

RALEIGH-DURHAM AIRPORT AUTHORITY

March 22, 2012

Chairman Yeargan presided. Present: members Ali; Elting; Hunt; Teer; Thompson and Weeks. Absent: member Sanders. Also present: Airport Director Landguth; Deputy Airport Director, Operations McElvaney; Deputy Airport Director, Information Services Posner; Deputy Airport Director, Finance, Business & Administration Styres; Deputy Airport Director Marketing & Customer Relations Damiano; Deputy Airport Director, Facility Development Powell; Parking Director Weiss; Finance Director Barritt; 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; Assistant Maintenance Manager Herndon; Marketing Communications Manager Hamlin; 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; CMMS Superintendent Stoker; Properties & Insurance Officer Reynolds; Auditor III Bullock; Auditor II Averette; Shift Commander Timberlake; Small Business Officer Edwards; Customer Relations Specialist Creech; Fleet Maintenance Supervisor Crabtree; Fleet Mechanic Kennedy; Maintenance Mechanic Rose; Law Enforcement Officer Foggiano; Law Enforcement Officer Coley; Lieutenant/Shift Commander Stanley; Guest Services Volunteer Coordinator Watson; Guest Services Manager Deutsch; Environmental Program Officer Vrieze; Parking Administration Specialist Sykes; Parking Equipment Manager Crispi; Information Services Manager Schiller; Volunteer Ambassadors Barb and Bill Sharpe and George A. George; Administrative Assistant Gray; Executive Assistant Mitchell and Attorney Tatum.

Guests: Cedric Nelson, CTN Service Agency; Vincent Del Nero, David Cochran and Jay Grantham, Parsons; Eric Gilbert and Eric Stevens, Moore and Johnson; Rick Bsou, Bank of America; Chris Bagley; Triangle Business Journal and Charles McCloskey.

CHAIRMAN'S COMMENTS – Chairman Yeargan welcomed new Authority members Farad Ali and Dickie Thompson. Member Ali represents the City of Durham. Member Thompson represents the City of Raleigh.

Chairman Yeargan recognized 2011 Volunteer of the Year George A. George, and thanked him for his service to the Raleigh-Durham Airport Authority.

The following new hires were welcomed to the RDU Family. In Law Enforcement, Jeffrey Lamb, Bruce Foggiano, and Alvin Coley. In Maintenance, John Kennedy, Spencer Rose and (welcome back) Barry Stoker. Timothy Crabtree was recognized for his recent promotion to Fleet Maintenance Supervisor.

Chairman Yeargan congratulated staff on receiving the Certificate of Achievement for Excellence in Financial Reporting. It is the highest form of recognition in governmental accounting and financial reporting. The Finance Team should be very proud. Thank you for all your hard work. The annual Special Olympics Plan Pull will be held at RDU's UPS tarmac on April 21, 2012. The Authority has been hosting the event for more than 10 years. The entry fee is waived for all Authority-formed teams. The Authority members were presented with a copy of the 2011 Annual Review which outlines everything the Authority has accomplished in the past year.

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

APPROVAL OF MINUTES – There were no changes to the minutes of the January 19, 2012 meeting and they were approved as submitted.

HUB PLAN COMMITTEE REPORT – Chairman Elting reported the HUB Plan Committee met on March 22, 2012 and discussed the following item:

1. Review of accomplishments under the Authority's Historically Underutilized Business Program Plan during the quarter October 1 – December 30, 2011. Small Business Program Officer Edwards reported that the Authority has two programs that address minority and women-owned business participation in its construction, professional services, information systems and procurement activities. The first is the Disadvantaged Business Enterprise (DBE) program for federal AIP-funded projects and the terminal concessions program. The second is the Historically Underutilized Business (HUB) program for all non-federal contracts and Authority procurement. The Authority set the following DBE goals: AIP-funded construction projects 13%; food/beverage and retail concessions 25%; and car rental 10%. Overall goals for the HUB program are 8% MBE and 5% WBE for construction, 10% for professional services, and 10% each for information systems and procurement. Total HUB/DBE participation in all active construction projects was \$76,421,838 (14.6%). Total HUB participation in procurement and information systems during the reporting period was \$80,289 (6.4%). HUB/DBE participation for services was 14.9%.

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

FINANCE COMMITTEE REPORT – Chairman Elting reported the Finance Committee met on March 22, 2012 and discussed the following item:

1. Consideration of a proposed agreement with Cherry Bekaert & Holland, LLP to perform an audit of the Authority's financial records for the fiscal year ended March 31, 2012. Deputy Airport Director, Finance, Business & Administration Styres reported that Cherry, Bekaert & Holland, L.L.P. (CB&H) proposes to perform audit services in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* for the fiscal year ended March 31, 2012. CB&H will also report on the fairness of presentation of our schedules of federal and state financial assistance (Single Audit Act) and prepare a compliance report on the Authority's Passenger Facility Charge Program. The proposed fee for FY 2011-12 is not to exceed \$42,000. CB&H's audit fees for the prior two years, FY 2010-11 and FY 2009-10, were \$42,000 and \$41,000 respectively. As North Carolina statutes require audit contracts to be approved annually in order to be binding, the Authority must approve an audit contract each year. CB&H's fees in the past have been and continue to be very competitive. Their current list of clients includes three of our four member governments (Durham County, Raleigh and Wake County), Cary, Garner, Charlotte, Mecklenburg County, Greensboro, Guilford County, the Global TransPark and the Richmond International Airport. In prior years, staff has been extremely satisfied with CB&H's services and the value they provide, and trusts in their ability to maintain the highest level of service and expertise. The Committee recommended the Authority retain Cherry, Bekaert & Holland for audit services for FY 2011-12.

Member Elting made a motion, seconded by member Ali, to approve the contract with Cherry Bekaert & Holland, LLP to perform an audit of the Authority's financial records for the fiscal year ended March 31, 2012 at a cost not to exceed \$42,000. Adopted.

OPERATIONS COMMITTEE REPORT – Chairman Hunt reported the Operations Committee met on March 22, 2012 and discussed the following items:

1. Consideration of proposed Amendment 4 to the Concessions Lease Agreement with New Zoom, Inc. dba ZoomSystems. This Amendment modifies Exhibit A – Premises by adding Space C7, Room 2780-2 located across from Gate D5 in Terminal 2 and approximately 25 sf to the Premises. ZoomSystems operates a robotic retail concession units in Terminal 1 and on Concourses C and D in Terminal 2. This Amendment adds a new kiosk to the leasehold. Rent continues to be the higher of Minimum Annual Guarantee Rent or Percentage Rent. Percentage rent for Non-Electronic Merchandise is 10% of Gross Sales, and for Electronic Merchandise is 7% of Gross Sales. The product mix in this kiosk may change from time to time to reflect current trends. The initial kiosk will be a Beauty Bar unit dispensing cosmetics, skin care, and hair and personal care products. Staff requested approval of this Amendment and execution by the Airport Director. The Committee recommended the Authority approve Amendment 4 to the Concessions Lease Agreement with New Zoom, Inc. dba ZoomSystems.
2. Report by the Traffic Control section of the Parking and Ground Transportation Department on the role of the Traffic Control Officers and the management of vehicular traffic along the terminal curbsides. Lead Traffic Control Officer Marrero presented a PowerPoint presentation discussing the role of the Traffic Control Officers and the management of vehicular traffic along the terminal curbsides. The Committee received the report and no further action was necessary.

Member Hunt made a motion, seconded by member Weeks, to approve the recommendations of the Operations Committee. Adopted.

LAND & DEVELOPMENT COMMITTEE REPORT – Chairman Yeargan recused himself during the report of item 1 of the Land & Development Committee meeting, and appointed member Weeks as Chair for item 1 only. Chairman Teer reported the Land & Development Committee met on March 22, 2012 and discussed the following item:

1. Consideration of a staff recommendation for selection of a firm to provide landscape maintenance services and award of a contract for the services. Member Yeargan recused himself from discussion of Item 1 during the Committee meeting. Facilities Engineering Manager Jewett reported on staff recommendation on the selection of a firm to provide landscape maintenance services to the Authority. The scope of services in the contract involves the provision of landscape maintenance services for the upcoming year from May 1, 2012 to April 30, 2013. Additionally, the services contract is renewable annually for up to four (4) additional years of service. Services include mowing, edging, mulching, pruning, installing seasonal flowers, maintaining turf and plant bed areas, repairing and operating irrigation systems, and providing other associated typical maintenance services. The coverage area for these services is predominantly the terminal area and main access interchange grounds. A contractor prequalification package for contractors was available on the Authority's website beginning November 30, 2011. The deadline for submitting prequalification packages was December 20, 2011. The Authority received packages from nine (9) firms. Upon review of the package submittals, the staff agreed to consider six of the nine firms:

AllServ, Inc.
Bland Landscaping Company, Inc.
The Brickman Group
Professional Landscape Management Services, Inc.
TruGreen LandCare, LLC
ValleyCrest Landscape Maintenance

The Request for Proposals for services was issued to the prequalified contractors on January 27, 2012. Staff conducted a Pre-proposal and HUB Conference on February 10, 2012, the purpose of which was to review the solicitation and address questions about the solicitation and the Authority's HUB program. The deadline for submitting proposals was February 24, 2012. The Authority received five (5) proposals. Each of the proposals included a prime (or lead) contractor with other firms acting as sub-contractors to the prime firm. Based on review of the proposals, staff decided to further consider ValleyCrest Landscape Maintenance; AllServ, Inc., and TruGreen, and conducted interviews with these firms on March 9 and 12, 2012.

Subsequent to completion of all of the interviews, staff met and discussed the teams, the individual firms on the teams and the key personnel committed by the firms. Staff additionally contacted references for each firm and observed sites where services are provided. Based on the responsiveness of the proposal to the submittal requirements in the request for proposal solicitation, the depth and breadth of experience of the proposing team and its proposed subcontractors on other similar projects, the qualifications of the proposed project manager and other key personnel, efforts to include a minimum of 10% HUB participation, costing information, and other relevant matters, staff recommended the selection of the ValleyCrest Landscape Maintenance as the first-ranked firm for provision of annual landscape maintenance services, in the amount of \$925,000. Staff recommended TruGreen LandCare as the second-ranked team and AllServ as the third-ranked team. The Committee recommended the Authority direct staff to begin negotiations on a services contract with the first-ranked firm, and to authorize the Airport Director to execute the contract with the first-ranked firm and authorize the services for the initial one-year term.

Member Teer made a motion, seconded by member Thompson, to award a contract to ValleyCrest Landscape Maintenance as the first-ranked firm for provision of annual landscape maintenance services, in the amount of \$925,000, with the added provision to renew and approve the contract on a yearly basis by the Authority. Adopted.

Chairman Yeargan returned to the Authority meeting.

2. Consideration of a proposed Amendment to the Agreement with D.H. Griffin-Balfour Beatty – RDU; a joint venture, for construction manager at risk services for Terminal 1 Renovation, RDU #070499. This Amendment established the Contract Amount (or Fixed Guaranteed Maximum Price) and authorizes construction phase services of the Contractor (or Construction Manager at Risk). After execution of this Amendment by the Authority and the Contractor, the Contractor will advertise for bids the subcontracts required to perform the work in the contract and receive the bids for the subcontracts. The sum of the low, responsible subcontract bids is defined as the Cost of the Work component of the Contract Amount. If the sum of the low, responsible subcontract bids is the same amount as the Cost of the Work component of the Contract Amount specified in this amendment, the Contractor will award the subcontracts and commence the work without further action by the Authority. If the sum of the low, responsible subcontract bids is less than the Cost of the Work component of the Contract Amount specified in this Amendment, then a subsequent amendment will revise the contract amount accordingly. If the sum of the low, responsible subcontract bids is greater than the Cost of the Work component of the Contract Amount specified in this amendment, then a subsequent amendment will revise the contract amount accordingly or, alternatively, revise both the scope of the work and the contract amount until the revised contract amount is acceptable. The Contractor shall perform and complete the Construction Phase Services for the following Contract Amount of \$44,466,479. The Committee

recommended the Authority approve Amendment 2 to the Agreement with D.H. Griffin-Balfour Beatty.

Member Teer made a motion, seconded by member Weeks, to recommend to the Authority approval of Amendment 2 to the Agreement dated March 24, 2012 with D.H. Griffin-Balfour Beatty-RDU; a joint venture, for the following Contract Amount of \$44,466,479. Member Thompson voted no.

Adopted.

3. Consideration of a proposed Amendment to the Agreement with Parsons Transportation Group for program and construction management services and other services during FY 12-13 for various capital projects and other matters. This Amendment authorizes program management, construction management, and other services for the period April 1, 2012 through March 31, 2013 and specifies the compensation for the services provided during the period. The services include program and construction management services and other project support services for the following projects: Terminal C Renovation & Expansion, RDU #070399; Terminal 1 Interior Changes and Renovation, RDU #070499; and Terminal 1 Apron Rehabilitation, RDU #070509; and Airport Land Use Planning, RDU #080579 and for other related matters. The maximum payments by the Authority to the Consultant for the services authorized by this Amendment shall not exceed \$2,075,000. Compensation for personnel expense for the consultant and its subconsultants will be based on unit costs against a fixed ceiling amount of \$1,850,000. Reimbursement for allowable expenses will be made based on direct costs, without markups or multipliers, against a fixed ceiling amount of \$125,000. The total maximum payments include a contingency allowance of \$100,000 for additional services and/or reimbursable expenses as may be determined by the Authority's Project Director. The funds for the services authorized by this Amendment are included in the capital budgets for the respective capital projects. The Committee recommended the Authority approve Amendment 18 to the Agreement dated November 21, 2002 with Parsons Transportation Group, in an amount not to exceed \$2,075,000.

Member Teer made a motion, seconded by member Ali, to approve Amendment 18 to the Agreement dated November 21, 2002 with Parsons Transportation Group, in an amount not to exceed \$2,075,000.

Adopted.

FY 201-13 BUDGETS REPORT – Deputy Airport Director, Finance, Business & Administration Styres advised that the proposed Fiscal Year 2012-13 Operating and Capital Budgets, Budget Ordinance and Project Ordinances Nos. 1, 2 and 3 were presented and reviewed in the budget review session on March 15, 2012. No further questions or comments were received. Therefore, adoption of the Operating and Capital Budgets and the Budget and Project Ordinances was requested.

Member Weeks made a motion, seconded by member Teer, to adopt the Operating and Capital Budgets, Budget Ordinance and Project Ordinances Nos. 1, 2 and 3 for FY 2011-12, pending the receipt of the 1099 forms by the end of business today.

Adopted.

Chairman Yeargan commented that he liked the goals and objectives integrated within the budget.

NOMINATING COMMITTEE REPORT – Chairman Yeargan reported the Nominating Committee had met and recommended the following slate of officers for election to serve for the period April 1, 2012 through the next following election in 2013:

Chairman	–	Terry K. Yeargan
Vice Chairman	–	Craigie D. Sanders
Secretary	–	Tommy Hunt

Treasurer – Geoff Elting

Member Elting made a motion, seconded by member Weeks, to approve the recommendation of the Nominating Committee. Adopted.

RESOLUTION - In keeping with Authority tradition, Airport Director Landguth introduced a resolution recognizing former Authority member Kim Frazier for her contributions to the Authority. A framed resolution was presented to Ms. Frazier.

Member Ali made a motion, seconded by member Thompson, to adopt the resolution recognizing Kim Frazier for her service as a member of the Authority board. Adopted.

MEMBER COMMENTS – Member Thompson reiterated that he was very much in favor of the Terminal 1 Renovation project. Member Ali commented that he was glad to be here. Member Teer commented that the Lowes Motor Speedway would be hosting an event in the near future to honor Viet Nam Veterans. He also thanked everyone for their continued support of the USO.

GENERAL COUNSEL’S REPORT – Attorney Tatum had no comments at this time.

AIRPORT DIRECTOR’S REPORT –

- Enplaned passengers for February 2012 totaled 313,715 versus 299,202 for February 2011 for a 4.9% increase. Year-to-date 2012 passenger enplanements totaled 628,270 versus 613,498 for year-to-date 2011 for a 2.4% increase.
- Deplaned passengers for February 2012 totaled 311,642 versus 296,369 for February 2011 for a 5.2% increase. Year-to-date 2012 passenger deplanements totaled 638,470 versus 626,636 for year-to-date 2011 for a 1.9% increase.
- Enplaned air cargo for February 2012 totaled 5,434,953 lbs. versus 6,278,736 lbs. for February 2011 for a 13.4% decrease. Year-to-date 2012 enplaned air cargo totaled 10,588,168 versus 12,854,733 for year-to-date 2011 for a 17.6% decrease.
- Deplaned air cargo for February 2012 totaled 7,224,757 lbs. versus 8,075,645 lbs. for February 2011 for a 10.5% decrease. Year-to-date 2012 deplaned air cargo totaled 14,241,958 versus 16,062,532 for year-to-date 2011 for a 12.1% decrease.
- Aircraft operations for February 2012 totaled 15,574 versus 14,578 for February 2011 for a 5.8% increase. Year-to-date 2012 aircraft operations totaled 31,002 versus 29,585 for year-to-date 2011 for a 4.8% increase.
- The number of vehicles exiting the terminal area public parking lots during February 2012 totaled 117,737 versus 116,010 for February 2011 for a 1.5% increase. Year-to-date 2012 number of vehicles exiting the terminal area public parking lots totaled 242,088 versus 247,056 for year-to-date 2011 for a 2.0% decrease.
- The number of taxicab trips taken during February 2012 totaled 20,399 versus 19,794 for February 2011 for a 3.1% increase. Year-to-date 2012 taxicab trips totaled 47,868 versus 42,685 for year-to-date 2011 for a 12.1% increase.

- The number of passengers transported from RDU by SuperShuttle during February 2012 totaled 2,474 versus 2,503 for February 2011 for a 1.2% decrease. Year-to-date 2012 passengers transported totaled 5,552 versus 6,381 for year-to-date 2011 for a 13.0% decrease.
- Airport Director Landguth was invited to Washington, D.C. to participate in the Conference of Minority Transportation Officials with the White House office of Public Engagement. The Airport Minority Advisory Council extended the invitation based on RDU's small business program proposals submitted to the Federal Aviation Administration. Approximately 100 attendees from all areas of transportation were present engaging in in-depth conversation about creating more opportunities for small businesses and HUB participants. It was a great opportunity to be involved in national dialogue.
- Each month the Airport Director will report on industry information of which the Authority should be made aware to keep abreast of the changes that could impact or that relates to RDU.
- Southwest and AirTran have received their single operating certificate from the FAA. However, the airlines will continue to operate as two airlines.
- ACI-NA released its report on the economic impact of commercial airports in 2010. Key points that are important about the 490 commercial airports in the U.S.:
 - Support 10.5 million jobs, which is 7 % of the U.S. workforce
 - Create an annual payroll of \$365 billion
 - Produce an annual output of \$1.2 trillion
 - More than 1.2 million jobs at nation's airports. Visitor spending supports another 3.6 million jobs
 - The 10 airports in North Carolina created 170,430 jobs and generated an economic output of \$23,591,262,000
 - These numbers illustrate the importance of airports to the region's and nation's infrastructure and economy
- Last month, President Obama signed the \$63 billion Federal Aviation Administration funding bill into law. It will last through 2015.
- The Authority's Full Scale Exercise will take place on the Airport on March 31, 2012, beginning at 9:00a.m.

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

Respectfully submitted,

Tommy Hunt, Secretary

CORRECT ATTEST:

Terry K. Yeargan, Chairman