

## **RALEIGH-DURHAM AIRPORT AUTHORITY**

*January 19, 2012*

Chairman Yeargan presided. Present: members Elting; Frazier; Hunt; Sanders; Teer and Weeks. Also present: Airport Director Landguth; Deputy Airport Director, Operations McElvaney; Deputy Airport Director, Information Services Posner; Deputy Airport Director, Finance, Business & Administration Styres; Marketing, Customer Service & Organizational Support Director Damiano; Deputy Airport Director, Facility Development Powell; Parking Director Weiss; Finance Director Barritt; Administration Director Umphrey; Operations Director Graves; Senior Program Manager Edmondson; Senior Program Manager Quesenberry; Program Manager Cayton; Terminal Services Director Scialdone; Payroll/Benefits Manager Robertson; Law Enforcement Manager Midgett; Facilities Engineering Manager Jewett; Maintenance Manager Bouffard; Assistant Maintenance Manager Herndon; Environmental Manager Danison; Marketing Communications Manager Hamlin; GIS Manager Dana; Ground Transportation Manager Suggs; Audit Manager Wynn; Emergency Services Manager Thompson; Assistant Law Enforcement Manager Steele; Customer Relations Manager Martin; Parking Operations Manager Fedor; Employee Development Supervisor Bell; SAACS/CCTV Senior Technical Support Rewerts; Internal Communications Specialist Clark; Business Development Officer Hairston; Ground Transportation Administrator Carrasquillo; Properties & Insurance Officer Reynolds; Auditor III Bullock; Auditor II Averette; Auditor I Dixon; Shift Commander Timberlake; Small Business Officer Edwards; HR Generalist Armstrong; Website Administrator Janosko; Staff Attorney Locklear; Executive Assistant Mitchell and Attorney Tatum.

Guests: Vincent Del Nero, Parsons; Ted Abernathy; Southern Growth Policies Board and Ken Smith, WRAL-TV.

**CHAIRMAN'S COMMENTS** – Chairman Yeargan commented on the very positive holiday operations at RDU. Transportation Security Administration did a great job at the checkpoints. The Annual Services Awards Luncheon will be held on January 24, 2012.

The following new hires were welcomed to the RDU Family:

- Bobby Culler, Law Enforcement Officer
- Chris Brooks, Law Enforcement Officer
- Chris Day, Law Enforcement Officer
- Arrington Neal, Traffic Control Officer
- Kevin Mitchell, Maintenance
- Joseph Ogg, Maintenance

The following employee was recognized for his recent achievements:

- Tommy Herndon was recently promoted to Assistant Maintenance Manager.

**APPROVAL OF AGENDA** – There were no changes to the agenda, and it was approved as submitted.

**APPROVAL OF MINUTES** – There was a minor change to the minutes of the December 15, 2011 meeting in the list of attendees, and the minutes were approved as amended.

**MARKETING CUSTOMER SERVICE COMMITTEE REPORT** – Chairman Elting reported the Marketing Customer Service Committee met on January 19, 2012 and discussed the following item:

1. Report on the 2011 Annual Customer Satisfaction Survey. Customer Relations Manager Martin reported on the mystery shopping findings and customer service feedback for all of 2011. Along with tracking feedback submissions, Customer Relations staff reviews daily activity logs by Visitor Services and Operations staff and Twitter comments to identify any issues or trends. Close monitoring helps to determine areas where targeted intervention and/or collaborative solutions are needed to eliminate or prevent service issues. In addition to the breakdown for 2011, feedback submissions were analyzed for 2010. Overall feedback submissions are up from a total of 1141 in 2010 to 1187 in 2011. There were more inquiries as to airline matters and check-in procedures; more compliments and thanks regarding the concessions and more feedback regarding the taxicab operations – mainly due comment postcards specifically related to the taxi service. The Authority's service standard is to provide an initial, tailored response within 48 hours of receiving the feedback item. For 2011, 94% of responses to all feedback submissions met the 48-hour standard with an 88% response rate within 24 hours or less. The average Mystery Shopping score for 2011 rose very slightly to 97.79 from 97.07 in 2010. Regarding perfect scores, scores trended higher with 74% of shops in 2011 scoring 100 compared to 70% in 2010. Overall, Mystery Shopping scores are reflecting a consistent, positive experience for customers with food and retail tenants along with Authority staff meeting or exceeding our Service Standards. Member Hunt had some concerns about the traffic management on the curbside Chairman Elting commented that he had received comments about the Traffic Control Officers also, as well as inquiries about a cell phone lot. Staff will study both issues and report back to the Authority in 30 days.

The Authority received the report. No further action was taken.

**HUB PLAN COMMITTEE REPORT** – Member Elting reported the HUB Plan Committee met on January 19, 2012 and discussed the following item:

1. Consideration of recommended revisions to the Authority's DBE Program. Small Business Officer Edwards reported on the recommended revisions to the Authority's DBE Program. On January 28, 2011 the U.S. Department of Transportation (USDOT) revised 49 CFR Part 26, the regulation pursuant to which the federal DBE Program is administered. These revisions included the requirement that each federal grant recipient add a small business element to its existing DBE Program, and provided direction regarding the methods available to accomplish this addition. The regulations require the small business element must be submitted to the Federal Aviation Administration (FAA) for approval by February 28, 2012. Additionally, the Authority's federal DBE Program had not been changed since 2003 and needed to be updated. These updates are needed to reflect current USDOT and FAA direction as well as various Authority organizational and staff changes. Staff has drafted an updated DBE Program that incorporates a race and gender neutral small business element directing that a percentage of each federally-assisted contract be used for small businesses, where feasible. The percentage will be established by staff on a contract-by-contract basis. The updated DBE Program also reflects current USDOT and FAA direction as well as various Authority organizational and staff changes. The Committee recommended the Authority approve the updated DBE Program, which 1) includes a race and gender neutral small business element directing that a percentage of each federally-assisted contract be used for small businesses' participation, where feasible; and 2) reflects current regulations, organizational and staff changes. A complete list of the proposed changes was provided to the Committee members, as well as a revised (and existing) DBE Program.

Member Elting made a motion, seconded by member Sanders, to approve the recommendations of the HUB Plan Committee.

Adopted.

**LAND & DEVELOPMENT COMMITTEE REPORT** – Member Teer reported the Land & Development Committee met on January 19, 2012 and discussed the following item:

1. Consideration of bids received January 10, 2012 for two (2) aerial lifts for Terminal 2, an element of Terminal 2 Renovation & Expansion, RDU #070399. Program Manager Cayton reported on the bids received on January 10, 2012 for two aerial lifts for Terminal 2, an element of Terminal 2 Renovation & Expansion, RDU #070399. The Terminal 2 Indoor Aerial Boom Lift Equipment contract involves the purchase of two hydraulic lifts that will be used in the maintenance of Terminal 2. One lift will be used and stored on the concourse. The second lift will be used and stored in the ticket lobby/security checkpoint. The requirements for each of the lifts are tailored to the areas of the building in which they will be utilized. Two lifts are being procured because transport of one lift between the concourse and ticket lobby levels is difficult because of the elevation difference between the two levels. The HUB Participation Goal for the contract is zero percent given the specialized nature of the equipment. The Authority reserved the right in the Request for Proposals to accept the lowest bid for each item, including the right to award separate contracts for each item. H&E Equipment of Charlotte, North Carolina submitted the lowest bid for the Ticketing Lift with their bid for a ReachMaster DL-92N, and SunBelt Rentals of Raleigh, North Carolina submitted the lowest bid for the Concourse lift with their bid for a ReachMaster Blue Lift B72. The Committee recommended the Authority award of a contract to H&E Equipment in the amount of \$168,160 for ReachMaster DL-92N and a contract to SunBelt Rentals in the amount of \$109,194.02 for a ReachMaster Blue Lift B72.

Member Teer made a motion, seconded by member Elting, to approve the recommendations of the Land & Development Committee. Member Weeks recused himself from voting due to a conflict of interest with one of the vendors. Adopted.

**RESOLUTION** - Major Capital Improvements Program Director Powell reported on a Resolution authorizing the Chairman and Airport Director to execute an Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA) in connection with the Terminal 1 Interior Reconfiguration & Renovation Project. The OTA sets forth the terms and conditions of the agreement as well as established the respective cost-sharing obligations and other responsibilities of the TSA and the Authority with respect to the check baggage inspection system for Terminal 1. The Authority had a similar agreement with the TSA for the check baggage system in Terminal 2. The TSA will be responsible to provide, install, maintain and operate two Electronic Detection System (EDS) machines in the in-line baggage handling system and undertake related responsibilities. The Authority will be responsible to provide a baggage handling system that will accommodate the EDS machines and other infrastructure required to support the EDS machines and other aspects of the TSA's baggage security screening work. The TSA will reimburse the Authority up to a yet-to-be-determined amount for 90 percent (90%) of the allowable and allocable costs of the work needed to install the EDS machines and related baggage screening system elements; however, the TSA will reimburse the Authority only for allowable and allocable costs incurred on and after the date of the OTA. Currently, the OTA is in draft form that has been reviewed by General Counsel and staff. The purpose of the resolution is to expedite execution of the OTA in order to minimize allowable costs that may not be eligible for reimbursement due to timing of execution of the OTA.

The resolution reads as follows:

*RESOLUTION – Authorize the Chairman and Airport Director to execute an Other Transaction Agreement with the Transportation Security Administration for the Terminal 1 in-line baggage screening system subject to review by General Counsel.*

Member Elting made a motion, seconded by member Weeks, to approve the Resolution authorizing the Chairman and Airport Director to execute an Other Transaction Agreement with the Transportation Security Administration in connection with the Terminal 1 Interior Reconfiguration & Renovation Project, RDU #070499. Adopted.

**MEMBER COMMENTS** – Member Teer thanked the Authority for its continued support of the USO. Member Elting officially welcomed Airport Director Landguth to RDU.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum provided historical information on an overlay district matter at the airport.

**AIRPORT DIRECTOR'S REPORT** –

- Enplaned passengers for December 2011 totaled 383,279 versus 391,540 for December 2010 for a 2.1% decrease. Year-to-date 2011 passenger enplanements totaled 4,583,381 versus 4,563,520 for year-to-date 2010 for a 0.4% increase.
- Deplaned passengers for December 2011 totaled 366,414 versus 370,344 for December 2010 for a 1.1% decrease. Year-to-date 2011 passenger deplanements totaled 4,577,878 versus 4,538,350 for year-to-date 2010 for a 0.9% increase.
- Enplaned air cargo for December 2011 totaled 6,593,528 lbs. versus 7,741,719 lbs. for December 2010 for a 14.8% decrease. Year-to-date 2011 enplaned air cargo totaled 76,416,592 versus 82,176,437 for year-to-date 2010 for a 7.0% decrease.
- Deplaned air cargo for December 2011 totaled 8,633,899 lbs. versus 10,188,259 lbs. for December 2010 for a 15.3% decrease. Year-to-date 2011 deplaned air cargo totaled 99,223,264 versus 104,278,630 for year-to-date 2010 for a 4.8% decrease.
- Aircraft operations for December 2011 totaled 15,746 versus 15,166 for December 2010 for a 3.8% increase. Year-to-date 2011 aircraft operations totaled 193,359 versus 187,501 for year-to-date 2010 for a 3.1% increase.
- The number of vehicles exiting the terminal area public parking lots during December 2011 totaled 145,292 versus 152,461 for December 2010 for a 4.7% decrease. The year-to-date 2011 number of vehicles exiting the terminal area public parking lots totaled 1,716,016 versus 1,741,664 for year-to-date 2010 for a 1.5% decrease.
- The number of taxicab trips taken during December 2011 totaled 22,622 versus 19,056 for December 2010 for an 18.7% increase. Year-to-date 2011 taxicab trips totaled 299,570 versus 241,258 for year-to-date 2010 for a 24.2% increase.
- The number of passengers transported from RDU by SuperShuttle during December 2011 totaled 3,210 versus 3,507 for December 2010 for an 8.5% decrease. Year-to-date 2011 passengers transported totaled 38,245 versus 37,999 for year-to-date 2010 for a 0.6% increase.

Airport Director Landguth reviewed highlights of 2011:

- It was a year of celebration and transition. Passenger statistics remained flat; creating what may be a new normal at airports across the country. As airlines reduce their capacity, they restrict

growth.

- A customer satisfaction survey illustrated that our investment in RDU's infrastructure and customer programs have paid off, reaffirming that customer service must drive objectives.
- Fiscal responsibility continues to be a top priority.
- This year the Authority celebrated the opening of the final phase of Terminal 2.
- *The Atlantic* magazine named RDU one of the nine most beautiful terminals in the country.
- Terminal 2 continues to make good on the promise of its design; improve and ease the passenger experience.
- The shops of RDU continued to be featured in trade publications for its innovative approach and customer focus.
- Frommer's travel experts named 42<sup>nd</sup> St. Oyster Bar one of its top 10 airport restaurants.
- There were 4.6 million passengers who departed RDU in 2011, up .4% from 2010. For the year, a total of 9.2 million passengers traveled through RDU, up from just under 1% from 2010.
- Flight operations were up 3.1% over 2010. These statistics represent a new normal that will change the way we pursue and attract new air service from airlines with limited resources. To attract these resources we will partner with our community as we make the case for new air service.
- However, in 2011, airlines added new service where they knew they could be successful. Continental began weekly, non-stop service to Cancun. Delta continued its expansion at RDU with non-stop service, including Baltimore. Vision Airlines began service to The Grand Bahama Islands. Southwest announced service to Houston.
- We continued to invest in the airport's infrastructure as we position RDU for the future. The Terminal 1 Modernization added a covered, outer curb. Major features include additional natural lighting, inline bag handling system, pre-security concession space. Construction is set to begin later in 2012.
- In 2011, the Authority kicked off Land Use Planning Study that looked at the location of enhanced services for RDU customers. The focus is on parcels of land west of the terminals. While early focus was on the location of a consolidated rental car facility, the study will look at all available parcels for revenue-generating potential.
- The Customer Service Survey gleaned an overall 4.65 (on a 5.0 scale) satisfaction rating from passengers, up from 4.5 in 2009 and 4.07 in 2007.
- Recently launched the PASSPORT parking program.
- The Authority will continue to look for ways to improve customer service and ensure the customer is at the center of all planning and activities.

- In 2011, RDU remained in a strong financial position. The bond rating agency, Fitch, revised RDU outlook to stable, keeping the AA rating. The ratings from Moody's and Fitch, the two agencies that follow RDU, are important to RDU's future. We will continue our commitment to being fiscally conservative as we assess and adapt to the new aviation environment.
- After 30 years at the helm, John Brantley retired.
- It is a new chapter in RDU's history. As we look to the future, the Authority remains focused on:
  - Customer-driven strategic planning;
  - Partnering with the community on air service development efforts;
  - Continued development of our staff; and
  - To remain fiscally responsible.

Member Elting made a motion, seconded by member Weeks, to go into Closed Session to discuss a pending litigation matter.

Member Teer made a motion, seconded by member Weeks to return to Open Session.

Member Teer made a motion, seconded by member Weeks to authorize General Counsel to proceed with settlement of the pending litigation matter as related to additional attorneys' fees in the amount of \$14,000; with the inclusion of a Forbearance Agreement to be executed by the opposing parties.

Member Weeks made a motion, seconded by member Hunt, to adjourn the meeting.       Adopted.

Respectfully submitted,

Kim D. Frazier, Secretary

CORRECT ATTEST:

Terry K. Yeargan, Chairman