Chair Ali presided. Present: Hannah, Kane, 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 CISO McFall, Vice Presidents Connell, Jewett, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
   Motion by Kane to approve the agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
    Motion by Hannah to approve the minutes of the May 17, 2018 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; the minutes of the June 7, 2018 special meeting of the Finance Committee; and the minutes of the June 14, 2018 special meeting of the Raleigh-Durham Airport Authority Board; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
    1. Recognition of new hires
    2. The Chair thanked staff for their efforts in the successful grand opening celebration of Dale Earnhardt Jr.’s Whisky River restaurant held on June 4th in Terminal 2. Ingrid Hairston shared news regarding community presence and involvement in the Whisky River celebration.
    3. The Chair gave an update on the Research Triangle Regional Partnership’s 2018 State of the Region event held on May 30th, which stressed the importance of community support for obtaining nonstop service to China and recognized Michael Landguth for his leadership and work in this effort on behalf of the region.

IV. OLD BUSINESS
    1. Land and Development Committee Report – Teer reported the Land and Development Committee met on June 21, 2018 and discussed the following items:
       a. Consideration of Proposed offers for Acquisition of Certain Properties
       [Information discussed in closed session pursuant to NCGS §143-318.11(a)(1) and (5) to establish the position to be taken by the Authority in negotiating for the acquisition of real property.]

       Presentation to Committee in closed session for informative purposes only; no Board action required.
b. Consideration of Construction Phase Amendment to Agreement with DPR Construction Committee recommends approval of the construction phase amendment with DPR Construction in the amount of $22,295,447 and authorization for the President and CEO to execute the amendment.

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

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Construction Phase Services Agreement with Parsons Committee recommends approval of a construction phase services agreement with Parsons in the amount of $2,228,036 and authorization for the President and CEO to execute the agreement.

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

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Amendment to the Supplemental Pre-Construction Services Agreement with Balfour Beatty for Terminal 2 Carpet Replacement Committee recommends approval of the Construction Manager at Risk Supplemental Pre-Construction Services Amendment with Balfour Beatty at a cost of $318,701 and authorization for the President and CEO to execute the Amendment. Additionally, the Committee recommends the approval of the sole source procurement of carpet in an amount not-to-exceed $318,701.

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

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Thompson reported the Operations Committee met on June 21, 2018 and discussed the following item(s):

a. Presentation Regarding Insurance Premium Renewals

Presentation to Committee for informative purposes only; no Board action required.

3. Air Service Development Committee Report – Thompson reported the Air Service Development Committee met on June 21, 2018 and discussed the following item(s):

a. Consideration of Master Services Agreement and Task Order 1 with Campbell-Hill Aviation Committee recommends approval of a Master Services Agreement and Task Order 1 with Campbell-Hill Aviation Group, and authorization for the President and CEO to execute the agreement and task order.

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

ADOPTED BY UNANIMOUS VOTE
4. Minority and Women-Owned Business Committee – Ali reported the Minority and Women-Owned Business Committee met on June 21, 2018 and discussed the following item(s):
   a. **Consideration of MWSB Participation for Third party Development Projects**
      Committee recommends approval of applying the MWSB Policy to everything related to the third-party development projects.

   *Motion by Ali to adopt Committee’s recommendation; Second by Thompson*

   **ADOPTED BY UNANIMOUS VOTE**

5. Finance Committee Report – Hannah reported the Finance Committee met on June 21, 2018 and discussed the following items:
   a. **Consideration of Acceptance of Audited Financial Statements, Compliance Audits, and Management Letter for FY18**
      Committee recommends approval and acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for FY2018.

   *Motion by Hannah to adopt Committee’s recommendation; Second by Teer*

   **ADOPTED BY UNANIMOUS VOTE**

V. **NEW BUSINESS**

1. Consent Agenda:
   a. **Consideration of Eckel and Vaughan Task Order 2 for Communications Support**
   b. **Consideration of Contract with Superior Industrial Maintenance for Fuel Farm Repairs**
   c. **Consideration of an Agreement for AT&T Cell Phone Devices**
   d. **Consideration of Amendment 2 with SP+ Airport Services for Staffing Services**
   e. **Consideration of the Warranty, Hosting and Support Agreement with Bridge Technology Inc. for the Automated Vehicle Locator System**
   f. **Consideration of a Multi-Year Support Agreement with GateKeeper Systems**
   g. **Consideration of a Master Software and Services Agreement with Four Winds Interactive, LLC**

   *Motion by Thompson to approve and adopt the Consent Agenda items a-g listed; Second by Saidi*

   **ADOPTED BY UNANIMOUS VOTE**

VI. **GENERAL COUNSEL’S REPORT**

No items were reported.

VII. **MEMBER COMMENTS**

Board members wished staff a happy and safe July 4th and thanked them for their continued efforts on behalf of the airport and the USO. The hard work of Michael Landguth was noted, as well as the finance team’s efforts during the audit process, and the impressive financial performance. New hires were welcomed.
VIII. PRESIDENT AND CEO’S REPORT

Activity Report – May 2018 was RDU’s 51st consecutive month of growth and the first time RDU exceeded 580,000 enplanements. 586,622 customers boarded airplanes during May 2018 which is a 13% increase compared to last May and for the year, RDU’s enplanements are well ahead of FAA forecasts at 9½%. This increasing enplanement trend is expected to continue as RDU adds new flights and destinations for travelers.

Air Service
Earlier this month Frontier Airlines announced nonstop service to San Diego, which is one of our most sought after nonstop destinations. Service will begin August 15 and operate on Wednesdays and Saturdays.

Just a week ago, Frontier made another BIG announcement, expanding their RDU service by adding 6 fabulous warm weather destinations. We are very excited about the new Caribbean flights to Montego Bay and Punta Cana and Cancun. Frontier will also add Fort Myers, West Palm Beach and Phoenix. This brings Frontier’s total to 27 non-stop routes and our total nonstop destinations to 62 from RDU. That’s awesome news for vacationers looking for a tropical getaway at an affordable fare. Caribbean nonstop were also on our wish list for this year. Big kudos to our air service team for adding more exceptional destinations to our route map!

Construction Season
As you heard during staff presentations today, we have a lot of upgrades and improvements around campus that will kick off soon. That’s good news. John Brantley Blvd, and the resurfacing of Park Economy 3 will kick off first. We are also excited to refresh our campus wayfinding system and carpet on Terminal 2. As for our shops, Whiskey River is just the beginning. We will celebrate new openings later this summer in cool new stores like Root and Branch and Vineyard Vines. As with all construction projects, we expect there will be some disruptions to our customer experience. There will be some detours and some construction walls to be sure. But when it is finished, RDU will look shiny and totally refreshed. We are working on a communications strategy to keep customers informed as these projects begin and end. These projects are proof that we are building to soar with our growing community.

IX. ADJOURNMENT

Motion by Teer to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIONS BY CONSENT
JUNE 21, 2018

The Board approved the following items on the Consent Agenda:

a) Consideration of Eckel and Vaughan Task Order 2 for Communications Support

Memorandum by Kristie VanAuken, Vice President Communications and Community Affairs – The Authority needs additional resources to effectively communicate with multiple audiences, especially regarding upcoming construction projects, potential crisis communications, and general dissemination of information. As the airport grows rapidly, there are great opportunities for our customers as we connect to more destinations and create improved facilities. However, rapid growth, development, and construction create disruptions and inconveniences. 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. The proposed approach will help us preserve and enhance the airport’s reputation during a period of great change.

Task Order 1 with Eckel and Vaughan focused on Vision2040 communication strategy and internal communications. Task Order 2 continues that work and adds the elements mentioned above. This task order provides the resources to communicate effectively with our employees, front line partners, customers, and stakeholders.

The Task Order 2 represents 270 hours of strategic counsel ($210.65 blended rate), signage assets and production, and a video for performance management. The total cost is $89,339.55. Staff requests approval of a Task Order 2 with Eckel and Vaughan for $89,339.55 and authorization for the President and CEO to execute the Task Order.

b) Consideration of Contract with Superior Industrial Maintenance for Fuel Farm Repairs

Memorandum by John Connell, Vice President Operational Asset Management – The purpose of this item is to provide a staff recommendation on the approval of a Construction Agreement with Superior Industrial Maintenance Co. (SIMC). This agreement allows SIMC to perform necessary repair work to the three Jet-A fuel tanks at the RDU Fuel Farm. The project includes cleaning and re-coating the interior and exterior of each Jet-A storage tank, steel plate replacement and patching overlays of thin areas of the tanks’ bottoms and the removal of obsolete devices. The work is based on the Project Manual dated March 29, 2018. The objective of this contract is to perform all required work identified by HMT Inspection in May 2017 during an Out-of-Service Inspection of each tank.

In consultation with the RDU Small Business Program Office it was determined that the overall Minority and Women Owned Small Owned Business (MWSB) goals for this project are 0% for Minority-owned Small Businesses (MSB) and 0% for Women-owned Small Businesses (WSB).
This determination was made due to the specialty nature of this fuel farm tank repair work. However, SIMC has proposed to use a WSB to perform 4.5% of the work.

Staff requests approval of a Construction Agreement with Superior Industrial Maintenance Co. in the amount of $848,003 for Fuel Farm repairs and authorization for the President and CEO to execute the Agreement.

c) Consideration of an Agreement for AT&T Cell Phone Devices

Memorandum by Chuck McFall, Senior Vice President, Chief Information and Strategy Officer – AT&T is the main service provider for Authority-owned cellular devices. This service is essential for business communications and daily operations at the airport. In years past, the Authority purchased Windows brand cellular devices from AT&T as its standard phone brand of choice; however, Windows phones are no longer supported by Microsoft and are no longer available for purchase. In an effort to mitigate operational risk, while providing a stable and supportable long-term solution, staff recommends the purchase and replacement of all cellular devices with Apple devices. By purchasing Apple devices under a proposed two-year pricing term, the Authority could take advantage of highly discounted phone pricing. Replacement of all phones on the account would be a purchase of 36 devices.

The multi-year term pricing presents the Authority with a one-time cost totaling $35.64 for 36 devices.

<table>
<thead>
<tr>
<th>Number of Devices</th>
<th>Cost Per Device</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>$.99</td>
<td>$35.64</td>
</tr>
</tbody>
</table>

Staff requests approval of the purchase of 36 new replacement phones, together with approval to add under this pricing plan such additional phones as necessitated by business needs, and authorization for the President and CEO to execute the documents required for the purchase(s).

d) Consideration of Amendment 2 with SP+ Airport Services for Staffing Services

Memorandum by Laurie Suggs, Ground Transportation Parking Business Manager – SP+ Airport Services provides and manages qualified bus drivers, cashiers, gate guards, and license plate inventory and customer service staff under an existing Staffing Services Contract with the Authority. Staff requests approval of an amendment to the current contract to increase the maximum payment amount for the three (3) year term of the contract. The increase is necessary to continue providing Parking Ambassadors to assist customers in locating available parking spaces thus gaining maximum efficiency out of our parking facilities and to increase the frequency of parking lot shuttle bus service. The parking ambassadors have generated very positive customer feedback since their introduction into the parking operation in addition to increasing the utilization of available parking spaces.
The increase in contract staff hours to accomplish this will cause the cost to exceed the current “not to exceed” contract payment totals. The projected cost of the amended 3 year contract is in the chart below (including option years).

<table>
<thead>
<tr>
<th></th>
<th>Base Amendment #1</th>
<th>Amendment #2</th>
<th>Amended Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$2,176,087.00</td>
<td>$357,472.27</td>
<td>$2,986,084.07</td>
</tr>
<tr>
<td>Year 2</td>
<td>$2,236,499.24</td>
<td>$905,812.23</td>
<td>$3,142,311.47</td>
</tr>
<tr>
<td>Year 3</td>
<td>$2,313,144.12</td>
<td>$916,529.07</td>
<td>$3,229,673.19</td>
</tr>
<tr>
<td></td>
<td>$6,725,730.36</td>
<td>$452,524.80</td>
<td>$2,179,813.57</td>
</tr>
<tr>
<td>Option Year 1</td>
<td>$2,397,499.70</td>
<td></td>
<td>$9,358,068.73</td>
</tr>
<tr>
<td>Option Year 2</td>
<td>$2,475,472.62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Staff requests approval of Amendment 2 to the Staffing Services Contract with SP+ Airport Services and authorization for the President and CEO to execute the amendment.

e) Consideration of the Warranty, Hosting and Support Agreement with Bridge Technology Inc. for the Automated Vehicle Locator System

Memorandum by Laurie Suggs, Ground Transportation Parking Business Manager – The purpose of this item is to provide a staff recommendation to approve the support, warranty and hosting agreement with Bridge Technology Inc. (BTI). The Authority purchased the Bridge Technology Automated Vehicle Locator (AVL) system in 2015. The system consists of GPS location devices, On-board Announcement system and Automatic Passenger Counting on 14 RDU parking shuttle buses. The Warranty, Hosting, and Support Agreement provides second level support for all the hardware and software. It also includes all hosting and data service to produce shuttle service and passenger count reports, triggers the on-board announcements, and operates the real-time tracking of the parking shuttles. Initial diagnosis of any issue is performed by the Authority and communicated to BTI by phone or email. If any part fails, it is returned to BTI for repair at no charge. The annual cost of the Warranty, Hosting, and Support agreement is $29,347.16. The agreement has a 3 year term with a total cost of $88,041.48.

Staff requests approval of the Annual Warranty, Hosting, and Support Agreement with Bridge Technology, Inc. and approval for the President and CEO to execute the agreement.
f) Consideration of a Multi-Year Support Agreement with GateKeeper Systems

Memorandum by Guy Fowler, Information Technology Business Solutions Director – GateKeeper Systems is the owner and manufacturer and sole source provider of software maintenance and support for GateKeeper Systems products. The Authority uses GateKeeper Systems’ Commercial Vehicle Management Software to manage and track ground transportation. Staff recommends continuing the relationship with Gatekeeper Systems with a 5 year support agreement.

This support agreement provides 24x7x356 technical support, systems monitoring, systems updates, corrective maintenance, an annual systems review, and an annual software upgrade. GateKeeper Systems has successfully met the needs of the Authority since 2006.

<table>
<thead>
<tr>
<th>Contract Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (2018-2019)</td>
<td>$34,000</td>
</tr>
<tr>
<td>Year 2 (2019-2020)</td>
<td>$35,360</td>
</tr>
<tr>
<td>Year 3 (2020-2021)</td>
<td>$36,775</td>
</tr>
<tr>
<td>Year 4 (2021-2022)</td>
<td>$38,610</td>
</tr>
<tr>
<td>Year 5 (2022-2023)</td>
<td>$40,540</td>
</tr>
<tr>
<td>Grand Total:</td>
<td>$185,285</td>
</tr>
</tbody>
</table>

Staff requests approval of a support agreement with GateKeeper Systems and authorization for the President and CEO to execute the agreement.

g) Consideration of a Master Software and Services Agreement with Four Winds Interactive, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – In November, the Board approved Amendment #4 with Clear Channel Airports, which included the redevelopment of the MarketPlace at the center of the Terminal 2 concourse. Clear Channel is providing seating and workstations, a new digital video wall, and an iconic advertising display location. An interactive terminal directory furnished by Four Winds Interactive, LLC, was procured through Clear Channel at a cost not to-exceed $40,000. Subsequent to the approval of Amendment #4, staff learned that the Authority would be required to purchase the Four Winds proprietary software license, which was included in the directory cost estimate, and is necessary in order to directly control and update the content on the directory. This license will allow staff to upload terminal data and maps to keep the directory current.

Staff seeks approval of the Master Software and Services Agreement with Four Winds Interactive, LLC for the purchase of software and a content player to run the interactive directory. The software and hardware contract costs total $24,217.50, including $23,017.50 for the initial year’s Software License, Professional Services and Content Player costs, and $1,200...
for the Software License costs in years two and three of the proposed contact. Clear Channel will provide the interactive directory hardware, power and installation services. Because Clear Channel originally was to provide the entire directory (all hardware and software), the agreement with Clear Channel will need to be further amended to accurately detail that Clear Channel will only be reimbursed for the equipment and services provided.

Additionally, the Authority will need to spend approximately $3,482 to translate the content on the directory into Chinese, French and Spanish. This cost was not originally contemplated when Amendment #4 was entered into with Clear Channel. As the Authority continues to recruit international air service, it is increasingly important to provide information in a convenient and easy to understand format for a variety of travelers.

Staff requests approval of the Master Software and Services Agreement with Four Winds Interactive, LLC at a cost of $24,217.50 and authorization for the President and CEO to execute the agreement.
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
JUNE 21, 2018

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

Motion by Teer to enter into a closed session to discuss confidential information to establish the position to be taken by the Authority in negotiating for the acquisition of real property pursuant to NCGS §143-218.11(a)(1) and (5); Second by Ali

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Land and Development Committee, Board members and senior Authority staff met in Room 100 of the RDU Center for a closed session from 11:18 am until 11:40 am.

Motion by Teer to exit the closed session; Second by Ali

ADOPTED BY UNANIMOUS VOTE

The presentation in the closed session regarding information to establish the position to be taken by the Authority in negotiating for the acquisition of real property pursuant to NCGS §143-218.11(a)(1) and (5), was for informative purposes only and required no Committee action:

1. Consideration of Proposed Offers for Acquisition of Certain Properties:
   For informative purposes only. No Committee action required.
   Presented by William Sandifer, Senior Vice President and Chief Operating Officer

The Committee discussed the following item(s):

2. Consideration of Construction Phase Amendment to Agreement with DPR Construction:
   Upon a motion by Teer and second by Ali, the Committee recommends approval of the construction phase amendment with DPR Construction in the amount of $22,295,447 and authorization for the President and CEO to execute the amendment.

Presented by Ronald Jewett, Vice President Facilities Asset Management, – The proposed amendment establishes the Contract Amount (or Fixed Guaranteed Maximum Price) and authorizes construction phase services of the Contractor (or Construction Manager-at-Risk). At the November 2017 Board meeting, the Master Agreement for DPR Construction was approved for the Construction Manager-at-Risk “bundle” of projects, including John Brantley Boulevard Rehabilitation, Cemetery Road and
National Guard Drive Rehabilitation, Park Economy 3 Rehabilitation, and Campus-Wide Signage Improvements.

In March 2018, the Authority approved Pre-Construction Phase Service Amendments with DPR for these projects. Pre-construction phase services were completed, including the prequalification process for subcontractors, and the projects were advertised by DPR Construction for bid opportunities on April 4, 2018. Bids were received on May 8, 2018. The campus-wide sign package had to be re-advertised for lack of bids received. Campus-wide sign package was re-advertised and bids were received on May 17, 2018. The electrical work was removed from the signage package and bids for the electrical package will be received on July 10, 2018; an allowance for this work is included in the Cost of Work line item listed below.

The sum of the lowest responsible subcontract bids from all bid packages, allowance, and subcontractor default insurance have been combined and are defined as the Cost of the Work component:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of the Work</td>
<td>$17,484,813</td>
</tr>
<tr>
<td>Contractor’s Contingency</td>
<td>$602,543</td>
</tr>
<tr>
<td>Contractor’s Construction Fee</td>
<td>$753,952</td>
</tr>
<tr>
<td>Reimbursable General Conditions</td>
<td>$3,454,139</td>
</tr>
<tr>
<td>Construction Phase Amendment (GMP)</td>
<td>$22,295,447</td>
</tr>
</tbody>
</table>

The MWSB goals were set and contract commitment received as follows:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>MSB Goal %</th>
<th>WSB Goal %</th>
<th>Bid Commitment MSB %</th>
<th>Bid Commitment WSB %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPR Construction Services</td>
<td>10.0</td>
<td>5.0</td>
<td>10.0</td>
<td>5.0</td>
</tr>
<tr>
<td>John Brantley Boulevard Rehabilitation</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>9.1</td>
</tr>
<tr>
<td>Cemetery Road and National Guard Drive Rehab</td>
<td>2.0</td>
<td>6.0</td>
<td>2.0</td>
<td>23.5</td>
</tr>
<tr>
<td>Park Economy 3 Rehabilitation</td>
<td>2.0</td>
<td>6.0</td>
<td>2.1</td>
<td>28.5</td>
</tr>
<tr>
<td>Campus-Wide Signage Improvements*</td>
<td>2.0</td>
<td>6.0</td>
<td>GFE Accepted</td>
<td>98.8</td>
</tr>
</tbody>
</table>

*Electrical Package bid opening July 2018

Staff requests approval of the construction phase amendment with DPR Construction in the amount of $22,295,447 and authorization for the President and CEO to execute the amendment.
3. Consideration of Construction Phase Services Agreement with Parsons:

Upon a motion by Ali and second by Kane, the Committee recommends approval of a construction phase services agreement with Parsons in the amount of $2,228,036 and authorization for the President and CEO to execute the agreement.

Presented by Ronald Jewett, Vice President Facilities Asset Management – This proposed agreement covers the following services related to existing projects related to the current Master Services Agreement with Parsons Construction Group. The proposed agreement is to administer the construction projects, provide Resident Project Representative Services, provide material quality assurance testing, and provide construction surveying services, as needed. The proposed construction includes John Brantley Boulevard Rehabilitation, Cemetery Road and National Guard Drive Rehabilitation, Park Economy 3 Rehabilitation, and Campus-Wide Signage Improvements. It also includes a limited amount of pavement repairs to National Guard Drive. These services are also the subject of staff’s contemporaneous request for a Construction Phase Amendment with DPR Construction.

The MWSB participation contract goals are 10% MSB and 5% WSB. Parsons’ MWSB commitment in this Agreement is 10% MSB and 5% WSB, which meets both goals.

The maximum compensation under this Agreement is $2,130,372. The maximum for Reimbursable Expenses is $97,664, for a total maximum cost of $2,228,036.

Staff requests approval of a construction phase services agreement with Parsons in the amount of $2,228,036 and authorization for the President and CEO to execute the agreement.

4. Consideration of Amendment to the Supplemental Pre-Construction Services Agreement with Balfour Beatty for Terminal 2 Carpet Replacement:

Upon a motion by Kane and second by Ali, the Committee recommends approval of the Construction Manager at Risk Supplemental Pre-Construction Services Amendment with Balfour Beatty at a cost of $318,701 and authorization for the President and CEO to execute the Amendment. Additionally, the Committee recommends approval of the sole source procurement of carpet in an amount not-to-exceed $318,701.

Presented by Jaymes Carter, Director of Buildings & Building Systems – The purpose of this item is to replace aged and worn carpet in Terminal 2.

For Concourse C (8 Hold Rooms), Concourse D (6 Hold Rooms) and Passenger Boarding Bridges (36 gates, which involve the vast majority of the carpet (13,400 sq), the new carpet will replicate the existing carpet in pattern, color, and all other characteristics. The matching carpet is only available from the original manufacturer, which will be engaged for the project.

For two relatively minor areas (308 sq) in the 2 stairs/landings to Airline Clubs and the Bag Claim Offices (11 offices), the original carpet is out of production. For the stairs and landings, a currently-produced, standard carpet will be selected that closely matches the existing. For the Bag Claim Offices, a more durable currently-produced, standard carpet will be selected, one in which the pattern and/or color “hides” staining better than the existing carpet.
Balfour Beatty is the Authority’s Construction Manager at-Risk Contract for the project, and the firm is currently under contract for Pre-Construction services in an Agreement with a not-to-exceed cost of $65,483. Under the Agreement, Balfour Beatty has collaborated with the Authority, Parsons, and the Architect, OBA, in all logistical matters pertaining to planning the project, preparing cost estimates, determining an efficient schedule for the work, and pre-qualifying bidders for the installation of the carpet.

In order to facilitate procurement of the carpet, staff proposes an amendment to the Pre-Construction Agreement with Balfour Beatty that will allow the carpet to be ordered. The estimated cost of the carpet is $318,701. With the addition of this proposed amendment, the Pre-Construction Services Agreement will total $384,184.

Staff requests approval of the Construction Manager at Risk Supplemental Pre-Construction Services Amendment with Balfour Beatty at a cost of $318,701 and authorization for the President and CEO to execute the Amendment. Additionally, Staff requests the approval of the sole source procurement of carpet in an amount not-to-exceed $318,701.
Thompson presided. Present: Ali, Hannah, Kane, Morgan, Teer and Saidi. 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.

1. Presentation Regarding Insurance Premium Renewals:
   For informative purposes only. No Committee action required.
   Presented by James Witherspoon, PHR, CSP, ARM, Director of Risk Management – The Authority’s Property, Workers Compensation, General Liability, Crime, Automotive, and Directors and Officers/Employment Practices Insurance coverages renew as of July 1, 2018. Coverage premium changes are detailed below:
   1. The Authority’s Property coverage premium increased by $43,663.00 with an increase in property values. This was due to 330 billion catastrophic losses.
   2. The Cyber Liability Enhancement decreased by $20,707.00 compared to last coverage year 2017.
   3. Airport Workers Compensation coverage premium increased by $39,662.00 due to a $2M increase in payroll and experience modification rate change from .62 to .71.
   4. Airport Liability coverage premium remained the same compared to last coverage year 2017.
   5. The Airport Crime coverage premium remained the same compared to last coverage year 2017. This was due to competitive marketing.
   6. The Automotive coverage premium increased by $3,608.00 compared to last coverage year 2017.
   7. The Directors and Officers/Employment Practices coverage premium remained the same compared to last coverage year 2017.
   8. Pollution Liability coverage was added for the premium amount of $75,000. Contingent coverage is included and will potentially include newly discovered pre-existing conditions.

   The net premium impact is an increase of $141,226.00.
Thompson presided. Present: Ali, Hannah, Kane, Morgan, Saidi, and Teer. 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 item(s):

1. Consideration of Master Services Agreement and Task Order 1 with Campbell-Hill Aviation

   Upon a motion by Thompson and second by Teer, the Committee recommends approval of a Master Services Agreement and Task Order 1 with Campbell-Hill Aviation Group, and for authorization for the President and CEO to execute the agreement and Task Order.

   Presented by Kristie VanAuken, Vice President Communications and Community Affairs – As the Authority continues its air service pursuits, including a nonstop flight to China, additional air service expertise is needed to supplement the internal team. A Request for Proposals process resulted in six proposals. After interviews of 3 firms, staff recommends selection of Campbell-Hill Aviation Group, LLC (“Campbell-Hill”) to provide air service consulting under a Master Services Agreement with a 3 year term and 2 one year options.

   Campbell-Hill is a privately-owned U.S. consulting firm providing a wide range of services to the aviation industry since 1993. The company is located in the Washington, D.C. area, which provides ready access to U.S. government agencies, law firms, and leading transportation and public policy research centers. Campbell-Hill has fourteen aviation professionals, eight of whom have airline backgrounds. Collectively, the firm possesses nearly one hundred and fifty years of direct airline experience, mostly within the network planning and revenue management functions. Campbell-Hill has an exceptional track record, securing 62 nonstop routes by 27 carriers since 2010.

   With the clear focus on China air service development, Campbell-Hill is teaming with Rachel Trinder, President & CEO of Trinder Aviation & Aerospace Advocacy, PLLC, a Washington, DC law firm. She is a leading expert on U.S.-China aviation issues, providing valuable insight to International traffic rights and air service route selection proceedings and she has extensive experience with the U.S.-China Bilateral negotiations. Trinder is a participant in the MWSB program. The MWSB commitment for this service agreement is 5% minority and 7% women-owned.

   Task Order 1 will include the following deliverables:

   1. RDU to China White paper by August 31, 2018 $49,980
   2. Airport/ Airline Conference support (World Routes) $16,035
   3. Air Service Program/ Policy Peer Review by May 31, 2018 $8,160
   4. Board of Directors Air Service Committee Presentation by October 2018 $9,300
   5. Catchment Area Analysis by May 31, 2018 $21,525

   Total $105,000

   Staff requests approval of a Master Services Agreement and Task Order 1 with Campbell-Hill Aviation Group, and for authorization for the President and CEO to execute the agreement and Task Order.
Ali presided. Present: Hannah, Kane, 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 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 item(s):

1. **Consideration of MWSB Participation for Third Party Development Projects:**

   *Upon a motion by Hannah and second by Saidi, the Committee recommends applying the MWSB Policy to everything related to the third-party development projects.*

   Presented by Erin Locklear, General Counsel – The Authority is considering the use of a third-party developer that would provide financing and management of potential projects. This is a method used at several airports around the country, and would be the Authority’s first use of a third-party developer in such a role. Since this is an issue of first impression, staff is seeking the Board’s input into the application of the MWSB program.

   Staff requests Board input pertaining to the application of the MWSB Program to third-party development projects.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
JUNE 21, 2018

Hannah presided. Present: Ali, Kane, 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 CISO McFall, Vice Presidents Connell, Jewett, and VanAuken, General Counsel Locklear, Director of Internal Audit White, Executive Assistant Rivera, Elliott Davis Decosimo representatives McNeish and Cantwell, and other staff members and guests.

The Committee discussed the following item(s):

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

   Upon a motion by Morgan and second by Teer, the Committee recommends approval and acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for the FY 2018.

   Presented by Donna Sylver, Senior Vice President and CFO – Financial performance for fiscal year ending March 31, 2018 was presented to the committee.

   Elliott Davis Decosimo, PLLC representative, Tom McNeish, reported on the completed audits and findings from their audit services for the fiscal year ended March 31, 2018. The draft Comprehensive Annual Financial Report (CAFR), along with the two draft Compliance Reports (related to Grants and to Passenger Facility charges), and the Management Letter of audit findings and management responses were discussed.

   Staff recommends acceptance of the CAFR which will allow the Authority to file its annual financial and audit compliance reports per the Master Trust Indenture Agreement and North Carolina General Statue §159-34 requirements.

   Staff requests approval and acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for FY 2018.