RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
APRIL 19, 2018

Secretary Hannah presided as Acting Chair. Present: Morgan, Saidi, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and ISO McFall, Vice President and CHRO Umphrey, Vice Presidents Connell, Jewett, Legan and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
Hannah requested that the agenda be modified to address Old Business, and New Business matters first due to Board members’ schedules.

Motion by Teer to approve the modified agenda; Second by Zucchino
ADOPTED BY UNANIMOUS VOTE

II. OLD BUSINESS
1. Operations Committee Report – Zucchino reported the Operations Committee met on April 19, 2018 and discussed the following item:
   a. Consideration of Amendment #1 to Task Order #14 with O’Brien Atkins for Security System Services
      [Based on sensitive security information presented in closed session pursuant to NCGS §143-318.11(a)(1), and 49 CFR Parts 15 and 1520]
      Committee recommends approval of Amendment #1 to Task Order #14 with O’Brien Atkins in the amount of $329,628 and authorization for the President and CEO to execute this Amendment.

      Motion by Zucchino to adopt Committee’s recommendation; Second by Morgan
      ADOPTED BY UNANIMOUS VOTE

2. Air Service Development Committee Report – Saidi reported the Air Service Development Committee met on April 19, 2018 and discussed the following item:
   a. Consideration of Air Service Development Policy
      Committee requested further review of the Air Service Development Policy and recommended that the matter be postponed.

      Motion by Saidi to adopt Committee’s recommendation; Second by Morgan
      ADOPTED BY UNANIMOUS VOTE

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1 Operations Committee Chair Thompson requested Zucchino give the report in his absence
2 Air Service Development Committee Chair Thompson requested Saidi give the report in his absence
3. Land and Development Committee Report – Teer reported the Land and Development Committee met on April 19, 2018 and discussed the following items:
   a. Consideration of Amendment with Balfour Beatty Construction for Aircraft Apron
      Staff recommends approval of the Amendment to the agreement with Balfour Beatty Construction for pre-construction services, in the amount of $189,419, and authorization for the President and CEO to execute the Amendment.
      
      Motion by Teer to adopt Staff’s recommendation; Second by Saidi
      ADOPTED BY UNANIMOUS VOTE

   b. Consideration of Amendment #2 to Task Order #2 with O’Brien Atkins for Heritage Displays
      Staff recommends approval of Amendment #2 to Task Order #2 with O’Brien Atkins in the amount not-to-exceed $206,085 and authorization for the President and CEO to execute this Amendment #2.
      
      Motion by Teer to adopt Staff’s recommendation; Second by Saidi
      ADOPTED BY UNANIMOUS VOTE

   c. Consideration of Amendment #5 with TAC Air
      Staff recommends approval of Amendment #5 to the Facilities Lease and Operating Agreement with TAC Air, and authorization for the President and CEO to execute the Amendment.
      
      Motion by Teer to adopt Staff’s recommendation; Second by Saidi
      ADOPTED BY UNANIMOUS VOTE

   d. Presentation regarding Impact to Landscape during Rehab of John Brantley Blvd
      Presentation to Committee for informative purposes only; no Board action required.

4. Finance Committee Report – Zucchi no reported the Finance Committee met on April 19, 2018 and discussed the following items:
   a. Consideration of Resolution of Intent to Reimburse Expenditures
      Zucchino introduced the Resolution, the title of which was read and a copy of which is included with these minutes, and the Committee recommends approval of this Resolution designating the President and Chief Executive Officer to declare on behalf of the Authority official intent to reimburse any and all expenditures with the proceeds of debt to be incurred by the Authority under United States Department of Treasury regulations.
      
      Motion by Zucchino to adopt Committee’s recommendation; Second by Morgan
      ADOPTED BY UNANIMOUS VOTE
b. Consideration of Proposed FY18-19 Internal Audit Plan
   Committee requested further review of the FY18-19 Internal Audit Plan and recommended that the matter be postponed.

   Motion by Zucchino to adopt Committee’s recommendation; Second by Morgan

   ADOPTED BY UNANIMOUS VOTE

III. NEW BUSINESS

   Consent Agenda:
   a. Consideration of Removal of Deputy Finance Officer
   b. Consideration of Lease Agreement with SAI Flight Support Company
   c. Consideration of Catering Concession Agreement with Newrest RDU, LLC
   d. Consideration of Agreement with NCDOT for Airport Improvement and Debt Service Funding

   Motion by Saidi to approve and adopt Consent Agenda items a, b, c, and d; Second by Morgan

   ADOPTED BY UNANIMOUS VOTE

   At the request of the Board members, Kristie VanAuken, Vice President Communications and Community Affairs gave a presentation regarding the proposed Task Order #2 with Eckel and Vaughn.

   e. Consideration of Task Order #2 with Eckel and Vaughn for Communications Support

   Motion by Saidi to postpone action on this Consent Agenda item e; Second by Morgan

   ADOPTED BY UNANIMOUS VOTE

IV. APPROVAL OF MINUTES

   Motion by Treasurer Zucchino to approve the minutes of the March 15, 2018 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes and the consent actions incorporated therein, and the minutes of the special meeting of the Board held for the budget work session on March 8, 2018; Second by Teer

   ADOPTED BY UNANIMOUS VOTE

V. CHAIR COMMENTS [given by Secretary Hannah as Acting Chair]

   1. Service awards were given, recognizing employee and volunteer milestones
   2. Promotions were recognized
   3. 19th Annual Special Olympics Plane Pull is scheduled for April 28th at RDU
   4. On April 14th, American Airlines, the Autism Society of North Carolina, and the Raleigh-Durham Airport Authority hosted the Autism Society Plane Ride, allowing children and family members who have autism, a preview of air travel
   5. Adrienne Cole was recognized as a former Authority board member and presented with a service award
VI. GENERAL COUNSEL’S REPORT
General Counsel Locklear gave heartfelt remarks about Southwest’s flight 1380 and the heroic efforts of not only the flight crew and fellow passengers but also of the supporting ground and emergency crews, TSA and NTSB personnel, and others responders at the scene.

VII. MEMBER COMMENTS
Board members congratulated the staff for their employment milestones and Frank White for his promotion. Adrienne Cole was thanked for her contributions while an Authority board member and for her current leadership role at the Raleigh Chamber of Commerce. Board members recognized Patrick Hannah for leading the meeting in Chair Ali’s absence. Appreciation was expressed for staff’s continued hard work on behalf of the Authority and RDU and for continued support for the USO.

VIII. PRESIDENT AND CEO’S REPORT
Activity Report – March 2018 was RDU’s 49th consecutive month of growth and marks the first time RDU had over 500,000 passengers board an airplane at RDU. This was a 9.1% increase compared to March 2017. Southwest added its daily nonstop service to Kansas City on April 8th.

Frontier Week was celebrated April 8-14 as Frontier began service to Houston Bush Intercontinental, Milwaukee, Providence, Kansas City, New Orleans, San Antonio, Cincinnati, Buffalo, and San Juan. In July, Frontier will be adding seasonal destinations of Syracuse, Harrisburg and Portland (Maine). RDU now offers 57 destinations!

Upcoming Customer Impact Projects – Along with the increased and growing air service at RDU, a number of construction projects are beginning. While impacts will be minimized as much as possible, there will be some temporary inconveniences. The Authority’s facilities team is working very closely with our communications team, to prepare for inevitable customer impacts. We are preparing a comprehensive communications strategy to inform travelers about our various projects and more importantly, what they will need to do in order to have a relaxing trip as possible.

Here is a sampling of upcoming projects:

- Repaving John Brantley Boulevard
- In-terminal Refresh (new carpet)
- New Shops and Dining options in T2
- New Security lanes at the T2 Checkpoint
- Replacing all escalators and elevators in Park Central
- Park Economy 3 rehabilitation
- Taxiway Alpha and Foxtrot rehabilitation

These projects show that we are building to soar! To keep pace with growing demand and increasing demands on our facilities, we must take the time to invest in maintenance while adding
new amenities for our customers to enjoy. While we are going to communicate with our customers, we need YOUR help.

If you are traveling or if you know someone who is, please arrive at least 90 minutes before your flight. That should be plenty of time to navigate our various projects and have time to spare. Please be flexible and plan a little extra time ahead of your next trip.

Here are a few ways to keep up-to-date on our various projects and their possible impacts: Following us on twitter at r-d-u airport, visit r-d-u.com and once you arrive on campus, look for signage with instructions.

75th Anniversary Celebration – May 1, 2018 marks the 75th anniversary of commercial airline service from RDU. The first flight was an Eastern Airlines DC-3 and believe it or not, that very same airplane now hangs in the Smithsonian Air and Space Museum in Washington D.C.

Back in 1943, the average home price was $3,600, gas was 15 cents per gallon and all the kids were dancing the jitter bug. It was also the backdrop of World War II. So women were entering the workforce and men were heading to the battlefront. Despite it all, those very humble beginnings have led to the powerhouse we all now know of as RDU. The Airport contributes $8.5 Billion annually to the region’s economy. And we aren’t done yet. We will be investing at least $2.7 billion dollars more as part of Vision 2040; literally transforming our airfield and adding new technology and investing in people to keep our airport ahead of customer demand.

We will be hosting two customer events to celebrate the 75th Anniversary. On May first, our team will give away 2,000 cookies and our partners in the terminals’ shops will offer a 75 cent product all week long. Then, on May 4th we will host a party in our parking atrium. This tradeshow style event will include: airlines, concessions, rental cars and lots and lots of fun RDU swag. Finally we will have commemorative hats for RDU team members.

IX. ADJOURNMENT

Motion by Morgan to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE
EXTRACTS FROM MINUTES OF THE RALEIGH-DURHAM AIRPORT AUTHORITY

A regular meeting of the Raleigh-Durham Airport Authority was held at 1:00 p.m. on April 19, 2018 in the administrative offices at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Board Members Present: Hannah, Morgan, Saidi, Teer, and Zucchino
Board Members Absent: Ali, Kane, and Thompson

Also Present: Authority Staff - President and CEO Landguth, Senior VP and COO Sandifer, Senior VP and CFO Sylvester, Senior VP and ISO McFall, VP and CHRO Umphrey, Vice Presidents Connell, Jewett, Legan, and VanAuker. General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

Finance Committee Chair Zucchino introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Member:

RESOLUTION AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY TO DECLARE OFFICIAL INTENT TO REIMBURSE EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY REGULATIONS ON BEHALF OF SAID AUTHORITY

BE IT RESOLVED, by the Raleigh-Durham Airport Authority (the “Authority”) as follows:

Section 1. It is hereby found, determined and declared by the Board for the Authority as follows:

(a) Section 1.150-2 of the United States Department of Treasury Regulations (the “Regulations”) prescribe specific procedures which will be applicable to certain bonds or notes issued by the Authority including, without limitation, a requirement that the Authority declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the Authority prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed.

(b) The Regulations expressly permit the statement of official intent to be declared by any person designated by the Authority to declare official intent on behalf of the Authority.

(c) The Board for the Authority believes that it is in the best interest of the Authority to authorize and designate the President and Chief Executive Officer of the Authority as the Authority official responsible for declaring official intent on behalf of the Authority for such purposes.

Section 2. As permitted by the Regulations, the President and Chief Executive Officer of the Authority is designated by the Board for the Authority to declare the official intent on behalf of the Authority to reimburse any and all expenditures with the proceeds of debt to be incurred by the Authority.

Section 3. This resolution shall take effect upon its adoption.

Upon motion of Zucchino, seconded by Saidi, the foregoing resolution entitled “RESOLUTION DESIGNATING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY TO DECLARE OFFICIAL INTENT TO REIMBURSE EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY REGULATIONS ON BEHALF OF SAID AUTHORITY” was adopted by the following vote:

Ayes: Hannah, Morgan, Saidi, Teer, and Zucchino
Noes: [None]
1, Patrick Hannah, Secretary of the Raleigh-Durham Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on April 19, 2018 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and official seal of said Authority this 19th day of April, 2018.

[SEAL]

Patrick Hannah, Secretary
Raleigh-Durham Airport Authority
RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIONS BY CONSENT
APRIL 19, 2018

The Board approved the following items on the Consent Agenda:

a) Consideration of Removal of Deputy Finance Officer

Memorandum by Donna Sylver, Senior Vice President and Chief Financial Officer – When Robert Buckenham was hired as Director of Accounting in 2016, the Board approved him as Deputy Finance Officer. Mr. Buckenham resigned from his employment with the Authority effective April 6, 2018. Therefore, staff requests that the Board remove Robert Buckenham as Deputy Finance Officer.

Staff requests Robert Buckenham be removed as Deputy Finance Officer of the Authority and authorization for the staff to execute such documents as are necessary to effect this removal.

b) Consideration of Lease Agreement with SAI Flight Support Company

Memorandum by Karen Reynolds, Director of Property Development – Effective January 1, 2018, SAI Flight Support (SAI) was licensed by the Authority to provide aircraft maintenance, and they currently provide such services to American, United, and Delta regionals as well as Southwest. SAI’s headquarters are located at the Greenville-Spartanburg Airport.

The five year Lease Agreement would be effective as of April 1, 2018 and is for approximately 528 square feet of office/operations space in the South Cargo Building #3 at the current rate of $10/sf/year (see Exhibit A – Leased Premises Map). Also, SAI will pay a Maintenance and Operations fee of $8.47/sf/year. The fixed rental rate will increase 3% each year on the anniversary date of the agreement.

Staff requests approval of the five year Lease Agreement with SAI Flight Support, and authorization for the President and CEO to execute the Agreement.
Exhibit A – Leased Premises Map
c) **Consideration of Catering Concession Agreement with Newrest RDU, LLC**

Memorandum by Ingrid N. Hairston, Director of Business Development – Newrest RDU LLC (Newrest) is a global leader in multi-sector catering that provides in-flight, rail, and group catering, retail, buy onboard, duty free, remote site and support services in countries around the world. Delta Airlines contracted with Newrest to provide in-flight catering services for its operations at Raleigh-Durham International Airport (RDU). This RDU location will be Newrest’s first site in the United States.

This agreement is for Newrest’s operation of an in-flight and on-airport catering concession at RDU. Because Newrest will be based off-airport, concession fees for this agreement include percentage fees of gross receipts for:

- In-Flight Catering at a rate of 10%,
- On-Airport Catering-Food & Non-Alcoholic Beverages at a rate of 10%, and
- On-Airport Catering-Alcoholic Beverages at a rate of 15%.

The agreement has an initial term of five years with one five-year option to renew.

Staff requests approval of the Catering Concession Agreement with Newrest RDU LLC and authorization for the President and CEO to execute the Agreement.

d) **Consideration of Agreement with NCDOT for Airport Improvement and Debt Service Funding**

Memorandum by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – In the Spring of 2018, the North Carolina Legislature passed Special Law 2017-57 §34.19 which awarded to the Authority the amount of $21,282,131 in Fiscal Year 17/18, and the amount of $31,282,131 in Fiscal Year 18/19, for airport development purposes. Since adoption of this Special Law the North Carolina Department of Transportation Division of Aviation (NCDOA) has awarded 5 separate grants to the Authority totaling $34,509,484. Those State Grants are specifically identified as follows:

1. Taxiway A Rehabilitation - $2,760,325
2. Taxiway F Reconstruction - $30,744,026
3. Runway 14/32 Rehabilitation – Design only - $179,555
4. Taxiway B Reconstruction – Design only - $652,790
5. International Drive Improvements – Pavement Assessment - $172,788

After further consideration of the specific requirements of the legislation described above, NCDOA has now requested that the Authority accept and execute an Agreement for Airport Improvement and Debt Service Funding, in lieu of the previously approved State Grant Agreements. This new Agreement
will significantly streamline the process of administering and receiving the grant funds.

Staff requests that the Board rescind previous Board approval and execution of the grant agreements totaling $34,509,484 for:

a) Taxiway A Rehabilitation - $2,760,325  
b) Taxiway F Reconstruction - $30,744,026  
c) Runway 14/32 Rehabilitation – Design only - $179,555  
d) Taxiway B Reconstruction – Design only - $652,790  
e) International Drive Improvements – Pavement Assessment - $172,788

and approve the Agreement with the State of North Carolina Department of Transportation for Airport Improvements and Debt Service Funding, in the amount of $34,509,484 and authorize the President and CEO to execute the Agreement.

The Board heard a presentation by Kristie VanAuken, Vice President Communications and Community Affairs regarding the following Consent Agenda item, and after discussion, the Board postponed action on the following Consent Agenda item:

e) Consideration of Task Order #2 with Eckel and Vaughn for Communications Support

Memorandum by Kristie VanAuken, Vice President Communications and Community Affairs – Staff requests approval of Task Order #2 with Eckel and Vaughn, to provide communication services to assist and supplement the Authority’s Communications Department’s efforts to uphold and enhance the Authority’s and RDU Airport’s reputation during a time of great change, and to align communication efforts with the 2018-19 Business Plan and Master Schedule. As RDU grows rapidly, there are great opportunities for our customers as we connect to more destinations and create improved facilities. While the region will benefit from great new facilities and infrastructure to be constructed, rapid growth, development and construction creates disruptions and inconveniences, and communication will be vital to lessen those impacts. This Task Order provides the resources to communicate effectively with our customers and community stakeholders. The Authority’s employees and front line partners as well as the public will be kept abreast about the changes and this Task Order will help ensure that all projects have a unified communications voice.

We have ongoing needs to develop strong communications plans as soon as feasible. The construction umbrella strategy needs to launch in concert with the bulk of major construction projects but must be planned for well in advance. Success will be measured by seeing an increase in the number of positive interactions and stories about RDU, with social complaints offset by information related to the story of growth and increased public knowledge of the actions of the Authority.

Additionally, this Task Order supports top priorities on the Master Schedule including talent management, construction and/ or facility improvements (including runways, taxiways, roads and terminal improvements). This Task Order
represents 340 hours of strategic counsel, signage assets and production, and a video for performance management. The total cost is $99,872.05.

Staff requests approval of Task Order #2 with Eckel and Vaughn in the amount of $99,872.05 and authorization for the President and CEO to execute this Task Order.
Thompson presided. Present: Hannah, Morgan, Saidi, Teer and Zucchino. Staff present included: 
President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and 
CFO Sylver, Senior Vice President and ISO McFall, Vice Presidents Connell, Jewett, Legan, and 
VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and 
guests.

Motion by Thompson to enter into a closed session to discuss sensitive security information 
pursuant to NCGS §143-318.11(a)(1), and 49 CFR Parts 15 and 1520; Second by Teer

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Motion by Teer for Operations Committee to exit the closed session; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

Based on the information presented in the closed session regarding sensitive security information 
pursuant to NCGS §143-318.11(a)(1), and 49 CFR Parts 15 and 1520, the Committee 
recommended the following item:

1. Consideration of Amendment #1 to Task Order #14 with O’Brien Atkins for Security 
   System Services:

   Presented by Duane Legan, Vice President Airport Operations – Staff requests the 
   approval of Amendment #1 to Task Order #14 under the Master Agreement with 
   O’Brien Atkins (OBA). The project involves the construction document and 
   bidding/permitting phase services for the expansion of RDU’s closed circuit 
   television system (the “Security System”). This proposed Amendment would allow 
   OBA to execute the preferred design concept, complete the construction documents 
   and provide for bidding/permitting phase services. The services are based on the 
   approved design development documents dated November 30, 2017. The objective 
   of the task order is to provide enhanced surveillance at RDU, which will aid in the 
   speedy resolution of claims and assist in resolution of law enforcement issues.
The overall Minority and Women Owned Small Owned Business (MWSB) goals for the existing Master Agreement are 10.0% for Minority Small Owned Businesses (MSB) and 5.0% for Women Small Owned Businesses (WSB). Total MSB and WSB participation for Task Order #14 (including this Amendment) are 27.22% for MSB and 2.19% for WSB.

Services rendered for this Amendment #1 would be compensated on an hourly rate with the total amount not to exceed $301,783. Allowable reimbursable expenses are also specified in the Agreement and Task Order and shall not exceed $27,845. Total compensation for this Amendment #1 is $329,628.

Staff requests approval for Amendment #1 to Task Order #14 to O’Brien Atkins in the amount of $329,628 and authorization for the President and CEO to execute this Amendment.
RALEIGH-DURHAM AIRPORT AUTHORITY
AIR SERVICE DEVELOPMENT COMMITTEE MEETING MINUTES
APRIL 19, 2018

Thompson presided. Present: Hannah, Morgan, Saidi, Teer, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and ISO McFall, Vice Presidents Connell, Jewett, Legan, and VanAukcn, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following items:

1. Consideration of Air Service Development Policy:

   Upon a motion by Teer and second by Thompson, the Committee deferred action regarding the Air Service Development Policy.

   Presented by Kristie VanAukcn, Vice President Communications and Community Affairs – The Authority has employed two Air Service Development (ASD) approaches in the past. One approach helped secure service to San Francisco International Airport in 2012; and another was instrumental in securing key service to Seattle-Tacoma International Airport (via Alaska Air) and Paris’ Charles de Gaulle Airport (via Delta). Over the past year, several other top 50 routes were added.

   Now, the Authority is shifting to a “sustaining success” model to maintain a six million enplaned passenger level, add other key routes and, potentially, a new airline. These would add to RDU’s exceptional portfolio of service, which now stands at 57 non-stop destinations and 46 out of the top 50 origin/destination markets. The reality is that the routes which the Authority wants to add are distant west coast markets which are more challenging to attract. A new ASD program is needed to help secure these new routes.

   Two types of incentives are considered industry standards: operating costs reductions (landing fees, rental fees, etc.) and marketing assistance. Both types of tools are offered in this proposed ASD program. The ASD Policy would offer 100% landing fee waiver for the first 12 months of operation, when a new qualifying market is added. The marketing assistance is geared towards adding a new airline to RDU’s portfolio and targeting top markets currently without nonstop flights. The landing fee abatement will help reduce air carrier’s operating costs associated with adding a new route. Success will be measured with the acquisition of new desirable routes.

   The reasons for the proposed approach include:
A. The approach is right-sized for the robust and growing RDU/Triangle market. Airlines are generally excited about RDU and need less incentives to consider new service.

B. It is an industry standard to offer some type of new service risk mitigation or reward for new passengers added (every new customer generates significant revenue per passenger back to RDU).

C. The marketing incentives have been right-sized for the Triangle media market.

Staff requests approval of the Air Service Development Policy, and authorization for the President and CEO to execute the corresponding implementing procedures.
Teer presided. Present: Hannah, Morgan, Saidi, Thompson and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and ISO McFall, Vice President and CHRO Umphrey, Vice Presidents Connell, 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 Amendment with Balfour Beatty Construction for Aircraft Apron:

   The Committee did not have a quorum present and deferred action regarding this Amendment with Balfour Beatty Construction until the Board meeting.

   Presented by Ron Jewett, Vice President Facilities Asset Management – Balfour Beatty Construction is under contract to provide Construction Manager at Risk (CMR) services related to specific airfield construction projects, including the construction of a commercial aircraft remain overnight (RON) apron. The engineering firm of RS&H is currently under contract for design of this work and the topographic survey and geotechnical investigation are underway. Design is scheduled to be complete in October of this year.

   Staff requests engaging Balfour Beatty under this proposed Amendment for preconstruction services in accordance with the applicable sections of Balfour’s CMR Agreement. Those services include: general site investigation, plan review for constructability, scheduling and phasing consultation, cost estimates and cost reconciliation, bidder pre-qualifications, and bidding.

   Negotiations with Balfour Beatty have resulted in a proposed pre-construction services Amendment with a ceiling of $189,419 ($141,178 for services, and $48,241 for expenses). Services will be paid on a lump sum basis and the expenses will be reimbursed at cost. Funds are available in the current budget for the proposed Amendment. Staff intends to apply for a State grant for the project, the elements of which would include the total cost of this proposed Amendment.

   The existing Balfour Beatty agreement includes Minority and Women Owned Small Owned Business (MWSB) goals of 10% for Minority Small Owned Businesses (MSB) and 5% for Women Small Owned Businesses (WSB). The proposed Amendment includes commitments of 10% for MSB firms and 5% for WSB firms.

   Staff requests approval of the Amendment to the agreement with Balfour Beatty Construction for pre-construction services, in the amount of $189,419 and authorization for the President and CEO to execute the Amendment.
2. Consideration of Amendment #2 to Task Order #2 with O’Brien Atkins for Heritage Displays:
The Committee did not have a quorum present and deferred action regarding Amendment #2 to Task Order #2 with O’Brien Atkins until the Board meeting. Committee requested staff examine the condition of existing display boards.

Presented by Jaymes Carter, Director Buildings and Building Systems – Staff requests approval of Amendment #2 to Task Order #2 under the Master Agreement with O’Brien Atkins (OBA) to extend design services to include completion of the construction documents and bidding/negotiation and construction administration phase services for the Observation Park and Heritage Displays for Terminals 1 and 2. These continued services would include Site Design, Architectural and Engineering services.

Compensation for services rendered for this Amendment #2 would be on an hourly basis, not to exceed $188,770 and allowable reimbursable expenses would not exceed $17,315. Total compensation would not exceed $206,085.

The overall Minority and Women Owned Small Owned Business (MWSB) goals for the existing Master Agreement are 10.0% for Minority Small Owned Businesses (MSB) and 5.0% for Women Small Owned Businesses (WSB). MSB and WSB commitments for Amendment #2 to Task Order #2 are 13.7% for MSB and 4.7% for WSB. With approval of this Task Order #2, and OBA’s projections and performance for previous Task Orders, MWSB participation for the Master Agreement would meet OBA’s minimal requirements of 10% MSB and 5% WSB.

Staff requests approval of Amendment #2 to Task Order #2 to O’Brien Atkins in the amount not-to-exceed $206,085 and authorization for the President and CEO to execute this Amendment #2.

3. Consideration of Amendment #5 with TAC Air:
The Committee did not have a quorum present and deferred action regarding Amendment #5 with TAC Air until the Board meeting.

Presented by Karen Reynolds, Director of Property Development – In 2017, RDU’s Fixed Base Operators (FBO), Signature Flight Support and TAC Air, each expressed an interest in leasing the General Aviation Terminal Facility (GATF) as well as the vehicle parking lots adjacent the FBO facilities. The Authority forwarded each FBO a Request for a Competitive Proposal. The Request provided the minimum fixed rental rates acceptable to the Authority and that those rates would increase 3.0% per year, beginning with a 1.0% increase on April 1, 2018, through FBO agreement expiration of March 31, 2022.

The Authority encouraged each to submit their “best and final offer” with their final submittal of December 11, 2017. Staff evaluated the proposals based on facility use, potential for Authority revenue, and material lease terms. Each FBO advised they intended to perform modifications within the GATF (and within their FBO facility) to
allow use of the GATF as a departure lounge for customers and an office suite for tenants, or to accommodate their own staff.

The revenue/expense report for the GATF shows a total loss of $436,558 for FY16/17, and total loss of (annualized) $205,004 for FY17/18. The addition of the GATF to an FBO leasehold, using FY18/19 fixed and variable rental rates, would result in:

- Revenue from TAC Air of approximately $558,399/year
- Revenue from Signature Flight of approximately $388,311/year.

Based on the evaluation criteria outlined in the Request for Competitive Proposals, staff requests approval of Amendment Number 5 to TAC Air’s Facilities Lease and Operating Agreement, adding the GATF. The Amendment also removes the west ramp tie-down area (211,554 sf) from TAC Air’s leasehold. RDU’s 2040 Master Plan calls for conversion of the west ramp area into remote aircraft parking apron/aircraft hard stands and project design has commenced.

Staff requests approval of Amendment #5 to the Facilities Lease and Operating Agreement with TAC Air, and authorization for the President and CEO to execute the Amendment.

The following presentation was added to the Land and Development Committee’s meeting agenda:

4. **Presentation regarding Impact to Landscape during Rehab of John Brantley Blvd:**

   *For informative purposes only. No Committee action required.*

   Presented by Ron Jewett, Vice President Facilities Asset Management – Presentation to the Committee regarding the proposed impact to the landscape approaching and in the vicinity of Terminal 1 due to the pavement rehabilitation project for John Brantley Boulevard. A lane of travel is anticipated to be added, which will require the removal of some existing trees and other plantings.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
APRIL 19, 2018

Zucchino presided. Present: Hannah, Morgan, Saidi, Teer and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and ISO McFall, Vice President and CHRO Umphrey, Vice Presidents Connell, 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 Resolution of Intent to Reimburse Expenditures:
Zucchino introduced the Resolution, the title of which was read and a copy of which is included with these minutes, and upon a motion by Zucchino and second by Morgan, the Committee recommends approval of this Resolution designating the President and Chief Executive Officer to declare on behalf of the Authority official intent to reimburse any and all expenditures with the proceeds of debt to be incurred by the Authority under United States Department of Treasury regulations.

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – Section 1.150-2 of the United States Department of Treasury Regulations (the “Regulations”) prescribe specific procedures which will be applicable to certain bonds or notes issued by the Authority including, without limitation, a requirement that the Authority declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the Authority prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed.

The Regulations expressly permit the statement of official intent to be declared by any person designated by the Authority to declare official intent on behalf of the Authority. Staff requests designation and authorization of the President and Chief Executive Officer of the Authority as the official responsible for declaring official intent on behalf of the Authority for such purposes.

Staff requests approval of the resolution designating the President and Chief Executive Officer to declare on behalf of the Authority official intent to reimburse any and all expenditures with the proceeds of debt to be incurred by the Authority under United States Department of Treasury regulations.
EXTRACTS FROM MINUTES OF THE RALEIGH-DURHAM AIRPORT AUTHORITY

A regular meeting of the Raleigh-Durham Airport Authority was held at 1:00 p.m. on April 19, 2018 in the administrative offices at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present:

Absent:

Also Present:

__________________________ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Member:

RESOLUTION AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY TO DECLARE OFFICIAL INTENT TO REIMBURSE EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY REGULATIONS ON BEHALF OF SAID AUTHORITY

BE IT RESOLVED, by the Raleigh-Durham Airport Authority (the “Authority”) as follows:

Section 1. It is hereby found, determined and declared by the Board for the Authority as follows:

(a) Section 1.150-2 of the United States Department of Treasury Regulations (the “Regulations”) prescribe specific procedures which will be applicable to certain bonds or notes issued by the Authority including, without limitation, a requirement that the Authority declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the Authority prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed.

(b) The Regulations expressly permit the statement of official intent to be declared by any person designated by the Authority to declare official intent on behalf of the Authority.

(c) The Board for the Authority believes that it is in the best interest of the Authority to authorize and designate the President and Chief Executive Officer of the Authority as the Authority official responsible for declaring official intent on behalf of the Authority for such purposes.

Section 2. As permitted by the Regulations, the President and Chief Executive Officer of the Authority is designated by the Board for the Authority to declare the official intent on behalf of the Authority to reimburse any and all expenditures with the proceeds of debt to be incurred by the Authority.

Section 3. This resolution shall take effect upon its adoption.

Upon motion of ________________, seconded by __________________, the foregoing resolution entitled “RESOLUTION DESIGNATING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY TO DECLARE OFFICIAL INTENT TO REIMBURSE EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY REGULATIONS ON BEHALF OF SAID AUTHORITY” was adopted by the following vote:

Ayes:

Noes:__________________________

Raleigh-Durham Airport Authority Board Members

Farad Ali, Chairman
City of Durham

John M. Kane, Vice Chairman
Wake County

Patrick Hannah, Esq., Secretary
Durham County

Lawrence R. Zucchiino, Treasurer
Wake County

Robert D. Teer, Jr.
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
Durham County

Sepideh Saidi, PE
City of Raleigh
I, Patrick Hannah, Secretary of the Raleigh-Durham Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on April 19, 2018 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and official seal of said Authority this 19th day of April, 2018.

__________________________
Secretary
Raleigh-Durham Airport Authority

[SEAL]
2. Consideration of Proposed FY18-19 Internal Audit Plan:
Upon a motion by Teer and second by Zucchino, the Committee requested additional time to review the proposed FY18-19 Internal Audit Plan and recommends deferring action on this matter.

Presented by: Frank White, Director of Internal Audit – The Internal Audit Department requests approval of the FY18-19 Internal Audit Plan, which is in draft form and 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, 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. This is accomplished through a combination of assurance and consulting engagements designed to add value.

Staff requests approval of the draft FY18-19 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan.