

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

Wednesday, December 15, 2004

11:00 a.m.

**in the Mary Brennan Board Room, T. F. Green Airport, Warwick,
Rhode Island**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Treasurer, Joseph Cianciolo, at 11.47 a.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Joseph Cianciolo, Charles Gaffney, Robert Sangster, Michael Traficante, Joseph Larisa.

BOARD MEMBER ABSENT: James Rosati, James Forte.

ALSO PRESENT: Mark Brewer, A.A.E., President and CEO; Laurie Cullen, A.A.E., Executive Vice President; Brian Schattle, Senior VP of Finance and CFO; William Steinkamp, Senior Vice President of Operations and Maintenance; Richard Licht, Legal Counsel; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Traficante to approve the minutes of the Board Meeting of November 17, 2004, with two corrections. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.

2. Open Forum:

Mr. Cianciolo invited members of the public to speak in open session. No one came forward.

3. Report from President and CEO:

Mr. Brewer reported that passenger traffic for the month of November was up 6.3%, and 16.88% year to date.

4. Report from Senior Vice President of Operations and Maintenance.

Mr. Steinkamp gave an overview of travel over the holiday period.

5. Operations and Capital Committee Report:

Mr. Cianciolo reported that the Operations and Capital Committee and Finance and Audit Committee had held a combined meeting before the Board Meeting and that there were items on the Consent Agenda for consideration and approval by the Board.

Consent Agenda:

For the benefit of the Board, Ms. Cullen gave a brief overview of the Consent Agenda items. A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the consent agenda items, as presented. The motion was passed unanimously.

(a) Consideration of and Approval of a Contract Amendment for Consultant Services Associated with the In-Line EDS Baggage System and the Security Checkpoint Expansion at T. F. Green Airport.

WHEREAS, RIAC contracted with the firm of HNTB Corporation to provide consultant services associated with the installation of the in-line explosive detection systems (EDS) into the baggage make-up systems; and

WHEREAS, this contract was amended to include preliminary design services associated with the Security Screening Checkpoint Expansion at T. F. Green Airport; and

WHEREAS, RIAC will negotiate a fee with the HNTB Corporation to provide consultant services associated with the In-Line EDS Baggage System/Security Screening Checkpoint Expansion at T. F. Green Airport in an amount not-to-exceed \$1,759,368 including (1) final design services related to the Security Screening Checkpoint

Expansion, (2) Phase 2 of the Concession Study, (3) Ticket Counter Modifications Study, and (4) design modifications related to the In-Line EDS Project; and

WHEREAS, RIAC is planning to reallocate \$690,000 of 2000 Airport Revenue Bond Funds for use on this project with the remaining \$1,069,368 from the RIAC General Purpose Fund, with potential reimbursement from future bond proceeds; and

WHEREAS, the majority of the scope of this amendment will be completed during FY05.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes that the President and CEO negotiate and execute a contract amendment with HNTB Corporation to perform consultant services associated with the In-Line EDS Baggage System/Security Screening Checkpoint Expansion at T. F. Green Airport in an amount not-to-exceed \$1,759,368.

(b) Consideration of and Approval of Tax Exempt Capital Lease Financing for Capital Equipment.

WHEREAS, in November 2004, RIAC issued a Letter of Intent (LOI) for Tax Exempt Capital Lease Funding; and

WHEREAS, six (6) submissions were received in response to the request for funding; and

WHEREAS, in compliance with RIAC Procurement Rules, the submissions were evaluated to determine responsiveness; and

WHEREAS, as a result of this evaluation a selection committee has made a unanimous recommendation.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. Upon EDC approval, the Rhode Island Airport Corporation will be authorized to enter into a Lease Agreement with CitiCapital for the financing.

2. The President and CEO, or his designee, is hereby authorized to execute the Lease Agreement with CitiCapital, subject to EDC approval.

3. That the funds for the initial year have been appropriated and the implementation of the lease agreement past the first fiscal year shall be subject to the appropriation of funds for this purpose in the annual budgets for FY 06 through FY 12.

(c) Consideration of and Approval of a Management Contract for Garage B at T. F. Green Airport.

WHEREAS, RIAC issued a Request for Proposals (RFP) in November 2004 for managing the parking concession in Garage B and there were three (3) firms who offered submissions for consideration; and

WHEREAS, ProPark, Inc. and Standard Parking, Inc. were determined to have the qualifications necessary to manage this garage; and

WHEREAS, Propark's overall costs (included in Attachment D of the proposals) were the lowest, followed by Standard Parking, Inc.; and

WHEREAS, Selection Committee ranked ProPark as the top firm followed by Standard Parking, Inc.; and

WHEREAS, costs of this contract will be funded by the parking revenues of Garage B.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a management agreement with ProPark America, Inc. or Standard Parking, Inc. to manage the operations of Garage B in an amount not to exceed \$112,645.

2. That the Board authorizes the President and CEO to negotiate and execute a Professional Services Agreement (PSA) with CH2M Hill in the event a contract cannot be negotiated with VHB, in an amount not to exceed \$2,000,000 for the Environmental Impact Statement (EIS) Phases 2 and 3 for T. F. Green Airport, with Phase 3 Notice to Proceed, pending receipt of the FFY05 FAA grant offer.

(d) Consideration of and Approval of Implementation of a Five-Year Capital Improvement Program.

WHEREAS, the RIAC management staff, along with the assistance of financial advisors and consultants, has been working to develop a five (5) year Capital Improvement Program (CIP) to address the needs of the six (6) airports; and

WHEREAS, a Capital Improvement Program, along with a Financial Plan for implementing the Capital Improvement Program has been presented to the Board and discussed with the Corporation's Financial Advisors.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the Board hereby adopts the attached Capital Improvement Program in concept, recognizing that it is a changing document, and

project estimates, funding sources, and timeframes may be modified.

2. That the Board hereby approves in concept, the attached Financial Plan for implementing the Capital Improvement Program, and directs the staff to seek MII approvals, as appropriate, from the signatory airlines.

6. General Aviation Report:

There was no report

7. Finance and Audit Committee Report:

There was no report.

8. Action Item:

(a) Consideration of and Action Upon Board and Committee Meeting Schedule for 2005.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the Board and Committee Meeting Schedule in substantially the form presented to the Board. The motion was passed unanimously.

9. Executive Session:

(a) Discussion Related to Potential Litigation - (The Parking Company/NEP and Audit) - R.I.G.L. § 42-46-5(a)(2).

(b) Discussion Related to Investment of Public Funds (Capital Improvement Program, Financial Contingency Plan, and Quonset Support Fund) - R.I.G.L. § 42-46-5(a)(7).

At approximately 12:11 p.m., a motion was made by Mr. Traficante and seconded by Mr. Larisa to go into Executive Session pursuant to R.I.G.L. § 42-46-5(a)(5), (2) and (7). By the following roll call vote, the motion was passed unanimously:

YEAS: Joseph Cianciolo

Charles Gaffney

Michael Traficante

Joseph Larisa

Robert Sangster

NAYS: None.

At approximately 12:43 p.m., a motion was made by Mr. Larisa to reconvene to the Open Session. The motion was seconded by Mr. Traficante. The motion was passed unanimously.

10. Future Meetings:

The next meeting date will be held on Wednesday, January 19, 2005 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

Mr. Larisa moved to adjourn at approximately 12:44 p.m. Mr. Traficante seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**Joseph Cianciolo, Treasurer
Rhode Island Airport Corporation**

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

DECEMBER 15, 2004

NAME AFFILIATION

Doug Dansereau RIAC

Dave Edwards RIAC

Joe DaSilva RIAC

Jason Doyle RIAC

Liberty Luciano RIAC

Ken Fullerton Fullerton and Friar

MINUTES OF THE EXECUTIVE SESSION

**OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON DECEMBER 15, 2004**

- 1. At approximately 12:11 p.m., a motion was made by Mr. Traficante and seconded by Mr. Larisa to go into Executive Session pursuant to R.I.G.L. § 42-46-5(a)(5), (2) and (7). The motion was passed unanimously.**

- 2. Board Members and Corporation Personnel discussed the proposed purchase of the Harris Farm Property at North Central Airport. Discussion focused on the draft Purchase and Sales Agreement.**

- 3. Mr. Licht updated the Board on Garage B, Express Valet Parking and also the expenses so far on the operation of Garage B, in connection with pending litigation.**

- 4. Board Members and Corporation personnel discussed marketing incentives.**

- 5. Mr. Brewer briefed the Board on RIAC contract policy and specifically the policy to award all professional contracts for the EDS project, including construction management contracts, solely on the basis of the qualifications of the proponent, in accordance with FAA guidelines.**

6. Board Members and Corporation Personnel discussed the bonus incentive program for non-union personnel.

At approximately 5:36 p.m., a motion was made by Mr. Forte to reconvene to the Open Session. The motion was seconded by Mr. Sangster. By the following roll call vote the motion was passed unanimously.

YEAS: James Rosati

James Forte

Charles Gaffney

Robert Sangster

NAYS: None.

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation