RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
SEPTEMBER 19, 2019

Chair Kane presided. Present: Kushner, 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, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

I. APPROVAL OF AGENDA
   Chair Kane requested that a closed session be added at the end of the meeting. Motion by Thompson to approve the agenda as amended; Second by Morgan

   ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
   Motion by Saidi to approve the minutes of the August 15, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Kushner

   ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
   1. Chair Kane welcomed everyone.
   2. New hires were introduced and welcomed, and promotions were announced and congratulated.
   3. Chair Kane noted that RDU was named the 2019 Community Partner of the Year by The Arc of the Triangle in recognition of its dedication and commitment to partnering with people with disabilities.
   4. Chair Kane commented on the recent “Wings for Autism” event hosted by RDU.
   5. Chair Kane announced that Triangle Market opened in Terminal 1 in August across from Gate A-6 and BurgerFi opened earlier this month in Terminal 2 near Gate D-3. Other concessionaires have extended operating hours to as early as 4 a.m. to meet customer demand.
   6. The Salute to Bluegrass Music Series will showcase local performers in the terminals from September 23-27 to greet travelers, including travelers attending the annual Raleigh Bluegrass festival.
   7. Chair Kane recognized special guest Bobby Walston, P.E., Director of the North Carolina Division for Aviation. Mr. Walston was congratulated for receiving the innovative Kenneth A. Rowe Ambassador of Aviation from the National Association of State Aviation officials, given in recognition of Mr. Walston’s career contributions to and advocacy for aviation in North Carolina and the U.S. Mr. Walston briefly explained the division’s cutting-edge drone program and shared video footage captured by drones showing the devastation and flooding to North Carolina last year from Hurricane Florence. Mr. Walston explained how drones are used to deliver medical supplies at WakeMed in Raleigh.
8. Chair Kane congratulated Secretary Saidi whose civil engineering firm, founded in 2001, now with over 90 employees in the Triangle, was named by the Triangle Business Journal as one of the Best Places to Work.

IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on September 19, 2019 and discussed the following items:

   a. **Consideration of Task Order 24 with O’Brien Atkins for Terminal 2 Security Checkpoint Expansion**
   
   *Motion by Thompson for approval of Task Order 24 with O’Brien Atkins Associates, PA in the amount not-to-exceed $292,861 and authorization for the President and CEO to execute the task order; Second by Kushner*
   
   ADOPTED BY UNANIMOUS VOTE

2. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on September 19, 2019 and discussed the following item:

   a. **Consideration of Airport Series 2010A, B & B-1 Revenue Bond Refunding Resolution**
   
   *Motion by Teer for approval of the attached Resolutions making certain findings and determinations including, authorizing the filing of an application with the Local Government Commission, and requesting the Local Government Commission to sell bonds at a private sale in connection with the issuance of Revenue Refunding Bonds by the Authority to refund certain of the Authority’s Airport Revenue Bonds, and authorizing and directing the President and Chief Executive Officer, Senior Vice President and Chief Finance Officer, and Vice President and Controller, and the General Counsel to take such actions as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions authorized by the Resolutions; Second by Morgan*
   
   ADOPTED BY UNANIMOUS VOTE

   b. **Potential Future Budget Ordinance Amendments Presentation**
   
   *For informative purposes only. No Board action required.*

   c. **Financial Performance for First Quarter of Fiscal Year Ending March 31, 2020**
   
   *For informative purposes only. No Board action required.*

3. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on September 19, 2019 and discussed the following items:

   a. **Update on Cisco Umbrella Cloud Security Platform**
   
   *For informative purposes only. No Board action required.*
b. Consideration of Service Agreement with Paratus Service Group
Motion by Thompson for approval of the Service Agreement with Paratus Service Group as a sole source provider in the amount of $220,000, and authorization for the President and CEO to execute the agreement; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Change Order No. 2 with Intellimodus Regarding Variable Frequency Drives
Motion by Thompson for approval of Change Order No. 2 with Intellimodus in the amount of $289,178.84, and authorization for the President and CEO to execute the change order; Second by Teer

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Service Agreement with Lumin Advisors for Parking Guidance System Design Services
Motion by Thompson for approval of the Service Agreement with Lumin Advisors, LLC in the amount of $199,941 and authorization for the President and CEO to execute the agreement; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

e. Sustainability Management Plan Development Presentation
For informative purposes only. No Board action required.

V. NEW BUSINESS
1. Consent Agenda:
   a. Consideration of Service Agreement with BIAS Corporation
   b. Consideration of Agreement with ePlus Technology, Inc. for Data Center Storage
Motion by Thompson to approve and adopt the Consent Agenda items a and b; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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

VII. MEMBER COMMENTS
Board members expressed appreciation for staffs’ continued efforts on behalf of the airport and for senior management’s leadership. New hires were welcomed. Board members expressed interest regarding the Authority’s continuing sustainability management efforts and thanked Gina Danison for the presentation. Board member Teer inquired about the timeline for replacement signs project
and members gave positive comments on the new signs’ appearance. Support of the local bluegrass musicians playing in the terminals was encouraged as was the continued support of the USO.

VIII. PRESIDENT AND CEO’S REPORT

Welcome
Good afternoon Board Members, Team RDU, business partners, and guests who have joined us today.

Activity Report
RDU continues to see tremendous growth in passenger volume. In August, RDU enplaned more than 648,000 passengers, an 11.2 percent increase over August 2018. That’s a record for the month of August. August was the last month of the busy summer travel season. Enplanements historically decline after Labor Day, but our projections indicate the growth trend will continue into the fall with monthly enplanements exceeding previous years.

Moody’s Rating
I’m proud to announce that Moody’s has affirmed the Airport Authority’s Aa3 senior secured rating, noting that the outlook remains stable. Moody’s said the rating reflects RDU’s continuing strong operational performance over the last two years as enplanement levels increased by 10% in FY 2019 and 6% in FY 2018. They went on to say that RDU’s improved performance is underpinned by our strong and growing service area, which has attracted low cost airlines and incentivized existing carriers to add and diversify their air services into the airport. As you know, RDU has nearly $2 billion in unfunded infrastructure needs as part of its Vision 2040 master plan. The Aa3 rating also considers RDU’s increasing future capital needs to accommodate higher-than-envisioned passenger growth. RDU’s finance team did an outstanding job of pulling a lot of information together for Moody’s and I want to thank them for a job well done.

Parking Deck
Work to repair the paint on levels two through six of our parking garage started just after Labor Day and we are already seeing the impact. The deck is periodically reaching capacity and temporarily closing due to the reduced number of spaces available since the work began. Customers who don’t book their parking in advance risk being redirected to a different lot because the deck is full. The ParkRDU Express lot, located on International Drive, is a good option for customers who don’t book early and find that the garage is full. This is a good time to remind customers to book parking online at ParkRDU.com at least 24 hours in advance, where you can pre-pay at a lower rate and be guaranteed entry into your lot of choice. The number of available spaces in the parking garage will be reduced by an average of 1,150 a week between now and mid-May when the project wraps up. All parking spaces will be open during the holiday travel season from Saturday, November 23 through Friday, January 3, 2020.
I also want to remind everyone to allow extra time to navigate the campus, find parking and get through security lines in time to catch your flight. You should arrive two hours in advance for a domestic flight and three hours in advance for international flights.

Business Partners Workshop
The Airport Authority hosted a business opportunity workshop on September 10th that brought together more than 300 companies from across the country who are interested in doing business with RDU. The workshop served as the pre-proposal meeting for on-call consultant opportunities. The theme of the day was our commitment to educating and informing the consultant and contracting community about upcoming capital improvement projects at RDU. The workshop highlighted RDU’s Small Business Programs and detailed the unique ways small and large that businesses can collaborate on capital projects and partner with the airport. RDU values inclusivity and recognizes the diverse community it serves.

Hurricane Preparation
Finally, I want to thank the entire RDU team for a great job preparing the airport for Hurricane Dorian. While we were fortunate to avoid the worst of the storm here in the Triangle, it proved to be a great exercise for our ability to respond quickly and efficiently to irregular operations scenarios. We were also pleased to partner with the Red Cross who welcomed volunteers traveling through RDU and to help the Coast Guard and National Guard with refueling and staging assets ahead of the storm. As you know, hurricane season runs through the end of November, so it’s important for all of us to stay vigilant.

IX. CLOSED SESSION
Motion by Thompson to enter into a closed session to consult with an attorney to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3), including discussion of Umstead Coalition et.al. v. Raleigh-Durham Airport Authority et.al.; Second by Saidi.

ADOPTED BY UNANIMOUS VOTE

X. ADJOURNMENT
Motion by Saidi to adjourn; Second by Morgan

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 September 19, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present:  
Chair John Kane, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner

Absent:  
Vice Chair Patrick Hannah, Member Napoleon Wallace

Also Present:  
President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * * *

Donna Sylver, Senior Vice President and CFO, introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFRINGING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY’S AIRPORT REVENUE BONDS

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

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the “Master Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the “Airport”) as further provided therein.

(b) Pursuant to the Master Trust Indenture as supplemented, the Authority has previously issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), its
Raleigh-Durham Airport Authority Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (all of said Bonds being referred to herein collectively as the “Series 2010 Bonds”) to refund certain Bonds previously issued to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the remaining 2010 Bonds.

(c) The Authority has determined to proceed at this time with arrangements for the issuance of Revenue Refunding Bonds under the Master Trust Indenture (the “Refunding Bonds”) for the purpose of providing funds, together with other available funds, to (i) refund all or a portion of the remaining 2010 Bonds, (ii) fund a portion of the Parity Reserve Fund created under the Master Trust Indenture allocable to the Refunding Bonds, and (iii) pay Costs of Issuance associated with the issuance of the Refunding Bonds.

(d) The amount of the proposed Refunding Bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (c) above.

(e) The annual audits of the Authority show the Authority to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the Authority are in compliance with law.

(f) The proposed Refunding Bonds can be marketed at a reasonable interest cost to the Authority.

Section 2. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of the Refunding Bonds for the purpose described above. The Local Government Commission is hereby requested to approve such issuance. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to take such further action as shall be necessary to proceed with the issuance of the Refunding Bonds as contemplated hereby, including arranging for the issuance of credit ratings on the Refunding Bonds from the rating agencies that now have ratings in effect for Bonds issued under the Master Trust Indenture. The Local Government Commission is requested to sell the proposed Refunding Bonds to the underwriters described in Section 3 and Section 4 hereof at a private sale without advertisement.

Section 3. The Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are hereby directed to make arrangements with the Financial Advisor referred to in Section 4 for the election of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

Section 4. The following financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>John M. Kane</td>
<td>Chairman</td>
<td>Wake County</td>
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<tr>
<td>Patrick Hannah, Esq.</td>
<td>Vice-Chairman</td>
<td>Durham County</td>
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<td>Sepideh Saidi, PE, Secretary</td>
<td>City of Raleigh</td>
<td>Durham County</td>
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<td>Robert D. Teer, Jr., Treasurer</td>
<td>City of Durham</td>
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<td>David Kushner</td>
<td>Treasurer</td>
<td>Wake County</td>
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<tr>
<td>Dickie Thompson</td>
<td>Secretary</td>
<td>City of Raleigh</td>
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<td>Napoleon Wallace</td>
<td>Secretary</td>
<td>City of Durham</td>
</tr>
</tbody>
</table>
Bond Counsel: Womble Bond Dickinson (US) LLP
Underwriters and Counsel to Underwriters: To Be Determined
Financial Advisor: Frasca & Associates, LLC
Trustee/Registrar: The Bank of New York Mellon Trust Company, N.A.

Section 5. This Resolution shall take effect immediately upon its passage.

Upon motion of Member Robb Teer, seconded by Member David Morgan, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY'S AIRPORT REVENUE BONDS" was passed by the following vote:

Ayes: (6) Chair John Kane, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner

Noes: (0)
I, Sepideh Saidi, 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 September 19, 2019 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.

WITNESS my hand and the official seal of the Authority this 19th day of September, 2019.

[SEAL]

Sepideh Saidi, Secretary
The Board approved the following items on the Consent Agenda:

a) **Consideration of Service Agreement with BIAS Corporation**

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Oracle E-Business Suite (EBS) was purchased by the Raleigh-Durham Airport Authority in 2003 as its main financial and procurement application. Over time a gradual shift occurred where certain modules in Oracle (such as accounts receivable, enterprise asset management, inventory, and HR) were discontinued in favor of a “best of breed” approach. This resulted in financial data being maintained in multiple systems with data movement between applications being a manual process. Implementing an integration solution is one of the highest priorities of the Oracle Improvement Program. When in place the Integration Gateway application will automate data transfers, eliminating the time staff spends manually loading data and correcting errors.

Staff requests the approval of a one-year Service Agreement with BIAS Corporation for the purchase and implementation of an Integration Gateway application as well as the development of two system integrations. Under the proposed agreement, BIAS will provide the following services:

- Design environment based on requirements for selected integration application; Oracle Integration
- Cloud
- Enable Oracle Integration Cloud Service (Implementation)
- Build Integration between Concur and Oracle
- Build Integration between Oracle and UltiPro.

The proposed agreement with BIAS was procured via a competitive RFP process where four vendors responded. BIAS’s proposal was the lowest cost technically acceptable solution of the four. The Minority-owned Small Business (MB) goal for this RFP was 7%. The Women-owned Small Business goal was 4%. BIAS has proposed 7% MB participation, which has been reviewed and approved by the Authority’s Small Business Programs Office.

Staff requests approval of the Service Agreement with BIAS Corporation at a total cost of $108,173.16 and authorization for the President and CEO to execute the agreement.
b) Consideration of Agreement with ePlus Technology, Inc. for Data Center Storage

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Staff continually monitors data center storage statistics and trends to predict future usage. In the past 12 months, the Authority’s storage utilization has increased 17% from 56% to 73%. During the past 2 months alone, even after consolidation and cleanup efforts, the Authority experienced a 5% increase. This current trend has the Authority reaching 90% utilization by February 2020, a threshold which indicates prompt action should be taken.

Based on this analysis, to keep up with growth and accommodate new initiatives, staff requests approval of an agreement with ePlus Technology, Inc. for Pure Storage. This proposed purchase would expand the Authority’s data center storage in both the Airport Operations Center and Terminal 2, increasing the storage capacity in each data center by 50%, decreasing utilization from 73% to 46%. Utilizing the North Carolina state contract 204X for this proposed purchase, staff selected ePlus as the reseller of choice as previous terms and conditions had already been negotiated. The funding for this expansion was approved at the August 2019 Board Meeting.

Staff requests approval of the Pure Storage purchase with ePlus Technology, Inc. at a cost of $163,307.26 and authorization for the President and CEO to execute the agreement.
Teer presided. Present: Kane, Kushner, Morgan, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following item:

1. **Consideration of Task Order 24 with O’Brien Atkins for Terminal 2 Security Checkpoint Expansion:**

   Presented by Jaymes Carter, Director Buildings & Building Systems – Staff requests the award of Task Order 24 under the Master Agreement with O’Brien Atkins Associates, PA for work related to Terminal 2 Security Checkpoint Expansion, Phase 2. This project will expand the existing twelve-lane security checkpoint by adding two additional lanes, with related queuing space. The expansion will require demolition of the existing Panopolis Restaurant, located pre-security in the lobby, as well as relocation of some TSA and Authority staff offices.

   The task order will provide for Design Services and Construction Administration Services by O’Brien Atkins. Compensation for services rendered under this task order will be on an hourly basis not-to-exceed $274,130 and allowable reimbursable expenses specified in the task order will be compensated at direct cost not-to-exceed $18,731, for total compensation under Task Order 24 not-to-exceed $292,861.

   The overall Minority and Women-owned Small Owned Business (MWSB) goals for the existing Master Agreement are 10.0% for Minority-owned Small Businesses (MB) and 5.0% for Women-owned Small Businesses (WB). Participation for Task Order 24 are 23.58% for MB and 5.09% for WB. The Authority’s Small Business Programs Office concurs with this commitment.

   Staff requests approval of Task Order 24 with O’Brien Atkins Associates, PA in the amount not-to-exceed $292,861 and authorization for the President and CEO to execute the task order.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE WORK SESSION MINUTES
SEPTEMBER 19, 2019

Teer presided. Present: Kane, Kushner, Morgan, Saidi¹, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. Consideration of Airport Series 2010A, B & B-1 Revenue Bond Refunding Resolution
   Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority previously issued Revenue Bonds, Series 2010A (Non-AMT), 2010B (Non-AMT) and 2010B-1 (Non-AMT) (collectively referred to as the “2010 Bonds”) to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the bonds.

   The next steps would be to get Board approval to proceed with the Local Government Commission (LGC) application to start the refunding process, as well as approve part of the financing team.

   LGC Application:
   1) This approval will allow the staff to contact the LGC about the 2010 Bond refunding process, and start the LGC Application. The final LGC Application will include the Board-approved underwriters, and which will be presented to the Board on or before the December 2019 meeting.

   Financing Team:
   2) Propose the Authority maintain some of the financing team from previous bond refunding:
      a) Bond Counsel: Tom Lee and team of Womble Bond Dickinson (US) LLP, and
      b) Trustee/Registrar: The Bank of New York Mellon Trust Company, N.A.

   3) Propose the Authority utilize Board-approved Financial Advisor: Frasca & Associates, LLC

   4) Senior Manager or Co-Manager(s), and additional Underwriters to be determined

¹ Secretary Saidi joined at 11:10 am
a) Authority staff and Financial Advisor to develop and issue RFP, make selection, and bring Underwriting Team’s recommendation to the Board for consideration for approval on or before the December 2019 Board meeting.

As noted in the attached draft Board Resolutions:

- **Summary**: Resolution making certain findings and determinations, authorizing the filing of an application with the LGC, and requesting the LGC to sell bonds at a private sale in connection with the issuance of revenue refunding bonds by the Authority to refund certain of the Authority’s airport revenue bonds.

- **Section 1**: Board approval to proceed with arrangements for the issuance of refunding all or a portion of the remaining 2010 Bonds, fund the related Parity Reserve Fund, and pay Costs of Issuance.

- **Section 2**: Board to authorize the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, each, to file the application with the LGC for the bond refunding approval, and to take further action necessary to proceed with refunding after LGC approval. Additionally, the LGC will be requested to sell the Refunding Bonds to the specified Underwriters.

- **Section 3**: Board to authorize the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, in coordination with the Financial Advisor, to review financial institutions to serve as Underwriters, and make a recommendation to the Board.

- **Section 4**: Board approval for selection of a partial financing team, and to authorize the President and Chief Executive Officer to approve agreements associated with all professional services;
  - Bond Counsel - Womble Bond Dickinson (US), LLP
  - Financial Advisor – Frasca & Associates, LLC
  - Trustee/Registrar - The Bank of New York Mellon Trust Company, N.A.

Staff requests approval of the attached Resolutions making certain findings and determinations including, authorizing the filing of an application with the Local Government Commission, and requesting the Local Government Commission to sell bonds at a private sale in connection with the issuance of Revenue Refunding Bonds by the Authority to refund certain of the Authority’s Airport Revenue Bonds, and authorizing and directing the President and Chief Executive Officer, Senior Vice President and Chief Finance Officer, and Vice President and Controller, and the General Counsel to take such actions as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions authorized by the Resolutions.

2. **Potential Future Budget Ordinance Amendments Presentation**

   Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – As staff mentioned during the August Board meeting, there are concerns about overall budget shortfalls
for both Capital Projects Spend and Airport Operating Expenses for the 2019-2020 fiscal year. Historically, if a capital project was already approved, and the current fiscal year spend of that project was decreased or delayed, it would free up funds for spend on other approved capital projects during the current fiscal year, without needing a budget amendment. However, with the trend of expedited projects, the Authority may encounter an excess capital spend, and staff wanted to give advance notice to the Board of a potential budget amendment in the future. Currently, staff has identified potential budget deficiencies with a cash flow impact of:

1) $34.0M increase to the 2019-2020 Budget Ordinance for Capital Projects Spend, and
2) $5.6M increase to the 2019-2020 Budget Ordinance for Airport Operating Expenses.

During the month of October, staff intends to conduct a “deep-dive” analysis of budgetary needs for the remainder of this fiscal year for better insight concerning the potential shortfall. The final results from that analysis will be presented in a subsequent board meeting, requesting authorization of any budget ordinance amendments.

The following is a listing of some of the major budget shortfall amounts and related explanations:

<table>
<thead>
<tr>
<th>$34.0M CAPITAL PROJECTS POTENTIAL SHORTFALL</th>
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<tbody>
<tr>
<td><strong>Budget (in millions)</strong></td>
</tr>
<tr>
<td>Shortfall $</td>
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<td>15.4</td>
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<td>7.9</td>
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### $5.6M AIRPORT OPERATING EXPENSES POTENTIAL SHORTFALL

<table>
<thead>
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<th>$ Shortfall</th>
<th>Title</th>
<th>Explanation</th>
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<tr>
<td>$2.0M</td>
<td>ParkRDU Express</td>
<td>RDU’s new trunk-to-terminal parking option launched in May of this year. This item was not budgeted as the budget was completed prior to the decision to launch this new product.</td>
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<tr>
<td>$1.7M</td>
<td>Parking Garage Repairs</td>
<td>$964,000 was budgeted based on the amounts withheld from the previous paint contractor. The decision to remove all paint from the ceilings of PG 3 and 4 (except Level 1) was made after the budget was completed. Bids were received, and the removal was awarded by the Board in August at a cost of approximately $3,200,000. Cash flow anticipated to be expended this fiscal year amounts to $2,600,000.</td>
</tr>
<tr>
<td>$1.0M</td>
<td>Runway 5R/23L Repairs</td>
<td>The extent of airfield repairs for this runway were unforeseeable during budget development, as the design had not been completed. The estimated cost for 5R/23L repairs became known during negotiations with the contractor in May and June. The budget currently has $2,100,000 and an additional $1,000,000 is anticipated.</td>
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<tr>
<td>$0.6M</td>
<td>CONRAC Consultants</td>
<td>Business Consultants are needed for the Consolidated Rental Car Facility (CONRAC) project in order to support Airport negotiations with the car rental agencies ($500,000) and also for potential CONRAC facility P3 analysis ($94,000). This item was not budgeted as the timeline was estimated to be further out.</td>
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<tr>
<td>$0.3M</td>
<td>North Cargo Ramp/ Apron Repairs</td>
<td>The annual airfield pavement condition analysis was completed after the start of the fiscal year. During this analysis, it was discovered that significant portions of pavement on the North Cargo apron were deteriorating more rapidly than anticipated during the last inspection. With affected pavement failing faster than anticipated, these repairs were unforeseen for the fiscal year and therefore not budgeted.</td>
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For informative purposes only. No Board action required.

3. Financial Performance for First Quarter of Fiscal Year Ending March 31, 2020
   Presented by Ron Kapocius, Vice President and Controller, Finance
   
   For informative purposes only. No Board action required.
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 September 19, 2019 in the administrative offices of the Authority 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 copies of which had been previously distributed to each Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY’S AIRPORT REVENUE BONDS

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

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the “Master Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the “Airport”) as further provided therein.

(b) Pursuant to the Master Trust Indenture as supplemented, the Authority has previously issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (all of said Bonds being referred to herein collectively as the “Series 2010 Bonds”) to refund certain Bonds previously issued to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the remaining 2010 Bonds.
(c) The Authority has determined to proceed at this time with arrangements for the issuance of Revenue Refunding Bonds under the Master Trust Indenture (the “Refunding Bonds”) for the purpose of providing funds, together with other available funds, to (i) refund all or a portion of the remaining 2010 Bonds, (the refunded bonds referred to, collectively, herein as the “Bonds to be Refunded”), (ii) fund a portion of the Parity Reserve Fund created under the Master Trust Indenture allocable to the Refunding Bonds, and (iii) pay Costs of Issuance associated with the issuance of the Refunding Bonds.

(d) The amount of the proposed Refunding Bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (c) above.

(e) The annual audits of the Authority show the Authority to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the Authority are in compliance with law.

(f) The proposed Refunding Bonds can be marketed at a reasonable interest cost to the Authority.

Section 2. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of the Refunding Bonds for the purpose described above. The Local Government Commission is hereby requested to approve such issuance. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to take such further action as shall be necessary to proceed with the issuance of the Refunding Bonds as contemplated hereby, including arranging for the issuance of credit ratings on the Refunding Bonds from the rating agencies that now have ratings in effect for Bonds issued under the Master Trust Indenture. The Local Government Commission is requested to sell the proposed Refunding Bonds to the underwriters described in Section 3 and Section 4 hereof at a private sale without advertisement.

Section 3. The Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are hereby directed to make arrangements with the Financial Advisor referred to in Section 4 for the election of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

Section 4. The following financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds.

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tbody>
<tr>
<td>Bond Counsel:</td>
<td>Womble Bond Dickinson (US) LLP</td>
</tr>
<tr>
<td>Underwriters and Counsel to Underwriters:</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>Financial Advisor:</td>
<td>Frasca &amp; Associates, LLC</td>
</tr>
<tr>
<td>Trustee/Registrar:</td>
<td>The Bank of New York Mellon Trust Company, N.A.</td>
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Section 5. This Resolution shall take effect immediately upon its passage.
Upon motion of Member ____________, seconded by Member ____________, the foregoing resolution entitled “RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY’S AIRPORT REVENUE BONDS” was passed by the following vote:

Ayes:________________________________________________________

Noes:________________________________________________________
I, Sepideh Saidi, 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 September 19, 2019 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.

WITNESS my hand and the official seal of the Authority this 19th day of September, 2019.

[SEAL]

Secretary
RALEIGH- DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE WORK SESSION MINUTES
SEPTEMBER 19, 2019

Thompson presided. Present: Kane, Kushner, Morgan, Saidi, and Teer. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. **Update on Cisco Umbrella Cloud Security Platform:**
   Presented by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer
   
   For informative purposes only. No Board action required.

2. **Consideration of Service Agreement with Paratus Service Group:**
   Presented by John Connell P.E., Vice President of Operational Asset Management – Staff requests sole source approval for Paratus Service Group to perform the Lutron Lighting System Upgrade in Terminal 2. This proposed project will replace the existing Lutron 7000 Lighting Control System with an upgraded Lutron Quantum Lighting Control System. The computer software controlling the existing system has been rendered “obsolete” by the newer Windows operating systems being run by the Airport. This proposed upgrade will still allow the use of existing infrastructure and much of the lighting system hardware versus replacement of the entire lighting control system. As a result of this work, the energy efficiency will be improved and staff will be able to better monitor and report system efficiency and maintenance issues.

   This sole source procurement will allow the Authority to purchase only the needed equipment and necessary licensing software from Lutron rather than replacing the entire lighting control system and software with another vendor. The sole source procurement bid from Paratus Service Group for the equipment and services in the project scope is for a fixed price of $220,000. The costs were evaluated based on energy savings to be gained from the fully functioning lighting control system and payback is anticipated to be approximately 2 years.

   The Authority’s Small Business Programs Office has reviewed this procurement; there is no Minority and Women-owned Small Business (MWSB) availability for suppliers of this product.

   Staff requests approval of the Service Agreement with Paratus Service Group as a sole source provider in the amount of $220,000, and authorization for the President and CEO to execute the agreement.
3. Consideration of Change Order No. 2 with Intellimodus Regarding Variable Frequency Drives:

Presented by John Connell P.E., Vice President of Operational Asset Management – Staff requests the award of Change Order No. 02, under the current Agreement with Intellimodus (formerly Control Touch Systems, LLC), for the purchase and installation of 285 additional PowerFlex 525 Variable Frequency Drives (VFDs) in the amount of $289,178.84, for the Terminal 2 Baggage Handling Lower Levels Control project.

The current project only called for the replacement of 18 VFDs; however, there were numerous failures of the existing VFDs occurring upon re-energizing the motor control center. It became evident that the existing VFDs were nearing “end of life,” as the system has been experiencing these failures on a more regular basis.

Under the proposed change order, the Authority will compensate Intellimodus in the amount of $289,178.84, which includes all material, labor, expenses, shipping, taxes and any other costs to provide the Authority with a turn-key replacement of this equipment.

The overall Minority and Women-owned Small Business (MWSB) goals for the existing agreement are 7% for Minority-owned Small Businesses (MB) and 4% for Women-owned Small Businesses (WB). Total MB and WB commitment for the original contracted work plus Change Order No. 2 is 26.46% MB and 4.1% WB.

Staff requests approval of Change Order No. 2 with Intellimodus in the amount of $289,178.84, and authorization for the President and CEO to execute the change order.

4. Consideration of Service Agreement with Lumin Advisors for Parking Guidance System Design Services:

Presented by Jeffrey Slayton, Director of Parking – Staff requests approval of a Service Agreement with Lumin Advisors, LLC to provide design and technical oversight services for the Authority’s Parking Guidance System (PGS) project. Specifically, Lumin Advisors will be developing an Opinion of Probable Costs (OCP); assisting in the development of a Request for Proposal (RFP); serving as the technical advisor during the RFP review and selection processes; performing design and submittal reviews; overseeing a proof-of-concept test; and providing installation oversight, device acceptance tests, and system acceptance tests.

Lumin Advisors and its strategic partner, 20/20 Parking Consultants, are technical experts and known leaders in the parking industry. The Authority has engaged Lumin Advisors in past projects for analysis, technical design and procurement support and in March 2017 an additional engagement was approved for Lumin Advisors to provide technical oversight services during the PRCS replacement implementation.
The Women-owned Small Business participation on this project is 60% and the Minority-owned Small Business participation is 40%. This has been reviewed and approved by the Authority’s Small Business Programs Office.

The proposed contract is for a term of 18 months, and the Authority has the sole option to extend the contract. The total amount of the contract is $199,941, with a not-to-exceed amount of $165,446 in labor expenses and $34,495 in reimbursable expenses. Compensation for labor will be provided at hourly rates and eligible expenses will be reimbursed at-cost, not-to-exceed the amounts listed above.

Staff requests approval of the Service Agreement with Lumin Advisors, LLC in the amount of $199,941 and authorization for the President and CEO to execute the agreement.

5. Sustainability Management Plan Development Presentation:
   Presented by Gina Danison, Environmental Program Administrator
   For informative purposes only. No Board action required.
Chair Kane presided. Present: Kushner, 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, Senior Vice President and CRO Freedman, Vice Presidents Feldman and Jewett, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

Michael Landguth discussed record-setting passenger volume and future growth options to facilitate the traveler’s experience while keeping pace with the region’s demand for more air service and amenities. He presented an overview of the planning process including potential terminal capacity additions if needed and traffic congestion issues in and around the airport.

Bill Sandifer, with comments from Charles Morley of Gensler, updated the Board on the Terminal 1 Gate Program. He recapped Vision 2040 projections and project schedules. He noted the continuing challenges of terminal capacity, particularly during peak arrival and departure periods. He explained how the upgauging of aircraft affects gate usage. Passenger volume at RDU is exceeding projections by 10 years and Mr. Sandifer outlined potential considerations for gate expansion in Terminal 1, since gate construction in Terminal 2 cannot begin until the new runway is operational.

Mr. Sandifer updated the Board on the ongoing replacement project of primary runway 5l-23R, which is being rebuilt due to pavement deterioration. The preferred runway alternative, depicted on the Airport Layout Plan, is currently under environmental review by the Federal Aviation Administration. Mr. Sandifer presented information the Board may need to consider in the future about the proposed new runway, including the impact of construction on utilities and navigational aids, the use of borrow material, runway length, design, and capacity factors, particularly to allow for high-speed turnoffs to reduce runway occupancy times. He covered runway and associated taxiways geometric design.

Mr. Sandifer noted that traffic has increased at the intersection of Aviation Parkway and National Guard Road, where travelers and ParkRDU buses access the Economy 3 parking lot. He explained the conceptual intersection improvements in the Vision 2040 Master Plan to relieve congestion, which could open up development possibilities in Aviation Station. There was discussion of the need to move forward with the implementation of those proposed improvements in order to provide better traffic flow to and from Economy 3.

The information presented was for informational purposes only and the meeting adjourned at 3:30 p.m.