



BOARD OF DIRECTORS | MEETING MINUTES OF AUGUST 25, 2015

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, 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, Human Resources & Strategy
David Whitaker, Vice President, Business Development & Communications

CRAA Staff: K. Bailey, S. Bell, H. Brown, E. Fellows, D. Finch, P. Gehrisch, C. Goodwin, T. Hairston, M. Joeright, J. Lizotte, M. Mulchaey, D. Raun, B. Sarkis, B. Schreiber, P. Streitenberger, B. Varga, K. Whittington

Others Present: Kirk Christian, HMS Host
Tan Tran, HMS Host
John Montgomery, Central Ohio Severe Weather Network
Alan Harding, Columbus Flight Watch
Igor Fernousky

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:02 p.m. on Tuesday, August 25, 2015.

OUTSTANDING CUSTOMER SERVICE RECOGNITION

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

Dale Raun, CRAA: While in the terminal, Dale observed a group of people gathered near the entrance to Concourse B. They looked like they needed assistance. As Dale approached, he observed an elderly woman in a wheelchair encircled by her family members. When Dale asked if they needed assistance, they explained that they had brought their mother as far as the security checkpoint, but now needed someone to help get her to her gate since she was traveling alone to Washington D.C. Unable to quickly locate a skycap to assist her, Dale accommodated the passenger himself, assisting her through the security screening process and on to her departure gate. Before he left the passenger to return to work, Dale alerted the airline representative that she would need assistance onto the aircraft.

Tina Hairston, CRAA: This is the second time Tina has been recognized for her dedication to the service of others. Once again, Tina Hairston has been someone's guardian angel. Tina has proven time and time again that she and her coworkers are very observant when it comes to passengers who have "extended" stays in the airport.

In this case, Tina had taken notice of two young people who had been sitting in Concourse B for a long period of time. When Tina engaged the pair, they explained that they had been at the airport overnight and were trying to get back home to Texas. Tina asked if they had eaten anything and when they told her no, that they had no money, she left her work, ran downstairs to her locker and got her debit card.

Back upstairs, Tina went to Burger King where she ordered two Whoppers with everything and two large fries. Once in the concourse, she bought two drinks and then delivered the meals to the two passengers.

Tan Tran, HMS Host: After being alerted by a co-worker about a family in Baggage Claim, Customer Service Coordinator, Barb Varga, responded to find a young Asian girl, approximately 10 years old, standing in front of the Information Center.

When asked if she needed help, the girl, in very broken English, explained that they were stranded at the airport – pointing to her mother and younger sister. Barb instructed the girl to bring her mother to the Information Center while she prepared to call the Foreign Language Line and access a Chinese interpreter.

A minute later, Barb observed HMS Host employee, Tan Tran, stopped by the girl. Although Tan does not speak Mandarin, he was engaging and gained the trust of the woman and her daughters. Barb watched as Tan escorted them up the escalator to the ticket level. Curious, Barb followed them upstairs, where she found Tan place and pay for a breakfast order before settling the family at a table in the food court.

Barb was then able to speak to Tan, who explained that the family was going to be delayed in Columbus two days, and the woman wanted a hotel room. Barb advised Tan to bring the family to the Information Center so she could further assist via the Foreign Language Line. Thirty minutes later, the woman was speaking with the Mandarin operator and arrangements were made for a room and transportation to the hotel.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of July 28, 2015. Hearing none, Smith moved for approval; Casto seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

Tomasky reported that the committee has not met since the last Board meeting. The next meeting is scheduled for October 6 at 9:00 a.m.

BUSINESS DEVELOPMENT:

No report.

FACILITIES & SERVICES:

Heifner reported that the committee met on August 19. 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 35% of the capital budget for 2015, this spend represents 103% of our projections.

Heifner reported that progress on the Terminal Modernization Project in the south lobby and is nearing completion. Construction is ongoing in the north ticket lobby. Concourse B is nearing completion with the exception of the terrazzo floor.

Heifner reported that the committee agreed to a \$6 million reduction of the total Capital Budget due to the change of plans for the ACT#5 building at Rickenbacker which will be built by L-Brands, and they will lease from CRAA. Construction for ACT#5 will begin September. Heifner thanked R. Holderman for his work on the lease between CRAA and L-Brands.

The committee also reviewed 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 has a strong Balance Sheet and Income Statement.

Miller requested Bush to report on the financial reports.

Bush announced that the finance team, which includes: Paul Streitenberger, Erin Fellows, Karmin Bailey, Morgan Joeright, and Kathy Mills, were recognized by the State Auditor and received the Ohio Auditor of State Award of Distinction for exemplary reporting (CAFR) services and setting the standard for clean, accountable government representing the highest level of service to Ohioans. CRAA was one of 5,800 governmental entities in the State of Ohio that were considered for this award. The State only provides this award to about 250 Ohio governmental entities per year.

Bush reviewed the preliminary financial statements for the year-to-date period ending July 31, 2015.

Operating Revenues – Actual vs. Budget, with \$58.2 million in actual revenues and a budget of \$55.2 million, leaving a positive variance of \$3 million.

- Airlines' positive variance of \$936,000 is due to \$1,030,000 in Airline Carryforward adjustments related to decreased prior year actual expenses over estimate, an increase in landing and aircraft fees of \$477,000, offset by a decrease in rent of \$105,000 and the prior year's General Airline Credit true-up of \$466,000.
- General Aviation's positive variance of \$120,000 is the result of the pacing of the budget and an increase in use fees for various customers.
- Air Freight's positive variance of \$541,000 is due to a \$458,000 increase in landing fees related to increased 2015 cargo activity and unreported 2014 cargo landings, and an \$83,000 net increase in LCK fuel and snow removal revenue.
- Auto Parking's negative variance of \$124,000 is due to a decrease in short-term parking in the garage.
- Hotel's positive variance of \$255,000 is the result of higher than anticipated occupancy levels.
- Concessions & Misc. Lessees' positive variance of \$482,000 is due to an increase in terminal concessions of \$308,000, rent of \$222,000 and rental car commissions of \$66,000, offset by a decrease in advertisement commission of \$114,000 due to the Terminal Modernization Project.
- Ground Handling's positive variance of \$569,000 is the result of increased activity at LCK which is partially related to the West Coast Port Strike.

Operating Expenses – Actual vs. Budget, with \$39.8 million in actual expenses, and a budget of \$40.2 million, leaving a positive variance of \$356,000.

- Salaries & Wages' negative variance of \$91,000 is the result of a vacancy credit of \$664,000 offset by lower than anticipated project management hours of \$217,000, overtime due to vacancies and inclement weather of \$290,000, incentives of \$104,000 and paid time off accruals of \$144,000.
- Benefits & Personnel's positive variance of \$405,000 is due to a reduction in OPERS and health insurance costs of \$505,000 relating to open positions, offset by lower than anticipated project management hours of \$100,000.
- Supplies & Materials' positive variance of \$479,000 is due to \$329,000 in timing of spend for paving and painting projects and equipment purchases and \$440,000 decrease in FBO ground fuel purchases offset by \$290,000 increase in snow supplies due to inclement weather.

Statement of Net Position Analysis – With an approved Capital Budget of \$62.3 million and total cash expenditures to date of \$21.6 million, this represents a year-to-date execution of 35% of the approved Capital Budget spend. The total accrued expenditures to date of \$24 million represents 39% of the approved Capital Budget.

Bush reported that the debt per enplaned passenger is \$31.17, compared to the Moody's Average of \$66.92 from 2013. The days of unrestricted cash on hand is 595 days, with the Moody's 2013 average being 526 days. Days of unrestricted cash excluding rental car facility charges is 384 days, which is ahead of the 365 days the Authority desires to maintain. CRAA has \$112 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 \$18.4 million vs. a budget of \$15 million. This gives the Authority a positive Operating Income before Depreciation variance of \$3.4 million as compared to budget, or 22.9%.

Combined Statement of Net Position vs. Prior Year End – Total assets and deferred outflows were \$912.3 million with current cash and cash equivalents of \$122.4 million. Net land, property and equipment in the amount of \$752.8 million is the largest asset on the Combined Statement of Net Position.

HUMAN RESOURCES:

Smith reported that the Human Resources Committee did not meet this month. The next quarterly committee meeting is scheduled for September 18 at 2:00 p.m.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service:

Overview of Monthly Activity Report

July was an impressive start to the second half of 2015 for both passengers and cargo. Over 620,000 passengers flew through Port Columbus – an increase of 5.7% when compared to July the year prior. Year-to-date passengers are up 5%, continuing the busiest year for CMH passengers since 2008.

Port Columbus

Southwest Airlines saw the largest growth in traffic for the month of July, with 8.3% more passengers flying when compared to the year prior. Year-to-date the airline is up 7.4%.

Two weeks ago we were thrilled to celebrate Southwest's second round of new service additions at Port Columbus, with both Oakland and Boston launching on the same day. Passengers were welcomed to the festive gate area by the sounds of The Jazz Arts Group - the trio of musicians were onsite to help celebrate the new flights. Local Southwest employees represented the airline's spirit by playing onboard games with passengers while in route to help celebrate the new service.

Delta, United, and Air Canada also saw large growth in passenger traffic in July. Delta was up 7.8% when compared to the year prior, and United was up 8.4%. Air Canada's Toronto route continues to trend up 24% year-to-date.

American, combined with US Airways, saw a decrease in passengers of -1.7% in July, leveling off after strong growth in 2014. Last year at this time the two airlines combined ended the month up 12%. On October 17, the US Airways brand will be officially retired as American finalizes the last phases of the merger.

Rickenbacker Charter Terminal Activity and New Service

At Rickenbacker, Allegiant more than doubled their passengers in July when compared to the year prior. Total passenger traffic at Rickenbacker is up 85% year-to-date.

Cargo Air Service

Air cargo growth led by our international carriers at Rickenbacker continues to be strong. Cargolux was at the top of those carriers for the month of July carrying 2.3 million lbs., up 123% from 2014, while Cathay Pacific moved 1.8 million lbs. and Emirates contributed over 750,000 lbs. International charter activity, where customers book an entire aircraft for special project work or volume overflow, was also up over 2014 contributing another 1,187,785 lbs. of throughput. For the month the airport handled 16.6 million lbs. of air freight, an increase of 26.3%, bringing the total for the year to 118.4 million lbs., 37.9% ahead this time last year. Domestic cargo volume was down 7.7% reflecting lower FedEx volumes that was more than offset by gains in international activity.

To support Rickenbacker's continued growth, the Business Development team will attend and sponsor the Ohio Conference on Freight in Cincinnati in next month while also making visits to customers within our freight catchment area.

Foreign Trade Zone (FTZ)

On the FTZ side, our Foreign-trade Zone #138 is in the process of adding two new users, continuing brisk activity with companies considering and joining our zone. Our FTZ Administrator was recently selected to present a session on the benefits of the Foreign-trade Zone program at the annual Ohio Economic Development Agency Summit, to be held later in October. We will also host our annual FTZ seminar on November 3.

Concessions

Through the second quarter of 2015, Net Concessions Revenue from all food, beverage, retail, services, and advertising increased 9.5%. There is a wealth of other information available in this report and we welcome any questions or comments.

Openings of Bob Evan's Express in June, and Eddie George Grille 27 in mid-July will help to support this positive trend throughout 2015 and beyond. Eddie joined Bill Heifner, Liza Kessler and Roberts for the dedication last week and the restaurant has become an instant hit with passengers.

Store renovations pre-security to align with TMP activity continue to negatively impact concession activity in this area as well as advertising sales terminal wide. As you may have seen in the paper, our master retail concessionaire, Paradies Shops, is working closely with the Short North Business Association as we renovate the pre security shops into the new Short North Marketplace. The Marketplace is scheduled to open by Labor Day.

Customer Service

We are pleased to announce the completion of the new U.S. Customs and Border Protection (CBP) General Aviation Facility adjacent to Lane Aviation earlier this month. Lane's \$900,000 investment in the new 2,667-square-foot, high security CBP facility is expected to provide time, cost and other logistical savings for international arrivals of general aviation aircraft. This new facility provides another competitive advantage for Columbus in the global business marketplace.

We were pleased to partner with Lane and Customs on this project, and we congratulate Lane for taking the initiative to increase strategic, international opportunities for the airport and the Columbus region.

Port Columbus' existing U.S. Customs facility inside the main terminal building will continue serving international arrivals via commercial air carriers while the new general aviation facility will accommodate all corporate and private aviation clients at Lane. The facility was dedicated on August 1 and has been used several times already.

Budget Summit

The management team spent an entire day last week reviewing all proposed new projects and initiatives in a Budget Summit as work is underway on preparing the 2016 Annual Operating Budget. Impacts on airline rates and charges were reviewed and recommendations from the earlier Talent Allocation process were incorporated. The full Budget will be reviewed with the Board Finance Committee in October before presenting to the Board in November.

Water Main Break

On the afternoon of Friday, August 7, a 10" water main failed under Westbound International Gateway adjacent to Concourse C. The break disrupted the water supply to Concourse C, forcing the closure of restrooms and food and beverage service. Service was restored at 11:00 p.m. Impact to flight operations was minimal. However, when the water was turned back on, a backflow prevention valve failed, flooding a portion of the lower level of Concourse C, including the Parking and Ground Transportation offices. Our team led by Casey Denny, Vice President of Asset Management, responded quickly and coordinated with Operations, Public Safety and Customer Service to mitigate the impact on our customers and to oversee the repairs.

Port Columbus and Rickenbacker Certification Inspections Rescheduled

The FAA has rescheduled the annual airport certification inspections for Port Columbus and Rickenbacker. Originally scheduled for the week of August 17, the inspections will now be conducted during the week of October 5.

Casey Denny – Southwest Chapter of AAAE Award of Excellence

Roberts congratulated Casey Denny for receiving the Southwest Chapter of AAAE's Award of Excellence. This award includes:

- Recognizing airport management professionals, other than the person having primary responsibility for the airport, who have gone out of their way and given substantial extra effort to ensure the promotion, operation, maintenance or development of aviation and/or the airport.
- Casey was recognized for his long standing participation in the region (over 20 years) and Board service from 2009-2011 and 2012-2015.

Office of Contracts & Procurement Receive Award

CRAA's procurement team received the Outstanding Agency Accreditation Achievement Award Accreditation. This award recognizes excellence in public procurement by benchmarking against public procurement best practices. The procurement team achieved 109 points of a possible 132. The accreditation is valid for 3 years and is awarded to agencies that are deemed to be leaders in the public procurement profession. Only 55 of the over 2,600 government agencies represented by the National Institute of Government Purchasers were certified.

READING OF RESOLUTIONS

RESOLUTION #46-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY RESCINDING RESOLUTION 43-15 ADOPTED BY THE BOARD OF DIRECTORS ON JULY 28, 2015 AND AUTHORIZING A GROUND LEASE AGREEMENT WITH DISTRIBUTION LAND CORP. TO FACILITATE THE DEVELOPMENT OF AIR CARGO TERMINAL #5 TO BE LOCATED ON 5.602 ACRES OF LAND ON THE NORTH AIRFIELD AT RICKENBACKER INTERNATIONAL AIRPORT.

MOVED: J. Miller; SECONDED: E. Kessler
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #47-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO ADOPT A POLICY FOR AIRCRAFT SELF-FUELING AT PORT COLUMBUS INTERNATIONAL AIRPORT BY COMMERCIAL AVIATION OPERATORS OTHER THAN SIGNATORY AIRLINES AND FIXED BASE OPERATORS.

MOVED: D. Smith; SECONDED: J. Miller
YEA: 7 NAY: 0 ABSTAIN: W. Heifner _____

RESOLUTION #48-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY TO AMEND THE MINIMUM STANDARDS FOR COMMERCIAL AVIATION OPERATIONS AND SERVICES AT PORT COLUMBUS INTERNATIONAL AIRPORT.

MOVED: E. Kessler; SECONDED: J. Miller
YEA: 7 NAY: 0 ABSTAIN: W. Heifner _____

RESOLUTION #49-15 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 A REPLACEMENT AIR TRAFFIC CONTROL VOICE RECORDER SYSTEM AT PORT COLUMBUS INTERNATIONAL AIRPORT AND THE INSTALLATION OF A NEW AIR TRAFFIC CONTROL VOICE RECORDER SYSTEM AT RICKENBACKER INTERNATIONAL AIRPORT, PROJECTS #16011 AND #14030, IN THE AMOUNT OF \$125,550 FOR USE AT PORT COLUMBUS INTERNATIONAL AND RICKENBACKER INTERNATIONAL AIRPORTS.

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

RESOLUTION #50-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT IN THE AMOUNT OF \$277,120 WITH RDM INTERNATIONAL, INC. TO UPDATE THE PAVEMENT MANAGEMENT PROGRAM AT PORT COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL, AND BOLTON FIELD AIRPORTS.

MOVED: E. Kessler; SECONDED: D. Casto
YEA: 8 NAY: 0 ABSTAIN: _____

RESOLUTION #51-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT IN THE AMOUNT OF \$753,386 WITH GS&P/OH, INC. FOR PROFESSIONAL STORM WATER MANAGEMENT AND STUDY SERVICES FOR OUTFALL 4 AT PORT COLUMBUS INTERNATIONAL AIRPORT.

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

RESOLUTION #52-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE TO THE DESIGN-BUILD GUARANTEED MAXIMUM PRICE (GMP) CONTRACT WITH ELFORD, INC. IN AN AMOUNT UP TO \$1,777,232 FOR CONSTRUCTION ACTIVITIES ASSOCIATED WITH PROJECT #15024, AIR CARGO TERMINAL #5 ENTRANCE ROAD AND UTILITY EXTENSIONS, AT RICKENBACKER INTERNATIONAL AIRPORT WITH GMP AMENDMENTS SUBJECT TO REVIEW AND APPROVAL BY THE BOARD CHAIR AND FACILITIES AND SERVICES COMMITTEE CHAIR.

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

RESOLUTION #53-15 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY INCREASING THE CONTRACT AMOUNT WITH LANDRUM & BROWN, INC. TO \$656,391 FOR ON-CALL ENVIRONMENTAL REVIEW (NEPA) SERVICES AT PORT COLUMBUS INTERNATIONAL, RICKENBACKER INTERNATIONAL AND BOLTON FIELD AIRPORTS.

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

OTHER BUSINESS

With no further business being brought before the board, Casto moved to adjourn; Kessler seconded. Chair Tomasky adjourned the meeting at 4:45 p.m. on August 25, 2015.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

ER | ksw