

**MINUTES AT THE REGULAR MEETING OF THE COLUMBUS AIRPORT
COMMISSION HELD AT THE COLUMBUS AIRPORT
WEDNESDAY, MARCH 28, 2018 AT 9:30 AM**

The following Commission members were present for the entire meeting.

<u>NAME</u>	<u>EXPIRES</u>
Mr. Winfield G. Flanagan, Secretary	December 31, 2018
Mr. Carl Rhodes, Jr., Vice Chairman	December 31, 2019
Ms. Tana McHale, Treasurer	December 31, 2021

Staff members absent:

Mr. Thomas G. O. Forsberg, Chairman	December 31, 2020
Mr. Donald D. Cook	December 31, 2022

Richard Howell, A.A.E., Airport Director
W. Donald Morgan, Jr., Legal Counsel
Mary Scarbrough, Secretary
Eric Trivett, C.M., Maintenance Manager
Lorrie Brewer, Chief Accountant
Amber Clark, C.M., Flightways Columbus Manager
Ben Kiger, Propellers Restaurant Manager
Andre' Parker, Chief of Public Safety c

Others present:

Brian Thompson, RS&H; Gary Kunday

BUSINESS OF THE MEETING

Mr. Carl Rhodes welcomed everyone and called the March 28, 2018 Columbus Airport Commission Meeting to order.

APPROVAL OF MINUTES

Motion by Ms. Tana McHale to approve the minutes for the February 28, 2018 Columbus Airport Commission Meeting; seconded by Mr. Winfield and unanimously approved by the Commission. Ayes: 3 / No: 0

CONSIDER APPROVAL OF THE FY 2018 BUDGET AMENDMENT

Mr. Richard Howell stated the ongoing review of the FY 2018 budget has found a significant shortfall in the Cost of Goods Sold (COGS) fuel accounts for Flightways. The shortfall is due to a miscalculation during the FY 2018 budget process that did not take into consideration the considerable fluctuation in the fuel costs during the year. This subsequently caused these COGS accounts to be under-budgeted.

To align the budget with actual activity and provide a more accurate baseline for FY 2019 budget planning, staff requests these accounts be adjusted to provide an additional \$195,731. The Flightways Manager and Chief Accountant are aware of which accounts need amending and concur with the proposal.

Staff recommended approval.

Motion by Mr. Winfield Flanagan to approve the FY 2018 Budget Amendment for the Columbus Airport; seconded by Ms. Tana McHale and unanimously approved by the Commission. Ayes 3 / No: 0

CONSIDER APPROVAL OF THE COLUMBUS AIRPORT COMMISSION DEPRECIATION POLICY

Mr. Howell reported the Commission’s Five-Year Strategic Plan calls for a reduction in the Cost Per Enplaned Passenger (CPE) the airlines pay at the Columbus Airport (CSG). As the Commission is aware, a major effort in this was shifting the determination of fees and charges from automatic increases built into the Airline Use and Lease Agreement to that being based on the actual budget for each fiscal year. Once the budget is adopted, a new fee schedule is developed and presented to the airline for implementation on July 1 of each FY.

The fee schedule includes charging portions of the depreciation schedule to the appropriate cost center; either Airside for landing fee determination or Landside for terminal rents calculation. Ongoing review of the depreciation schedule has found our policies are outdated and in need of adjustment as well as in many cases items have been incorrectly depreciation beyond any expected life or classified incorrectly. These discrepancies not only effect the carrier rates and charges but impact the Commission’s bottom line financials. Current policy provides for an asset costing only **\$1,000** or more and depreciated by type:

Land improvements	10-25 years
Easements	40 years
Buildings and improvement	5-40 years
Furniture, fixtures, and equipment	3-10 years
Automobiles, trucks and tractors	3-10 years
Development Plans	3-10 years
Contract Termination Costs	10 years

Generally Accepted Accounting Principles (GAAP) as well as rules developed by the Internal Revenue Service (IRS) provides for organizations to establish their own policies for depreciation of assets within accepted guidelines. Easements are no longer a depreciated item and will be removed from the list. Development Plans and Termination Costs should be included in the cost of the project they support and are also removed.

Staff proposes the following general depreciation policy:

Fixed assets will be capitalized as follows:

- All land acquisitions
- All buildings/facilities acquisitions and new construction
- Facility renovation and improvement projects costing more than \$100,000
- Land improvement and infrastructure projects costing more than \$100,000
- Equipment costing more than \$10,000 with a useful life beyond a single reporting period (generally one year)
- Computer software costing more than \$10,000 with a useful life beyond a single reporting period
- By category the following schedule will be followed:

Land improvements 15-25 years

Land improvements include items such as excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, flagpoles, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended purpose. Expenditures for land improvements that do not deteriorate with use or passage of time are additions to the cost of land and therefore not depreciable.

Building Renovations 5-30 years

A building renovation is defined as enhancements made to a previously existing building component. Any renovation to a building must at a minimum meet the following criteria to qualify as a fixed asset: The total project cost must be more than \$100,000, and the renovation must extend the useful life or capacity of the asset.

Building Improvements 15-30 years

An improvement to a building is defined as adding a new component where one did not previously exist. The improvement must cost more than \$100,000 and have an initial useful life extending beyond a single reporting period (generally one-year).

Furniture, fixtures, and equipment 3-7 years

Computer Equipment 3-5 years

HVAC Equipment 10-15 years

Automobiles, trucks and tractors 5-15 years

Annually, no later than June 30, the Chief Accountant will generate a list of proposed assets to be added to be capitalized and added to the depreciation schedule. Said list shall be reviewed with the Airport Director prior to final addition to the document.

Staff recommended approval.

Mr. Rhodes stated there is a lot to do in managing the airport, he personally appreciated staff bringing us the information, to be consistent and important, providing the detail.

Motion by Mr. Winfield Flanagan to approve the Columbus Airport Commission Depreciation Policy was made: seconded by Ms. Tana McHale and unanimously approved by the Commission. Ayes: 3 / No: 0

CONSIDER APPROVAL OF THE RS&H WORK ORDER #15 PERIMETER SECURITY ROAD ENVIRONMENTAL

Mr. Howell reported there has been a needed project that we have been looking at since his arrival which is a perimeter road around the facility. The purpose of the project is to provide the ability to transit the perimeter of the airport for inspections and maintenance while not having to cross runways and taxiways. When Mr. Howell arrived the Commission was under investigation for failing to perform appropriate perimeter fence inspections due to the inaccessibility of the areas on the south side of the airport. The project could not be considered until after the new fencing was installed in 2016. The project was postponed from last year as the Runway 6 RSA environmental initiative addressed a floodway issue that includes part of the area this project will move through. Delaying this project in favor of the response to the Runway 6 report will expedite the environmental process for this project.

RS&H has submitted a lump sum Work Order (WO) to complete this project in the amount of \$65,221.00. The project is funded with a Federal Aviation Administration (FAA) grant using the 90%/10% split Federal to local share. GDOT will not be contributing as they do not participate in planning projects. The local share will be ultimately reimbursed with Passenger Facility Charges (PFC) that have been collected but need FAA approval to be used. This approval should be forthcoming later in 2018. However, local share was included in this year's budget.

While the final details of the WO are still being completed, the amount has been settled. To expedite the process, we recommend accepting the WO and instruct the Airport Director to execute the resultant document as long as the final price is within 10% of the amount quoted here.

Staff recommended approval.

Motion by Ms. Tana McHale to approve the RS&H Work Order#15 Perimeter Security Road Environmental was made: seconded by Mr. Winfield Flanagan and unanimously approved by the Commission. Ayes: 3 / No: 0

CONSIDER APPROVAL OF THE SYNOVUS ASSIGNMENT

Mr. Don Morgan stated that Synovus has had a hangar on the airport property for many years. They moved their operation to a new facility in 1998, that is the lease that is currently in place. They gave notice under the 1998 lease that the lease would be renewed for an additional term. Originally that lease was Columbus Bank & Trust Company (CB&T) and WCB Air, which is part of the W C Bradley Company. There was an approval by the commission of some eternal assignments some years ago where Synovus and TSYS became part of the lease group, CB&T came out, currently within their group of companies they have decided that WCB Air no longer has a need for a hangar and eternally they are transferring the asset on their books, asking the commission to approve and change in the lease which will allow the two lessee's to be TSYS and Synovus. He does not see that there is any compromise in the credit or any problem at all, he sees it as a formality.

Staff recommended approval.

Motion by Mr. Winfield Flanagan to approve the Synovus Assignment was made: seconded by Ms. Tana McHale and unanimously approved by the Commission. Ayes: 3 / No: 0

CONSIDER APRIL 2018 MEETING SCHEDULE

Mr. Howell asked the Commission since there would be a work session on April 20, 2018 would they like to have the regular monthly scheduled meeting for April? This would mean there would be two meetings in the month. He said there is nothing listed in the By Laws that he is aware of requesting to have a regularly scheduled meeting. Mr. Howell does not see anything coming up other than the budget which will be presented at the work session as in the past couple years. There will be no issue if the Commission decides not to have the regularly scheduled meeting.

Mr. Rhodes stated he feels the work session is sufficient for the month of April 2018.

Motion by Mr. Winfield Flanagan to cancel the regular Columbus Airport Commission Meeting since there will be a scheduled Work Session on April 20, 2018 was made: seconded by Ms. Tana McHale and unanimously approved by the Commission. Ayes: 3 / No: 0

DIRECTORS REPORT

FINANCE

Ms. Lorrie Brewer provided the following update.

The Airport sustained a loss of \$2,322 with an adjusted net profit (without depreciation, amortization, grant or PFC revenues) of \$53,388 in February. Year over year it amounts to a decrease of about 55% in comparison to February of last year in which we had an adjusted net profit of \$118,906 (see Summary of Airport Revenues & Expenses).

A decrease in FBO sales of about \$25,000, which Amber will address in her report, and a loss in our investment account of approximately \$25,000 contributed greatly to the difference in revenue year over year.

Fuel flowage fees up slightly compared to this month last year. Hangar and other rents again reflected a decrease primarily due to the car rental agencies rents, which are based on sales, resulting in an almost \$10,000 decrease over last year.

Parking lot revenue has increased by over \$10,000 month over month in comparison to revenue received from Republic last year. This month last year our revenue from Republic was \$8,333 (which is fixed) and this month this year our gross revenue was \$18,413 from the new parking lot.

Compared to this month last year, labor expenses were up over \$13,000 due to full staffing at the FBO, and in Public Safety and Operations, with Public Safety showing the most significant cost increase of almost \$11,000. Utilities and other services expenses were up by over \$3,000 and insurance costs were up a little over \$1,500. Administrative expenses were up by over \$1,300 and repairs and maintenance expenses increased compared to this time last year by almost \$2,000.

Enplanements and deplanements both reflected increases compared to this month last year. The differences were 180 in enplanements and 148 in deplanements.

Propellers and Flightways will present their own reports.

Tenants Past Due 60 Days or More: See report with financials.

Update on Airport Improvement Project 40: Portions of the project are complete. AIP 40—Grant Total: \$960,422; Runway 6-24 Project & Terminal Assessment Grant Balance: \$100,624.

Update on Airport Improvement Project 41: AIP 41—Grant Total: \$1,619,802; Runway 6 Safety Area Improvements, 6-24 Construction Mitigation, & Perimeter Security Road Grant Balance: \$1,504,506.

Cash flow for the operating account was positive for the month. (See the Cash Flow Summary for more information.)

The PFC account had a balance of \$644,645 at the end of February. The cash reserves account had a balance of \$1,242,609 at the end of February.

FLIGHTWAYS COLUMBUS

Ms. Amber Clark provided the following update.

- **Volume Report:**

We pumped a little over 56,000 gallons of fuel this February. Our total volume remained about the same, year over year. We had a moderate decrease in total gallons of avgas pumped this year. Our Based Tenant Avgas uplifts remained about the same; however, our Transient Avgas uplifts decreased moderately. Last year we had several aerial photography aircraft which operated for several weeks, taking fuel with each flight, as well as various transient flight training operations. This year we did not have those type of operations which greatly attributed to the decline in Transient Avgas uplifts. Contract and Retail Jet remained about the same, year over year. We had a significant increase in Airline uplifts, this continues to be due to Endeavor operating the airlines flights this year. We had a moderate decrease in Justice and Government Jet uplifts. These decreases were due to the decline in Military training in our area and a decrease in Justice flights, year over year.

- **Revenue & Profit Report:**

Our profits for the month were over \$23,000. Compared to last year, our revenue decreased by 12% and our profits decreased by 39%. Our profit margin was down by 31% for the month. This decrease in profitability was due the to the combination of the decline in Avgas, Government, and Justice Jet revenue, with an increase in equipment maintenance and

equipment rental expense accounts. For the most part, all other revenues were up for the month, and all other expense accounts were down for the month. The increase in the equipment maintenance expense account was due to replacing an engine in one of our tugs.

Employees of the Month:

We would like to congratulate both Damaris Smith and Kelly Peavey for earning the Employee of the Month award for the month of February. Both Damaris and Kelly were praised for the incredible customer service experience they provided to a transient C-172. The customer commented that, “they were so friendly and very helpful during his visit. He will continue to fly into our location.”

Tenant Socials:

Last Friday we had our 2nd Annual Easter Eggstravaganza celebration. We served smoked turkey, honey glazed ham, green bean casserole, corn casserole, and sweet potato casserole along with some great desserts. We had many tenants attend for the meal, but only a few participated in the Easter egg hunt. Congratulations to Tina Peavey, who was our raffle winner of the glass aviation decanter set.

Comparative Airport List:

March 20th- 26th, 2018					
Airport ID	Name	FBO	Jet A	100LL FS	100LL SS
FFC	Atlanta Regional Airport	Falcon Field	\$4.01	\$4.48	-
VPC	Cartersville Airport	Phoenix Air	\$4.26	\$5.08	-
DHN	Dothan Regional Airport	Aero-One Aviation	\$5.75	\$5.27	-
MDQ	Huntsville Executive	Executive Flight Center	\$4.60	\$4.90	-
HSV	Huntsville International	Signature	\$5.89	\$5.70	-
GVL	Lee Gilmer Memorial	Lanier/Champion	\$5.07	\$5.47	\$5.39
CHA	Lovell Field Airport	Wilson Air Center	\$5.58	\$6.14	\$5.20
MCN	Middle Georgia Regional	Lowe Aviation	\$4.59	\$4.99	\$4.84
ECP	NW Florida Beaches Intl	Sheltair	\$5.68	\$6.38	-
SAV	Savannah/Hilton Head	Sheltair/Signature	\$6.19	\$7.01	-
CSG	Columbus Airport	Flightways Columbus	\$5.21	\$5.66	\$4.88
		Average	\$5.16	\$5.54	\$5.14

MAINTENANCE

Mr. Eric Trivett provided the following update.

- At this time all the HVAC units that serve the terminal are still up and running.
- Just a reminder to all the tenants. The last day to use the dumpsters for spring cleaning will be Saturday March 31, 2018.
- All open work orders on roof leaks have been taken care of.
- In the month of February, 57 work orders were opened and maintenance closed 57 work orders.

MARKETING

Mr. Howell provided the following update in the absence of Ms. Sonya Overton.

- Our Air Show Survival Kit in support of the American Cancer Society Fundraising Campaign for Relay for Life 2018 is completed and will be ready for purchase at the Air Show for \$15.00. Proceeds to benefit ACS.
- The 50th year celebration of the Commission will be in full swing beginning April 1, 2018 as we spend the entire month of April celebrating Commissioners past and present. There will be a luncheon held at the River Club on Friday, April 13, 2018 at 12 noon. We will also have live interviews, on air sponsorships for the entire month on stations WTVM, WXTX, WRBL & WLTZ and giveaways at the Air Show.
- It's time for an artwork update and we are requesting proposals for new artwork for the CSG Public Art Program. We will have new artwork in the terminal by the next month's commission meeting.
- Please mark your calendar for the following upcoming events:
 - Thunder in the Valley Air Show- Saturday & Sunday, April 7, 2018 & April 8, 2018 10am-5pm
 - 50th Commission Anniversary Luncheon- Friday, April 13, 2018

PROPELLERS

Mr. Benjamin Kiger provided the following update.

- Sales for the month of February were just over \$5,300.00, compared to \$6,000.00 in 2017.
- Total COGS in February was 39%, a 13% decrease from last year's COGS of 52%.
- While food sales were down \$1,100.00 compared to last year, we saw a 20% increase in vending sales - \$956.00 last year to \$1,191.00 this year.
- Propellers net loss for the month was \$4,400.00, and year-to-date, we have a net income loss of \$29,308.00, which is a \$15,459.00 improvement from last year.

Mr. Howell reported that he and Ms. Overton had attended an Air Service Conference in Myrtle Beach. It was a pretty fair conference, and they had some fruitful conversations, asked several questions, with a couple providers still interested in less than daily service into Florida from Columbus. We are optimistic that this may develop and move forward this summer.

There being no further business the meeting adjourned at 10:27 A.M.

APPROVED:

Mary Scarbrough, Secretary

Thomas Forsberg, Chairman