RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
AUGUST 18, 2016

Vice-Chair Ali presided. Present: Kane, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
Vice-Chair Ali made a motion to approve an amended agenda that removed the scheduled closed session; Second by Teer
ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
Motion by Kane to approve the minutes of the July 21, 2016 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein, with edit to reflect that Patrick Hannah was absent from those meetings; Second by Zucchino
ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. New hires and one retirement recognized.
2. The Vice-Chairman gave an overview of the World Class Service Awards and congratulated all employees that were recognized.

IV. OLD BUSINESS
1. Operations Committee Report – Ali reported the Operations Committee met on August 18, 2016 and discussed the following item(s):
   a. Closed Session of the Operations Committee
      Committee went into closed session to discuss sensitive public security information. Discussion was for informational purposes only; no board action required.
   
   b. Consideration of a Contract with Level 3 for Internet and Voice Services
      Committee recommends approval of a contract with Level 3 Communications for a 3-year term at a total contract cost of $165,035.88 and authorization for the President and CEO to execute the contracts, orders, and additional necessary documents.
      Motion by Ali to adopt Committee’s recommendation; Second by Teer
      ADOPTED BY UNANIMOUS VOTE
   
   c. Consideration of a Two Year Agreement with eQuest for Active Applicant Tracking System Integration
Committee recommends approval of a two year agreement with eQuest for a total cost of $10,000 ($5,000 per year) and authorization for the President and CEO to execute the agreement.

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

ADOPTED BY UNANIMOUS VOTE

2. Finance Committee Report – Teer reported the Finance Committee met on August 18, 2016 and discussed the following item(s):
   a. Airport Landscaping Presentation
      Presentation for informative purposes only; no Board action required.

3. Land and Development Committee Report – Teer reported the Land and Development Committee met on August 18, 2016 and discussed the following item(s):
   a. Consideration of TAC Air Fuel Farm Ground Lease Amendment Number 2
      Committee recommends approval of Amendment Number 2 to the TAC Air Fuel Farm Ground Lease, and authorization for the President and Chief Executive Officer to execute said amendment.

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

ADOPTED BY UNANIMOUS VOTE

   b. Consideration of Purchase of Audio/Visual System and Associated Equipment
      Committee recommends approval of the purchase of audio/visual equipment totaling $150,035 from Strategic Connections and that the President and CEO be given authority to execute any necessary purchase orders and related documents.

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

ADOPTED BY UNANIMOUS VOTE

   c. Consideration of the Terminal 2 Concourse D Food & Beverage RFP Concession Award Recommendation
      Committee recommends 1) Award of the Terminal 2 Concourse D Food & Beverage Concession Agreement to Host International, Inc., 2) Approval of Host International’s request to sublease the concession agreement to HOST JQE RDU CONC D, LLC; and 3) Authorization for the President and CEO to execute the concession agreement and the documents needed to approve the sublease.

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

ADOPTED BY UNANIMOUS VOTE

4. Minority and Women-Owned Small Business Committee Report – Ali reported the Minority and Women-Owned Small Business Committee met on August 18, 2016 and discussed the following item(s):
   a. Minority and Women-Owned Small Business Quarterly Report
      Presentation for informative purposes only; no Board action required.

V. NEW BUSINESS
No items were reported.
VI. GENERAL COUNSEL’S REPORT
No items were reported.

VII. MEMBER COMMENTS
Members Hannah, Teer and Kane thanked the staff for their hard work and dedication; Member Teer recognized Ingrid Hairston for her work towards business development.

VIII. PRESIDENT AND CEO’S REPORT
RDU has seen 28 straight months of growth and continue to see a year over year increase in passengers. In July, the number of passengers departing RDU rose by 6.8% compared to July 2015. The number of passengers arriving at RDU rose by 7.7%.

Delta added 3 new daily nonstop flights to Reagan Washington National Airport on August 1. Also, Delta announced that they will begin on daily nonstop flight to Seattle on June 8, 2017. The flight will use a B 737-800 aircraft and depart daily from RDU at 7:45 a.m. The demand for Seattle is high and the addition of this flight will help as it begins during peak season. The flight is a complimentary time with the current Alaska Airlines flight to Seattle.

This past week, RDU held two public information sessions over at the Terminals regarding the Vision 2040 Master Plan process. These sessions were held to engage travelers about future plans for the airport and display the 4 alternatives and land use maps. Over the course of the two-day sessions, the Authority staff was able to engage with more than 120 passengers. On September 21, there will be a drop-in session from 5-7 p.m. at the General Aviation Terminal focused solely on general aviation plans. On October 11, our next public workshop will occur and the preferred alternative will be shared. The time and location are yet to be determined.

IX. ADJOURNMENT
Motion by Teer to adjourn; Second by Kane

ADOPTED BY UNANIMOUS VOTE
Ali presided. Present: Kane, Teer, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Closed Session of the Operations Committee**
   
   Committee went into closed session to discuss sensitive public security information. Session was for information purposes only; no board action required.

   *Motion by Ali to enter into closed session; Second by Kane*

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

2. **Consideration of Contract with Level 3 for Internet and Voice Services:** Upon a motion by Teer and second by Ali, the Committee recommends the approval of a contract with Level 3 Communications for a 3-year term at a total contract cost of $165,035.88 and authorization for the President and CEO to execute the contracts, orders, and additional necessary documents.

   Presented by Paul Hetzel, Vice President and Chief Information Officer – The Authority maintains two operational connections to the internet along with three voice circuits. The internet connections support internet services and traffic for the Authority, public internet access for a number of airlines, internet access for approximately 50 tenant operators in Terminals 1 and 2, and connectivity for multiple airport operators. Internet connectivity is a critical requirement for all contemporary business operations and the Authority relies on internet connectivity to process more than $50 million in credit card transactions annually. Therefore, internet service must be robust, redundant, and reliable. The voice circuits service the Authority telephone system and airline operations. Staff proposes to continue contracted internet and voice services with Level 3 Communications, the existing provider, to include a 200 Mb primary connection, a 100 Mb secondary connection, and voice services. The Information Services team, working closely with the Procurement Department, reviewed the existing service costs and the proposed new costs. It was determined that maintaining the existing vendor was the least costly, when compared to the market, and is the lowest risk option; therefore, continuing services with Level 3 Communications is the most effective manner in which to proceed.

   **Total Contract Cost including Internet and Voice Services**

<table>
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<tr>
<th>Provider</th>
<th>Monthly</th>
<th>Annual Cost</th>
<th>Installation Fees</th>
<th>3 Year Cost</th>
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<tr>
<td>Level 3</td>
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<td>$55,011.96</td>
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**RALEIGH-DURHAM AIRPORT AUTHORITY**

**OPRATIONS COMMITTEE MEETING MINUTES**

**AUGUST 18, 2016**
Staff recommends the approval of a contract with Level 3 Communications for a 3-year term at a total contract cost of $165,035.88 and authorization for the President and CEO to execute the contracts, orders, and additional necessary documents.

3. Consideration of a Two Year Agreement with eQuest for Active Applicant Tracking System Integration:

Upon a motion by Zucchino and second by Teer, the Committee recommends approval of a two year agreement with eQuest for a total cost of $10,000 ($5,000 per year) and authorization for the President and CEO to execute the agreement.

Presented by Cleon Umphrey, Director and Chief Human Resources Officer – eQuest is a company that partners with Ultimate Software, the Authority’s current Human Resource Information System (HRIS) provider, in the implementation of Active Applicant Tracking as well as Real Time Job Board performance and support. eQuest has been in existence for 22 years since 1994. They are headquartered in San Ramon California with offices in the UK, India, China, and the European Union. Using eQuest’s services will expand the Authority’s network of advertising from approximately 4 entities to over 8,000 resources locally and nationwide. While the list of clients is propriety, it includes 3 major airlines and 2 firms who provide support to the airline industry. The Authority’s current recruitment application is not compatible with Ultimate Software. This incompatibility does not allow for the further development of the Authority’s onboarding initiative within the HRIS system and the incorporation of the recruitment process into the onboarding process. By enhancing our recruitment capabilities, the Authority will be in a better position to compete for talented candidates and to meet the strategic goal of investing in talent that can respond to changing business needs. The Authority is currently in a month-to-month agreement with the current vendor in order to allow for the change to eQuest. Therefore, staff recommends eQuest for the following reasons:

- eQuest is an authorized partner with Ultimate Software.
- eQuest provides the ability to drastically enhance recruitment capabilities by exponentially increasing the Authority’s network of job boards locally and nationally.
- eQuest price point on a yearly basis is basically equivalent to our current budget.
- eQuest provides the ability to move forward with integrating the Applicant Tracking process within the Onboarding process of the HRIS system

Staff recommends approval of a two year agreement with eQuest for a total cost of $10,000 ($5,000 per year) and authorization for the President and CEO to execute the agreement.
RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
AUGUST 18, 2016

Teer presided. Present: Ali, Kane, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Quarterly Financial Review:** Presentation was for informational purposes only; No board action required.

   Presented by Ron Kapocius, Director of Finance Planning – Review of quarterly financial results presented.
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
AUGUST 18, 2016

Teer presided. Present: Ali, Kane, and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Consideration of TAC Air Fuel Farm Ground Lease Amendment Number 2:** Upon a motion by Ali and second by Zucchino, the Committee recommends approval of Amendment Number 2 to the TAC Air Fuel Farm Ground Lease, and authorization for the President and Chief Executive Officer to execute said amendment.

   Presented by Karen Reynolds, Director of Properties – The initial five-year term of the current lease agreement with TAC Air for rental of the ground area upon which the general aviation fuel farm is located expired May 31, 2011, and the agreement was amended (Amendment Number 1) to add a second five-year term that expired May 31, 2016. Amendment Number 2 extends the agreement term until March 31, 2022, and it will expire concurrent with the expiration of TAC Air’s Fixed Base Operator Facilities Lease and Operating Agreement. The amendment increases the ground rent to $386.18/month, effective June 1, 2016, and allows the Authority to increase the fixed rent by no more than 5% on June 1 of each year throughout the term of the agreement. TAC Air will also continue to pay the general aviation area maintenance and operations fee, which is calculated annually at the beginning of the Authority’s fiscal year. The amendment requires the Authority provide TAC Air with 12 months’ advance notice of the need to relocate the general aviation fuel farm. TAC Air continues to be responsible for the maintenance and repair of all equipment and improvements in the general aviation fuel farm. Staff recommends approval of Amendment Number 2 to the TAC Air Fuel Farm Ground Lease, and authorization for the President and Chief Executive Officer to execute said amendment.

2. **Consideration of Purchase of Audio/Visual System and Associated Equipment:** Upon a motion by Kane and second by Zucchino, the Committee recommends approval of the purchase of audio/visual equipment totaling $150,035 from Strategic Connections and that the President and CEO be given authority to execute any necessary purchase orders and related documents.

   Presented by Paul Hetzel, Vice President and Chief Information Officer – The Authority is in the process of remodeling the office and conference room space in the RDU Center previously occupied by the Research Triangle Regional Partnership (RTRP). The existing conference room will need to be outfitted with a new Audio/Visual System in order to conduct Authority business. This area will also require an installation and/or upgrade of the network equipment, including phones and wireless access points and new data cabling. A Request for Bids was issued and Strategic Connections was lowest bidder ($150,035).
Staff recommends approval of the purchase of audio/visual equipment totaling $150,035 from Strategic Connections and that the President and CEO be given authority to execute any necessary purchase orders and related documents.

3. Consideration of the Terminal 2 Concourse D Food & Beverage RFP Concession Award

Recommendation: Upon a motion by Kane and second by Ali, the Committee recommends 1) Award of the Terminal 2 Concourse D Food & Beverage Concession Agreement to Host International, Inc., 2) Approval of Host International’s request to sublease the concession agreement to HOST JQE RDU CONC D, LLC; and 3) Authorization for the President and CEO to execute the concession agreement and the documents needed to approve the sublease.

Presented by Ingrid N. Hairston, Director of Business Development – On April 4, 2016, the Terminal 2 Concourse D Food & Beverage Request for Proposals (RFP) was issued. This food and beverage opportunity was open to existing Terminal 1 and 2 food and beverage operators only. It included one prime food concession package, and required temporary food during the design and construction period. A Pre-Proposal Conference and tour was conducted on April 14, 2016. Sixteen people and 8 staff members attended. On May 16, 2016, the Authority received two proposals: Host International Inc. and Uptown Airport Group, LLC. Staff reviewed both proposals in the areas of: 1) experience, management background, 2) merchandise, concept and design, 3) management and operations plan, 4) financial projections, and 5) ACDBE participation. The ACDBE goal for this opportunity is 30%. After review, the proposals were ranked: 1) Host International, Inc. and 2) Uptown Airport Group, LLC. The top ranked proposer was asked to present its concepts to the review committee and to answer additional questions during an interview. Host proposed to sublease the concession to the HOST JQE RDU CONC D, LLC, a joint venture comprised of Host International, Inc. (70%) and JQ Enterprises, Inc. (30%), a North Carolina ACDBE. Proposed ACDBE participation is 30%. Host proposed to operate Popeye’s Chicken & Biscuit, Starbucks, and Whisky River (a Dale Earnhardt, Jr. bar with food concept) as in-line units. During design and construction, Host will operate a temporary Starbucks kiosk, and a temporary Tap Room kiosk. Host proposed Minimum Annual Guarantee Rent of $622,000, percentage rent on food/non-alcoholic beverages ranging from 13% to 14.5%, and 16% of gross sales on alcoholic beverage sales.

Staff recommends 1) Award of the Terminal 2 Concourse D Food & Beverage Concession Agreement to Host International, Inc., 2) Approval of Host International’s request to sublease the concession agreement to HOST JQE RDU CONC D, LLC; and 3) Authorization for the President and CEO to execute the concession agreement and the documents needed to approve the sublease.
RALEIGH-DURHAM AIRPORT AUTHORITY
MINORITY AND WOMEN-OWNED SMALL BUSINESS COMMITTEE MEETING
MINUTES
AUGUST 18, 2016

Ali presided. Present: Kane, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Minority and Women-Owned Small Business Quarterly Report: Presentation was for informational purposes only; No board action required.
   Presented by Thiané Carter – Review of quarterly goals presented