RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
JUNE 18, 2015

Chair Thompson presided. Present: Ali, Hannah, Hunt, Kane, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, CHRO Umphrey, Senior Vice President & CFO Sylver, Vice Presidents Damiano, DelNero, Hetzel, Legan, and Quesenberry, Executive Administrative Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
Motion by Teer to approve the agenda; Second by Ali
ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
Motion by Ali to approve the minutes of the May 21, 2015 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Kane
ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. The Chairman introduced representatives from the Special Olympics who presented the Authority with a plaque in recognition of their support during this year’s Plane Pull in April. The Chairman invited athlete Ryan Hood to speak about his involvement with this year’s event.
2. New hires, promotions and retirements recognized.
3. The Chairman recognized the Finance Team for their recent accomplishment of being awarded the Certificate of Achievement for Excellence in Financial Reporting for the sixth year in a row.
4. The Chairman outlined the Authority’s master plan study, Vision2040.

IV. OLD BUSINESS
1. Land and Development Committee Report – Teer reported the Land and Development Committee met on June 18, 2015 and discussed the following item(s):
   a. Update on the Master Agreement with Apple Designs and Task Orders 2, 3, and 4
      Presentation made for information purposes only; no Board action required.
   b. Consideration of Rejection of Bids for Fleet Fuel Station Replacement
      Committee recommends rejection of all bids.
      Motion by Teer to adopt Committee’s recommendation; Second by Zucchino
      ADOPTED BY UNANIMOUS VOTE

2. Finance Committee Report – Teer reported the Finance Committee met on June 18, 2015 and discussed the following item(s):

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a. Update on Workers Compensation and Property Insurance Coverages  
Presentation made for information purposes only; no Board action required.


Motion by Teer to adopt Committee’s recommendation; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

VI. GENERAL COUNCIL’S REPORT
No items were reported.

VII. MEMBER COMMENTS
Members Kane, Teer, Ali, and Hannah congratulated the Finance Team on their award achievement. Member Hannah congratulated those who have just joined employment with the Authority, and those about to retire. Hannah also congratulated and complimented Ryan Hood, a Special Olympics Athlete, who spoke to the audience regarding the 2015 Plane Pull.

VIII. PRESIDENT AND CEO’S REPORT
In reviewing the activity report, the Authority continues to see a year-over-year increase in passengers. In May, the number of passengers departing RDU rose by 2.3% compared to May 2014. The number of passengers arriving at RDU rose by 2.1%.

You heard early today the Authority completed the Annual Comprehensive Annual Financial Report (CAFR). A CAFR illustrates the Authority’s commitment to transparency to the community, bondholders and the airport’s governing body. Based on the CAFR, Cherry Bekaert issued an unmodified opinion on the Authority’s financial statements, which signals their “reasonable assurance” that the financial statements are free from material misstatements.

The President expressed that the Finance team did a great job on the CAFR.

Highlighting some elements of the CAFR from the 2014-2015 fiscal year, on April 13, 2014, the Authority completed its $68 million project to renovate and modernize Terminal 1, all of which was cash funded. The Terminal 1 renovation project was named the Best Project in the Airport/Transit category in 2014 by Engineering News-Record Southeast. It is the Airport’s first LEED certified building by the US Green Building Council.

The Authority developed a 5 year Major Expenditure Plan covering the period of the fiscal year ending March 31, 2016 through the fiscal year ending March 31, 2020. This capital improvement program includes expenditures on capital projects at the Airport of approximately $116 million.

Fitch Ratings and Moody’s both affirmed their bond ratings of Double A minus (AA-) and Double A three (Aa3) respectively, each with stable outlooks.
The total number of passengers who traveled through RDU in FY 2014/15 increased 4.5% from the prior fiscal year thanks in large part to Delta’s increased service and the addition of new service from other carriers. A result of the increase in passengers’ operating revenues exceeded the budget by $5.3M or 5.2% and $8.8M or 8.8% year over year. Operating expenses held under budget by $1.3M or 2.4% and slightly over the prior year by $1.4M or 2.7%.

In short, the Authority had a very good year and the President thanked the organization for its hard work and leadership.

Yesterday, Curt Fentress from Fentress Architects, Dr. Wayne Place, Alumni Distinguished Professor of Architecture from North Carolina State University School of Design, along with seven students from NS State School of Architecture presented their Airport Design for the Future concept. The Authority had about ten members of the leadership team in attendance as well. As part of a graduate project, the students were asked to expand the world’s vision of what an airport can be 50 years into the future and how it will be thought of as a place to be, rather than as simply one more step along the way. As such, the passenger-centric experience will be a major focus of the story of these building types.

The students had some great ideas and it opened up the leadership teams eyes to what the future could look like. And how appropriate as The Authority kicks off the Airport Master Planning process this month along with looking at the Strategic Plan this year.

IX. ADJOURNMENT

Motion by Ali to adjourn; Second by Hunt

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
JUNE 18, 2015

Teer presided. Present: Ali, Hannah, Hunt, Kane, Thompson, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, CHRO Umphrey, Senior Vice President & CFO Sylver, Vice Presidents Damiano, DelNero, Hetzel, Legan, and Quesenberry, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Update on the Master Agreement with Apple Designs and Task Orders 2, 3, and 4: Presentation made for information purposes only; no Board action required.**

   Presented by Tom Quesenberry, VP, Facilities Asset Management – The purpose of this item is to provide information pertaining to Task Orders 2, 3, and 4 under the Master Agreement with Apple Designs to provide Wayfinding, signing, and other professional consultative services for Information Sign Standards & Rehab Roadway Signs, RDU Project 010829. The scope of services in Task Order 2 involves the provision of all consultative services to conduct an inventory and condition assessment of the signing system and recommendations for a prioritized, multi-year program for renewal, replacement, and/or repairs of the interior and exterior Wayfinding and informational sign systems on the Airport. The scope of services in Task Order 3 involves the provision of all consultative services to prepare a comprehensive guidance document titled “RDU Airport Sign and Wayfinding Design Standards”. This document will specify and detail all aspects of the design, fabrication, and installation of informational and Wayfinding sign assemblies on Airport property. The scope of services in Task Order 4 involves the provision of all consultative services in the preparation and performance of a survey to gain direct input and data from internal and external users of the various Airport facilities as to the effectiveness of the existing informational signing and Wayfinding system in interior and exterior public areas. Additionally, the Consultant shall evaluate the input and data in order to provide recommendations to the Authority on appropriate improvements to address issues identified in this effort. All work identified in the task orders will be complete on or before October 31, 2015. MWSB participation goals are: a) Task Order 2 - 15.0% Minority Owned/77% Women Owned; b) Task Orders 3 and 4 are 0.0% for Minority Owned/100% for Women Owned. The compensation to the Consultant is the following lump sums: a) Task Order 2 - $83,080; b) Task Order 3 - $65,340; c) Task Order 4-$29,930. Total maximum compensation to the Consultant pursuant to these Task Orders is $178,350. Presentation made for information purposes only; no Board action required.

2. **Consideration of Rejection of Bids for Fleet Fuel Station Replacement: Upon a motion by Kane and second by Zucchino, the Committee recommends rejection of all bids.**
Presented by Ron Jewett, Director of Facilities Engineering – This project involves the replacement and modernization of the Authority’s fleet fueling station which exists at the Maintenance Facility. The facility currently includes gasoline, diesel, and biodiesel storage and dispensing. The project includes: 1) the demolition of the existing pumps, dispensers, and grassed fueling island; 2) the installation of a new concrete fueling island with a lighted canopy; 3) the re-use of one tank and two new tanks, all with related piping, pumps, and dispensers; 4) storage and dispensing capability for gasoline, off-road and on-road diesel, and bio-diesel; and 5) replacement and modernization of the existing fuel inventory control system. The new facility would be established in the same area as the existing facility. The contract was advertised for bids on the Authority’s website on April 29, 2015. A pre-bid conference was held on May 5, 2015 and was attended by five contractors and/or subcontractors. On May 20, 2015 three bids were received from: 1) ACH Constructors (Durham, NC) at $858,000.00; 2) Southern Pump and Tank (Raleigh, NC) at $939,106.59; and 3) Metcon, Inc. (Raleigh, NC) at $943,000.00. The low bid received is from ACH Constructors, in the amount of $858,000. However, since the bid was substantially higher than the engineer’s base bid estimate of $500,000, and therefore beyond the project budget, staff recommends rejection of the bids.

Staff recommends rejection of all bids.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
JUNE 18, 2015

Teer presided. Present: Ali, Hannah, Hunt, Kane, Thompson, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, CHRO Umphrey, Senior Vice President & CFO Sylvér, Vice Presidents Damiano, DelNero, Hetzel, Legan, and Quesenberry, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Update on Workers Compensation and Property Insurance Coverages**: Presentation made for information purposes only; no Board action required.

   Presented by James Witherspoon, Director of Risk Management and Safety – The Authority’s Workers Compensation and Property Insurance coverages renew on July 1, 2015. In October 2013, the Authority became a member of the Public Entity Property Insurance Program (PEPIP) and property insurance coverage will renew with PEPIP with an annual premium of $591,718. Due to an increase in property values, this premium increased by $424 compared to the last coverage year. The following chart shows recent premium history:

<table>
<thead>
<tr>
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<th>10/11 – 9/12 Zurich</th>
<th>10/12 – 9/13 Zurich</th>
<th>10/13 – 9/14 PEPIP/Alliant</th>
<th>7/14 – 6/15 PEPIP/Alliant</th>
<th>7/15 – 6/16 PEPIP/Alliant</th>
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<tr>
<td>Property Values</td>
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<tr>
<td>Premium</td>
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</table>

   *Deductible increased from $10,000 to $100,000

   The Authority will renew its workers compensation coverage with Brickstreet Mutual Insurance with an annual premium of $277,205. Due to a decrease in the experience modification rate, this premium decreased by $7,559.00 compared to the last coverage year.

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<tbody>
<tr>
<td>Payroll split</td>
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<td>67/33</td>
<td>63/37</td>
<td>63/37</td>
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<td>Payroll amount</td>
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   Presentation made for information purposes only; no Board action required.

Presented by Donna Sylver, VP, CFO – Cherry Bekaert, L.L.P. has performed audit services for the FY ended March 31, 2015 and will report on these completed audits and their findings. The draft Comprehensive Annual Financial Report (CAFR) along with two draft Compliance Reports (related to Grants and to Passenger Facility charges) will be sent to you separately. Staff recommends the Board accept the Comprehensive Annual Financial Report (CAFR) along with the Compliance Audit Reports for the FY 2015 (April 1, 2014 - March 31, 2015).