



COLUMBUS
REGIONAL AIRPORT AUTHORITY

BOARD OF DIRECTORS | MEETING MINUTES OF MAY 26, 2015

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

Absent: Don M. Casto, III
William J. Lhota
Kathleen Ransier

CRAA Executive Staff: Elaine Roberts, A.A.E., President & CEO
Rod Borden, A.A.E., Chief Operating Officer
Randy Bush, Chief Financial Officer
Robin Holderman, Chief Asset & Development Officer
Tory Richardson, A.A.E., Vice President, Human Resources & Strategy
David Whitaker, Vice President, Business Development & Communications

CRAA Staff: H. Brown, D. Finch, P. Gehrisch, C. Goodwin, E. Hensley,
J. Lizotte, B. Sarkis, B. Schreiber, P. Streitenberger, B. Varga, K. Whittington

Others Present: Kenneth N. Wilson, Franklin County
Hiran Gregory Perera, Emirates
Brandan Furlong, Emirates
Minesh K P, Emirates
Howard Wood, Parsons Brinckerhoff
Don Peters, Columbus Flight Watch
Alan Harding, Columbus Flight Watch

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:02 p.m. on Tuesday, May 26, 2015.

SPECIAL GUESTS

Roberts welcomed Kenneth Wilson, County Administrator for Franklin County. As County Administrator, the highest unelected post in county government, Wilson leads 14 county agencies with more than 1,400 employees and oversees the County's annual \$1.4 billion budgeting process for 35 agencies to ensure Franklin County remains one of the finest, best-governed counties in the nation.

Franklin County appoints half of the Board of Directors for CRAA. Wilson and Roberts will hold regular meetings to discuss Authority business matters including economic development projects and capital project initiatives, as the county has long standing investments in the Authority's three airports.

Roberts welcomed special guests from Emirates and requested Whitaker and Schreiber to make introductions.

Whitaker introduced Hiran Perera, Senior Vice President, Cargo Planning and Freighters for Emirates SkyCargo based in Dubai, United Arab Emirates. Emirates SkyCargo announced the initiation of weekly service from Dubai to Rickenbacker, with their first flight set for May 27. Hiran has the overall responsibility for the freighter program at Emirates and has been in the airline industry for over 28 years. He joined Emirates in 1986 as a Cargo Instructor and has worked in various capacities within the Emirates Cargo division. Hiran was involved in the development of the freighter operation within Emirates from the onset and plays a key role in developing and expanding the freighter network, including the decision to serve Columbus. He is involved in the assessment and development of the future Emirates SkyCargo freighter fleet comprising of Boeing 777F, which will serve Columbus, and Boeing 747-8F.

Whitaker also introduced Minesh KP, Manager Cargo Planning and Freighter Development, also based in Dubai and Brendan Furlong, Cargo Business Development Manager – USA, based in New York.

OUTSTANDING CUSTOMER SERVICE RECOGNITION

Chair Tomasky announced that CRAA has an employee being recognized for "Outstanding Customer Service" and requested D. Whitaker to present the recognition. Special guest recognized:

Carlena Foster, 1st Shift Custodian: This is the second time Carlena has been recognized for her dedication to the service of others.

Carlena was alerted by TSA staff at the security checkpoint about a passenger who had accident while processing through the screening process. Once into the concourse, the gentlemen went into the restroom where he remained for a period of time. Carlena contacted Airport Police to inquire if they may have a change of clothes in the property room that she could give the passenger. When they did not, Carlena decided to take a pair of pants from the custodial inventory and rushed back to the concourse only to find the man had gone on to the gate area, and subsequently boarded the aircraft.

At the gate, she was met by an Airport customer service coordinator and the two shared the situation with the associated airline representative. Carlena then accompanied the airline representative onto the aircraft, where she identified the passenger. He then received additional assistance by the flight crew, including a new pair of pants from Carlena.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of April 28, 2014. Hearing none, Cipriano moved for approval; Miller seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

No report.

BUSINESS DEVELOPMENT:

Cipriano reported that the committee met on May 20. The committee reviewed Resolution #33-15 regarding the air cargo terminal #5 ramp construction and discussed the public-private fund raising efforts. Based on these discussions, the committee recommends approval of the resolution.

FACILITIES & SERVICES:

Heifner reported that the committee met on May 20. Sarkis reviewed the Major Capital Projects report for 2015. Also reviewed were the project status report, cost variance report, and construction schedules and timelines. A. Beaver reviewed the 2015/2016 Capital Budget Update report. Although the actual spend is 11-12% of the capital budget for

2015, this spend represents 90% of our projections. Tomasky stated that this month-to-month tracking initiative is an important discipline since the Authority does not do a lot of borrowing for capital projects.

Heifner reported that the committee toured the terminal and there have been huge transformations in the Terminal Modernization Project including the new skylights on the ticketing level as well as new ticket counters. Heifner complimented CRAA staff for their hard work on this project which is scheduled for completion in February 2016. Work in Concourse B continues. Bob Evans opens the end of May and Eddie George's Grill will open in July.

Work in the baggage claim area continues. On the south end the walls have been opened and the new windows provide a view to the pick-up area.

Precast work has begun on the Rickenbacker Air Control Traffic Tower and construction is on schedule.

Heifner reported on an interesting fact in the newly released Community Report. The Authority installed 33 solar panels on the roof on Concourse A. These panels generate enough power for all of the charging stations provided in the terminal seating. This initiative, as well as the high efficiency lighting systems are two examples of the Authority reducing its carbon footprint.

Also reviewed were the Resolutions being presented to the board, all of which are recommended for approval.

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 reports. Bush reviewed the preliminary financial statements for the year-to-date period ending April 30, 2015.

Operating Revenues – Actual vs. Budget, with \$33 million in actual revenues and a budget of \$31.1 million, leaving a positive variance of \$1.9 million.

- Air Freight's positive variance of \$531,000 is due to a \$352,000 increase in landing fees related to increased FBO activity, unreported 2014 cargo landings, and a \$179,000 net increase in Rickenbacker fuel revenue.
- Auto Parking's positive variance of \$100,000 is related to increased usage of \$65,000 in the green lot, \$39,000 at Rickenbacker, \$40,000 for valet parking and \$42,000 for the blue lot offset by a \$95,000 decrease in the garage due to capacity levels in the short-term garage. The remaining increase of \$113,000 is related to the green lot and Rickenbacker parking.
- Hotel's positive variance of \$145,000 is the result of increased room revenues related to increased occupancy.

Operating Expenses – Actual vs. Budget, with \$23.2 million in actual expenses, and a budget of \$23.5 million, leaving a positive variance of \$283,000.

- Salaries & Wages' negative variance of \$574,000 is related to less than anticipated project management hours of \$104,000 and \$162,000 in overtime related to inclement weather. The remaining increase is due to higher than anticipated sick leave accruals of \$204,000 and incentives of \$104,000.
- Benefits & Personnel's positive variance of \$257,000 is due to a reduction in OPERS and health insurance costs of \$309,000 relating to open positions, offset by less than anticipated project management hours of \$52,000.
- Supplies & Materials' positive variance of \$294,000 is due to \$414,000 in timing of spend for paving and painting projects, and a \$198,000 decrease in FBO usage offset by \$318,000 increase in snow supply usage due to inclement weather.
- Services' positive variance of \$528,000 is primarily the result of increased utilities related to inclement weather of \$326,000 offset by the timing of spend for professional services of \$717,000 related to airport maintenance and \$137,000 for advertising.
- Contract Labor's negative variance of \$172,000 is the result of increased flight activity at Rickenbacker of \$207,000 offset by a reduction in parking and ARFF contract labor of \$35,000.

Statement of Net Position Analysis – With an approved Capital Budget of \$62.3 million and total cash expenditures to date of \$11.4 million, this represents a year-to-date execution of 18% of the approved Capital Budget spend. The total accrued expenditures to date of \$10.7 million represents 17% of the approved Capital Budget.

Bush reported that the debt per enplaned passenger is \$28.48, compared to the Moody's Average of \$66.92 from 2013. The days of unrestricted cash on hand is 590 days, with the Moody's 2013 average being 526 days. Days of unrestricted cash excluding rental car facility charges is 390 days, which is ahead of the 365 days the Authority desires to maintain. CRAA has \$112.4 million of outstanding debt which includes \$2 million outstanding under our Revolving Credit Facility.

Statement of Revenues, Expenses, and Changes in Net Position vs. Budget – Actual Operating Income before Depreciation is \$9.8 million vs. a budget of 7.6 million. This gives the Authority a positive Operating Income before Depreciation variance of \$2.2 million as compared to budget, or 28.8%.

Combined Statement of Net Position vs. Prior Year End – Total assets and deferred outflows were \$903.9 million with current cash and cash equivalents of \$119.7 million. Net land, property and equipment in the amount of \$746 million is the largest asset on the Combined Statement of Net Position.

HUMAN RESOURCES:

The committee has not met since April. The next meeting will be held June 25.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service

Port Columbus

In April over 560,000 passengers flew through Port Columbus, an outstanding 8% growth compared to the year prior. April marked the 14th month in a row of positive passenger growth, and was the busiest April for the airport in 7 years. Year-to-date passengers are trending up 5%.

Southwest saw the largest increase in traffic with 23,000 more passengers flying than April of last year, a growth of 13%. This great month for Southwest at Port Columbus can be attributed to the start of service to both Dallas Love Field and Washington Regan Airport on April 8, as well as an increase of service to Fort Lauderdale and Phoenix. Year-to-date the airline is up 6.8%. They will add flights to Oakland and Boston, as well as an additional Atlanta flight in August.

United saw an increase of 6,500 passengers in April, a nearly 10% growth compared to the year prior and the strongest month for United in some time. The airline has begun to use larger aircraft for both their Denver and Houston routes, a trend that is scheduled to continue throughout the summer.

Delta saw a similar growth of traffic as United, with 6,200 more passengers flying this April versus last April, a growth of 5%.

American, combined with US Airways, saw a 2.8% increase in passengers compared to the year prior, while Air Canada saw a nearly 16% growth in traffic on their Toronto route, on the heels of an additional daily flight.

Rickenbacker Charter Terminal Activity and New Service

Over 13,000 passengers flew through the Rickenbacker Charter Terminal in April, an increase of 77% compared to the year prior. The majority of that traffic was from Allegiant. The airline returned their seasonal service to Myrtle Beach in April, beginning with two times per week operations that ramp up to five times weekly starting in June. As previously reported, on June 4 Allegiant begins twice weekly seasonal service to Savannah/Hilton Head International Airport (SAV). The flights will operate on Thursdays and Sundays until mid-August.

Cargo Air Service

Although the effect of the west coast ports disruption wound down in April, Rickenbacker cargo handled was still up 20% for the month. The international segment of air cargo handled continues to drive this growth, up 172% over April of 2014, pushing overall gains despite our domestic tonnage being down by 4% for the month. The airport handled 14,768,630 lbs. of air cargo in April, bringing the year-to-date total to 71,418,733 lbs., an increase of 52% over this time last year.

Regarding the new Emirates Sky Cargo service beginning tomorrow evening, this announcement was made from the premier bi-annual logistics trade show and conference - Air Cargo Europe - in Munich, Germany, earlier this month. Dave Whitaker and Bryan Schreiber were at the conference and joined Nabil Sultan, Emirates Senior Vice President for cargo for the Columbus announcement. Emirates was highly complementary of our region and capabilities saying: "With the addition of Columbus to our freighter schedule, we will be able to connect businesses in the US mid-west and the rest of our global network through our Dubai hub, thereby improving freight connectivity and creating new opportunities for American companies to reach new markets. Columbus also serves as an ideal alternative point to Chicago where shipments originating or destined to the mid-west can be trucked much more efficiently." It is important for CRAA as a staff and board to understand and appreciate the importance of our regional partners in bringing this new service to Rickenbacker. This includes key shippers, freight forwarders and economic development professionals in our region. With this new freighter service by Emirates, Columbus is now connected to air freight hubs in Asia, Europe and the Middle East, opening unprecedented opportunity for regional supply chain and distribution operations that operate on a global level.

While at the trade show Business Development staff held successful meetings with nearly 20 companies and individuals involved in the air logistics industry as they seek to support the air cargo service in Columbus and exploit the opportunities our new air service presents.

Cargo Development

Conversations continue with both public and private parties concerning potential development of new air cargo facilities and infrastructure to support the cargo activity at Rickenbacker. One of the resolutions before the Board this month would authorize start of construction on an aircraft ramp expansion to accommodate future activity. More information will be ready to share with the Board in the next month or two.

Concessions

Through the first quarter of 2015, in-terminal Concessions Revenue to the Authority (net revenue) from all food & beverage, retail, services, and advertising increased 9.8% in the 1st Quarter of 2015. Gross in-terminal concession revenue and rental car gross revenues increased 5.8% and 3.3% respectively. Scheduled openings of Bob Evan's Express next week, and Eddie George Grille 27 in mid-July will help to support this positive trend throughout 2015. TMP activity in pre-security locations and Concourse B continues to impact concession activity in those areas as well as advertising sales terminal wide.

Community Branding in Terminal

Our team is collaborating with Clear Channel, the advertising contractor for the airport, as well as, Experience Columbus, Columbus 2020 and the Columbus Partnership to maximize opportunities to showcase our community at Port Columbus. Upon completion of the Terminal Modernization Program, we will have created new spaces for advertising that can also serve to enhance CMH as the Front Door to our community. More to come as details are finalized.

New Emergency Notification System Implemented

Earlier this month, the Emergency Preparedness department implemented a new emergency notification system for our first responder and emergency management teams. This robust web-based system, called Everbridge, is in wide use by major airports around the country and provides a highly customizable platform with multiple options (text, email, phone) for notifying essential personnel of emergency situations. In addition, it provides the ability to create a large number of user groups, so that various types of notifications can be made at the department or working group level.

Bolton Field FBO in Top 25 Nationally

Capitol City Jet Center, the FBO at Bolton Field, has been voted by pilots as one of the top 25 FBO's nationwide. Voting in Fltplan.com's Pilots Choice Awards, pilots ranked the Bolton Field FBO 23rd overall, and number 1 in the north central regional of the US. Fltplan.com is the largest flight planning, briefing and flight tracking service in the US. We congratulate

TIGER Grant Program

U.S. Transportation Secretary Anthony Foxx previously announced that \$500 million will be made available for transportation projects across the country under a seventh round of the highly successful U.S. Department of Transportation's (DOT) Transportation Investment Generating Economic Recovery (TIGER) competitive grant program. You may recall, CRAA was awarded a TIGER grant in 2012 for the East-West Connector near Rickenbacker. That was a \$35M project of which about \$16M was funded from TIGER.

Like previous rounds, TIGER 2015 discretionary grants will fund capital investments in surface transportation infrastructure and will be awarded on a competitive basis to projects that will have a significant impact on the nation, a region, or metropolitan area.

The TIGER 2015 grant program will continue to make transformative surface transportation investments by providing significant and measurable improvements over existing conditions. The grant program will focus on capital projects that generate economic development and improve access to reliable, safe and affordable transportation for disconnected both urban and rural, while emphasizing improved connection to employment, education, services and other opportunities, workforce development, or community revitalization.

Once again, CRAA is partnering with others in the region to compete for TIGER funds. This year, the focus will be to increase the capacity and efficiency of the Rickenbacker Intermodal Facility. The projected total investment would be about \$34M and funded on a 50/50 basis between private funding and TIGER. Staff continues to work with key stakeholders to advance the project. We just completed the Pre-Application on May 4, 2015, and the Final Application deadline is June 5, 2015.

Title VI Compliance Review by FAA

Late last year, a review team from the FAA Office of Civil Rights visited Port Columbus and conducted a Title VI compliance review. Title VI provides requirements concerning non-discrimination in federally-assisted programs on the grounds of race, color, national origin, sex or creed. Additionally, an airport sponsor must also comply with Executive Orders regarding access to services for persons with limited English proficiency, and environmental justice in minority and low income populations. The Authority has not received any Title VI complaints in the past 3 years. Earlier this month, we received the formal report from the FAA with the results of its compliance review. Overall, we received very high marks. In 8 out of 11 focus areas, we received a report of "no required action". The 3 required actions which we have already responded to include: placing the nondiscrimination poster at the FBO (Lane Aviation); include the Federal nondiscrimination clause referencing 49 CFR Part 21 and Title VI in all of our contractual agreements; and clearly address the Limited English Proficiency requirement in our Airport Emergency Plans and provide a copy to the FAA review team. In their final report, the FAA acknowledged several best practices that they observed here at CMH while doing their review and they were very complimentary of the substantial effort undertaken by the CRAA team to provide the documentation and coordinate the interviews and tour of the facilities. I'd like to acknowledge and thank Suzanne Bell, our Manager of Legal Services and Counsel, who serves as the Title VI Coordinator for CRAA. Suzanne did the lion's share of work in coordinating with the FAA for their compliance review.

Shuttle Bus Announcement System Operational

The Parking and Ground Transportation Department has rolled out a new system in our parking shuttle buses that provides visual and audible announcements as the bus is arriving at each stop. Named Double Map, the system's primary purpose is to assist sight- and hearing-impaired passengers to more easily identify the stop where they want exit the bus, in accordance with the Americans with Disabilities Act. The GPS-based system also provides management with the real-time location of each bus, allowing us to manage shuttle operations and to quickly identify service issues. Through a dedicated app for tablets and smart phones, Double Map will also provide waiting passengers with the arrival time of the next shuttle – a significant customer service enhancement for the users of our surface parking lots.

Diversity Meet & Greet

On May 6, CRAA hosted a very successful Diversity Meet and Greet event at the Airport Marriott Hotel to introduce our new Business Diversity Manager, Don Robertson, to the community. The event was coordinated by Don, Henrietta Brown, our Director of Administration, and Dawanna Allen, our Business Diversity Coordinator. There was a very large turnout and I want to acknowledge the attendance by our Board member Kathy Ransier as well.

READING OF RESOLUTIONS

RESOLUTION #31-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN AMENDMENT TO THE EXISTING SERVICE AND MAINTENANCE AGREEMENT WITH BRÜEL & KJÆR EMS, CONTRACT #1003929, EXECUTED DECEMBER 19, 2012, FOR THE PURCHASE OF FOURTEEN REPLACEMENT NOISE MONITORING TERMINALS, PROJECT #15017 AND #15018, IN THE AMOUNT OF \$355,403 FOR USE IN THE COMMUNITIES SURROUNDING PORT COLUMBUS INTERNATIONAL AND RICKENBACKER INTERNATIONAL AIRPORTS.

MOVED: **J. Miller**;
YEA: **6** NAY: **0**

SECONDED: **W. Heifner**
ABSTAIN: _____

RESOLUTION #32-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN AN AMOUNT NOT TO EXCEED \$250,000 TO THE MASTER SERVICES AGREEMENT WITH RS&H OHIO, INC. FOR GENERAL, ON-CALL AIRFIELD ENGINEERING SERVICES FOR MISCELLANEOUS AIRPORT PROJECTS AT PORT COLUMBUS, RICKENBACKER AND BOLTON FIELD.

MOVED: **D. Smith**;
YEA: **6** NAY: **0**

SECONDED: **J. Miller**
ABSTAIN: _____

RESOLUTION #33-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH SHELLY AND SANDS, INC. IN THE AMOUNT OF \$3,376,648 FOR PROJECT #15037, AIR CARGO TERMINAL #5 RAMP RECONSTRUCTION AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: **W. Heifner**;
YEA: **6** NAY: **0**

SECONDED: **F. Cipriano**
ABSTAIN: _____

RESOLUTION #34-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO AUTHORIZE AN INCREASE IN THE AMOUNT OF \$95,191 TO PROFESSIONAL SERVICES MASTER AGREEMENT WITH NORTH AMERICAN COMMUNICATIONS RESOURCE INC. (NACR) FOR PROFESSIONAL SERVICES SUPPORTING AN UPGRADE OF THE CRAA AVAYA PHONE SYSTEM.

MOVED: **E. Kessler**;
YEA: **6** NAY: **0**

SECONDED: **J. Miller**
ABSTAIN: _____

RESOLUTION #35-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$933,465.81 THE MASTER AGREEMENT AND ISSUANCE OF TASK ORDER #2 WITH CBTS TO PURCHASE REQUIRED PLANNING, DESIGN, EQUIPMENT, INSTALLATION AND PROFESSIONAL SERVICES FOR PHASE 1 OF PROJECT #14020, WIRELESS SYSTEM REPLACEMENT.

MOVED: **D. Smith**;
YEA: **6** NAY: **0**

SECONDED: **J. Miller**
ABSTAIN: _____

OTHER BUSINESS

Tomasky reported that the Authority has an administrative matter to address regarding the the Board not having an Assistant Secretary. In the event of an absence of the President & CEO / Secretary to the Board, it is necessary to elect an Assistant Secretary. Tomasky moved to elect Kathryn Whittington as Assistant Secretary. Kessler seconded. Motion passed unanimously.

With no further business being brought before the board, Smith moved to adjourn; Kessler seconded. Chair Tomasky adjourned the meeting at 4:50 p.m. on May 26, 2015.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elaine Roberts". The signature is written in a cursive, flowing style.

Elaine Roberts, A.A.E.
Secretary

ER | ksw