



BOARD OF DIRECTORS | MEETING MINUTES OF NOVEMBER 22, 2016

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

Absent: 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., Vice President
Robin Holderman, Chief Development Officer
Tory Richardson, A.A.E., Vice President
David Whitaker, Vice President

CRAA Staff: A. Beaver, S. Bell, K. Easterday, D. Finch, P. Gehrisch, C. Goodwin,
J. Lizotte, P. Streitenberger, A. Wickline, K. Whittington

Others Present: Matt Maday, American Structurepoint
John Montgomery, Central Ohio Severe Weather Network

CALL TO ORDER

Chair Tomasky called the Board Meeting of the Columbus Regional Airport Authority to order at 4:02 p.m. on Tuesday, November 22, 2016.

Chair Tomasky congratulated E. Kessler on her reappointment to the CRAA Board for a four year term.

Chair Tomasky congratulated E. Roberts for receiving the YWCA Women of Achievement 2017 award.

MINUTES

Chair Tomasky asked if there were any additions or corrections to the Minutes of October 25, 2016. Hearing none, Heifner moved for approval; Cipriano seconded. Minutes approved unanimously.

COMMITTEE REPORTS

AIR SERVICE DEVELOPMENT:

Tomasky reported that the committee has not met since the last board meeting. Tomasky reported on the TSA PreCheck enrollment.

- The TSA PreCheck enrollment effort at CMH was very successful. 1,154 people registered for PreCheck clearance over a two week period. The maximum number of potential enrollees was 1,170 meaning 99% of the enrollment slots were filled.
- The Authority has confirmed a second enrollment effort that will run February 27 through March 10, 2017 and will be conducted in the same location on the baggage claim level across from baggage belt #6.
- Presuming another successful enrollment effort, CRAA intends to pursue a permanent registration location at John Glenn International to be established as soon as practical in 2017.

BUSINESS DEVELOPMENT:

No report.

FACILITIES & SERVICES:

Heifner reported that the Facilities & Services Committee met on November 16 and 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.
- Midfield Development Program – work continues for the Consolidated Rental Car Facility and utility infrastructure. R.W. Block has begun the capacity study.
- Work continues on the new parking lot next to the hotel. This lot will provide 300 parking spaces.
- Modification of Standards work has begun at Rickenbacker.

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. The Authority has a strong Balance Sheet and Income Statement. The 2017 Operating and Capital budgets were reviewed. Miller requested R. Bush to report on the financial reports.

Bush reviewed the internally prepared financial statements for the year-to-date period ending October 31, 2016.

Operating Revenues – Actual vs. Budget, with \$88.7 million in actual revenues and a budget of \$88 million, leaving a positive variance of \$642,000.

- Concessions – The \$322,000 positive variance is due to favorable concessions percentage rent as well as space rent for lessees who were budgeted to vacate. This is offset by a decrease in advertising revenue.
- Hotel – The \$213,000 positive variance is due to higher than planned occupancy rate and average daily rate as well.
- International Lift Fees – The \$284,000 positive variance is the result of an increase in the number of lifts as compared to budget. There are 13% more lifts in 2016 vs. 2015.

Operating Expenses – Actual vs. Budget, with \$59.5 million in actual expenses, and a budget of \$61.2 million, leaving a positive variance of \$1.7 million. The majority of this variance is due to timing of spend for supplies and materials.

Operating Income Before Depreciation – Actual vs. Budget, with \$29.2 million in actual Operating Income, and a budget of \$26.8 million, leaving a positive variance of \$2.4 million.

Composition of Operating Revenue – Parking represents 33.7% of our operating revenue. Airlines represent 30.3% 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 394 employees. We currently have 49 staffing vacancies of which 21 are full-time, 3 part-time, and 25 seasonal as related to recruiting the snow team.

Hotel Operations – Year-to-date Net Operating Income is \$1.9 million actual vs. a budget of \$1.7 million, leaving a positive variance of \$152,000. This is on track with our forecast for the year. The actual occupancy rate for last month was 79.8% compared to a budget of 78.2%.

Rickenbacker Net Operating Income – Actual vs. Budget, reflected \$1.6 million in actual net operating income compared to a budget of \$485,000 providing a positive variance compared to budget of \$1.1 million.

Statement of Net Position Analysis – The Authority's Net Position remains strong with \$935.8 million in total assets and \$158.45 million in total liabilities. Included in total assets is \$142.7 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 \$43.4 million, this represents a year-to-date execution rate of 79% of the approved Capital Budget. The year-to-date Capital Budget Baseline pacing was \$39 million. Compared to the accrued expenditures to date, this represent 111% of the planned pacing of the Capital Budget Baseline.

The Authority's debt per enplaned passenger is \$25.86, 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 414 days, with the 2015 Moody's airport average being 657 days.

CRAA has \$100.7 million of outstanding debt which includes \$9.5 million outstanding under our Revolving Credit Facility.

HUMAN RESOURCES:

Tomasky reported that the committee did not meet and the next committee meeting is scheduled for December 12.

PRESIDENT & CEO REPORT

Roberts reported on the following business items:

Passenger Air Service

John Glenn International

John Glenn International saw yet another month of passenger growth in October with 4.7% more passengers traveling compared to October of last year. Year-to-date passengers are up 8.1%.

Southwest Airlines saw the largest amount of passengers in October with over 220,000 traveling with the carrier, a 3.8% increase over the year prior. Year-to-date the airline has served over 2 million passengers in Columbus, an increase of 12%.

United saw the next largest increase in passengers with a growth of 5% for the month, while Air Canada saw a 20% growth with nearly 1,000 more passengers traveling than the year prior.

American saw a slight decrease in passengers with 1% less traveling than October of last year, while Delta saw a decrease of 3%. Both airlines are positive year-to-date.

Frontier Airlines carried 22,325 passengers in the month of October. So far the airline has carried over 114,000 passengers in their first five months of operation.

Rickenbacker Charter Terminal

Meanwhile at Rickenbacker – nearly 15,000 passengers traveled through the charter terminal in October, an increase of 34% over the year prior. Allegiant carried the majority of those passengers and saw an associated increase of 43%.

Year-to-date passengers at LCK are up 26%.

Cargo Air Service

The volume of cargo moving through Rickenbacker International Airport last month totaled 19.6M lbs., up 18% over last October, as more international freight transited the airport during the peak store and warehouse stocking season. Our international carriers were up a collective 71% for the month which was more than enough to offset the drop in domestic business (down 9%), aboard FedEx and UPS. Cargolux, Cathay Pacific Cargo and Emirates SkyCargo were up 89%, 44% and 96% respectively in October, while Etihad brought another 800,000 lbs. The airport uploaded 1.1M lbs. of exports last month, the largest volume of scheduled exports in many years.

Year to date the airport has handled 160M lbs. of air freight, down 3% from this time last year, but up 10.7% when adjusted for the ocean supply chain disruption of 2015.

Concessions

Third Quarter Concessions Report

Revenues from Advertising, Retail, and Food & Beverage have rebounded in a post-TMP environment. Gross revenues through the third quarter are up 11.5% while net revenue is now up 8.7%.

Third Quarter Rental Car Report

Gross Revenues are down 1.2%. 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 and second quarter forcing rates down and impacting revenue. Net rental car revenues increased 5% during this same time period primarily due to new lease terms effective 1/1/2016.

Customer Facility Charge growth remains strong, up nearly 30% on increased charges. Negotiations continue with the rental car companies to define the business terms for the new Consolidated Rental Car Facility (CONRAC). The authority anticipates bringing a Memorandum of Understanding to the Board at their January meeting for consideration.

Communications

The 3Q 2016 communications dashboard report was designed to provide you an overview of the most recent quarter's efforts by the Communications team. One side of the report focuses on digital metrics, including social media and website trends while the other side highlights public relations, media activity, special projects and the team's focus in the current quarter.

Welcome Center Wrap

Experience Columbus has completed wrapping the renovated Information and Group Welcome Center on the baggage claim level. We have long partnered with Experience Columbus in serving as a de-facto visitors welcome center and are pleased to bring their branding into the airport as well.

Airline Rates and Charges

CRAA held the annual rates and charges meeting with the corporate airline representatives on November 2 and it was a positive meeting with no recommended changes. Brian Mattingly, Delta Airlines and the Airport Affairs Chairman at CMH, was very complimentary of the budget and rates and charges package prepared by our Finance Team. He stated that it's the best in the industry and they share it often with other airports as an example to model.

Employee Engagement

The Senior Management Team met off-site two weeks ago with a focus on the development of engagement action plans for implementation in 2017. The results from the July Employee Engagement Survey have been shared with all employees and the operating departments were tasked with developing specific action items to address those areas needing improvement. There will also be some key focus areas that impact the entire organization, such as ensuring competitive compensation and benefit packages to attract and retain top talent. We will be discussing the survey results in more detail with the Board Human Resources Committee at their upcoming meeting. This will continue to be one of our three top strategic priorities for 2017.

Next week, Roberts begins the semi-annual *Chats with the President* with all employees. The December series of chats provides an opportunity to recognize and celebrate the departmental and organizational successes for the year, and there have been many to celebrate in 2016.

FAA Convenes Meeting to Design NextGen Flight Procedures in CMH Airspace

FAA convened a two-day meeting with local stakeholders last week to kick off the process to design new flight tracks in the Central Ohio airspace. The effort is part of the ongoing implementation of the NextGen satellite-based air traffic control system. The GPS-based navigation procedures will significantly increase accuracy, allowing aircraft to arrive at and depart CMH, LCK and other airports more efficiently, which will save time and fuel, and reduce carbon emissions and total noise impacts on the community. The FAA Great Lakes Regional Administrator attended the meeting. CRAA, along with NetJets, OSU and Southwest Airlines have been advocating for this project for several years. The process is expected to take approximately two years to final implementation of the new procedures.

Kick Off of Rickenbacker Master Plan Effort

On December 5, a large community Stakeholder Advisory Committee will be meeting for the first time to kick off the Rickenbacker Airport Master Plan Update Study. An internal visioning meeting was held a few weeks ago and staff appreciated Board member Ransier attending the session. This Planning Study is expected to take over a year to complete and we'll provide progress reports to the Board at key milestones.

Preseason Snow and Ice Control Meetings Concluded at CMH and LCK

Last week, Airport Operations staff conducted the annual winter season kickoff meetings with airlines and other stakeholders at CMH and LCK. The meetings are intended to enhance coordination during winter operations and help our stakeholders understand what to expect when airport winter operations are in progress. This is the final step in the winter operations preparation process.

Employee Cardiac Incident

Airport police and EMS personnel saved yet another life on November 1 when a CRAA employee experienced a cardiac arrest. The employee collapsed while waiting for a meeting on the mezzanine level outside the Airport Police and Operations offices. Several police officers were in the vicinity and quickly began CPR. They were able to successfully restart his heart with an AED, and continued to attend to him until ARFF medics arrived. He is now recuperating at home, and we look forward to having him return to work soon.

2017-2018 Board and Committee Meeting Calendar

A copy of the 2017-2018 CRAA Board and Committee meeting schedule was provided to the Board of Directors. Roberts thanked the board for helping our office schedule dates, especially for the quarterly meetings. These meetings will be communicated via e-mail and entered on the board portal within the next few business days.

Thank You to CRAA Board of Directors

Roberts thanked the CRAA Board members for serving on our board. Board members were presented a token of appreciation for their service. Roberts wished everyone a happy and safe holiday season.

READING OF RESOLUTIONS

RESOLUTION #75-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY ADOPTING THE OPERATING AND CAPITAL BUDGETS, AND THE SCHEDULE OF FEES, RATES AND CHARGES FOR CALENDAR/FISCAL YEAR 2017.

MOVED: J. Miller; SECONDED: D. Casto
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #76-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A PROFESSIONAL DESIGN SERVICES AGREEMENT WITH TRANSYSTEMS CORPORATION OF OHIO IN THE AMOUNT OF \$2,468,405 FOR THE PROGRAM VERIFICATION AND SCHEMATIC DESIGN OF THE CONSOLIDATED RENTAL CAR FACILITY, ALSO KNOWN AS THE CONRAC, AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT.

MOVED: J. Miller; SECONDED: E. Kessler
YEA: 6 NAY: 0 ABSTAIN: W. Heifner

RESOLUTION #77-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$305,615 WITH ELFORD, INC., FOR THE BUSINESS DEVELOPMENT AND COMMUNICATIONS, OPERATIONS AND PUBLIC SAFETY OFFICE RECONFIGURATIONS AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT.

MOVED: D. Casto; SECONDED: E. Kessler
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #78-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH BUS SERVICE INC., FOR THE PURCHASE OF FIVE (5) 2017 PROPANE/GAS HYBRID SHUTTLES IN THE AMOUNT OF \$330,250 FOR USE IN THE REMOTE SHUTTLE LOTS AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT.

MOVED: W. Heifner; SECONDED: F. Cipriano
YEA: 7 NAY: 0 ABSTAIN: _____

RESOLUTION #79-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE AMOUNT OF \$111,020 TO PROFESSIONAL SERVICES MASTER AGREEMENT #PEO-2013-008, TASK ORDER #8, WITH THE SOPHIC GROUP dba IMPROVING ENTERPRISES FOR TEMPORARY PROJECT MANAGEMENT STAFFING SERVICES.

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

RESOLUTION #80-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A CONTRACT WITH SP PLUS CORPORATION, TO PROVIDE VALET STAFFING AND MANAGEMENT SERVICES FOR THE PUBLIC VALET PARKING OPERATION AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT.

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

RESOLUTION #81-16 OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY AUTHORIZING A REVISION TO THE INVESTMENT POLICY FOR THE MANAGEMENT AND INVESTMENT ACTIVITIES OF MONIES UNDER THE CONTROL OF THE COLUMBUS REGIONAL AIRPORT AUTHORITY.

MOVED: J. Miller; SECONDED: T. Williams
YEA: 7 NAY: 0 ABSTAIN: _____

OTHER BUSINESS

Tomasky thanked all CRAA staff for their hard work in 2016.

With no further business being brought before the board, Chair Tomasky requested to adjourn. Kessler motioned; second by Williams. Chair Tomasky adjourned the meeting at 4:50 p.m. on Tuesday, November 22, 2016.

Respectfully submitted,



Elaine Roberts, A.A.E.
Secretary

ER | ksw