RALEIGH-DURHAM AIRPORT AUTHORITY
BOARD MEETING MINUTES
MAY 18, 2017

Vice-Chair Kane presided. Present: Hannah (via conference), Morgan, Saidi, Teer, Thompson and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylvie, 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 Zucchino
   ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
   Motion by Zucchino to approve the minutes of the April 20, 2017 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Saidi
   ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. New hires and promotions recognized
2. The Vice-Chairman welcomed Sepi Saidi of the City of Raleigh to the Board
3. The Vice-Chairman congratulated the Mighty Maintenance Plane Pull Team on their accomplishment at the Special Olympics Plane Pull last month
4. The Vice-Chairman recognized Tommy Hunt for his eight years of service to the board and presented a parting gift; the Vice-Chairman welcomed all comments from the Board.

IV. OLD BUSINESS
1. Finance Committee Report – Zucchino reported the Finance Committee met on May 18, 2017 and discussed the following item(s):
   a. Consideration of the Proposed FY17-18 Internal Audit Plan
      Committee recommends approval of the FY17-18 Internal Audit Plan.
      Motion by Zucchino to adopt Committee’s recommendation; Second by Thompson
      ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Thompson reported the Land and Development Committee met on May 18, 2017 and discussed the following item(s):
a. Consideration of a Payment Processing Contract with Payment Express, Inc.
Committee recommends approval of a payment processing contract with Payment Express, Inc. and authorization for the President and CEO to execute the agreement.

Motion by Thompson to adopt Committee’s recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

b. Consideration of a Staffing Services Contract with SP+ Airport Services
Committee recommends approval of a staffing services contract with SP+ Airport Services and for authorization for the President and CEO to execute the contract.

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

ADOPTED BY UNANIMOUS VOTE

3. Land and Development Committee Report – Teer reported the Land and Development Committee met on May 18, 2017 and discussed the following item(s):

   a. Consideration of a Task Order with Gensler for Design Review Services
Committee recommends approval of a task order with Gensler for design review services and authorization for the President and CEO to execute the task order.

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

ADOPTED BY UNANIMOUS VOTE

   b. Terminal 1 Budget Update
Presentation to review terminal 1’s progress during construction, demolition and design.

Presentation for informational purposes only; no Board action required.

c. Roadway Signage Design Updates
Presentation of signage that will be replaced through the RDU campus.

Presentation for informational purposes only; no Board action required.

d. Consideration of Amendment with WK Dickson to Provide Design Development Services
Committee recommends approval of a task order amendment with WK Dickson for design development services and authorization for the President and CEO to execute the amendment.

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

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

   a. Consideration of Agreement with ADB Safegate for Airfield Lighting Computer System and BRITE System Preventative Maintenance
b. Consideration of an Agreement with SiteMed for ARFF Physical Examinations

c. Consideration of a Maintenance and Support Agreement with Scheidt & Bachmann USA, Inc.

d. Consideration of an Agreement with Brock Solutions for Technical Support Services for the Terminal 2 BHS Control System

Motion by Thompson to approve and adopt all Consent Agenda items listed (a, b, c, and d); Second by Zucchino

ADOPTED BY UNANIMOUS VOTE

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

VII. MEMBER COMMENTS
All members welcomed Sepi Saidi to the Board; Member Thompson congratulated the staff on hosting the National Weather Service’s Hurricane Hunter event last week at the General Aviation Terminal; Member Tee thanked everyone for the support of the USO.

VIII. PRESIDENT AND CEO’S REPORT
RDU saw its 38th consecutive month of year over year increases. During April, the number of passengers departing RDU grew 8.9 percent compared to April 2016. Helping to explain the very strong growth rate, load factor for the month increased by 5 points to 85.6 percent. Seat capacity was up 4.9% compared to the same month in 2016. With 487,023 passengers, this is an all-time record for April. And on May 15, RDU had its busiest day on the books with more than 18,000 enplanements in a single day. During the month, Southwest also commenced nonstop flights to New Orleans. The following month, Delta Air Lines will commence twice daily nonstop flights to Nashville and daily nonstop flights to Seattle. JetBlue will add a second daily flight to Ft. Lauderdale on June 15th.

And on May 12th, RDU marked the 1 year anniversary of the nonstop flight to Paris aboard Delta Air Lines. For the year, more than 75,000 travelers took advantage of this valuable service.

Last week, RDU hosted two of the National Weather Service’s Hurricane Hunter aircraft at the GA Terminal. The planes were on tour part of a series of educational outreach events promoting the National Hurricane Center’s Hurricane Preparedness week. More than 4,500 people, including more than 500 school children, toured the C130 and G4. Governor Cooper opened the press conference along with the director of the National Hurricane Center and state and local officials. Kristie VanAuken represented the Airport Authority. The event was covered by 20 regional media outlets, plus one from the Weather Channel. In addition, one station from Richmond was on hand and two national networks. This was a heavy lift for RDU operations, law enforcement, ARFF, communications and marketing teams. The President thanked all who coordinated logistics with the National Weather Service in Raleigh and the
N.C. Department of Emergency Management. It was a great way to showcase RDU and its connection to the community.

A new study from the Massachusetts Institute of Technology found that RDU provides the best medium-hub connectivity to destinations throughout the world. The model analyzes the number of flights to hub airports of various sizes as well as other nonstop connections to determine how connected an airport is to the world at large. The study showed that RDU led medium-hub sized airports, followed by St. Louis, Nashville and Austin. In addition, RDU’s connectivity score ranked higher than three large-hub airports: Tampa, Chicago-Midway and Honolulu.

Last Thursday, RDU was proud to be the presenting sponsor of the Research Triangle Regional Partnership’s State of the Region event. It was an exceptional opportunity to showcase RDU and the Vision 2040 Master Plan, to more than 700 economic development and community leaders throughout the Triangle region. The President thanked Board members Teer, Hannah, Morgan, and Kane for attending the event and sharing their passion and enthusiasm for RDU’s vibrant future with many of the leaders in the room.

The President recognized, and congratulated, Dr. Chuck McFall, Chief Revenue Officer, for obtaining his Accredited Airport Executive (AAE) Certification.

IX. ADJOURNMENT

Motion by Thompson to adjourn; Second by Teer

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
MAY 18, 2017

Zucchino presided. Present: Kane, Morgan, Saidi, Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, 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 the Proposed FY17-18 Internal Audit Plan: Upon a motion by Morgan and second by Teer, the Committee recommends approval of the FY17-18 Internal Audit Plan.

   Presented by Frank White, Internal Audit Manager – The Internal Audit Department seeks acceptance of the FY17-18 Internal Audit Plan. The FY17-18 Internal Audit Plan is in draft form; therefore, the audit plan may be revised for any additions and/or deletions as per Board directive. The Authority’s Internal Audit Department, which consists of four auditors, was established in 2007. Unlike external auditors, whose objective is to attest to the financial condition of an organization by auditing the balances in the financial statements as of a period of time, and for the Authority this is March 31st of each year, the Internal Audit Department helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. We do this through a combination of assurance and consulting engagements designed to add value.

   Staff recommends approval of the FY17-18 Internal Audit Plan.
Thompson presided. Present: Kane, Morgan, Saidi, 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, 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 a Payment Processing Contract with Payment Express, Inc.:** Upon a motion by Morgan and second by Teer, the Committee recommends approval of a payment processing contract with Payment Express, Inc. and authorization for the President and CEO to execute the agreement.

   Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – Currently, the parking system uses a credit card payment processing middleware from Verifone called Payware Connect. This middleware handles the communication and processing of credit card payments between the Authority and our Payment Service Provider (PSP), First Data/SunTrust Merchant Services. The Authority does not have any direct relationship with Verifone since this is an agreement facilitated by the current parking system vendor, S&B directly. All costs for handling these transactions pass thru S&B at a rate of $0.015 per transaction. With the replacement of S&B with Skidata, a new payment processing middleware will be required. As part of the RFP process, Skidata identified Payment Express as the vendor of choice to provide integrated terminals along with Point to Point Encryption certification. Payment Express is a level 1 Payment Card Industry-Data Security Standard (PCI-DSS) compliant gateway that fully encrypts all customer card data. Costs for this service is $0.05108 per transaction for the proposed two year contract, for a 2017-18 estimated net annual cost of $81,036. This is an increase of $52,739 over the prior year. The increase of per transaction costs is attributed to the following:

   1. Providing point-to-point credit card readers in every Skidata point of sale device
   2. Ongoing operational and maintenance costs
   3. Unlimited software updates and patches as need and/or required
   4. Direct technical support 24/7/365
   5. Transfer of PCI-DSS Merchant responsibilities to Payment Express

   Staff recommends approval of a payment processing contract with Payment Express, Inc. and authorization for the President and CEO to execute the agreement.
2. **Consideration of a Staffing Services Contract with SP+ Airport Services:** Upon a motion by Teer and second by Zucchino, the Committee recommends approval of a staffing services contract with SP+ Airport Services and for authorization for the President and CEO to execute the contract.

Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – The purpose of this item is to provide a staff recommendation on the approval of a staffing services contract to SP+ Airport Services (SP+). The scope of work includes providing and managing qualified bus drivers, cashiers, License Plate Inventory staff, gate guards and customer service staff. SP+ is a leading provider in the parking and related services industry, providing service to 71 airports nationwide. SP Corporation, based in Cleveland, Ohio, has diverse landside experience in operations including valet parking, curb management, public and employee shuttle service, parking lot management, parking revenue control systems and customer service programs. SP+ is well known for its expertise in shuttle operations and parking management. Its senior staff is actively involved to ensure airport customers receive the best service and any issues are handled quickly and effectively. SP+ provides onsite management of its employees and robust training and employee recognition programs. The projected cost of the contract is in the chart below.

<table>
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<th>Year</th>
<th>Ground Transportation</th>
<th>Parking</th>
<th>Operations</th>
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<tr>
<td>Year 1</td>
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<td>$850,500.00</td>
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<td>Year 2</td>
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<td>Year 3</td>
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<td>Year 5</td>
<td>$1,477,831.37</td>
<td>$980,638.17</td>
<td>$132,475.58</td>
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<tr>
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<td>$6,963,797.56</td>
<td>$4,557,742.19</td>
<td>$627,302.43</td>
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</table>

Staff is recommending a three (3) year agreement term with two (2) one (1) year option periods. Staff recommends approval of a staffing services contract with SP+ Airport Services and for authorization for the President and CEO to execute the contract.
Teer presided. Present: Kane, Morgan, Saidi, Thompson, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, 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 a Task Order with Gensler for Design Review Services:** Upon a motion by Kane and second by Zucchino, the Committee recommends approval of a task order with Gensler for design review services and authorization for the President and CEO to execute the task order.

   Presented by Ron Jewett, VP, Facilities Asset Management – The purpose of this item is to provide a staff recommendation on a task order to Gensler for design review services in connection with the Terminal 2 Retail Redevelopment Project. This project consists of fifteen (15) new retail stores that will be built-out by tenants in a phased sequence in Terminal 2. As part of this process, the tenant engages its design team to produce drawings that are then submitted to the Authority for review and approval. Typical drawing submissions include conceptual design, design development (30%, 60%, 90%) and construction documents for an estimated total of 75 plan reviews excluding any revised submissions and as-built drawings. This task order engages Gensler on an hourly basis, not-to-exceed $198,815, to lead the design review effort for the Authority and to provide technical expertise through structural and mechanical, electrical and plumbing consultants. The minority-owned small business (MSB) participation goal for Gensler is 10% and the women-owned small business (WSB) participation goal is 5%. Gensler has proposed participation of 7% MSB and 33% WSB, which has been reviewed and deemed acceptable by the Small Business Program Manager.

   Staff recommends approval of a task order with Gensler for design review services and authorization for the President and CEO to execute the task order.

2. **Terminal 1 Budget Update:** Presentation for informative purposes only; no board action required.

   Presented by Jason Pearson, Director of Buildings & Building Systems – Presentation to review terminal 1’s progress during construction, demolition and design.

   Presentation for informative purposes only; no board action required.
3. **Roadway Signage Design Update:** Presentation for informative purposes only; no board action required.

   Presented by Ron Jewett, VP, Facilities Asset Management – Presentation of signage that will be replaced through the RDU campus.

   Presentation for informative purposes only; no board action required.

4. **Consideration of Amendment with WK Dickson to Provide Design Development Services:** Upon a motion by Zucchino and second by Kane, the Committee recommends approval of a task order amendment with WK Dickson for design development services and authorization for the President and CEO to execute the amendment.

   Presented by Jim Novak, Director of Facilities Engineering – The purpose of this item is to provide a staff recommendation on Amendment #2 to Task Order #5 under the existing Master Agreement with WK Dickson to provide design development services, topographic surveying, and utility locating for the rehabilitation of John Brantley Boulevard, Phase 2. Phase 2 (all the remaining pavement sections of John Brantley Boulevard not rehabilitated in Phase 1) is broken into two sections: Section 1 - Starting at the interchange and ending just south of Terminal 1 (in-bound), and Section 2 - Starting just north of Terminal 2 and ending at the interchange (out-bound). Pavement improvements predominantly include milling and replacing 1.5 – 4 inches of asphalt. In select areas full depth reconstruction, grade and drainage corrections, and restoration of turf are necessary. Pavement markings will be restored throughout the project. Existing utilities will be located and protected. The total maximum compensation for this proposed task order is $201,488. This includes an hourly, not-to-exceed amount of $116,287, plus reimbursable expenses of $250, plus $84,951 for a sub-consultant’s topographic surveying and utility locating. Contract time is 264 days for design through bidding. Minority and Women-Owned Small Business (MWSB) participation proposed for this amendment is 42.2.0% for Minority Owned Small Businesses (MSB) and 0.0% for Women Owned Small Businesses (WSB). The MWSB goals for the Master Agreement are 10.0% for MSB and 5.0% for WSB. Based on all the task orders under the Master Agreement to date, plus this proposed amendment, the total commitment for MSB is 17.7% and the total commitment for WSB is 14.3%. The MWSB commitment was reviewed by the Small Business Program Office and considered acceptable.

   Staff recommends approval of a task order amendment with WK Dickson for design development services and authorization for the President and CEO to execute the amendment.
The Board considered the following item(s):

1. Consideration of Agreement with ADB Safegate for Airfield Lighting Computer System and BRITE System Preventative Maintenance: Item was presented at full Board Meeting for consideration.

   Presented by John A. Connell, P.E., Vice President of Operational Asset Management – Staff is seeking approval of an agreement for preventative maintenance services on the Airfield Lighting Computer System (ALCS) and BRITE (Bi-diRectIonal Series TransceivEr) with ADB Safegate. The airfield lighting system is controlled by a proprietary control system manufactured by ADB Safegate. The major components include the ALCS, which controls the overall lighting system and BRITE, which provides individualized control over specific lights at the hold bars and low visibility taxiway routes. In order to properly maintain this system, annual preventative maintenance is required to include firmware updates, calibrations, communications tests, diagnostic tests, and well as overall system operational checks. The Authority has contacted ADB Safegate to provide a 3 year quote for these annual services. ADB Safegate has agreed to keep the current annual pricing for these services with no escalation over the three years. The total contract amount for the service is $55,350.00 ($18,510 per year for three years).

   Staff recommends approval of the agreement with ADB Safegate for preventative maintenance services and authorization for the President and CEO to execute the agreement.
2. Consideration of an Agreement with SiteMed for ARFF Physical Examinations: Item was presented at full Board Meeting for consideration.

Presented by Charlie Timberlake, Fire Chief ARFF\textsuperscript{1} – The Authority’s Aircraft Rescue and Firefighting (ARFF) personnel are required to undergo a physical examination every year. Also, all potential new hire candidates must undergo a physical examination prior to participating in the required physical assessment. SiteMed has provided ARFF physicals for the past 4 years. SiteMed uses state of the art equipment and trained experienced staff. Testing is done under NFPA, OSHA, NIOSH and CAOHC procedures. The physicals meet and exceed the NFPA 1582 standard (industry standard for firefighters).

SiteMed will perform the physical examinations on-site. Each on-site visit will consist of phase 1 (blood draw) 1 day, up to 3 hours each day; and phase 2 (physicals) 2 days, up to 5 hours each day for a total of 2 days each year. By having the provider perform the physicals on site, the Authority avoids overtime costs that might occur when an employee has to get their exam off-site during a day he/she is off.

The costs associated with this proposed agreement are $305 per examination for a three year term. This represents a 3\% increase from the current cost of $295 per examination. However, staff believes the increase is justified and allows staff to budget for a constant figure over the next three years.

Staff recommends approval of an agreement with SiteMed for Airport Rescue and Firefighting physical examinations and authorization for the President and CEO to execute the agreement.

3. Consideration of a Maintenance and Support Agreement with Scheidt & Bachmann USA, Inc.: Item was presented at full Board Meeting for consideration.

Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – The Authority currently has a Parking Revenue and Control System (PARCS) in place from Scheidt & Bachmann USA, Inc. (S&B). This system is proprietary in nature and can only be serviced by S&B authorized personnel. The S&B system is vital to the Authority’s parking revenue generation and needs to remain operational 24/7/365. In the event of a system failure, the Authority will require the assistance of S&B personnel to repair the system and restore it to full operation as fast as possible. The S&B equipment will be slowly phased out between June 2017 and December 2017 as it is replaced with the new equipment.

\textsuperscript{1} Scrivener’s error corrected on 12/21/2017.
Skidata PARCS. This maintenance agreement will provide the Authority with access to S&B personnel so they can make the necessary repairs to the system. This agreement is for a period of seven months ending on December 31, 2017 for a total of $75,468.75.

Staff recommends approval of an agreement with Scheidt & Bachmann USA, Inc. for system maintenance and support services and authorization for the President and CEO to execute the agreement.

4. Consideration of an Agreement with Brock Solutions for Technical Support Services for the Terminal 2 BHS Control System: Item was presented at full Board Meeting for consideration.

Presented by John A. Connell, P.E., Vice President of Operational Asset Management – Staff is seeking approval of an agreement with Brock Solutions (Brock) for technical support services for the Terminal 2 Baggage Handling System (BHS) Controls System. The BHS system is operated with Programmable Logic Controls and software to control the movement, scanning, screening, and sortation of checked baggage. This system includes a user application/interface, sortation source code and various databases. In order to ensure proper 24/7 technical support is available for any system issues or necessary software services (emergency or otherwise), a support agreement is necessary. Brock recently upgraded the upper level server and human machine interface, and provided a SmartSort software interface. Due to the proprietary nature of these systems and Brock’s understanding of the Terminal 2 BHS, staff recommends an agreement with Brock for these services. The Authority has negotiated a discounted rate over a five year term. The total contract amount for the service is $233,600.

Staff recommends approval of an agreement with Brock Solutions and authorization for the President and CEO to execute the agreement.
Present: Ali, Hannah, Morgan, Saidi, 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, Vice President VanAuken, and General Counsel Locklear

Motion to go into closed session to consult with an attorney: Teer, second by Zucchino

ADOPTED BY UNANIMOUS VOTE

Closed Session Discussion

Motion to come out of closed session: Saidi: Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Presentation about the financing of future infrastructure developments by Bill Sandifer and Donna Sylver.

Motion to adjourn: Saidi, second by Teer

ADOPTED BY UNANIMOUS VOTE