RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
AUGUST 20, 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 Thompson to add a Closed Session to the agenda after the President & CEO’s comments; Second by Ali; Motion by Teer to approve the agenda; Second by Hunt
ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
Motion by Kane to approve the minutes of the July 16, 2015 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Ali
ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. New hires, promotions and resignations announced.
2. Presentation by Vested interest in K9’S who have provided the Authority’s dogs with bullet-proof vests.

IV. OLD BUSINESS
1. Land and Development Committee Report – Teer reported the Land and Development Committee met on August 20, 2015 and discussed the following item(s):
   a. Consideration of the Prequalification of Bidders for Construction or Repair Projects Policy
      Committee recommends adoption of the proposed Prequalification of Bidders for Construction or Repair Projects Policy.
      Motion by Teer to adopt Committee’s recommendation; Second by Hunt
ADOPTED BY UNANIMOUS VOTE

   b. Consideration of Bids and Recommendation of Award for Fuel System Mechanical Modifications
      Committee recommends award of the Fuel System Mechanical Modifications contract to Burgess Corporation in the amount of $121,300.00, and requests authorization for the President and CEO to execute the contract.
      Motion by Teer to adopt Committee’s recommendation; Second by Hunt
ADOPTED BY UNANIMOUS VOTE
2. Operations Committee Report – Hunt reported the Operations Committee met on August 20, 2015 and discussed the following item(s):
   a. Consideration of the Resolution Adopting Guidelines for Mutual Assistance with Other Law Enforcement Agencies
      Committee recommends adoption of the Resolution Adopting Guidelines for Mutual Assistance with Other Law Enforcement Agencies.
      Motion by Hunt to adopt Committee’s recommendation; Second by Ali
      ADOPTED BY UNANIMOUS VOTE
   b. Consideration of the Approval of Wake County Emergency Operations Plan
      Committee recommends the adoption of the Statement of Approval for the Wake County Emergency Operations Plan.
      Motion by Thompson to adopt Committee’s recommendation; Second by Hunt
      ADOPTED BY UNANIMOUS VOTE
   c. Consideration of Janitorial Contract with GCA Services Group
      Committee recommends approval of an agreement with GCA Services Group for a term of five years with 2 one year option periods in the maximum amount of $24,958,568.60 and for authorization of the President and CEO to execute the contract.
      Motion by Zucchino to adopt Committee’s recommendation; Second by Teer
      ADOPTED BY UNANIMOUS VOTE

3. Minority and Women-Owner Small Business Committee Report – Ali reported the Minority and Women-Owner Small Business Committee met on August 20, 2015 and discussed the following item(s):
      Presentation for informative purposes only; no Board action required.

4. Finance Committee Report – Teer reported the Finance Committee met on August 20, 2015 and discussed the following item(s):
   a. Bond Refinancing Update
      Presentation for informative purposes only; no Board action required.

5. Law and Personnel Committee Report – Hannah reported the Law and Personnel Committee met on August 20, 2015 and discussed the following item(s):
   a. Consideration of Agreement Addendum with Ultimate Software for a Human Resource Information System (HRIS)
      Committee recommends approval of an agreement addendum with Ultimate Software to provide a Human Resource Information System for a term of 3 years at an estimated annual cost of $68,265 and authorization for the President and CEO to execute the contract and any amendment needed specifically for Affordable Care Act reporting.
      Motion by Zucchino to adopt Committee’s recommendation; Second by Teer
      ADOPTED BY UNANIMOUS VOTE
   b. Revenue Diversion Presentation, Part 2
      Presentation for informative purposes only; no Board action required.

V. NEW BUSINESS

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

VII. MEMBER COMMENTS
Member Zucchino welcomed all of the new hires.
Member Hunt recognized those employees who presented in committee meetings.

VIII. PRESIDENT AND CEO’S REPORT
We continue to see a year over year increase in passengers. In July, the number of passengers departing RDU grew by 6.2% compared to July 2014. The number of passengers arriving at RDU rose by 7.4%. According to Dave Young, the Authority’s Air Service Development Manager, for the first seven months of the year, enplanements are up 78,362 people or about 3% from last year. Another interesting data point: July was the best July the Authority has had since 2001.

Earlier this month, Delta Air Lines announced that it will re-launch service to Salt Lake City beginning in March. The airline has offered service to Salt Lake before and recognizes the launch demand for this service. The Authority is very excited to welcome this service back. The Authority will also celebrate the arrival of a new airline at RDU when Alaska Airlines begins nonstop service between the Triangle region and Seattle. The service begins on Oct. 1st.

Last month, airport executives from across the country gathered to discuss the status of the FAA Reauthorization Bill at the annual Airport Summer Fly-In legislative workshop held in Washington, D.C., hosted by trade associations, AAAE and ACI. The bill to reauthorize the Federal Aviation Administration past the current authorization expiration date of Sept. 30 remains delayed in Congress while lawmakers grapple with proposals to “fix” the nation’s air traffic control system through privatization. Current proposals would fund a new nonprofit corporation that would oversee the air traffic control system using fees collected from airlines that now fund airport infrastructure improvements. Meanwhile, there seems to be no discussion of a proposal to give airports the locally controlled self-help they need to finance vital infrastructure improvements. The danger with current proposals is that critical airport improvements could go unfunded, or costs shifted to state and local governments, if they become law. The sad fact is that such a funding crisis or shift can easily be avoided if Congress will modernize the current private-market solutions we currently use to fund airport improvements.

Airports across the country are asking Congress to modernize the Passenger Facility Charge, collected by the airlines on passenger tickets and authorized by Congress. The PFC cap has not been adjusted in 15 years, drastically reducing its purchasing power. Airports have asked that Congress to modernize the PFC cap from $4.50 to $8.50, indexed for inflation to help them keep pace with raising construction costs and inflation. PFC fees should be set at a level that will generate the revenues necessary to continue maintaining and improving the Authority’s $1.5 billion facilities. An increase of only $1 in PFC’s could make a huge difference, providing an estimated $4 million a year that could put toward capital improvements at RDU. These improvements help ensure RDU remains a vital community asset and economic driver, generating an estimated $8 billion in annual economic impact and supporting 20,000 jobs.
At a time of mounting pressure to reduce federal spending, the PFC is the most free-market option we have to enable airports to fund vital infrastructure projects.

IX. CLOSED SESSION
Motion by Ali to enter Closed Session; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE
Motion by Ali to exit Closed Session; Second by Teer

ADOPTED BY UNANIMOUS VOTE

X. ACTION

Motion by Thompson to amend the Air Service Development Policy to include a $1.25 Million maximum rebate for each new qualifying international destination as described in Section 5.1.2 of that policy; Second by Kane

ADOPTED BY UNANIMOUS VOTE

XI. ADJOURNMENT

Motion by Ali to adjourn; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
AUGUST 20, 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. Consideration of the Prequalification of Bidders for Construction or Repair Projects Policy: Upon a motion by Ali and second by Kane, the Committee recommends adoption of the proposed Prequalification of Bidders for Construction or Repair Projects Policy.

   Presented by Tom Quesenberry, VP, Facilities Asset Management – The purpose of this item is to provide a staff recommendation to adopt the Prequalification of Bidders for Construction or Repair Projects Policy. This policy establishes a process to prequalify bidders on Single Prime and Construction Manager-at-Risk (CMR) construction delivery contracts, pursuant to NCGS §143.128(a1). On June 26, 2014, the North Carolina General Assembly adopted a revision of NCGS §143-135.8 providing in relevant part that a governmental entity may prequalify bidders for construction or repair work when using one of the authorized construction methods, if the governmental entity has adopted an objective prequalification policy. As part of the Terminal 1 demolition project Staff plans to have the CMR prequalify all first-tier subcontractors, which requires the adoption of the Policy. Staff prepared a policy that incorporates all of the various provisions specified in NC 143-135.8, and proposes that policy for consideration and adoption by the Authority Board.

   Staff recommends adoption of the proposed Prequalification of Bidders for Construction or Repair Projects Policy.

2. Consideration of Bids and Recommendation of Award for Fuel System Mechanical Modifications: Upon a motion by Ali and second by Kane, the Committee recommends award of the Fuel System Mechanical Modifications contract to Burgess Corporation in the amount of $121,300.00, and authorization for the President and CEO to execute the contract.

   Presented by Vincent DelNero, VP, Operational Asset Management - This project includes modifications to the existing Jet-A fuel piping located at the bulk fuel storage facility. These modifications will allow the fuel facility to continue to dispense and receive fuel in the event that the facility encounters a failure of its underground piping system. The contract was advertised for bids on the Authority’s website on April 14, 2015. A pre-bid conference was held on April 30, 2015 and attended by two contractors. On May 22, 2015, two bids were received and are summarized below. The low bid received is Burgess Corporation, in the amount of $121,300.00.
The Minority and Women-Owned Small Business (MWSB) participation goals for this contract are 8% for minority-owned firms and 5% for women-owned firms. The Burgess Corporation will be self-performing all work referenced in the contract documents for this project. The MWSB commitment was reviewed by the Small Business Program Office and considered acceptable. Funds for this work were included in the FY 2013-2014 budget, so no budget action is required.

Staff recommends award of the Fuel System Mechanical Modifications contract to Burgess Corporation in the amount of $121,300.00, and requests authorization for the President and CEO to execute the contract.
RALEIGH-DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE MEETING MINUTES
AUGUST 20, 2015

Hunt presided. Present: Ali, Hannah, Kane, Teer, 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. **Consideration of the Resolution Adopting Guidelines for Mutual Assistance with Other Law Enforcement Agencies:** Upon a motion by Teer and second by Ali, the Committee recommends adoption of the Resolution Adopting Guidelines for Mutual Assistance with Other Law Enforcement Agencies.

   Presented by Duane Legan, VP, Airport Operations – Section 160A-288 of the North Carolina General Statutes (“Section 288”), establishes the conditions and restrictions to be used for mutual aid cooperation between law enforcement agencies. It allows one law enforcement agency to provide temporary assistance to another law enforcement agency under certain conditions. In interpreting Section 288, the North Carolina Attorney General issued a guidance document in October, 2014 stating that governing bodies must take official action to authorize law enforcement to provide mutual aid. The Attorney General suggests that this action be in the form of a resolution adopted by the governing body. The Attorney General also recommends a sample resolution, which has been widely adopted by NC cities and counties. Staff has drafted a resolution, attached to this memo for easy reference that largely incorporates the Attorney General’s recommended resolution. Staff recommends that the resolution be considered by the Board for adoption.

   Staff recommends adoption of the Resolution Adopting Guidelines for Mutual Assistance with Other Law Enforcement Agencies.

2. **Consideration of the Approval of Wake County Emergency Operations Plan:** Upon a motion by Teer and second by Zucchino, the Committee recommends the adoption of the Statement of Approval for the Wake County Emergency Operations Plan.

   Presented by Duane Legan, VP, Airport Operations – Wake County has revised its Emergency Operations Plan (EOP). The EOP is self-described as providing “a comprehensive framework for county-wide emergency management. It addresses the roles and responsibilities of government organizations and maintains a vertically integrated and aligned link, engaging local, State, Federal, private, and other whole-community stakeholders, organizations, and resources that may be obligated to address disasters and emergencies in Wake County.” Wake County has requested that the Authority sign a statement of approval of the Wake County EOP.

   Staff recommends the Board Chair execute the Statement of Approval for the Wake County Emergency Operations Plan.
3. Consideration of Janitorial Contract with GCA Services Group: Upon a motion by Zucchino and second by Ali, the Committee recommends approval of an agreement with GCA Services Group for a term of five years with 2 one year option periods in the maximum amount of $24,958,568.60 and authorization of the President and CEO to execute the contract.

Presented by Barry Stoker, Director of Contracts, Maintenance - This recommendation is for the selection of a contractor to provide janitorial and pest control services in the terminals and other airport facilities. In 2008, the Authority awarded a five-year contract with two one-year options for janitorial services to GCA Services Group. The second option period will expire on August 31, 2015. On April 23, 2015, the Authority advertised a Request for Proposals on its website for janitorial and pest control services. A pre-proposal conference was held on May 6, 2015, with a tour on the following day. The conference was attended by 33 firms and the tour was attended by 17. On June 1, 2015, proposals were received from 3 firms:

<table>
<thead>
<tr>
<th>Name</th>
<th>Annual Cost</th>
<th>MWSB Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCA Services Group</td>
<td>$4,991,713.72</td>
<td>15%</td>
</tr>
<tr>
<td>Sunshine Cleaning Systems</td>
<td>$6,006,235.48</td>
<td>16.6%</td>
</tr>
<tr>
<td>ISS Facility Services</td>
<td>$6,050,480.42</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

The proposals were reviewed for quality, pricing, and MWSB participation. Based on those factors, Staff recommends selection of GCA Services Group. The proposed contract has a base term of 5 years, and 2 additional one year option periods. Total cost over the life of the agreement will not exceed $24,958,568.60. Staff recommends approval of an agreement with GCA Services Group for a term of five years with 2 one year option periods in the maximum amount of $24,958,568.60 and for authorization of the President and CEO to execute the contract.
RALEIGH-DURHAM AIRPORT AUTHORITY
MINORITY AND WOMEN-OWNED SMALL BUSINESS
COMMITTEE MEETING MINUTES
AUGUST 20, 2015

Ali presided. Present: Hannah, Hunt, Kane, Teer, 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):


   Presented by Thiane Edwards, Small Business Program Manager – The Authority has adopted two programs to encourage and facilitate the participation of minority and women-owned small businesses in the Authority’s business activities, including the procurement of goods and services. The Authority’s Minority and Women-Owned Small Business (MWSB) Program governs non-Federal spending in contracting and purchasing. The Federal Disadvantaged Business Enterprise/ Airport Concessionaires Disadvantaged Business Enterprise (DBE/ACDBE) program governs Federally-funded contracting and concessions activities. Between April and June 2015:

   - MWSBs received 15.5% ($856,056) of all non-construction related payments from January through March 2015. This figure includes all procurements, contracts and services rendered during this period.
   - Minority and women-owned small businesses have received $617,311 or 31% of payments made to date on all active construction and construction-related projects. Minority-owned businesses received 22% of all payments made to date, while women-owned businesses received 9.5% of all payments through June 30, 2015.
   - At the completion of current projects, MWSBs are expected to have received 21% of total contracts. Minority-owned firms are expected to receive 15%; women-owned firms are expected to receive 6%.

   Further information regarding MWSB participation in Authority contracts and procurement is available in the Quarterly MWSB/ DBE Report (incorporated herein by reference and available for review).

   Presentation for informative purposes only; no Board action required.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
AUGUST 20, 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. **Bond Refinancing Update**: Presentation for informative purposes only; no Board action required.
   - Presented by Donna Sylver, SVP, CFO

   Presentation for informative purposes only; no Board action required.
RALEIGH-DURHAM AIRPORT AUTHORITY
LAW AND PERSONNEL COMMITTEE MEETING MINUTES
AUGUST 20, 2015

Hannah presided. Present: Ali, Hunt, Kane, Teer, 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. Consideration of Agreement Addendum with Ultimate Software for a Human Resource Information System (HRIS): Upon a motion by Ali and second by Zucchino, the Committee recommends approval of an agreement addendum with Ultimate Software to provide a Human Resource Information System for a term of 3 years at an estimated annual cost of $68,265 and authorization for the President and CEO be to execute the contract and any amendment needed specifically for Affordable Care Act reporting.

   Presented by Paul Hetzel, VP, CIO – The Authority began implementing its current Human Resource Information System (HRIS)/Payroll System in January, 2012 by executing a Master Subscription Agreement with Ultimate Software Group, Inc. for a one year term. In April, 2013, the Authority executed an addendum to the original agreement extending the term an additional two years to September, 2015. The monthly subscription fee since January, 2012 has been $18.50 per employee. Ultimate Software’s fees are increasing. Staff has negotiated a 2.5% increase of the monthly subscription fee from $18.50 to $18.9625 per employee for a contract term of three years. Based on an estimated 300 employees, this 2.5% increase would result in an annual increase of $1,665 over current rates, and the estimated annual fee would increase from $66,600 to $68,265. Additionally, at some point during the term of the contract, Ultipro will begin to access a $1.00 per employee reporting fee related to requirements implemented by the Affordable Care Act. Ultipro has not yet determined when it will need to begin charging this fee. When the fee begins, Ultipro and the Authority anticipate entering into an amendment to the contract to incorporate it. The action requested includes authorization for the President and CEO to sign the necessary amendment(s).

   Staff recommends approval of an agreement addendum with Ultimate Software to provide a Human Resource Information System for a term of 3 years at an estimated annual cost of $68,265. Staff also requests that the President and CEO be given authority to execute the contract and any amendment needed specifically for Affordable Care Act reporting.

2. Revenue Diversion Presentation, Part 2: Presentation for informative purposes only; no Board action required.

   Presented by Erin Locklear – Part 2 of a Revenue Diversion PowerPoint presentation outlined in detail. Parts 3 - 5 will be presented in upcoming Board meetings. Presentation for informative purposes only; no Board action required.