RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES

JULY 20, 2017

Chair Ali presided. Present: Hannah, Kane, Morgan, Teer, Thompson, Saidi and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Vice President & 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
   Request by Chairman Ali to amend the agenda to include a closed session prior to adjournment; Motion by Thompson to approve the amended agenda; Second by Kane
   ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
   Motion by Hannah to approve the minutes of the June 15, 2017 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Morgan
   ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
   1. Service awards recognized
   2. New hires and promotions recognized
   3. American Airlines and the Autism Society of North Carolina partnered with RDU to host the second annual “It’s Cool to Fly American” abilities flight; the program builds confidence among children and families touched by autism as they experience air travel. This year’s event welcomed more than 130 children and families.
   4. RDU also played host to more than 30 travelers with disabilities, who gathered in Terminal Two to learn more about what to expect when flying. From parking, to the security checkpoint, to boarding an airplane, these special customers became more informed about resources available to them at the airport. Led by WakeMed and supported by our guest services department, the second annual Wheels Up! event allowed all involved to share information and gain confidence for whenever they fly next.
   5. Nine local teachers came to RDU as part of a regional STEM career immersion program through WakeEd Partnership; The group was able to travel around campus and had the opportunity to connect with department leaders to better understand how we will staff for the future, what types of soft skills we need to be successful, and the wide variety of careers available at RDU.
   6. The Chairman congratulated President and CEO, Michael Landguth, on his recent election to the Airports Council International – North America (ACI-NA) Board of Directors.

IV. OLD BUSINESS
1. Land and Development Committee Report – Teer reported the Land and Development Committee met on July 20, 2017 and discussed the following item(s):
   a. Consideration of Terminal 2 Conceptual Design for XpresSpa and InMotion
      Committee recommends approval of the XpresSpa and InMotion conceptual design drawings.
      Motion by Teer to adopt Committee’s recommendation; Second by Kane
      ADOPTED BY UNANIMOUS VOTE
   b. Consideration of Bid Rejection to Provide Construction Services for John Brantley Boulevard
      Committee recommends rejection of a bid from Barnhill Contracting Company for the John Brantley Boulevard rehabilitation.
      Motion by Teer to adopt Committee’s recommendation; Second by Kane
      ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Thompson reported the Land and Development Committee met on July 20, 2017 and discussed the following item(s):
   a. Consideration of Purchase of Fourteen Vehicles and Pieces of Equipment.
      Committee recommends approval to purchase a 14 vehicles and pieces of equipment and authorization for the President and CEO to execute any documents necessary for the purchase.
      Motion by Thompson to adopt Committee’s recommendation; Second by Teer
      ADOPTED BY UNANIMOUS VOTE
   b. Consideration of Master Services Agreement and Task Order with Barich, Inc. for Airport Business Consulting
      Committee recommends approval of the Master Services Agreement and Task Order #1 with Barich, Inc. for airport business consulting services with 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
   c. Consideration of Agreement with Bickmore Services for the Development and Implementation of an Enterprise Risk Management Program
      Committee recommends approval of an agreement with Bickmore Services for Enterprise Risk Management services with authorization for the President and CEO to execute the agreement.
      Motion by Thompson to adopt Committee’s recommendation; Second by Saidi
      ADOPTED BY UNANIMOUS VOTE
   d. Insurance Premium Renewals Presentation
      Presentation for informative purposes only; no Board action required.
      ADOPTED BY UNANIMOUS VOTE

3. Marketing and Customer Service Committee Report – Kane reported the Marketing and Customer Service Committee met on June 15, 2017 and discussed the following item(s):
a. Consideration of a Master Services Agreement and Task Order with Eckel and Vaughan for Communications Services

Committee recommends approval of a Master Services Agreement with an annual maximum of $250,000 and Task Order #1 with Eckel and Vaughan and authorization for the President and Chief Executive Officer to execute the agreement and task order.

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

ADOPTED BY UNANIMOUS VOTE

4. Finance Committee Report – Zucchino reported the Finance Committee met on May 18, 2017 and discussed the following item(s):

a. Consideration of Budget Adjustment of Capital Project 080849, “PARCS Replacement”

Committee recommends an adjustment to the Capital Budget Ordinance reducing Capital Project 080849, “PARCS Replacement”, by $786,661 and increasing the Operating Budget Ordinance by $786,661.

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

ADOPTED BY UNANIMOUS VOTE

b. Consideration of an Agreement with Frasca & Associates for Financial Advisory Services

Committee recommends approval of an agreement with Frasca & Associates, LLC for financial advisory services and authorization for the President and CEO to execute the agreement.

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

ADOPTED BY UNANIMOUS VOTE


Committee recommends acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for the FY 2017 (April 1, 2016 - March 31, 2017).

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

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

a. Consideration of a Terminal Concession Lease with Hughes Publishing, LLC
b. Consideration of a Support Agreement with Southern Software
c. Consideration of an Agreement with NUPARK for a Parking Management System

Motion by Teer to approve and adopt Consent Agenda items listed (a, b, and c); Second by Saidi

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL’S REPORT

No items were reported.

Raleigh-Durham Airport Authority Board Members

Farad Ali, Chairman
City of Durham

John M. Kane, Vice Chairman
Wake County

Patrick Hannah, Esq., Secretary
Durham County

Lawrence R. Zucchino, Treasurer
Wake County

Robert D. Teer, Jr.
City of Durham

Dickle Thompson
City of Raleigh

David Morgan
Durham County

Stephen Saidi, PE
City of Raleigh
VII. MEMBER COMMENTS
All members welcome new staff members to the Authority and congratulated those that received service awards.

VIII. PRESIDENT AND CEO’S REPORT
June was an amazing month for RDU. It was the 40th consecutive month of year-over-year increases and the best June ever. It was also the best single month in the airport’s 74 year history. During the month, 547,905 passengers departed RDU…a 5.6 percent increase compared to June 2016. Load factor for the month was just shy of 90% which is also a record for RDU. And although demand peaks in June, reaching 89.8% means that most flights, most days of the week were 100 percent full. That kind of demand is a strong signal that RDU can add flights and capacity in the future. For the year, seat capacity is approximately 4 percent higher than last year.

On June 21, Allegiant announced nonstop service from RDU to San Juan, Puerto Rico. Service will begin Dec. 15 and this is RDU’s first nonstop to Puerto Rico. The air service team identified San Juan as one of the top 3 unserved destinations for 2017/18. The president congratulated Dave Young and Kristie VanAuken for securing this service. In addition, Allegiant announced nonstop service to Cincinnati beginning November 15th. Two days ago, Frontier announced new flights to Austin, Cincinnati, Kansas City and Providence.

The North Carolina state budget was recently passed and RDU’s efforts to educate and advocate for additional resources was a big success. RDU is thankful that State legislators said yes to investing in RDU infrastructure, and at commercial airports around the state. Although this doesn’t completely fund the Vision2040 plan, it will make a difference in RDU’s ability to get vital infrastructure built—like for example, Taxiway A, an important enabling project for the master plan. In the upcoming budget year, RDU is slated to received 21.2 million dollars, and following in 2018, an additional 31.2 million dollars. RDU’s teams are working hard to identify other projects that are near shovel ready, to make best use of these funds by March 1, 2019, when a report on spending is due to the General Assembly. If RDU is successful in spending this two year allocation, this very well could become a long term commitment, helping RDU build the airport and aviation infrastructure the Triangle community deserves.

Last week, the Authority held the 10th and final Vision 2040 public meeting. Approximately 80 attendees viewed maps and asked questions of our financial experts on hand; Donna Sylver, Ron Kapocius and two consultant representatives from Ricondo. The open house focused on financing and funding sources for the approved alternative, including replacing the primary runway 5L/23R.

At the end of June, a former HMS Host employee, Allison Cope, walked off her shift and never came back. This lead to a multi-jurisdictional, multi-state, and in some cases international search for this missing person. The investigation was led by RDU Police. The young lady was eventually found in Virginia Beach. The President thanked everyone involved in the case as it caused all involved departments to drop everything in the attempt to find her.
RDU’s core values of team, integrity, learning, and respect went in to countless hours in the week it took to find her. RDU detectives and the entire Law Enforcement Department demonstrated the core values repeatedly throughout the investigation until the case was finally solved. They had to work with multiple agencies outside of RDU and coordinate with the executive team, communications and business development inside RDU.

The President also recognized Andrew Sawyer for his exceptional work and cool under pressure, acknowledging that most PIO’s never train to handle a missing person case. Andrew had to use our core value “learning” to adapt to the investigation and report accurate facts that would not compromise the investigation but yet help the detectives find Allison. The President expressed his gratitude to all involved.

Chuck McFall recently obtained certification as an Accredited Airport Executive (AAE) by the American Association of Airport Executives (AAAE). Fewer than 10 percent of AAAE’s members throughout the country have earned this designation. RDU is proud to have Dr. Chuck McFall as a member of the executive team…who can now add the letters A.A.E. to his title. Congratulations to Chuck on such a prestigious accomplishment!

Karyn Rivera recently earned her IAAP Certified Administrative Professional certification. Karyn studied for literally hundreds of hours and past a rigorous examination with flying colors. The president expressed how Karyn just keeps getting better as time goes on and congratulated her on her accomplishment.

IX. CLOSED SESSION

Motion by Thompson to enter into closed session; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Motion by Ali to exit closed session; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

X. ADJOURNMENT

Motion by Ali to adjourn; Second by Teer

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY

LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES

JULY 20, 2017

Teer presided. Present: Ali, Hannah, Kane, Morgan, Thompson, Saidi and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Vice President & 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 Terminal 2 Conceptual Design for XpresSpa and InMotion:** _Upon a motion by Kane and second by Ali, the Committee recommends approval of the XpresSpa and InMotion conceptual design drawings._
   
   Presented by Ingrid N. Hairston, Director of Business Development – The Authority approved leases with four retailers that covered a total of 15 Terminal 2 retail spaces in March 2017. Construction for Phase I stores will commence December 1, 2017. Each tenant has worked with its design team to develop dynamic stores. Staff seeks approval from the Authority of the conceptual drawings for two of the seven stores that will be constructed in Phase I. XpresSpa will build out space at Gate C3 that is currently vacant. The storefront design uses a contemporary approach with clean lines and elegant materials. Designers use natural wood detailing at the central column and a smooth laminate application at the sign band and store piers. A unique edge-lit unique marquee brings the overall concept together to create an open and inviting environment. InMotion, also on Concourse C, uses their brand colors to make a bold statement at the storefront. The storefront incorporates a lit display case into the façade. InMotion uses a marquee with a raise “play” button to create height and visibility from a distance. Subtle design cues confirm that this is an electronics and entertainment store.

   Staff recommends approval of the XpresSpa and InMotion conceptual design drawings.

2. **Consideration of Bid Rejection to Provide Construction Services for John Brantley Boulevard:** _Upon a motion by Ali and second by Kane, the Committee recommends rejection of a bid from Barnhill Contracting Company for the John Brantley Boulevard rehabilitation._

   Presented by Jim Novak, Director of Facilities Engineering – This item provides staff’s recommendation to reject a construction bid in connection with “John Brantley Boulevard (JBB) Rehabilitation, Phase 1”, RDU 080819. Phase 1 includes the roadway from just south of Terminal 1 to just north of Terminal 2, excluding the areas between the inner and outer curb of Terminal 1. The scope of the pavement rehabilitation involves milling and replacing 1.5 – 3 inches of asphalt, grade and drainage corrections, restoration of the pavement markings and traffic control. The project was advertised on May 24, 2017. A pre-bid meeting/Minority and...
Women-Owned Small Business workshop and site tour were conducted on June 1, 2017. The initial bid opening was scheduled to occur on June 20, 2017, however, only one contractor submitted a bid and it was not opened. A second bid opening was scheduled to occur on June 28, 2017, at which only one bidder submitted a bid and the bid was opened and publicly read. The bid, provided by Barnhill Contracting Company was $1,317,095. Since the bid was higher than the Engineer’s estimate ($718,662) and the Authority’s budget, staff contacted the bidder to discuss potential measures to align the price with the project budget and Engineer’s estimate. Initial discussions clearly indicated that the bidder’s expectations and staff’s anticipations were irreconcilable. Staff’s recommendations are to reject the bid and to include this work in a larger project, which is already under design (considered “Phase 2”).

Staff recommends rejection of a bid from Barnhill Contracting Company for the John Brantley Boulevard rehabilitation.
RALEIGH-DURHAM AIRPORT AUTHORITY

OPERATIONS COMMITTEE MEETING MINUTES

JULY 20, 2017

Thompson presided. Present: Ali, Hannah, Kane, Morgan, Teer, Saidi and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Vice President & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAukern, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Consideration of Purchase of Fourteen Vehicles and Pieces of Equipment:** Upon a motion by Zucchino and second by Ali, the Committee recommends approval to purchase 14 vehicles and pieces of equipment and authorization for the President and CEO to execute any documents necessary for the purchase.

   Presented by John A. Connell, P.E., Vice President of Operational Asset Management – Staff is seeking approval to procure fourteen (14) vehicles and pieces of equipment as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Supplier</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caterpillar Loader</td>
<td>Gregory Poole CAT of Raleigh</td>
<td>$183,657.00</td>
</tr>
<tr>
<td>John Deere Tractor</td>
<td>Quality Equipment of Fuquay-Varina</td>
<td>$96,808.30</td>
</tr>
<tr>
<td>Bobcat (2)</td>
<td>Triangle Equipment Co. of Morrisville</td>
<td>$88,108.52</td>
</tr>
<tr>
<td>Ford F-250 w/Service Body</td>
<td>Piedmont Truck Center of Greensboro</td>
<td>$29,997.00</td>
</tr>
<tr>
<td>Ford F-250 w/ Lift Gate</td>
<td>Piedmont Truck Center of Greensboro</td>
<td>$29,494.00</td>
</tr>
<tr>
<td>Ford Explorer</td>
<td>Capital Ford of Raleigh</td>
<td>$27,733.00</td>
</tr>
<tr>
<td>Ford F-250 Standard</td>
<td>Piedmont Truck Center of Greensboro</td>
<td>$26,153.00</td>
</tr>
<tr>
<td>8’ Box Snow Blades (4)</td>
<td>Godwin of Dunn</td>
<td>$9,646.00</td>
</tr>
<tr>
<td>10 Foot Snow Plow</td>
<td>Godwin of Dunn</td>
<td>$6,235.00</td>
</tr>
<tr>
<td>Bobcat Snow Broom</td>
<td>Triangle Equipment Co. of Morrisville</td>
<td>$4,332.00</td>
</tr>
</tbody>
</table>

The North Carolina General Statutes allow the Authority to procure goods and services from state contracts that have been publicly advertised and bid by the Division of Purchase and Contracts. The suppliers and
prices listed above are from the applicable state contracts. The total cost of these items is $502,164.82, within the amount budgeted in the Authority’s current budget.

Staff recommends approval to purchase a 14 vehicles and pieces of equipment and authorization for the President and CEO to execute any documents necessary for the purchase.

2. Consideration of Master Services Agreement and Task Order with Barich, Inc. for Airport Business Consulting:

Upon a motion by Teer and second by Ali, the Committee recommends approval of the Master Services Agreement and Task Order #1 with Barich, Inc. for airport business consulting services with authorization for the President and CEO to execute the agreement and task order.

Presented by Paul Hetzel, Vice President of Information Services and Chief Information Officer – As part of RDU’s Common Use infrastructure, there is a periodic organizational need to utilize subject matter experts for:

1. Investigation and development of Common Use short and long term plans
2. Preparation and evaluations of Requests for Proposals (RFP), Requests for Information (RFI), and Requests for Qualifications (RFQ)
3. Cost and benefit analysis of requested Common Use additions, modifications/changes, and deletions
4. Support in the development of annual operating and capital budgets, as well as short and long term cash flow projections

Barich is based in Richmond, Texas. Under the proposed master services agreement, projects will be assigned on a task order basis over a term of 3 years. There is no dollar value associated with this master service agreement and any costs will be associated with later task orders. The proposed scope of work for the first task order includes the development of a Common Use RFP and program definition for ongoing communication between the Authority and airlines. This program is a system where we can take airline input and requests for terminal improvements and methodically and consistently process those inputs from a budgeting, planning, and execution perspective. Task Order #1 has a not to exceed cost of $57,735.

Staff recommends approval of the Master Services Agreement and Task Order #1 with Barich, Inc. for airport business consulting services with authorization for the President and CEO to execute the agreement and task order.
3. Consideration of Agreement with Bickmore Services for the Development and Implementation of an Enterprise Risk Management Program: Upon a motion by Ali and second by Teer, the Committee recommends approval of an agreement with Bickmore Services for Enterprise Risk Management services with authorization for the President and CEO to execute the agreement.

Presented by James Witherspoon, PHR, CSP, ARM, Director of Risk Management – The purpose of this item is to provide a staff recommendation on the selection of a firm to provide professional services for the implementation of an Enterprise Risk Management Program. The scope of services in the proposed agreement involves developing and implementing an Enterprise Risk Management Program that addresses the full spectrum of risks and managing an interrelated risk portfolio. The processes and methods will be implemented over the proposed contract’s 3 year term with 2 one year option periods. On May 1, 2017, the Authority issued a Request for Proposals and subsequently received five proposals from: Bickmore Services, Arthur Gallagher, Clifton Larson Allen, Deloitte, and MEI Security. After review of the proposals, staff selected Bickmore Services to interview. Based on the responsiveness of each proposer to the submittal requirements and the overall staff evaluation of the proposed team’s qualifications, capability and experience, staff recommends Bickmore Services. The proposed agreement with Bickmore Services would include a five-year phased approach with these high-level components at a total not to exceed cost of $468,225:

1) To provide a top-down and bottom-up three-step training approach to all Authority employees on Enterprise Risk Management principles, concepts, practices, risk assessments and risk mitigation controls.

2) To develop and implement an Enterprise Risk Management framework and process model that integrates risk management throughout the organization and provides an approach for identifying, assessing, evaluating, mitigating, and reporting risks and opportunities within the Authority’s internal and external environments.

3) To assist in acquiring a risk management information system that produces a risk dashboard and provides the tools to perform risk assessments, risk maps, and risk registers.

4) To fully integrate the Enterprise Risk Management Program with the strategy and performance management process of the Authority.

To conduct a detailed Enterprise Risk Management maturity assessment and compare it against the baseline established in phase-one and make recommendations as appropriate.

Staff recommends approval of an agreement with Bickmore Services for Enterprise Risk Management services with authorization for the President and CEO to execute the agreement.

4. Insurance Premium Renewals Presentation: Presentation for informational purposes only; no Board action required.

1. The Authority’s Property coverage premium decreased by $15,700.00 with an increase in property values. This was due to a favorable insurance market.

2. The Cyber Liability Enhancement decreased by $10,182.00 compared to last coverage year 2016.

3. Airport Workers Compensation coverage premium decreased by $19,067.00 due to an experience modification rate of .62.

4. Airport Liability coverage premium remained the same compared to last coverage year 2016.

5. The Airport Crime coverage premium slightly decreased by $5,652.00 compared to last coverage year 2016. This was due to competitive marketing.

6. The Automotive coverage premium increased by $9,884.00 compared to last coverage year 2016.

7. The Directors and Officers/Employment Practices coverage premium increased by $2,086.00 compared to last coverage year 2016.

8. The net premium impact is a savings of $41,632.00. The attached summary provides information pertaining to each coverage, including provider, limits and premium for July 1, 2017 through June 30, 2018.

Presentation for informational purposes only; no Board action required.
RALEIGH-DURHAM AIRPORT AUTHORITY
MARKETING AND CUSTOMER SERVICE COMMITTEE MEETING MINUTES
JULY 20, 2017

Kane presided. Present: Ali, Hannah, Morgan, Teer, Thompson, Saidi and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Vice President & 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 Master Services Agreement and Task Order with Eckel and Vaughan for Communications Services:

   Upon a motion by Kane and second by Saidi, the Committee recommends approval of a Master Services Agreement and Task Order #1 with Eckel and Vaughan, with an annual maximum of $250,000, and authorization for the President and Chief Executive Officer to execute the agreement and task order.

   Presented by Kristie VanAuken, Vice President of Communications and Community Affairs – Communicating effectively remains a key priority for the Authority. It helps maintain our strong reputation and creates alignment and synergies inside and outside of RDU. In order to support the Authority’s communication needs, it is important to add additional bench strength and to have external advisors who are in tune with the pulse of the community and airport stakeholders. In seeking an agency to provide communications and public relations services, the Authority conducted a highly competitive Request for Proposals process which resulted in seven proposals and four agency presentations. After consideration, staff recommends Eckel and Vaughan, a locally owned communications and public relations agency. Eckel and Vaughan offered the best fit for the Authority and a demonstrated expertise in similar projects. The proposed Master Services Agreement has a 3 year term with 2 one year option periods. It requires task orders to authorize services for the project’s anticipated phases. Task Order No. 1 includes a comprehensive communications plan including strategy, talking points, consultations and needed assistance as the Authority moves forward with various sections of the Vision 2040 master plan at a cost of $22,000. Although not achievable in Task Order #1, Eckel and Vaughan has committed to use certified Minority and Women Owned Small Businesses whenever possible to achieve an overall 2 percent minority owned and 5 percent women owned small business participation in anticipated ongoing work.

   Staff recommends approval of a Master Services Agreement and Task Order #1 with Eckel and Vaughan and authorization for the President and Chief Executive Officer to execute the agreement and task order.
Zucchino presided. Present: Ali, Hannah, Kane, Morgan, Teer, Thompson, and Saidi. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Vice President & 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 Budget Adjustment of Capital Project 080849, “PARCS Replacement”: Upon a motion by Teer and second by Hannah, the Committee recommends an adjustment to the Capital Budget Ordinance reducing Capital Project 080849, “PARCS Replacement”, by $786,661 and increasing the Operating Budget Ordinance by $786,661.

   Presented by Ron Kapocius, Director of Financial Planning & Analysis – The purpose of this item is to provide a staff recommendation to adjust the budget of Capital Project 080849, entitled “PARCS Replacement”. Capital Project 080849, “PARCS Replacement”, was created with an overall budget of $10,000,000. This $10,000,000 budget is designed as an investment in the broader Parking Program, and as such, the PARCS Replacement Project is the first phase of this Program. The estimated total cost of the PARCS Replacement Project itself is $5,000,000. At the time the Parking Program’s budget was approved, the PARCS Replacement Project team had not yet selected an implementing contractor, and as a result, did not yet have sufficient detail on the quantity and cost of various hardware, software, and other components needed for the project to function as designed. After the Project’s contractor was selected and cost detail secured, further analysis determined that the Project budget contained a mix of Operating and Capital expenditures. Staff determined the exact amount that should be allocated to Operating and the amount that should be allocated to Capital. Their analysis resulted in the following:

   • Approximately $786,661 should be allocated to operating expense and not Capital
   • The Capital Budget Ordinance should be reduced by $786,661

   This budget adjustment is necessary so that the PARCS Replacement Project can effectively address its requirements while maintaining compliance with applicable regulatory, audit and accounting standards. Staff anticipates the Project’s costs to stay at or below $5,000,000

   Staff recommends an adjustment to the Capital Budget Ordinance reducing Capital Project 080849, “PARCS Replacement”, by $786,661 and increasing the Operating Budget Ordinance by $786,661.
2. **Consideration of an Agreement with Frasca & Associates for Financial Advisory Services:** Upon a motion by Morgan and second by Teer, the Committee recommends approval of an agreement with Frasca & Associates, LLC for financial advisory services and authorization for the President and CEO to execute the agreement.

   Presented by Ron Kapocius, Director of Financial Planning and Analysis – On May 19, 2017 the Authority issued a Request for Proposals for assistance with either: (1) the renewal of its Letter of Credit (LOC) with Royal Bank of Canada expiring in October 2017 or (2) the issuance of a new Letter of Credit with a financial institution. Two proposals were received on June 6, 2017 from Frasca & Associates, the other from Jefferies. Staff reviewed both proposals and recommends Frasca & Associates for the following reasons:

   1. It is the airport industry’s leading financial advisory firm (by transaction value)
   2. It has significant LOC and floating rate note experience (over $4.8B transactions since 2014)
   3. It is a certified woman-owned business and is committing to obtain 12% Minority Business participation
   4. It had the lower fees of the RFP responses

   The project costs are estimated to be either: (1) $15,000 for the solicitation and renewal of the existing LOC with RBC, or (2) $60,000 if the Authority opts to have a new Letter of Credit with a different financial institution.

   **Staff recommends approval of an agreement with Frasca & Associates, LLC for financial advisory services and authorization for the President and CEO to execute the agreement.**


   Presented by Robert Buckenham, Director of Accounting – Elliott Davis Decosimo, PLLC has performed audit services for the Fiscal Year ended March 31, 2017 and will report on these completed audits and their findings. 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 sent to Board members separately.

   **Staff recommends acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for the FY 2017 (April 1, 2016 - March 31, 2017).**
RALEIGH-DURHAM AIRPORT AUTHORITY
CONSENT AGENDA
JULY 20, 2017

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

The Board considered the following item(s):

1. **Consideration of a Terminal Concession Lease with Hughes Publishing, LLC:** *Item was presented at full Board Meeting for consideration.*
   
   Presented by Ingrid N. Hairston, Director of Business Development – This request is for consideration of a new agreement with the Hughes Publishing, LLC to operate literature display business engaged in the sale of advertising space for complimentary brochures and/or magazines within the commercial passenger terminal buildings. The brochure program promotes commercially-supported tourism, entertainment, Wake, Durham and Orange County relocation information, and other non-public travel, tourism, entertainment, and entertainment-related information publications. Hughes Publishing (operating as Coastal Media, Inc.) currently provides brochure racks the Terminal 1 and Terminal 2 bag claim areas. The brochure display areas will remain in the current locations. The term of the agreement is August 1, 2017 – March 31, 2020. Hughes Publishing will pay $500 per month in rent.

   Staff recommends approval of the Terminal Concession Lease with Hughes Publishing, LLC with authorization for the President and CEO to execute the lease.

2. **Consideration of a Support Agreement with Southern Software:** *Item was presented at full Board Meeting for consideration.*
   
   Presented by Paul Hetzel, Vice President of Information Services and Chief Information Officer – Southern Software currently provides the Authority with call dispatching software, mapping software, records management software, and software to interface with the FBI’s National Criminal Information Center, all of which are critical to operations. The proposed support agreement would provide software upgrade maintenance, 24x7 unlimited technical support, software problem resolution, software “bug” fixes and updates, and critical security updates to these systems. The proposed support agreement is for a term of 3 years with two additional 1 year extension options. Southern Software is a North Carolina company, based in Southern Pines.

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<tr>
<th>Contract Year</th>
<th>Cost</th>
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Raleigh-Durham Airport Authority Board Members

<table>
<thead>
<tr>
<th>Members</th>
<th>Positions/Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fared Ali, Chairman</td>
<td>City of Durham</td>
</tr>
<tr>
<td>John M. Kane, Vice Chairman</td>
<td>Wake County</td>
</tr>
<tr>
<td>Patrick Hannah, Esq., Secretary</td>
<td>Durham County</td>
</tr>
<tr>
<td>Lawrence R. Zucchino, Treasurer</td>
<td>Wake County</td>
</tr>
<tr>
<td>Robert D. Teer, Jr., City of Durham</td>
<td></td>
</tr>
<tr>
<td>Dickie Thompson, City of Raleigh</td>
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<tr>
<td>David Morgan, Durham County</td>
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<tr>
<td>Sepideh Saidi, PE, City of Raleigh</td>
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Staff recommends approval of a software support agreement with Southern Software and authorization for the President and CEO to execute the agreement.

3. **Consideration of an Agreement with NUPARK for a Parking Management System:** Item was presented at full Board Meeting for consideration.

Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – The current Parking and Revenue Control System (PARCS) system is provided by S&B as a component of its Entervo system. With the replacement of the S&B system by the Skidata system underway, the Authority needs to procure a new solution in order to manage parking access credentials. The Authority sought pricing from three vendors who are already integrated with the Skidata PARCS: ADVAM, iLogs, and NUPARK. The following is the pricing that was received from each vendor:

<table>
<thead>
<tr>
<th></th>
<th>ADVAM</th>
<th>iLogs</th>
<th>NUPARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual License</td>
<td>$35,000</td>
<td>N/A</td>
<td>$28,125</td>
</tr>
<tr>
<td>Maint/Hosting/Support</td>
<td>$5,000</td>
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<tr>
<td>Training</td>
<td>$930/day</td>
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<tr>
<td>Commissioning</td>
<td>$15,000</td>
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<tr>
<td>Transaction</td>
<td>$0.10/transaction</td>
<td>N/A</td>
<td>18,750/year included</td>
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</table>

The NUPARK solution is a fully integrated and comprehensive solution with the lowest initial and year over year pricing. Staff recommends a 4 year agreement with NUPARK at a total price of $117,664.51.

Staff recommends approval of an agreement with NUPARK for a parking management system and requests authorization for the President and CEO to execute the agreement.