I. APPROVAL OF AGENDA

Zucchino requested that the agenda be modified to address Old Business matters first due to Board members’ schedules.

Motion by Morgan to approve the modified agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

II. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Operations Committee met on May 17, 2018 and discussed the following item:
   a. Consideration of Amendment #1 with Brock Solutions for Baggage Source Messaging
      Committee recommends approval of Amendment 1 to the agreement with Brock Solutions US Systems LLC in the amount of $62,000 and authorization for the President and CEO to execute the amendment.

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

      ADOPTED BY UNANIMOUS VOTE

   b. Consideration of a Service Agreement with TriCore/Rackspace for Oracle EBS Support
      Committee recommends approval of a Service Agreement with TriCore/Rackspace for Oracle EBS managed services and authorization for the President and CEO to execute the agreement.

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

      ADOPTED BY UNANIMOUS VOTE

   c. Consideration of Fleet Vehicles Purchase Utilizing Existing Contract Pricing
      Committee recommends approval of purchase of fifteen (15) vehicles utilizing existing State and North Carolina Sheriffs’ Association contract pricing in the total amount of $460,364 and authorization for the President and CEO to execute any documents necessary for these purchases.

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

      ADOPTED BY UNANIMOUS VOTE

1 Vice Chair Kane joined via simultaneous communication by telephone for the purpose of participating in the Board meeting.
2. Consideration of Agreement with Aero BridgeWorks for Pre-conditioned Air Units Replacement
   Committee recommends approval of an agreement with Aero BridgeWorks, Inc. in the amount of $4,066,012 and authorization for the President and CEO to execute the Agreement.
   
   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 17, 2018 and discussed the following items:
   a. Consideration of MWSB Participation for General Aviation Corporate Hangar Campus Development
   Committee requested further review regarding MWSB goals for the selected developer of the General Aviation Corporate Hangar Campus and for the hangar facility construction projects to be managed by the selected developer, and recommended that the matter be postponed.
   
   Motion by Teer to adopt Committee’s recommendation; Second by Thompson
   
   ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Morgan reported the Finance Committee met on May 17, 2018 and discussed the following items:
   a. Consideration of Proposed FY18-19 Internal Audit Plan
   Committee recommends approval of the draft FY18-19 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan.
   
   Motion by Morgan to adopt Committee’s recommendation; Second by Teer
   
   ADOPTED BY UNANIMOUS VOTE

III. NEW BUSINESS
   There were no items of New Business to address.

IV. APPROVAL OF MINUTES
   Motion by Thompson to approve the minutes of the April 19, 2018 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes and the consent actions incorporated therein, noting that the Chair Ali and members Kane and Thompson had excused absences from that meeting; Second by Teer
   
   ADOPTED BY UNANIMOUS VOTE

[Attendance dropped below a quorum with Kane and Morgan’s exit]
V. CHAIR COMMENTS [given by Treasurer Zucchino as Acting Chair]

1. New hires were recognized.
2. On June 4th, Dale Earnhardt, Jr. will be in Terminal 2 for the grand opening celebration of his Whisky River restaurant. Two additional restaurants and seven retail shops are celebrating their openings as well.
3. An airfield tour for elected officials will be hosted at RDU to show airfield improvements investments.
4. RDU’s 75th anniversary of commercial flight was celebrated during the first week in May. RDU began with 1,160 annual passengers and now welcomes more than 11.6 million passengers and contributes $8.5 billion/year in economic impact.

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

VII. MEMBER COMMENTS
Board members congratulated the staff for their work at RDU and for keeping the airport running smoothly during the busy Mother’s Day and graduation travel period. The landscape work around the airport was commended. Appreciation was expressed for continued support for the USO.

VIII. PRESIDENT AND CEO’S REPORT

Activity Report – April 2018 was RDU’s 50th consecutive month of growth and RDU exceeded over 500,000 enplanements which is a record. 538,150 customers boarded airplanes during April 2018 which is a 10.5% increase compared to last April. Frontier Week was celebrated 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, Portland (Maine), Detroit, and Minneapolis. Allegiant will begin seasonal, non-stop service to Fort Walton Beach/Destin in June and announced beginning service to San Juan in December 2018.

FAA Drone Integration Pilot Program
Last week, U.S. Transportation Secretary Elaine L. Chao announced that the NCDOT was selected as one of only 10 participants in the FAA’s unmanned aircraft systems Integrated Pilot Program…right here in our region. The Unmanned Aircraft Systems (UAS) Integration Pilot Program is designed to foster innovation and advance the safe integration of drones into our nation’s airspace and to ensure U.S. global leadership in the emerging UAS industry. NCDOT will begin working with global drone delivery companies to set up a network of medical distribution centers that can use drones to make medical deliveries.

We are thrilled to partner with the NCDOT Division of Aviation and tech companies to test this new technology. The Triangle is a natural fit, as we are the technology hub in the State.

President and CEO Landguth took the opportunity to extend a belated Happy Mother’s Day to everyone and, on a personal note, he mentioned (happily) that his daughter had graduated from NCSU.
IX. ADJOURNMENT

Motion by Thompson to adjourn; Second by Teer³

ADOPTED BY UNANIMOUS VOTE

³Under Robert’s Rules of Order, adjournment can be taken during a meeting in which a quorum is not present.
RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES
MAY 17, 2018

Thompson presided. Present: Morgan, 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 CISO McFall, Vice Presidents Connell, Jewett, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following items:

1. Consideration of Amendment #1 with Brock Solutions for Baggage Source Messaging:

   Upon a motion by Thompson and second by Teer, the Committee recommends approval of Amendment 1 to the agreement with Brock Solutions US Systems LLC in the amount of $62,000 and authorization for the President and CEO to execute the amendment.

   Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment 1 to the Authority’s agreement with Brock Solutions US Systems LLC to include connection to Brock’s Cloud-hosted SmartConnect system for baggage source messaging (BSM). Brock currently provides technical support for the Terminal 2 baggage handling system controls.

   International Air Transport Association (IATA) Resolution 753, effective June 2018, requires IATA members (airlines) to maintain an accurate inventory of baggage by monitoring the acquisition and delivery of baggage. The goal is to reduce the number of lost or delayed bags, which will result in better customer service and reduce bag fraud and the costs involved in tracing, retrieving and delivering missing or delayed bags. This amendment proposed with Brock will provide the interface for the Authority’s baggage handling system to transmit real-time baggage information to the airlines’ corporate servers, increasing current baggage tracking capabilities. Additionally, this use of BSM allows for greater flexibility at RDU for managing outbound baggage onto multiple baggage makeup devices.

   Under the terms of this amendment, the Authority is responsible for the cost of the initial installation and set-up of the SmartConnect solution, as well as a monthly fee to maintain the connection. Each airline will be responsible to establish their own connection to the system through Brock. The cost impact to the Authority will be $15,000 for the installation and $1,000 per month for the remaining 47 months of the contract term, for a total amendment cost of $62,000.

   Staff requests approval of Amendment 1 to the agreement with Brock Solutions US Systems LLC in the amount of $62,000 and authorization for the President and CEO to execute the amendment.
2. Consideration of a Service Agreement with TriCore/Rackspace for Oracle EBS Support:

Upon a motion by Zucchino and second by Teer, the Committee recommends approval of a Service Agreement with TriCore/Rackspace for Oracle EBS managed services and authorization for the President and CEO to execute the agreement.

Presented by Guy Fowler, Information Technology Business Solutions Director – TriCore Solutions, now Rackspace, provides the support and improvement of the Authority’s Oracle Electronic Business Suite (EBS) software. Oracle EBS is the software within which all of the Authority’s financials are housed and managed and it is a critical system for the successful operation of the Authority’s business. Staff requests approval of the Service Agreement with Rackspace for renewal of managed support services for a proposed 3 year term with two additional 1 year extension options. This agreement provides: software maintenance, 24x7 unlimited technical support, software problem resolution, software “bug” fixes and updates, critical security updates and for any programming changes that need to be made. Rackspace has successfully met the Oracle EBS needs of the Authority since June of 2016.

**Rackspace Consolidated Support Contract Cost Table by Year**

<table>
<thead>
<tr>
<th>Contract Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Total for Year 1 (2018-2019)</td>
<td>$150,384</td>
</tr>
<tr>
<td>Grand Total for Year 2 (2019-2020)</td>
<td>$150,384</td>
</tr>
<tr>
<td>Grand Total for Year 3 (2020-2021)</td>
<td>$150,384</td>
</tr>
<tr>
<td><strong>Subtotal for 3 year Term</strong></td>
<td><strong>$451,152</strong></td>
</tr>
<tr>
<td>Optional Year 1 - Grand Total for Year 4 (2021-2022)</td>
<td>$150,384</td>
</tr>
<tr>
<td>Optional Year 1- Grand Total for Year 5 (2022-2023)</td>
<td>$150,384</td>
</tr>
<tr>
<td><strong>Potential Grand Total:</strong></td>
<td><strong>$751,920</strong></td>
</tr>
</tbody>
</table>

Staff requests approval of a Service Agreement with TriCore/Rackspace for Oracle EBS managed services and authorization for the President and CEO to execute the agreement.

3. Consideration of Fleet Vehicles Purchase Utilizing Existing Contract Pricing:

Upon a motion by Teer and second by Zucchino, the Committee recommends approval to purchase fifteen (15) vehicles utilizing existing State and North Carolina Sheriffs’ Association contract pricing in the total amount of $460,364 and authorization for the President and CEO to execute any documents necessary for these purchases.

Presented by John A. Connell, P.E., Vice President, Operational Asset Management – Staff requests approval to procure fifteen (15) vehicles for various departments at the Authority. Under state statutes, the Authority is allowed to procure goods and services under state contracts that have been publicly advertised and bid by the state’s Division of Purchase and Contract. Staff proposes to procure thirteen (13) of the vehicles from the following state contract dealers: Capital Ford of Raleigh - ten (10) Ford Explorers and one (1) Ford Fusion Sedan Asheville Ford Lincoln of Asheville - one (1) Ford Expedition and one (1) Ford F-150
Additionally, the North Carolina Sheriffs’ Association has gone through a competitive bid process to allow purchase of vehicles for state agencies. Staff proposes that the Authority utilize this existing Sheriffs’ Association contract with Modern Toyota to procure two (2) Toyota double cab pickup trucks to support the growing parking operation at RDU.

The total cost for the purchase of these fifteen (15) vehicles is $460,364, within the current budgeted amounts.

Staff requests approval to purchase fifteen (15) vehicles utilizing existing State and North Carolina Sheriffs’ Association contract pricing in the total amount of $460,364 and authorization for the President and CEO to execute any documents necessary for these purchases.

4. Consideration of Agreement with Aero BridgeWorks for Pre-conditioned Air Units Replacement:

Upon a motion by Teer and second by Zucchiino, the Committee recommends approval for an agreement with Aero BridgeWorks, Inc. in the amount of $4,066,012 and authorization for the President and CEO to execute the Agreement.

Presented by John A. Connell, P.E., Vice President, Operational Asset Management – Due to the increased heat load generated by newer and refitted aircraft being served at Terminal 2, the Authority commissioned a report from Aero Systems Engineering, Inc. (ASE) to evaluate the capacity of the existing pre-conditioned air (“PCA”) units at Terminal 2. ASE recommended the replacement of:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Existing Capacity</th>
<th>Proposed New Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>30-ton PCA units</td>
<td>60-ton PCA units</td>
</tr>
<tr>
<td>1</td>
<td>60-ton PCA unit</td>
<td>100-ton PCA unit</td>
</tr>
<tr>
<td>2</td>
<td>90-ton PCA units</td>
<td>110-ton PCA units</td>
</tr>
</tbody>
</table>

Staff reviewed ASE’s report and determined the recommended replacement of all insufficiently sized units was necessary to realize maximum cost savings to the Authority and a higher level of service to tenants and customers. ASE was subsequently retained to produce construction documents, which were completed in March 2018. Three companies submitted and met the prequalification requirements to bid on this project. Bids were originally due on April 27, 2018 but, were extended to May 4, 2018, at which point two bids were received and opened. The low bidder did not possess the required N.C. General Contractor’s license and, therefore, Aero BridgeWorks, Inc. was the lowest responsive bidder.

Staff requests the approval of an agreement with Aero BridgeWorks, Inc. to perform the replacement of the 26 PCA units and associated upgrades to the electrical feeders. The proposed scope of work consists of the base bid which includes the procurement of new PCA units and electrical upgrades to facilitate replacing existing point of use PCA equipment on 26 C and D gates in Terminal 2. Additionally, the proposed agreement will include a new hose and hose reel for each new unit and Aero Bridgeworks will perform a power systems studies of the new and existing electrical distribution system.
The Minority and Women-Owned Small Business (MWSB) participation goals for this contract are 5% for minority-owned firms and 3% for women-owned firms. Aero BridgeWorks’ commitment is 5% minority-owned and 28.8% women-owned.

The compensation to Aero Bridgeworks for basic services is the lump sum amount of $3,864,265, plus $189,567 for new hoses and hose reels, and $12,180 for the power study for a contract total of $4,066,012.

Staff requests approval for an agreement with Aero BridgeWorks, Inc. in the amount of $4,066,012 and authorization for the President and CEO to execute the Agreement.
Teer presided. Present: Morgan, 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 CISO McFall, Vice President and CHRO Umphrey, Vice Presidents Connell, Jewett, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests. The Committee discussed the following item(s):

1. Consideration of MWSB Participation for General Aviation Corporate Hangar Campus Development:

   The Committee did not have a quorum present and requested further information regarding the RFP/Q, deferring action regarding these MWSB participation goals.

   Presented by Karen Reynolds, Director of Property Development and Travis Pierce, Procurement Manager – The General Aviation Corporate Hangar Campus was identified as part of the Vision 2040 Master Plan, and was included in the FAA-approved Layout Plan. Staff determined development of the campus could be more effectively and cost efficiently managed by utilizing an experienced third party developer. A Request for Proposals and Qualifications (“RFP/Q”) for Corporate General Aviation Hangar Campus Development was issued on May 1, 2018, and included Minority and Women-owned Small Business (MWSB) Program requirements. The requirements listed minority-owned business and woman-owned business participation goals related to the developer-specific services (not including construction and engineering services/projects) of the hangar facilities to be managed by the third party developer.

   This is the Authority’s first use of a third-party developer in such a role. Since this is an issue of first impression on a prominent project, staff is seeking the Board’s input into the appropriate MWSB goals.

   Erin Locklear, General Counsel, added comments that the Authority’s MWSB policy is a board directive and, for this new situation of a third party developer, staff is seeking policy application guidance. She discussed examples for the Board’s consideration and detailed options of self-performance or demonstrative efforts by a contractor of its attempts to engage a MWSB vendor as being permissible under the policy.

   Staff requests Board input pertaining to the MWSB goals for the selected developer of the General Aviation Corporate Hangar Campus, and MWSB goals for the hangar facility construction projects to be managed by the selected developer.
Morgan presided.¹ Present: Teer, 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 CISO McFall, Vice President and CHRO Umphrey, Vice Presidents Connell, Jewett, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Consideration of Proposed FY18-19 Internal Audit Plan:**

   Upon a motion by Teer and second by Zucchino, the Committee recommends approval of the draft FY18-19 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan.

   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.

¹ Finance Committee Chair Zucchino (Acting Board Chair) requested Morgan lead the committee meeting
Zucchino presided. Present: Hannah, Morgan,¹ and Teer. Staff present included: President and CEO Landguth, Senior Vice President and CFO Sylver, Director of Internal Audit White, Elliott Davis Decosimo representatives McNeish and Cantwell, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of Acceptance of Audited Financial Statements, Compliance Audits, and Management Letter for FY18

   Presented by: Donna Sylver, Senior Vice President and CFO, and Tom McNeish of Elliott Davis Decosimo – Presentation to the Finance Committee concerning auditor required communications and audit results for fiscal year ending March 31, 2018.

   No committee action required.

¹ Board member Morgan joined via simultaneous communication by telephone for the purpose of participating in the committee meeting.