INITIATE PAYMENT OF FUNDS FROM ACCOUNTS MAINTAINED WITH DESIGNATED DEPOSITORIES BY THE AUTHORITY.

MOVED: D. Casto; SECONDED: K. Ransier
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #20-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$671,864 TO THE CONTRACT WITH URS CORPORATION DESIGN FOR TERMINAL MODERNIZATION PROJECTS AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner; SECONDED: D. Smith
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #21-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN AN AMOUNT NOT TO EXCEED \$110,085 TO THE CONTRACT WITH RICONDO & ASSOCIATES, INC. FOR THE LOOP ROAD LAND USE STUDY AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: K. Ransier; SECONDED: D. Casto
YEA: 7 NAY: 0 ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the Board, Casto moved to adjourn; Miller seconded. Chair Tomasky adjourned the meeting at 4:58 p.m. on April 22, 2014.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

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