



**COLUMBUS**  
REGIONAL AIRPORT AUTHORITY

## BOARD OF DIRECTORS | MEETING MINUTES OF AUGUST 23, 2016

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  
Terrance Williams

CRAA Executive Staff: Elaine Roberts, A.A.E., President & CEO  
Rod Borden, A.A.E., Chief Operating Officer  
Randy Bush, Chief Financial Officer  
Casey Denny, A.A.E., Vice President  
Robin Holderman, Chief Development Officer  
Tory Richardson, A.A.E., Vice President  
David Whitaker, Vice President

CRAA Staff: A. Beaver, K. Easterday, D. Finch, P. Gehrisch, C. Goodwin,  
W. Hardy, J. Lizotte, B. Sarkis, P. Streitenberger, K. Whittington

Others Present: John Montgomery, Columbus Ohio Severe Weather Network

### CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:01 p.m. on Tuesday, August 23, 2016.

Vice Chair Heifner congratulated E. Roberts for being on the cover of *Smart Business* magazine as one of five women business leaders for the 2016 Smart Women Awards.

### MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of July 27, 2016. Hearing none, Cipriano moved for approval; Ransier seconded. Minutes approved unanimously.

## COMMITTEE REPORTS

### AIR SERVICE DEVELOPMENT:

Tomasky reported that the next committee meeting is scheduled for October 3 at 3:00 p.m.

### BUSINESS DEVELOPMENT:

No report.

### FACILITIES & SERVICES:

Heifner reported that the committee met on August 17.

Heifner reported on the following business items:

- The TMP project is coming to a close as related to completing the punch list.
- Curb front work continues and is scheduled to be complete early 2017.
- Using awarded grants by the FAA, CRAA installed pre-conditioned air units at 11 jet bridges and upgraded 13 existing ground power units. All gates at John Glenn International are equipped with these pollution-fighting units.
- North runway work continues and is scheduled for completion by October 12, 2016.
- Midfield Development Program – we are searching for an architecture and engineering firm for the Consolidated Rental Car Facility
- Work continues on the new parking lot next to the hotel.
- Rickenbacker – we are awaiting funding for the Modification of Standards.
- Casey Denny provided a report on asset management. The goal of asset management is to look at our assets, determine preventative maintenance, extended service life, and lower the total operating costs of assets.

B. Sarkis reviewed the Major Capital Projects report for 2016. Also reviewed were the project status report, cost variance report, and construction schedules and timelines. A. Beaver reviewed the Capital Budget Update report. The committee reviewed the proposed Resolutions.

### FINANCE:

Miller reported that the Finance Committee met prior to the Board Meeting and that the Authority has a strong Balance Sheet and Income Statement. D. Mommaerts gave a presentation on the status of our internal audit plan this year. We also reviewed an Audit Charter that will be presented next month to the full board.

Miller congratulated P. Streitenberger and team for receiving the Auditor of State Award with Distinction for the second consecutive year. Approximately 250 agencies out of over 4,000 in the State of Ohio receive this distinguished award.

Miller requested R. Bush to report on the financial reports.

Bush reviewed the preliminary financial statements for the year-to-date period ending July 31, 2016.

**Operating Revenues** – Actual vs. Budget, with \$62.2 million in actual revenues and a budget of \$60.9 million, leaving a positive variance of \$1.3 million.

- Parking – The \$318,000 positive variance is a result of an increase in the red lot due to an increase in enplanement activity compared to budget. The red lot favorability is offset by a decrease in short-term parking in the garage, blue and green lots.
- Airlines – The \$987,000 positive variance is a result of an increase in landing fees as a result of an increase in landed weight, due to increased activity for Southwest Airlines, an increase in the utilization of unleased gates, and increased space rent due to the entrance of Frontier Airlines.

**Operating Expenses** – Actual vs. Budget, with \$41.4 million in actual expenses, and a budget of \$43.6 million, leaving a positive variance of \$2.2 million. The majority of this variance is due to timing of spend for supplies, materials and services.

**Operating Income Before Depreciation** – Actual vs. Budget, with \$20.8 million in actual Operating Income, and a budget of \$17.3 million, leaving a positive variance of \$2.7 million.

**Composition of Operating Revenue** – Parking represents 33.9% of our operating revenue. Airlines represent 31.4% of our operating revenue. This metric shows we are maintaining a competitive level of costs for the carriers to operate in our market and maximizing the potential for non-airline revenue generation.

**CRAA Salaries & Wages** (CMH & LCK) – Total filled headcount is 395 employees. We currently have 28 staffing vacancies of which 23 are full-time, 4 part-time, and 1 seasonal.

**Hotel Operations** – Year-to-date Net Operating Income is \$1.23 million actual vs. a budget of \$1.18 million, leaving a positive variance of \$47,000. This is on track with our forecast for the year. The actual occupancy rate for last month was 77.1% compared to a budget of 77.9%.

**Rickenbacker Net Operating Income** – Actual vs. Budget, reflected \$1.1 million in actual net operating income compared to a budget of \$369,000 providing a positive variance compared to budget of \$723,000.

**Statement of Net Position Analysis** – The Authority's Net Position remains strong with \$935.7 million in total assets and \$164.8 million in total liabilities. Included in total assets is \$139.1 million in Cash and Cash Equivalents.

**Capital Expenditures** – With an approved 2016 Capital Budget of \$54.8 million and total accrued expenditures to date of \$27.5 million, this represents a year-to-date execution rate of 50% of the approved Capital Budget. The year-to-date Capital Budget Baseline pacing was \$20.6 million. Compared to the accrued expenditures to date, this represent 134% of the planned pacing of the Capital Budget Baseline.

The Authority's debt per enplaned passenger is \$26.97, which is significantly lower than average debt loads when compared to the 2014 Moody's airport average of \$54.19.

The days of unrestricted cash on hand is 388 days, with the 2014 Moody's airport average being 557 days.

CRAA has \$112.2 million of outstanding debt which includes \$9.5 million outstanding under our Revolving Credit Facility.

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## HUMAN RESOURCES:

Smith reported there is no report at this time. The next committee meeting is scheduled for September 7.

## PRESIDENT & CEO REPORT

### Passenger Air Service

#### **John Glenn Columbus International Airport**

July was another great month for John Glenn International with over 678,000 passengers traveling through the airport, an increase of 8.7% over the year prior. It was the second busiest July in history at CMH, and year-to-date the airport is up 8.4%.

Southwest saw the largest growth in passengers with over 21,000 more traveling in July than the year prior, an increase of 9.7%. Year-to-date the airline is up 15% (204,000 more passengers than last year at this time).

American saw the next largest increase in passengers with 4.2% more traveling, while Delta saw an increase of 1.8%.

Air Canada continues to see impressive growth as they now operate their larger 50 seat regional jets to/from Toronto versus the 32 seat propeller aircraft they used to operate in our market. In July the airline was up 38% compared to the year prior.

Frontier Airlines, in its second month of operation at CMH, carried over 25,000 passengers to their 4 destinations: Denver, Las Vegas, Philadelphia, and Orlando. Between June and July Frontier has carried over 47,000 passengers so they are off to a fast start.

United was the only carrier to see a decrease, with -4.6% less passengers than the same time period the year prior. The airline cited weather issues at their hubs in Chicago, Houston, and Newark that caused delays and cancellations in July.

### **Rickenbacker Charter Terminal**

At Rickenbacker, Allegiant saw a 28% increase in passengers when compared to the year prior. Year-to-date the airline has carried over 126,000 passengers, an increase of 32%.

Overall traffic at the Rickenbacker Charter Terminal has increased 29% in 2016.

### **Air Service Reference Guides**

Recently Jordan Miller suggested developing a fact sheet that would highlight the region's air service. We've developed such a guide and have mailed copies to the Board.

The mailing contains three variations of the guide that can be used as a reference while out in the community championing our air service. We appreciate any feedback and hope the Board finds the guide helpful. The guide will be updated annually, or as needed, if there are material changes to the information.

### **Cargo Air Service**

Air cargo tonnage processed at Rickenbacker took a small step back last month but is still trending above 2015 when numbers are normalized for the supply chain disruptions that happened in the first half of 2015. For July Rickenbacker saw 16.4 million pounds of air freight move through, down 1.5% from July of 2015. Holding total volume down is domestic cargo aboard FedEx and UPS, which still accounts for more than half of the cargo processed at Rickenbacker. Collectively these two carriers were down 13% for the month. On the positive side we are pleased to share that our international air cargo tonnage continues to grow and all three of our scheduled international carriers saw positive numbers in July. The international share of cargo was up a collective 18% over 2015.

Year to date, Rickenbacker has handled 106 million lbs. of air freight which is down 10.4%. However, if you factor out the one-time supply chain disruption activity that took place in 2015, we would be up 8.1% for the year.

Finally, we've noted that for the past several months FedEx had not reported cargo volume due to an internal issue and that we have been using 2015 numbers as placeholders for 2016 activity. That reporting issue has been resolved by FedEx and we are now up to date.

### **Concessions | Quarterly Report**

For the second quarter 2016, revenues from Advertising, Retail, and Food & Beverage have rebounded in a post-TMP environment. Gross revenues through the second quarter are up 8.4% while net revenue is now up 4.2%.

### **Rental Car | Quarterly Report**

Gross Revenues are down 1.5%. This lower than expected revenue is due to a lower average rental rate in the industry. The rental car industry has reported an oversupply of available cars in the first quarter forcing rates down and impacting revenue. Net rental car revenues increased 4.7% during this same time period primarily due to new lease terms effective January 1, 2016.

Customer Facility Charge growth remains strong, up nearly 34% on increased fees.

## **Certification Inspection**

The FAA conducted its annual certification inspections of CMH and LCK during the week of August 8. The results of this year's inspections were extremely positive, with no discrepancies at CMH and only one discrepancy noted at LCK. The single discrepancy was for missing the periodic inspection due date for runway visual aids. Staff had discovered and corrected the issue prior to the inspection. Overall, the inspector noted that the physical condition of both airfields was outstanding, and the required records at both airports were accurate, well-organized, and very thorough. Perhaps most gratifying was his comment that CRAA has clearly created a culture of continuous improvement. Congratulations to the Operations, Asset Management and ARFF teams.

## **Service Animal Relief Areas**

A new regulation took effect on August 4 that requires airports to provide areas in the concourses beyond the security checkpoints for passengers' service animals to relieve themselves. Staff coordinated with a local service animal training organization to identify the areas in each concourse. The areas have been equipped with basic necessities including disposable "potty pads", sanitizer and waste receptacles. Passengers and their service animals will be escorted to the relief areas by airline employees. Use of the areas is expected to be infrequent; however, staff will closely monitor the frequency of use to determine whether a future project is in order to upgrade the facilities.

## **OhPARK**

Effective July 31, Thrifty Car Rental sold its off-airport parking operation to ProPark Columbus LLC, dba OhPARK. While operating under a new brand, other aspects of the former Thrifty parking operation remain largely unchanged, including the menu of services offered and some members of the local management team.

## **TIGER VIII**

Earlier this year, CRAA worked with Norfolk Southern and submitted a grant application under DOT's TIGER Program for the expansion of the Rickenbacker Intermodal Facility. We learned earlier this month that our application was not selected. TIGER is an incredibly competitive program. There were 585 eligible applications from all 50 States, collectively requesting over \$9.3 billion. Just 40 applicants (7.5% of total applicants) were selected. Out of the \$500M in the program, Ohio is expected to receive about \$13M. The City of Akron will receive \$5M to rebuild the State Street Bridge and install improved bicycle and pedestrian facilities and a roundabout. The Cleveland Metropolitan Park District will receive about \$8M to construct approximately four miles of regional bicycle and pedestrian trails, including a bridge to the lakefront, to complete an active transportation network.

## **The Big Table**

As an integral member of the Central Ohio community, the Columbus Regional Airport Authority is proud to host a table discussion on how we can make our community a better place. On Tuesday, August 30, The Columbus Foundation is leading this city-wide initiative called The Big Table. CRAA is hosting one of more than 300 different tables across the city where people can express ideas about the strengths and challenges we face as a community. That afternoon, we will be inviting our John Glenn International customers who are waiting for their flights in Concourse B to share their thoughts with us.

When the table discussion is over, we will take the ideas and information we gathered and send it to The Columbus Foundation where they hope to find themes and commonalities that can be further discussed and acted upon. Thanks to Kristen Easterday for leading this effort.

## **Update on Renaming Airport**

Work continues on obtaining realistic cost estimates for the inventory of items impacted by the airport renaming. We expect to have a full report to the Board at the September meeting.

## **2017 Budget Summit**

This week, the Authority will hold an all-day Budget Summit to discuss the 2017 budget as well as Rates & Charges.

## Midfield Development Brochure

A. Tabor and staff are developing a brochure regarding the Midfield Development Program.

## READING OF RESOLUTIONS

**RESOLUTION #55-16** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING THE SELECTION OF BANK OF AMERICA MERRILL LYNCH, LOOP CAPITAL MARKETS, RBC CAPITAL MARKETS, AND RAYMOND JAMES TO SERVE AS THE AUTHORITY'S BOND UNDERWRITING POOL.

MOVED: J. Miller;      SECONDED: W. Heifner  
YEA: 9 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #56-16** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH PRECISION PIPELINE, LLC., FOR \$314,016 FOR THE PROCUREMENT OF MATERIALS AND PROFESSIONAL SERVICES TO INSTALL A COMMUNICATIONS PATHWAY FOR PROJECT #14033, CCTV DIGITAL MIGRATION – LCK AND THE 7250 STAR CHECK DRIVE FIBER BACKBONE INITIATIVE.

MOVED: W. Heifner;      SECONDED: D. Casto  
YEA: 9 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #57-16** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY INCREASING THE CONTRACT AMOUNT WITH LANDRUM & BROWN, INC., TO \$820,209 FOR ON-CALL ENVIRONMENTAL REVIEW (NEPA) SERVICES AT JOHN GLENN COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL AND BOLTON FIELD AIRPORTS.

MOVED: D. Smith;      SECONDED: K. Ransier  
YEA: 9 NAY: 0      ABSTAIN: \_\_\_\_\_

**RESOLUTION #58-16** OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING PURSUIT, ACCEPTANCE AND EXECUTION OF FUTURE GRANTS/LOCAL-LET PROJECT AGREEMENTS FROM THE OHIO DEPARTMENT OF TRANSPORTATION FOR THE RICKENBACKER PARKWAY PHASE 3A PROJECT AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: K. Ransier;      SECONDED: J. Miller  
YEA: 9 NAY: 0      ABSTAIN: \_\_\_\_\_

## OTHER BUSINESS

With no further business being brought before the board, Chair Tomasky adjourned the meeting at 4:55 p.m. on Tuesday, August 23, 2016.

Respectfully submitted,



Elaine Roberts, A.A.E.  
Secretary

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