RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
JANUARY 19, 2017

Chair Thompson presided. Present: Ali, Cole, Hannah, Hunt, Kane, and Teer. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA

Motion by Teer to approve the agenda; Second by Kane

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Kane to approve the minutes of the December 15, 2016 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Cole

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. The Chairman congratulated John Kane as being recognized by News & Observer as the Tarheel of the Year 2016
2. Quarterly Service Awards recognized
3. New Hires and a promotion recognized
4. The Chairman invited Lawrence Fishburne of the NC Special Olympics to come and make a presentation to our audience; a Special Olympics athlete also spoke on behalf of the organization
5. The Chairman thanks those who took care of airport operations during the recent winter weather event
6. The Chairman wished everyone a Happy New Year and thanked them for a successful 2016

IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported the Land and Development Committee met on January 19, 2017 and discussed the following item(s):
   a. Consideration of a Contract for Parking Garage Improvements
      Committee recommends approval of a contract in the amount of $4,469,507.22 with Tendon Systems and authorization for the President and CEO to sign the contract.
      Motion by Teer to adopt Committee’s recommendation; Second by Kane
ADOPTED BY UNANIMOUS VOTE

b. Consideration of a Change Order for Airport Pavement and Drainage Improvements Committee recommends approval of Construction Change Order #3 with Browe Construction in the amount of $149,889 and authorization for the President and CEO to execute the change order.

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

ADOPTED BY UNANIMOUS VOTE

c. Consideration of an Agreement for Airport Buildings Improvements Committee recommends approval of an agreement with McClure & Associates in the amount of $715,000 for the project Airport Building Improvements 2016 NCDOT Division of Aviation Building and the authority for the President and CEO to execute the agreement.

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

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Teer reported the Operations Committee met on January 19, 2017 and discussed the following item(s):

a. Consideration of an Agreement for Waste Removal Services Committee recommends approval of a ten year agreement in the amount of $1,870,006 with Waste Industries, LLC for the provision of waste removal services beginning on April 1, 2017 and for authorization for the President and CEO to execute the agreement.

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

ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Teer reported the Finance Committee met on January 19, 2017 and discussed the following item(s):

a. Consideration of an Agreement for Professional Audit Services for FY 2017 (April 1, 2016-March 31, 2017)

Committee recommends approval of Elliott Davis Decosimo, PLLC to provide audit services for FY 17, approval of an agreement for those services in the amount of $39,000, and authorization of the execution of the form contract from the Local Government Commission by the appropriate parties.

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

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

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

VII. MEMBER COMMENTS
Member Teer congratulated all on a banner year in 2016.

VIII. PRESIDENT AND CEO’S REPORT
For the month of December, the number of arriving and departing passengers at RDU grew by 4.3 percent and 6 percent respectively, compared to December 2015. For the full calendar year, the number of arriving and departing passengers grew by a whopping 10.4 percent. Welcoming just over 11 million customers is astounding. What’s more, RDU’s diversified portfolio of 9 airlines, flying nonstop to 43 domestic and 4 international markets allows RDU to serve multiple customer segments - from the road warrior to the family vacationer. And although passenger growth will slow in 2017 to about 1 percent, a record number of customers is still predicted for this year.

The President review accomplishments of 2016 in detail and gave a preview of what is in store for 2017.

The 2016 Volunteer of the Year was announced. The President congratulated Tom Veal.

The 2016 Employee of the Year was announced. The President congratulated Todd Davis.

IX. ADJOURNMENT
Motion by Ali to adjourn; Second by Cole

ADOPTED BY UNANIMOUS VOTE
The Committee discussed the following item(s):

1. **Consideration of a Contract for Parking Garage Improvements**: Upon a motion by Kane and second by Ali, the Committee recommends approval a contract in the amount of $4,469,507.22 with Tendon Systems and authorization for the President and CEO to sign the contract.

   Presented by Ronald Jewett, Vice President Facility Asset Management – The purpose of this item is to provide a staff recommendation on the award of a contract to a General Contractor to provide construction services in connection with Project 080689, RDU Parking Garage Improvements Immediate Repairs. The scope of work includes a base bid and two additive bid alternates. The scope of the base bid includes cleaning drainage systems, repairing expansion joints and cracks, and repairing stairwell roofs over stairwells. The base bid also includes installing floor drains, powerwashing, restriping, repainting, and re-caulking. Additive Bid Alternate 1 includes the removal of concrete traffic coating. Additive Bid Alternate 2 includes the painting of ceilings. In accordance with Board action on January 9, 2017, staff initiated negotiations with Tendon Systems in order to reach a proposed contract amount more in line with the Engineer’s estimate. Negotiations have concluded with the following results:

<table>
<thead>
<tr>
<th>Tendon Systems Bid Price</th>
<th>Alternate 1</th>
<th>Alternate 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Bid</td>
<td>$3,471,243.49</td>
<td>$96,280.00</td>
<td>$2,742,227.65</td>
</tr>
<tr>
<td>Tendon Systems Negotiated Price</td>
<td>$2,176,048.22</td>
<td>$123,540.00</td>
<td>$2,169,919.00</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,581,350.23</td>
<td>$107,300.00</td>
<td>$1,941,506.25</td>
</tr>
</tbody>
</table>

   Staff has checked references for Tendon Systems and all have come back with positive reports of its performance for similar project work. The Minority and Women-Owned Small Business (MWSB) participation goals for this contract are 10% for minority-owned firms and 5% for women-owned firms. Tendon’s total negotiated price includes MWSB participation in the amount of 10% for minority-owned firms and 5% for women-owned firms. That proposed MWSB commitment was reviewed by the Small Business Program Office and considered acceptable.
Staff recommends approval of a contract in the amount of $4,469,507.22 with Tendon Systems and authorization for the President and CEO to sign the contract.

2. Consideration of a Change Order for Airport Pavement and Drainage Improvements: Upon a motion by Kane and second by Ali, the Committee recommends approval of Construction Change Order #3 with Browe Construction in the amount of $149,889 and authorization for the President and CEO to execute the change order.

Presented by Jim Novak, Director of Facilities Engineering – The purpose of this item is to provide a staff recommendation for approval of Change Order #3 to Browe Construction for construction services associated with the replacement of 128 feet of trench drain structure that has settled in front of aircraft parking gate C24 at Terminal 2. This item covers excavation, demolition, disposal, compaction, and complete replacement of all materials required to replace the failed section of the existing trench drain. Based on available project budget and need to replace the failed section of trench drain, staff recommends approval of Change Order #3 for all work associated with the Terminal 2, Gate C24, trench drain replacement. This Change Order will increase the Contract Sum $149,889 which includes a lump sum amount of $139,889 for trench drain replacement and a $10,000 time and material allowance to react to unknown geotechnical conditions. Change Order #3 increases the total contract amount $149,889 from $1,008,525.40 to $1,158,414.40. Engineer’s estimate for this work is $143,359 (excluding any allowances). The Minority and Women-Owned Small Business (MWSB) participation goals were not set for this change order. Browe Construction is a woman-owned firm; this Change Order includes MWSB participation in the amount of 100% for women-owned firm. The MWSB commitment was reviewed by the Small Business Program Office and considered acceptable.

Staff recommends approval of Construction Change Order #3 with Browe Construction in the amount of $149,889 and authorization for the President and CEO to execute the change order.

3. Consideration of an Agreement for Airport Buildings Improvements: Upon a motion by Teer and second by Ali, the Committee recommends approval of an agreement with McClure & Associates in the amount of $715,000 for the project Airport Building Improvements 2016 NCDOT Division of Aviation Building and the authority for the President and CEO to execute the agreement.

Presented by Jason Pearson, Director of Buildings & Building Systems – The purpose of this item is to provide a staff recommendation on the award of a construction contract to McClure & Associates in connection with the project Airport Building Improvements 2016. The scope of work includes repairs and building improvements to the NCDOT Division of Aviation (DOA) building on the RDU Airport campus. Gensler completed the assessment of the building in Fall 2015 and the design of the repairs in Fall 2016. During the design, an arc flash study and building envelope water-testing were also completed. The pre-bid was held on October 25, 2016 and bids were opened on November 22, 2016. Three bids were received; McClure & Associates was the low bidder on both the base and overall bids, which includes 5 alternates. Subsequently, members of Facility Asset Management met with McClure & Associates to confirm the bid and review the project scope. The minority-owned small business participation goal (MSB) is 10%.
and the women-owned small business participation goal (WSB) is 8%. None of the three bidders met both of the MWSB goals. McClure & Associates proposes 0% MSB and 14.6% WSB. After discussions with McClure & Associates regarding their good faith effort, the Small Business Program Manager has approved this MWSB commitment. This is a Capital Improvement Project with a budget of $1,400,000.

Staff recommends approval of an agreement with McClure & Associates in the amount of $715,000 for the project Airport Building Improvements 2016 NCDOT Division of Aviation Building and the authority for the President and CEO to execute the agreement.
RALEIGH-DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE MEETING MINUTES
JANUARY 19, 2017

Teer presided. Present: Ali, Cole, Hannah, Hunt, Kane, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of an Agreement for Waste Removal Services: Upon a motion by Ali and second by Teer, the Committee recommends approval of a ten-year agreement in the amount of $1,870,006 with Waste Industries, LLC for the provision of waste removal services beginning on April 1, 2017 and for authorization for the President and CEO to execute the agreement.

   Presented by Barry Stoker, Director of Contract Facilities Maintenance – This recommendation is for the award of a ten-year contract to Waste Industries, LLC to provide waste removal services. The services to be provided under the proposed contract include the following:
   
   1. Provision of waste handling equipment, including compactors and containers, under a lease arrangement;
   2. Hauling and disposal of solid waste and recyclable materials from the Authority’s Consolidated Waste Facility; and
   3. Provision of on-call emergency services.

   On October 6, 2016 the Authority advertised a Request for Proposals on the RDU Website for Solid Waste Disposal and Recycling Services. A pre-proposal conference was conducted on October 13th at the Authority’s Maintenance Facility, followed by a site tour. The conference was attended by three firms: Waste Industries, Waste Management, and Republic Waste Services. On October 25th, proposals were received from each of the firms listed. The proposal submitted by Waste Management was received after the submission deadline and was rejected. The other two proposals met the requirements of responsiveness and were determined to be equal in terms of quality. The price evaluation of the proposals included the total of proposed equipment lease costs, hauling costs, disposal costs, costs of on-call emergency service, and administrative fees. It was determined that the Waste Industries proposal provided the best value for the Authority at a cost of $1,870,006 for the proposed ten-year term compared to the proposal from Republic Waste Services, which amounted to $2,157,485. The proposed contract will be for a term of ten years, beginning on April 1, 2017, and will have a contract value of $1,870,006.00.

   Staff recommends approval of a ten-year agreement in the amount of $1,870,006 with Waste Industries, LLC for the provision of waste removal services beginning on April 1, 2017 and for authorization for the President and CEO to execute the agreement.
Teer presided. Present: Ali, Cole, Hannah, Hunt, Kane, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of an Agreement for Professional Audit Services for FY 2017 (April 1, 2016-March 31, 2017): Upon a motion by Hannah and second by Ali, the Committee recommends approval of the renewal of Elliott Davis Decosimo, PLLC to provide audit services for FY 17, approval of an agreement for those services in the amount of $39,000, and authorization of the execution of the form contract from the Local Government Commission by the appropriate parties.

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority issued a Request for Proposal for External Audit Service in November 2015, and awarded a one year contract (with the possibility of 2 additional one year contracts) to Elliott Davis Decosimo, PLLC (hereinafter EDD). EDD has proposed to perform audit services in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards for the fiscal year ending March 31, 2017. EDD will also report on the fairness of presentation of our schedules of federal and state financial assistance (Single Audit Act) and a compliance report on our Passenger Facility Charge (PFC) Program. Copies of EDD’s engagement letter and the Local Government Commission Contract to Audit Accounts can be provided to you upon request. The proposed fee for FY 2017 is quoted at $39,000. This is the second year EDD has been contracted for the Authority’s year-end external audit service. EDD’s predecessor was Cherry Bekaert, LLP (hereinafter CB). EDD’s audit fee for FY16 was $38,000 and CB’s for the prior three years, FY 15, FY 14 and FY 13, were $44,000, $43,500 and $43,000, respectively.

Staff recommends approval of the renewal of Elliott Davis Decosimo, PLLC to provide audit services for FY 17, approval of an agreement for those services in the amount of $39,000, and authorization of the execution of the form contract from the Local Government Commission by the appropriate parties.
RALEIGH-DURHAM AIRPORT AUTHORITY
QUARTERLY STRATEGIC BOARD MEETING MINUTES
JANUARY 25, 2017

Chair Thompson presided. Present: Ali, Cole, Hannah, Hunt, Kane, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

Quarterly Strategic Board Meeting: Discussion of strategic planning for the airport and matters related thereto.