



BOARD OF DIRECTORS | MEETING MINUTES OF JUNE 27, 2017

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

Absent: Jordan A. Miller, Jr
Kathleen Ransier
Dwight Smith

CRAA Executive Staff: Elaine Roberts, A.A.E., President & Chief Executive Officer
Rod Borden, A.A.E., Chief Operating Officer
Randy Bush, Chief Financial Officer
Casey Denny, A.A.E., Chief Asset Officer
Tory Richardson, A.A.E., Chief Strategy Officer
David Whitaker, Chief Commercial Officer

CRAA Staff: K. Easterday, D. Finch, P. Gehrisch, C. Goodwin, J. Lizotte, J. Pemberton
P. Streitenberger, A. Tabor, K. Whittington, A. Wickline

Others Present: Mark French, Columbus State Community College
Rory McGuiness, City of Columbus
Hannah Reed, City of Columbus
Amy Harman, Fahlgren Mortine
Wyatt Shimeall, Fahlgren Mortine
Kyle Younkman, Fahlgren Mortine
John Montgomery, Central Ohio Severe Weather Network
Marla Rose, The Columbus Dispatch
Jim Thompson, Port Columbus Historical Society

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:04 p.m. on Tuesday, June 27, 2017.

Chair Tomasky welcomed Mark French from Columbus State Community College to the meeting. A resolution is being presented to authorize a ground lease agreement with the college for the development and operation of facilities to support aircraft rescue and firefighting training.

MIDFIELD DEVELOPMENT PROGRAM: BRANDING & POSITIONING PRESENTATION

Chair Tomasky requested Tory Richardson to introduce guests from Fahlgren Mortine.

Richardson discussed the importance of communication surrounding the Midfield Development Program. Communication efforts are being led by Angie Tabor. CRAA is identifying key stakeholders and considering questions such as: How do we brand? What is our position? What messages does this convey? The staff of Fahlgren Mortine have met with CRAA Board Member, Terrance Williams, to discuss the process.

Amy Harman, Wyatt Shimeall and Kyle Younkman from Fahlgren Mortine gave a presentation to the Board. The presentation covered the objectives, approach, research, key observations, implications, naming and the proposed naming "One International Gateway: Columbus' Future Airport". The rationale of the naming was discussed. Also presented were recommendations for the logo, elevator pitch and sample brand applications.

Board members discussed the recommendations and encouraged CRAA and Fahlgren Mortine further discussion on the tagline "Columbus' Future Airport" and its use with the airport name of John Glenn Columbus International Airport.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of May 23, 2017. Hearing none, Casto moved for approval; Heifner seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE & CUSTOMER EXPERIENCE COMMITTEE:

Tomasky reported that the committee has not met since the last board meeting. The third quarter meeting is scheduled for August 22, 2017 at 2:00 p.m. In the interim, staff continues to focus on executing defined strategy in these important service areas and is keeping the committee posted on its efforts. Recent updates include:

- Southwest will offer limited nonstop service to Houston Hobby Airport from November 17 through January 2. Southwest continues to evaluate the route for daily service and we are pleased they are providing these flights.
- Southwest will temporarily remove the nonstop Oakland flight for 41 days from January 8 through February 17, 2018. The flight will return on February 18. January and February are traditionally a soft time of the year in the industry. Most of our airlines reduce service during this period; many for a longer timeframe.
- There is continued dialogue with airlines regarding our largest unserved domestic markets, particularly Seattle and San Francisco. Additionally, international air service both Trans-Atlantic and Trans-Pacific remains in active discussion with prospective airlines as well.
- Air service development is a marathon, not a sprint, and we are pleased with our current standing with the industry while capitalizing on opportunities in a very strong aviation market. Virtually every airline either serving or not yet serving Columbus has a high regard for our market and its trajectory.

BUSINESS DEVELOPMENT COMMITTEE:

No Report.

FACILITIES & SERVICES COMMITTEE:

Heifner reported that the Facilities & Services Committee met on June 21, 2017 and reported on the following business items:

- R. Brancheau of R.W. Block provided a status update on the Midfield Development plan of execution.
- B. Sarkis provided an update on the Capital Projects.
- Curbfront improvements are coming to a close and should be complete in July.

- CONRAC – Construction Manager at Risk solicitation and contract award is complete. The project is at 30% for schematic design.
- Environmental Studies for the Midfield Development are complete. We received a finding of no significant impacts.
- Way Finding Signage – Design development and construction bidding are complete. Construction completion is scheduled for the first quarter of 2018.
- Modification of Standards / Rickenbacker: Phase 1A construction is scheduled to be complete October 2017.
- Bolton Field Runway – work may begin in the fall pending an FAA grant and there will be a three week shutdown. The committee has requested an upcoming committee meeting (August) be held at Bolton Field Airport.
- A. Beaver reviewed the capital spending.
- The committee reviewed the proposed Resolutions.

FINANCE & AUDIT COMMITTEE:

Heifner reported that the committee did not meet and requested R. Bush to report on the financial reports.

Bush reviewed the internally prepared financial statements for the year-to-date period ending May 31, 2017.

Operating Revenues – Actual vs. Budget, with \$45.4 million in actual revenues and a budget of \$46.1 million, leaving a negative variance of (\$659,000).

- Parking – The (\$656,000) negative variance is a result of an agreement re-negotiation for the valet parking operations and a delay in the opening of the walking lot. Additionally, there is a decrease in the average daily rate for the Blue Lot due to a decrease in the length of stay and less utilization of the covered portion due to a mild winter. This is partially offset by an increase in the garage as a result of additional available spaces in long-term parking.

Operating Expenses – Actual vs. Budget, with \$31.4 million in actual expenses, and a budget of \$33.7 million, leaving a positive variance of \$2.3 million.

- Salaries & Wages – The positive variance of \$179,000 is a result of 45 vacant positions, partially offset by a decrease in the allocation of project management hours.
- Supplies and Materials – The positive variance of \$669,000 is due to a decrease in the usage of snow supply materials as a result of a mild winter, as well as the timing of spend for fleet and airfield maintenance supplies.

Operating Income Before Depreciation – Actual vs. Budget, with \$14 million in actual Operating Income, and a budget of \$12.3 million, leaving a positive variance of \$1.7 million.

Composition of Operating Revenue – Parking represents 33.9% of our operating revenue. Airlines represent 30.5% of our operating revenue. This metric shows we continue to maintain 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 387 employees. We currently have 45 staffing vacancies of which 32 are full-time and 9 part-time, and 4 seasonal positions.

Hotel Operations – Year-to-date Net Operating Income is \$893,000 actual vs. a budget of \$853,000 leaving a positive variance of \$40,000. The actual occupancy rate for last month was 76.5% compared to a budget of 75.1%.

Rickenbacker Net Operating Income – Actual vs. Budget, reflected \$703,000 in actual net operating income compared to a budget of \$177,000 providing a positive variance compared to budget of \$526,000.

Statement of Net Position Analysis – The Authority's Net Position remains strong with \$942.3 million in total assets and \$154.5 million in total liabilities. Included in total assets is \$158.1 million in Cash and Cash Equivalents.

Capital Expenditures – With an approved 2017 Capital Budget of \$56.2 million and total accrued expenditures to date of \$15.1 million, this represents a year-to-date execution rate of 27% of the approved Capital Budget. The year-to-date Capital Budget Baseline pacing was \$13.5 million. Compared to the accrued expenditures to date, this represents 112% of the planned pacing of the Capital Budget Baseline.

The Authority's debt per enplaned passenger is \$22.64, which is significantly lower than average debt loads when compared to the 2015 Moody's airport average of \$94.02.

The days of unrestricted cash on hand is 411 days, with the 2015 Moody's airport average being 657 days.

CRAA has \$96.2 million of outstanding debt which includes \$9.5 million outstanding under our Revolving Credit Facility. No additional debt is planned for at this time.

HUMAN RESOURCES COMMITTEE:

Tomasky reported the committee has not met recently. The next committee meeting is scheduled for July 24, 2017.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service

John Glenn International

May was another historic month for passenger traffic at John Glenn International with over 674,000 passengers flying; an increase of 3.4% year over year. This was the busiest May in the airport's history, surpassing last year and 2007, respectively. Year-to-date nearly 3 million passengers have traveled through the airport, up 5% from this time last year.

Delta saw the largest increase in passengers in May, up 3.2% over the year prior. Year-to-date the airline is down just under 1%.

CMH's largest carrier, Southwest, saw a 1% increase in passengers for the month when compared to the year prior. Year-to-date Southwest is up 4.6%.

On June 4 Southwest marked their 25th anniversary of operating from CMH. Last Friday, CRAA hosted a celebration for Southwest with a variety of activities for passengers in both the ticket lobby and gate area. To add great significance to the celebration, we formally recognized Southwest's CMH staff for being named the *2016 Medium Station of the Year*, a significant internal honor for them.

American Airlines saw a decrease of -2.9% for the month when compared to the year prior, with year-to-date passengers down slightly at -0.5%. This month we joined the American CMH staff to celebrate their winning the *Customer Cup* for the first quarter 2017. This award measures service areas such as exemplary baggage handling and on-time departures.

Air Canada's traffic in May was down by 500 passengers, or -7.6%. Air Canada cancelled 13 flights in May as a result of runway construction in Toronto. They remain up over 9% year-to-date.

United saw a decrease of -6.2% for the month and is down 5.6% year-to-date. United operated nearly 2% fewer flights this May versus last and 8% less year over year. United continues to refine its schedule here and elsewhere to provide larger aircraft which enhances the travel experience although at reduced frequencies.

Our newest carrier, Frontier Airlines, carried over 26,000 passengers in the month of May, and over 267,000 passengers throughout the past year. The airline hit their one year CMH anniversary on June 1. Subject to the Board's concurrence (at this meeting), Frontier will become a signatory carrier effective July 1.

Rickenbacker Charter Terminal

At Rickenbacker, Allegiant carried over 24,000 passengers in the month of May, a 43% increase over the year prior. Year-to-date the airline is up 31%. In May the airline launched their new seasonal service to Destin/Fort Walton Beach, which operates twice-weekly from Rickenbacker.

Overall passenger traffic at Rickenbacker, which includes Allegiant and charter operations, is up 30% year-to-date.

Cargo Air Service

20.6 million lbs. of air cargo moved through Rickenbacker International Airport in May, up 31% over May of 2016. Both international and domestic air cargo contributed to the increase last month. International led the way with a 55% increase while domestic traffic was also up 15%.

Export tonnage continues an upward trend in May, with 2.6 million lbs. of cargo bound for foreign destinations, up 218% over last May and a recent record for the airport. While exports are a large focus for us in supporting our airline partners, we have also seen an uptick in import tonnages as well, with 7.2 million lbs. arriving inbound on our premier scheduled carriers compared to the 5.1 million that came in during this time last year. A continued increase in exports, combined with larger inbound volumes, shows the growing commitment by the industry to this market and bodes well for future cargo air service. Year-to-date the airport is ahead of the 2016 pace by 22.4% in total cargo moved.

In order to continue to capitalize on our momentum by engaging with the air cargo community, David Whitaker gave an opening update at the recent Columbus Logistics Conference while Business Development staff attended the Cargo Network Services, annual partnership conference, and the Air Cargo 2017 conference where CRAA Manager of Business Development, Bryan Schreiber serves as the Airports Council International – North America's, Air Cargo Committee Vice Chair. Schreiber also attended the first North American exporting summit hosted by Alibaba, the Chinese e-commerce giant, as that company eyes North American expansion. Participation in a variety of industry engagements gives CRAA the opportunity to spread the Rickenbacker message, while meeting with industry leaders, as well as current and future customers.

Customer Service

The Customer Experience Team hosted another Passenger Appreciation Day recently on Wednesday, June 14. The theme was aligned with Flag Day and included mini-U.S. flags; red, white, and blue decorations, and other fun flag themed activities. Popcorn popped by our volunteer Airport Ambassadors was as popular as always with hundreds of freshly-popped individual bags given out to customers as they made their way through the center ticket lobby. These events are a great way for us to engage with our customers and enhance their experience and positive impressions of John Glenn International. The Customer Experience Team is already planning the next event for September.

Government Affairs

Staff is monitoring progress of several pieces of legislation that are funding-related. We are working diligently to ensure our needs are maintained within the State's Budget Bill making its way through the conference committee process at this time. At the federal level, FAA Reauthorization legislation and discussion is beginning to emerge so staff is engaging on items such as increasing the Passenger Facility Charge (PFC) and Air Traffic Control (ATC) Modernization issues. In addition, work continues on the Rickenbacker Master Plan, MORPC's Rickenbacker Regional Plan, and the Rickenbacker Annexation Agreements.

Recent Events

On June 9 we conducted our Senior Staff Spring Retreat. Two offsite retreats are held each year. In the fall, our retreat is focused on our people and teamwork. We typically conduct that retreat in November or December. Our Spring Retreat is focused on the business. This year's focus was on our Strategic Business Plan. We discussed final changes to the revised business plan and settled on several targets for the organization over the next few years. We'll be sharing that with the Board in the next month.

Mayor's Briefing

On June 13, our Board Chair and staff met with Mayor Ginther and some of his staff to provide an update on our passenger and cargo service. We also provided some brief updates on several projects we're working on, including the Midfield Development Program. We try to meet a few times each year to provide these updates as well as generally discuss mutual items of interest. The meeting went well. We are working to setup a similar briefing with the County Commissioners as well.

DC Fly-In

Several of you are aware that we participate in the Annual DC Fly-in coordinated by the Columbus Partnership. On June 15, the Partnership members had a full day of activities and agenda items for the visit. In addition, staff made the trip out there and made Hill visits with the staff of our elected officials. These Hill visits give us the opportunity to share our Region's priorities with the Hill staffers so that our elected officials understand our position on various matters and know how they can be helpful to those of us back here in the region.

Checkpoint C Equipment Approved by TSA

TSA has agreed to equip an additional passenger screening lane at the concourse C security checkpoint, expanding the checkpoint to a total of four lanes. Initially, the new lane will be equipped with an x-ray for screening carry-on items and a walk-through metal detector for screening passengers. A body scanner could be added in the future. Even without the body scanner, TSA has a great deal of flexibility in how the new lane is operated, and it is expected to significantly reduce the early morning congestion that has occasionally resulted in queues of 30-40 minutes or more. Delivery of the equipment is scheduled for July 13, and it should be in service by early August.

The equipment for the second passenger screening lane at LCK is scheduled to be delivered on July 18. Installation and commissioning are expected to be completed within one to two weeks after delivery. In addition, TSA recently installed a CTX machine for screening checked baggage. It has now been commissioned and is fully operational.

Certification Inspection Dates Set

The FAA has set the week of August 28 for its annual certification inspection of CMH and LCK.

READING OF RESOLUTIONS

RESOLUTION #42-17 AUTHORIZING A GROUND LEASE AGREEMENT WITH THE COLUMBUS STATE COMMUNITY COLLEGE FOR DEVELOPMENT AND OPERATION OF EDUCATIONAL FACILITIES TO SUPPORT AIRCRAFT RESCUE AND FIRE FIGHTING TRAINING ON APPROXIMATELY 2.13 ACRES OF LAND ADJACENT TO COLUMBUS STATE COMMUNITY COLLEGE'S EXISTING FACILITY AT BOLTON FIELD AIRPORT.

MOVED: E. Kessler; SECONDED: T. Williams
YEA: 6 NAY: 0 ABSTAIN: _____

RESOLUTION #43-17 APPROVING THE TERMS AND CONDITIONS AND AUTHORIZING ENTERING INTO A SIGNATORY AIRLINE OPERATING AND LEASE AGREEMENT WITH FRONTIER AIRLINES AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner; SECONDED: D. Casto
YEA: 6 NAY: 0 ABSTAIN: _____

RESOLUTION #44-17 AUTHORIZING AN INCREASE IN THE AMOUNT OF \$110,423 TO THE MASTER SERVICES AGREEMENT WITH RS&H OHIO, INC., FOR ON-CALL AIRFIELD CIVIL ENGINEERING SERVICES AT JOHN GLENN COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL, AND BOLTON FIELD AIRPORTS.

MOVED: E. Kessler; SECONDED: T. Williams
YEA: 6 NAY: 0 ABSTAIN: _____

RESOLUTION #45-17 AUTHORIZING A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$628,628.00 WITH ELFORD INC., FOR EXTERIOR WAYFINDING SIGNAGE UPDATES AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT AND BOLTON FIELD.

MOVED: D. Casto; SECONDED: E. Kessler
YEA: 6 NAY: 0 ABSTAIN: _____

RESOLUTION #46-17 TO AUTHORIZE PURCHASES IN THE AMOUNT OF \$118,352 UNDER THE COOPERATIVE STATE OF OHIO STATE TERM SCHEDULE (STS) CONTRACT #534141 WITH ROUNDTOWER TECHNOLOGIES, LLC., FOR THE PURCHASE OF STORAGE AREA NETWORK (SAN) HARDWARE AND SOFTWARE.

MOVED: W. Heifner; SECONDED: F. Cipriano
YEA: 6 NAY: 0 ABSTAIN: _____

RESOLUTION #47-17 AUTHORIZING A PURCHASE IN THE AMOUNT OF \$134,523 UNDER THE COOPERATIVE PURCHASING NETWORK CONTRACT #800318 WITH CONVERGINT TECHNOLOGIES FOR AMAG EQUIPMENT AND INSTALLATION SERVICES AT THE RICKENBACKER INTERNATIONAL AIRPORT FBO AND ADMINISTRATION FACILITIES.

MOVED: W. Heifner; SECONDED: T. Williams
YEA: 6 NAY: 0 ABSTAIN: _____

OTHER BUSINESS

With no further business being brought before the board, Chair Tomasky requested to adjourn. Heifner motioned; second by Kessler. Chair Tomasky adjourned the meeting at 5:04 p.m. on Tuesday, June 27, 2017.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

ER | ksw