



BOARD OF DIRECTORS | MEETING MINUTES OF MAY 27, 2014

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

Absent: Kathleen Ransier

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, D. Finch, P. Gehrisch, C. Goodwin, J. Lizotte, D. Monell, B. Sarkis,
W. Shelby, P. Streitenberger, A. Tabor, J. R. Thomas, B. Varga, K. Whittington

Special Guests: Duane Gordon

Others Present: Matt Habash, Mid-Ohio Food Bank
Ken Haydu, National Weather Service
Alan Harding, Columbus Flight Watch
Don Peters, Columbus Flight Watch
John Montgomery, Central Ohio Severe Weather Network
Dr. Daniel Lee Van Epps, SVCIC

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

Chair Tomasky welcomed Elizabeth Kessler to the Board of Directors. Kessler was appointed by the Franklin County Commissioners and replaces John W. Kessler.

Chair Tomasky asked if there were any additions or corrections to the Minutes of April 22, 2014. Hearing none, Casto moved for approval; Miller seconded. Minutes approved unanimously.

OUTSTANDING CUSTOMER SERVICE RECOGNITION

Chair Tomasky announced that a CRAA employee is being recognized for “Outstanding Customer Service” and requested D. Whitaker to present the recognition. Special guest recognized:

Duane Gordon, CRAA: While working on the departures curb front, Duane observed three passengers exit the blue lot parking shuttle on the middle island and begin to slowly walk towards the terminal. The eldest woman in the trio appeared to be walking with some difficulty and he knew she was going to need some assistance.

When he was unable to find an available skycap, Duane obtained a wheelchair from inside the entry doors and met the woman mid-crosswalk with the wheelchair and an offer to assist. Once seated, Duane escorted the three passengers inside to the Southwest ticket counter. While the family printed their boarding passes, Duane located a PrimeFlight wheelchair assistant and alerted him to the ticket counter. A short time later, Duane rejoined the trio to ensure they were being helped and before leaving, bid them all a safe trip, encouraging them to “bring back some sunshine and warm weather” which brought a smile to everyone.

NATIONAL WEATHER SERVICE RECOGNITION

Chair Tomasky announced that CRAA received recognition by StormReady and requested Ken Haydu, Meteorologist in Charge of the National Weather Service office in Wilmington, OH to give the presentation.

As a representative of the Ohio StormReady Committee, Haydu recognized the hard work of the Emergency Preparedness Section of the Columbus Regional Airport Authority for the time invested in obtaining StormReady recognition.

Haydu reported that nearly 90 percent of all presidentially declared disasters are weather related, leading to over 500 deaths and nearly \$14 billion in damages in an average year.

The StormReady program was designed to help prepare America’s communities and businesses with the communication and safety skills needed to save lives and protect property, and to take a proactive approach in improving local hazardous weather operations. This process by the Emergency Preparedness Section is not a one person accomplishment, but required cooperation with numerous groups within the Authority and Central Ohio. Authority groups include Ground Transportation, the Communication Center, Airfield Maintenance and the Authority’s Executive branch. One of the most important community partners is the Central Ohio Severe Weather Network. This amateur radio group is the National Weather Service’s eyes on the ground concerning severe weather reporting in this area. Their main communications station is located in the Police Training Center, and the Authority’s Emergency Operations Center serves as a satellite station which is staffed when necessary.

StormReady is a cooperative effort between CRAA and the National Weather Service. CRAA now has National Weather Service trained spotters to provide severe weather reports to the Authority as well as to the National Weather Service. The program emphasizes communication and cooperation resulting in an improved warning system for all members of the community.

There are currently 2,206 StormReady sites. However, CRAA is only one of 14 airports nationwide which have obtained the StormReady status and joins the ranks of O’Hare International and San Francisco airports.

Haydu commended the Authority for completing the StormReady program in an attempt to provide information concerning severe weather to its staff, tenants, the traveling public and its neighbors.

E. Roberts recognized D. Monell for her efforts on this project and Haydu presented an award to Monell in recognition of CRAA.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

Tomasky reported that the Committee met on May 7, 2014. Bill Lhota joined the committee given the retirement from the Board of Committee Chair, Jack Kessler. Committee member Casto was present and Tomasky chaired the meeting. The Committee reviewed market opportunities and prospects, among other reports, and discussed upcoming activities including the Southwest visit on June 10. Also discussed was CRAA staff interaction with Mayor Coleman’s JET Task Force as well as the Air Service Working Group. The next meeting will be August 1 at 9:00am.

BUSINESS DEVELOPMENT:

Casto requested Holderman provide an update on recent business developments. Holderman reported on the following:

- Phase 1 of Daimler's Air Side Business Park and FlightSafety's new training facility are under construction on the north airfield. When Air Side Business Park and FlightSafety are totally built out, they will represent a \$45 million investment.
- Fairfield Inn & Suites: Hotel construction is on schedule and slightly under budget. July 23 is the projected "soft opening" date. The official grand opening will take place approximately 8 weeks later. A list of desired attendees for each event is forthcoming.
- Original Terminal Building: CRAA continues to work with several interested parties in an effort to preserve the building.
- Rickenbacker: Developers are beginning to build spec product. If all announced projects come to fruition, the vacancy rate by year end will climb to approximately 13%.

FACILITIES & SERVICES:

Heifner reported the Committee met on May 21, 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 continues on the south runway relocation.

Heifner reported that the terminal modernization work has been completed in Concourses A and C and work continues for the Ticket Lobby and Concourse B.

The committee also reviewed and approved 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 finances are in great shape.

Miller requested Bush to report on the financial statements.

Bush reviewed the financial statements for the year-to-date period ended April 30, 2014. Under the Operating Revenues – Actual vs. Budget, with \$28 million in actual revenues and a budget of \$28.1 million this leaves a negative variance of \$38,000. Auto Parking's positive variance of \$224,000 is due to increased activity in the parking garage. General Aviation's positive variance of \$147,000 is the result of the budget pacing and an increase of use fees. Airline's negative variance of \$335,000 is the result of lower than anticipated enplanement activity as well as adjustments to the 2013 Airline carry forward.

Under the Operating Expenses – Actual vs. Budget, with \$22.3 million in actual expenses, and a budget of \$22 million, we have a negative variance of \$254,000. Benefits & Personnel's negative variance of \$239,000 is due to increased health insurance costs and incremental pension costs associated with higher Salaries and Wages related to winter weather. Supplies & Materials' positive variance of \$98,000 is due to the pacing of budgeted supplies and equipment of \$440,000 which is offset by increased costs related to fuel of \$71,000 and snow removal supplies of \$271,000.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$82.6 million and expenditures to date of \$12 million, this represents a year-to-date (cash basis reporting) execution of 15% of the approved Capital Budget spend.

Bush reported that the debt per enplaned passenger is \$18.52, 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 587 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 \$5.8 million. This gives the Authority a negative Operating Income before Depreciation variance of \$291,255 as compared to budget, or -4.8%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$883 million with current assets being \$151 million. Net land, property and equipment in the amount of \$730 million is the largest asset on the Combined Statement of Net Position.

HUMAN RESOURCES:

Lhota reported that the Committee met on March 21, 2014 and that the committee members have reviewed and are recommending approval of Resolution 24-14 being presented to the Board today.

The resolution addresses contribution sharing of non-represented employee pensions under the Ohio Public Employee Retirement System (OPERS). OPERS requires employees and the employer to contribute to funding the plan. The current share for funding is 14% from the employer and 10% from the employee. The plan further allows employers to pick-up the employees' contributions, if it so chooses. Many years ago, CRAA was picking up the employees' entire share of the funding. Since about April 2011, all new employees to CRAA are required to fund the full 10% of the employees' contribution. Existing employees were grandfathered and began incrementally funding more of the employees' share. The incremental changes went from employees funding 0% to 2% and now currently at 4%.

This resolution will advance the contribution sharing from 4% to 5% by the employee. The Resolution also immediately adjusts the Senior Staff (salary grades 13 and above) to fully fund their 10% share. Future promotions will also carry the requirement for employees to pick up their full 10% share.

Employees represented by a collective bargaining agreement will experience an adjustment as a part of that process and consistent with their agreement.

The next Committee meeting is scheduled for September 4.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service:

Monthly Activity Report

This month passenger traffic is up 0.4 percent compared to the year prior with our year-to-date demand up over 15,000 passengers or nearly 1 percent.

Meaningful Examination of Statistics

This month both Delta and American continued to see gains in passenger traffic, with American having the most noticeable spike.

American's post-merger passenger statistics, which include US Airways, are up 7.2 percent compared to last year. These numbers may reflect the success of the airline adding capacity to Charlotte, up 18 percent, and LaGuardia, up 25 percent. American's year-to-date passenger statistics are up nearly 10 percent, inching ever closer to the current passenger market leader Southwest Airlines. (New American 29%/New Southwest 34%)

Southwest Airlines Visit

Roberts invited the Board to join us on June 10 as we welcome the airline to Columbus. Members of their network planning and corporate sales team are eager to meet with us, as well as business and community leaders in attendance, to discuss how the market is doing and expansion opportunities from Columbus, as well as spend a day touring our great city.

New Port Columbus Service

This month Vacation Express launched new seasonal routes to Cancun and Grand Bahama Island. Passengers for each inaugural flight were greeted with a small celebration courtesy of the tour operator, as well as a water cannon salute upon departure. Bookings thus far for these two routes have been very strong.

Rickenbacker Charter Terminal Activity and New Service

In April, nearly 7,500 passengers traveled through the Rickenbacker Charter Terminal. Allegiant is up 200 percent this month compared to the year prior, and this Thursday the airline will launch their summer seasonal service to historically popular Myrtle Beach.

Cargo Air Service

Cargo tonnage flowing through Rickenbacker was up nearly one percent in April, with international cargo coming out of Hong Kong up ten percent. This number is expected to continue to grow given Cargolux started its third weekly flight on Friday to meet customer demand.

With the addition of the third Cargolux flight, Rickenbacker is now served five times a week out of Hong Kong by Cathay Pacific and Cargolux, both flying the largest, most modern freighters in the industry.

We expect the growth trend to continue when Amerijet opens its Rickenbacker hub on July 7 with 5 times-a-week, domestic 767 freighter service.

While year-to-date tonnage is down eight percent at Rickenbacker due to the continuing trend of companies like FedEx switching domestic air cargo to truck transport, the landed weight of aircraft, upon which the airport collects its fees, is down two percent.

In June, CRAA business development staff will travel to Asia in order to meet with current and future business partners. This trip's timing is particularly advantageous coming in the midst of increasing international activity and the attention it is garnering in the industry. The timing is right for engaging in conversations that may lead to even more air cargo business for Rickenbacker.

Rickenbacker FBO Activity Up

Both activity and income are up significantly for the Rickenbacker FBO over last year. Through April, retail (non-contract) fuel volume has doubled (60k gal in 2014 vs. 30k gal in 2013), margins have increased 14% on jet fuel and 34% on aviation gasoline, and the number of customers served is up approximately 70%. Commercial cargo flights handled were up 32% and passenger flights handled were up 140%. Net income of \$130k was almost triple the budgeted amount of \$47k.

Aircraft fire at Rickenbacker

On Friday, May 9, the left engine of a business jet caught fire during start-up at the Rickenbacker FBO. A quick response by FBO manager Tony Kyer with a large fire extinguisher helped to contain the fire and minimize damage to the aircraft until ARFF units arrived and extinguished the fire. While the aircraft did sustain significant damage, the

quick action of the FBO and Airport Operations staff helped to minimize the damage and prevent injury to the passengers and crew.

NetJets 50th Anniversary

NetJets celebrated its 50th anniversary last Wednesday. In honor of the occasion, FAA Administrator Michael Huerta visited NetJets. During his visit, Administrator Huerta was presented with a joint proposal of NetJets, the Airport Authority, and Ohio State University to work with the FAA to accelerate the implementation of several NextGen air traffic control procedures for Central Ohio's airports and airspace.

National Transportation Safety Board (NTSB) Family Assistance Training

On August 20 and 21, the NTSB will conduct on-site training on the operation of family and friends assistance centers during a major aircraft incident. The training will be held here at Port Columbus and is open to airports in the region, airlines, and other interested parties.

AAAE Conference

This past week, several staff members attended the annual American Association of Airport Executives Conference in San Antonio. Tory Richardson and Roberts attended the AAAE Board meeting and heard an informative presentation on future industry trends from William Swelbar, an industry expert who is now the Executive Vice President for InterVISTAS Consulting and a research engineer at MIT. Swelbar stated that "public private partnerships are the rule and not the exception, and those usually come in the form of guarantees and subsidies" as it relates to additional air service. The Authority has a contractual agreement with InterVISTAS Consulting to assist with our air service development efforts and we are working on a date to bring Mr. Swelbar to Columbus for several meetings with key stakeholders. Roberts reported that Charlie Goodwin, Director of Operations was elected to the national Board representing the Great Lakes Chapter. Tory Richardson just completed 2 terms of 2 years each on the National Board.

President's Chats

Beginning this Friday and continuing through next week, Roberts will be conducting the first of two regularly scheduled rounds of Chats with the President with all CRAA employees. Roberts will encourage employees to participate in the upcoming engagement survey which is expected to be released in July. This is a key action of the Authority's strategic priority this year to define empowered and engaged workforce so we can train the CRAA team to foster, measure and improve it.

Terminal Modernization Update

Delta Airlines will be relocating to new temporary ticket counters tonight in preparation for expansion Concourse C checkpoint next week. Also, most likely during the next 30 days, you will notice the relocation of Brushstrokes in Flight and the Veterans monument in the lower atrium area. Brushstrokes will eventually be placed on a large base which is being constructed.

Next Month's Board Meeting

At next month's Board meeting, Rod Borden, his team and Jim Lizotte will be giving a presentation on our Business Continuity Plan, including Disaster Recovery efforts focused on the technology systems that support business functions.

READING OF RESOLUTIONS

RESOLUTION #22-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY FORMALLY ENDORSING A COMMUNITY OUTREACH PROGRAM ENTITLED "EMPTY POCKETS, FULL PLATES," BENEFITTING THE MID-OHIO FOODBANK AND LOCATED AT PORT COLUMBUS INTERNATIONAL AIRPORT THROUGH A PARTNERSHIP BETWEEN THE COLUMBUS REGIONAL AIRPORT AUTHORITY AND CORPORATE SPONSOR, FIFTH THIRD BANK.

MOVED: W. Heifner ; SECONDED: D. Casto
YEA: 7 NAY: 0 ABSTAIN: _____J. Miller_____

RESOLUTION #23-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY RECOGNIZING JOHN W. KESSLER FOR HIS MANY YEARS OF DEDICATION AND EXEMPLARY SERVICE TO THE AUTHORITY.

MOVED: D. Smith; SECONDED: W. Lhota
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #24-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY RESCINDING RESOLUTIONS 13-11, 47-11, 14-12, AND 49-12, EXCEPT AS THEY MAY PERTAIN TO THE EMPLOYER PICK-UP PLAN FOR THOSE EMPLOYEES REPRESENTED BY A COLLECTIVE BARGAINING AGREEMENT, AND AUTHORIZING THE CONTINUATION OF THE EMPLOYER PICK-UP PLAN FOR EMPLOYEES' SHARE OF PUBLIC EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS FOR CERTAIN EMPLOYEES.

MOVED: W. Lhota; SECONDED: F. Cipriano
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #25-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$451,200 TO THE MASTER AGREEMENT WITH AMERIBRIDGE, LLC FOR ON-SITE DEMOLITION, REFURBISHMENT, AND RELOCATION OF PASSENGER BOARDING BRIDGES AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner; SECONDED: W. Lhota
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #26-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT WITH ETAK SYSTEMS, INC., FOR SUITES J, K & L IN THE AIR CARGO 2 BUILDING LOCATED AT 7280 ALUM CREEK DRIVE AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: D. Smith; SECONDED: J. Miller
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #27-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONCESSION AGREEMENT AND INVESTMENT NOT TO EXCEED \$325,000 WITH A TERM OF UP TO NINE YEARS WITH RBX MEDIA, LLC, OR ITS AFFILIATES, TO PROVIDE LARGE FORMAT DIGITAL AND STATIC ADVERTISING DISPLAYS ON THE EXTERIOR OF THE NEW FAIRFIELD INN & SUITES HOTEL AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: J. Miller; SECONDED: W. Lhota
YEA: 8 NAY: 0 ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the Board, Heifner moved to adjourn; Cipriano seconded. Chair Tomasky adjourned the meeting at 4:40 p.m. on May 27, 2014.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

ER | ksw