



BOARD OF DIRECTORS | MEETING MINUTES OF JUNE 24, 2014

Present: Susan Tomasky, Chair
William R. Heifner, Vice Chair
Don M. Casto, III
Frank J. Cipriano
Elizabeth P. Kessler
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

CRAA Staff: A. Beaver, S. Bell, P. Gehrisch, C. Goodwin, J. Lizotte, D. Monell, B. Sarkis,
W. Shelby, P. Streitenberger, A. Tabor, K. Whittington

Others Present: Steve Wartenberg, The Columbus Dispatch
Alan Harding, Columbus Flight Watch

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

Chair Tomasky welcomed Steve Wartenberg, Reporter with The Columbus Dispatch; as well as Kathleen Ransier, Board member, back to the CRAA board meetings.

Chair Tomasky asked if there were any additions or corrections to the Minutes of May 27, 2014. Hearing none, Casto moved for approval; Miller seconded. Minutes approved unanimously.

BUSINESS CONTINUITY PLAN PRESENTATION

Chair Tomasky requested Rod Borden to provide an introduction on CRAA's Business Continuity Plan. Borden reported that the Authority's first attempt to develop a Continuity Plan was done in 2010. Plans were developed and exercises were held. The findings concluded that a more detailed plan was necessary. This is a Strategic Priority for the Authority for 2014. The plan has two parts. The first part revises current plans, which have a very broad scope and involve every business unit of the enterprise. The second part focuses on technologies, specifically disaster recover. Borden introduced Donna Monell and Jim Lizotte to provide the board with a presentation.

Summary of the Business Continuity Planning:

- Establish a framework for activities and decision-making by the Authority before, during and after a disaster or operational disruption with both internal and external stakeholders.
- The preparedness program includes the integration of the following plans: Airport Emergency Plan, Crisis Management Plan, Business Continuity Plan, and I.T. Disaster Recovery Plan.

- “FireStorm” conducted a high level assessment of the Authority’s preparedness program including a Gap Analysis and provided considerations for emergency preparedness technology solutions.
- The Business Continuity process includes:
 - Assemble and train a team of key department representatives
 - Conduct a Business Impact Analysis
 - Identify and reconcile risk factors
 - Revise master and departmental plans
 - Conduct training and exercises with departments to identify additional gaps and refine plans.
- Disaster recovery is a subset of business continuity and focuses on the technology systems that support business functions.
- Disaster recovery planning gives the Authority the ability to execute Business Continuity activities.
- Disaster recovery program includes planning and support for the following business components:
 - Business continuity
 - Life, Health and Safety
 - Revenue preservation
 - Business Operations
- Major Action Items:
 - Identify and prioritize business critical technology software, services, and systems.
 - Ensure high availability of business critical technology systems.
 - Ensure Technology Services departmental readiness in the event of a disaster.
 - Implement organizational disaster recovery process improvements.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

No report.

BUSINESS DEVELOPMENT:

No report.

FACILITIES & SERVICES:

Heifner reported the Committee met on June 18, 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 / taxi conversion relocation despite the rain causing delays in earth and paving work. The project is expected to be complete the end of October.

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. *Brushstrokes in Flight* is being relocated to the lower lobby level and will be placed in a temporary position by mid-July. Its final position will occur a few months later after a new base is designed and built.

The committee discussed the Loop Road Study. 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 May 31, 2014. Under the Operating Revenues – Actual vs. Budget, with \$35.4 million in actual revenues and a budget of \$34.2 million this leaves a positive variance of \$157,000. Auto Parking's positive variance of \$330,000 is due to increased activity in the parking garage. General Aviation's positive variance of \$237,000 is the result of the budget pacing; a \$161,000 increase in use fees, and \$76,000 related to new lease tenants. Airline's negative variance of \$365,000 is the result of a reduction in landing fees due to weather related cancelled flights, as well as adjustments to the 2013 Airline Carryforward.

Under the Operating Expenses – Actual vs. Budget, with \$27.3 million in actual expenses, and a budget of \$27.3 million, we have a negative variance of \$42,000. There are currently 30 unfilled full-time positions. Some positions may be repurposed. Benefits & Personnel's negative variance of \$274,000 is due to increased health insurance costs of \$116,000, and less than anticipated project management hours of \$90,000. Supplies & Materials' positive variance of \$175,000 is due to the delay of paving and painting related projects of \$520,000 which is offset by increased winter weather costs related to fuel of \$71,000 and snow removal supplies of \$274,000.

Bush reviewed the Statement of Net Position Analysis. With an approved Capital Budget of \$82.6 million and expenditures to date of \$15.6 million, this represents a year-to-date (cash basis reporting) execution of 19% of the approved Capital Budget spend.

Bush reported that the debt per enplaned passenger is \$18.30, 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 581 days, with the Moody's 2012 average being 439 days. We are now reporting the days of unrestricted cash excluding any rental car facility charges which is 403 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 \$8 million. This gives the Authority a positive Operating Income before Depreciation variance of \$115,497 as compared to budget, or 1.5%.

Under the Combined Statement of Net Position vs. Prior Year End, total assets and deferred outflows were \$884 million with current assets being \$116 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 reported on the following business items:

Passenger Air Service

Overview of Monthly Activity Report

Traffic continues to grow out of Port Columbus, evident with May's passenger increase of nearly 2% compared to the previous year. This number becomes even more impressive when we compare it to where we were just two years ago. We're up 4% compared to May of 2012. Our year-to-date growth is trending at just over 1%.

Meaningful Examination Of Statistics

The majority of our airlines saw an increase of passenger traffic in May. Air Canada ended the month up 5%, Delta up 2%, and Southwest, combined with AirTran, up nearly half of a percent.

It is the 'new' American — the merger of US Airways and American — that continues to impress here at Port Columbus. When we combine their volume, the carrier ended the month up nearly 8% - in part due to Columbus passengers being able to enjoy 20% more departures and capacity to Dallas Ft. Worth, and nearly 25% more capacity to New York LaGuardia.

Recent Southwest Visit

While the new American is gaining in passenger share to become the second largest airline at Port Columbus, Southwest remains our largest airline. Roberts reported that several Board members were able to join us for the recent visit by Southwest Airlines' corporate representatives who toured our city, met with airport staff and were introduced to key community leaders. We are pleased that Columbus is performing well for Southwest and we are optimistic about future growth from our largest airline.

Rickenbacker Charter Terminal Activity and New Service

Turning to passenger service at Rickenbacker, in May over 6,000 passengers traveled through the passenger charter terminal. The lion's share of the traffic was flown by Allegiant Air, which was up 132% compared to the previous year.

We are pleased to announce that Allegiant will begin year round service to Punta Gorda beginning October 30. The twice weekly flight complements their existing service to St. Petersburg, Orlando-Sanford and seasonal service to Myrtle Beach.

Bob Evans

With the significant increase in Rickenbacker passenger activity, Roberts announced that CRAA is working closely with Bob Evans Farms, Inc. to open a new Bob Evans Express in the Rickenbacker charter terminal. This post-security location will serve Allegiant Airlines passengers with a limited menu during scheduled flight times. Bob Evans is currently designing modest improvements to the facility with the intent to open by early August.

Additionally, the Airport Authority is pursuing a Bob Evans location at Port Columbus located post-security in Concourse B. It's important to note that negotiations continue, but the expectation is this new concept would be in place later this year in the current Quiznos location.

Cargo Air Service & Business Development Activity

International cargo handled at Rickenbacker was up an impressive 83%. However, it could not stem the continued decline of the domestic express package volumes switching from air to truck. A total of 5,481 tons of cargo was handled at Rickenbacker during the month of May, down 1% compared to 2013.

To build on the growth of international cargo, CRAA's cargo business development team is currently in Asia to strengthen existing ties and engage new partners. David Whitaker and Bryan Schreiber have over 20 meetings with transportation companies, shippers, and airlines, and are attending a three-day international logistics conference while there.

Additionally, David Whitaker and Robin Holderman recently traveled to Luxembourg with the L Brands logistics team to meet with Cargolux and airport officials. The Luxembourg airport has been identified as a model logistics airport as it relates to infrastructure and cargo operations.

U.S. Customs General Aviation Facility

On the general aviation front, the design of a new U.S. Customs General Aviation Facility (GAF) at Lane Aviation is nearing completion. The new facility, which will be adjacent to one of Lane's existing hangars, will accommodate general aviation international arrivals and offer a more efficient means for the Customs clearance process.

Resolution 30-14 is being presented today for consideration and supports this important development. Construction is expected to begin this summer with the new facility to be operational by the end of the year. Staff has been leading the development coordination efforts between Lane and U.S. Customs, and will continue to act in the role of project liaison to meet U.S. Customs requirements.

June 16 Storm Damage

During the afternoon of June 16, a rapidly-developing thunderstorm became severe as it crossed Port Columbus, resulting in a section of roof being blown off an Authority-owned hangar leased by Lane Aviation. No aircraft in the hangar were damaged, but four aircraft outside sustained varying degrees of damage. Debris and other items were scattered about the airfield by wind. Airport Operations closed the airport until the runways and taxiways could be inspected and debris cleared. The north runway was reopened after 15 minutes; the south runway remained closed for a total of 45 minutes. A handful of flights experienced minor delays.

FAA NextGen Officials to Visit Columbus

Roberts reported last month that the FAA Administrator had visited NetJets during their 50th anniversary celebration, and that during his visit he was provided with a joint proposal by 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. As a result, two high level officials (Pamela Whitley, Deputy Administrator for NextGen and Steve Bradford, Chief Scientist for Architecture and NextGen Development) from the FAA's NextGen office will be visiting Columbus on July 8 to further discuss the proposal and to better understand how it will enhance airspace utilization and the efficient operation of the Columbus-area airports.

Amerijet

Amerijet begins its operation at Rickenbacker on July 7 with five weekly roundtrips to Reno. The Authority's cargo ground-handling team will handle the flights – this includes loading and unloading the cargo and fueling the aircraft. More than a dozen additional part-time contracted workers have been hired for the operation, and the Board will be considering a resolution today to authorize the acquisition of several ground service equipment items. We are ready for Amerijet's start-up and are excited for the opportunities this new service opens up for Rickenbacker.

Certification Inspections

The FAA will conduct its annual certification inspections of Port Columbus and Rickenbacker during the week of August 18. For the first time in several years, FAA will use the same inspector to conduct the inspections of both airports during a single visit.

Chats with the President

Earlier this month, Roberts completed the spring Chats with the President meeting with all employees. Discussions included current activity levels; development activities; and upcoming trends and priorities for the Authority. We have an employee engagement survey launching in July and Roberts encouraged all employees to participate. The survey is being done by a third party and is completely anonymous. The feedback received will be used to develop specific action plans that will target top opportunities for improvement.

JET Task Force

The JET Task Force met on June 6. Each working group, which includes Air Service, Economic Development, and Transportation, has also met at least once and are beginning their research and developing their plans of action. All three working groups are meeting again on June 27.

Columbus Partnership DC Fly-In

Tory Richardson and Roberts recently went to Washington DC with the Columbus Partnership, Mayor Coleman, Commissioner Brown and other community leaders for the annual Columbus Day gathering with our Congressional delegation. We had a full program agenda along with several Hill visits by CRAA staff.

Senior Staff Retreat

We completed our spring senior staff retreat on June 12 and met offsite for the day. We discussed our progress on 2014 strategic priorities, our biggest challenges over the next few years; reviewed the Strategic Business Plan, and began discussions on the draft 2015 Strategic Priorities in advance of budget preparations.

Rating Agency Visits

Randy Bush, Paul Streitenberger and Roberts will be meeting with all three bond rating agencies in New York City on June 25 and 26. This is our annual update and an 80 page PowerPoint presentation is available upon request. We provide an overview of our air trade area, update on airport activity, financial operations, capital improvement program and financial planning process and projections.

READING OF RESOLUTIONS

RESOLUTION #28-14 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AMENDING AND ADOPTING REVISIONS TO THE FEE SCHEDULE OF FOREIGN-TRADE ZONE (FTZ) NO. 138.

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

RESOLUTION #29-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT AND CEO TO EXPEND AN AMOUNT OF UP TO \$250,000 FOR GROUND HANDLING EQUIPMENT TO SERVICE CARGO AND PASSENGER AIRLINES AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: **W. Heifner**; SECONDED: **D. Casto**
YEA: **8** NAY: **0** ABSTAIN: _____

RESOLUTION #30-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE GROUND LEASE AGREEMENT WITH LANE AVIATION AT PORT COLUMBUS INTERNATIONAL AIRPORT AND EXPENDITURE OF AN AMOUNT, NOT TO EXCEED \$150,000, FOR DESIGN, CONSTRUCTION, AND IMPLEMENTATION IN SUPPORT OF A U.S. CUSTOMS GENERAL AVIATION INSPECTION FACILITY (GAF) TO BE LOCATED AT LANE AVIATION PURSUANT TO PROJECT NO. 13020.

MOVED: **J. Miller**; SECONDED: **K. Ransier**
YEA: **8** NAY: **0** ABSTAIN: _____

RESOLUTION #31-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$253,000 TO AN EXISTING CONTRACT WITH CH2M HILL, INC. FOR FINAL DESIGN SERVICES RELATED TO THE RUNWAY 10L/28R REHABILITATION AND SHOULDER IMPROVEMENTS PROJECT AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: D. Casto ;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

RESOLUTION #32-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE NOT TO EXCEED \$617,081 TO THE MASTER AGREEMENT WITH SIMPLEX-GRINNELL FOR THE PROCUREMENT OF PROFESSIONAL SERVICES AND DIGITAL CAMERAS FOR THE CCTV AND AMAG UPGRADE AND DIGITAL MIGRATION, PROJECT #13021.

MOVED: J. Miller ;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

RESOLUTION #33-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONSTRUCTION MANAGER AT RISK GUARANTEED MAXIMUM PRICE (GMP) CONTRACT WITH CORNA-KOKOSING IN AN AMOUNT UP TO \$5,785,000 FOR BAGGAGE CLAIM RENOVATIONS AT PORT COLUMBUS INTERNATIONAL AIRPORT WITH GMP AMENDMENTS SUBJECT TO REVIEW AND APPROVAL BY THE BOARD CHAIR AND FACILITIES AND SERVICES COMMITTEE CHAIR.

MOVED: E. Kessler ;
YEA: 8 NAY: 0

SECONDED: J. Miller
ABSTAIN: _____

RESOLUTION #34-14 A RESOLUTION OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH GUDENKAUF CORPORATION IN THE AMOUNT OF \$159,826.49 FOR THE INSTALLATION OF THE COMMUNICATIONS INFRASTRUCTURE CABLING FOR THE GREEN PARKING LOT AND THE EMPLOYEE PARKING LOT FOR PROJECT #13042, EMERGENCY CALLBOX REPLACEMENT – PHASE 2.

MOVED: D. Casto ;
YEA: 8 NAY: 0

SECONDED: K. Ransier
ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the Board, Miller moved to adjourn; Kessler seconded. Chair Tomasky adjourned the meeting at 4:54 p.m. on June 24, 2014.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

ER | ksw