

UNOFFICIAL

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

Wednesday, March 16, 2005

4:00 p.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 Chairman, James Rosati, at 4:05 p.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: James Rosati, James Forte, Joseph Cianciolo (via telephone), Robert Sangster, Michael Traficante, Joseph Larisa (arrived at 4:15 p.m.)

BOARD MEMBER ABSENT: Kathleen Hittner, MD.

ALSO PRESENT: Mark Brewer, A.A.E., President and CEO; Laurie Cullen, A.A.E., Executive Vice President; Brian Schattle, Senior Vice President of Finance and Administration and CFO; William Steinkamp, Senior Vice President of Operations and Maintenance;

Peter Frazier, Chief Legal Counsel; Richard Licht, Outside 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 February 16, 2005. The motion was seconded by Mr. Forte. The motion was passed unanimously.

2. Open Forum:

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

Report from President and CEO:

Mr. Brewer introduced Mr. Peter Frazier, who had recently joined the Corporation as Chief Legal Counsel.

Mr. Brewer reported that enplanements for February were up 9.07%.

Mr. Brewer gave an overview of meetings in Washington DC with the TSA and the Rhode Island congressional delegation. Mr. Brewer reported that discussion had focused on the EDS project and specifically funding.

Mr. Brewer reported that he had recently met with the rating agencies in New York City to discuss RIAC's proposed bond financing. Ms. Cullen, Mr. Schattle, and Mr. Licht had also attended the meetings.

Mr. Brewer reported that an Airline Affairs meeting is scheduled for March 22, to review the projects eligible for Majority in Interest (MII) approval.

Report from Senior Vice President of Operations and Maintenance:

There was no report.

Discussion Items/Old Business:

There were no items for discussion.

6. Operations and Capital Committee Report:

Mr. Forte reported that the Committee had met one hour prior to the Board Meeting and had received updates on the EIS project and the Capital Program and MII approval. Mr. Forte reported that there were items on the consent agenda that required approval by the Board.

A motion was made by Mr. Forte and seconded by Mr. Traficante to approve the following resolutions. The motion was passed

unanimously.

(a) Consideration of and Approval of a Construction Contract Related to the Terminal Entrance Bollards Project at T. F. Green Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's procurement rules for the Terminal Entrance Bollards Project at T. F. Green Airport and four bids were received; and

WHEREAS, the firm of HNTB Corporation, serving as RIAC's design consultant for this project, determined that Catalano Construction submitted the lowest responsive bid in the amount of \$113,780; and

WHEREAS, HNTB recommended that Catalano Construction be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, this contract will be funded 75% (\$85,335) through the FAA under AIP No. 3-44-0003-60 with RIAC's 25% (\$28,445) matching share from its General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to execute a construction contract with Catalano Construction for the Terminal

Entrance Bollards Project at T. F. Green Airport in the amount of \$113,780.

(b) Consideration of and Approval of a Consultant Task Order for Planning Services Associated with the Environmental Assessment at Block Island.

WHEREAS, RIAC contracted with the firm of the Louis Berger Group to perform on-call environmental services; and

WHEREAS, RIAC is currently negotiating a scope and fee with Louis Berger Group to provide planning services associated with the Environmental Assessment in the amount not-to-exceed \$85,000; and

WHEREAS, this Task Order will be funded 95% (\$80,750) through the FAA under FAA FFY05 AIP Grant No. 3-44-0003-70, with RIAC's 5% (\$4,250) matching share from the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to negotiate and execute a Task Order with Louis Berger Group to provide planning services for the Environmental Assessment at Block Island Airport in an amount not-to-exceed \$85,000.

(c) Consideration of and Action Upon Extension of Contract for

Financial Advisory Services and the Airport Consultant.

WHEREAS, in February 2002, the Corporation entered into contracts with Ricondo and Associates for airport consultant services and Fullerton and Friar for financial advisory services; and

WHEREAS, the contract terms were for three years ending February 28, 2005; and

WHEREAS, RIAC will be issuing a public solicitation for these services in the summer or fall of 2005; and

WHEREAS, Ricondo and Associates and Fullerton and Friar are involved in major projects currently underway, notably the upcoming bond issue and Majority In Interest (MII) discussion with airlines; and

WHEREAS, based on the importance of these projects and their continued involvement, RIAC staff recommends the extension of the contracts through December 31, 2005, utilizing the same terms and conditions of the current contracts; and

WHEREAS, the funds for these services are budgeted in the Operating and Maintenance (O&M) budget in Fiscal Year 2005.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the extension of the Ricondo and Associates and Fullerton & Friar contracts through December 31, 2005.

(d) Consideration of and Action Upon Approval of Professional Services Contract for the Economic Impact Study for the Rhode Island Airports.

WHEREAS, the Rhode Island Airport Corporation is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, it has been determined that there is a need for an updated Economic Impact Study for T.F. Green Airport and the five General Aviation (GA) airports; and

WHEREAS, the Rhode Island Airport Corporation has a fiscal year budget which provides funding for this study through its Operating & Maintenance (O & M) budget; and

WHEREAS, The selection committee ranked Wilbur Smith Associates as the top firm of those who offered submissions pursuant to the Corporation's Procurement Rules; and

WHEREAS, The recommendation is to award a contract to Wilbur Smith Associates to complete this study.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a contract with Wilbur Smith Associates for an Economic Impact Study in an amount not to exceed \$99,600.

7. General Aviation Report:

In Dr. Hittner's absence Mr. Sangster gave the GA report. Mr. Sangster reported that the Committee had met on March 3, 2005 and there was one item which would be discussed in executive session concerning development of land at North Central Airport. Mr. Sangster noted that the Committee had also received an update from Ms. Pope on the obstruction removal program. Ms. Cullen gave a brief presentation on the vegetation management program at the airports and noted that the Corporation was also researching alternative approaches for managing the program.

8. Finance and Audit Committee Report:

Mr. Cianciolo gave a brief overview of the process to select an underwriter for the 2005 Airport Project and Refunding Bond Issue. Mr. Cianciolo reported that this was an action item on the agenda and invited Mr. Schattle to explain the process in detail.

(a) Consideration of and Action Upon 2005 Airport Project and Refunding Bond Issue.

Mr. Schattle reported that RIAC issued a Request for Proposals (RFP) for a senior managing underwriter for the 2005 bonds and received eight responses. The Selection Committee reviewed the proposals and has recommended the firm of Merrill Lynch. The recommendation is that the Board authorize the CFO, along with members of the financing working group to develop and negotiate the financing documents necessary for the 2005 bonds, to request that EDC appoint the selected firm as senior managing underwriter for the 2005 bonds and for RIAC to declare its official intent, pursuant to Treasury Regulation § 1.150.2, to reimburse certain expenditures made for the 2005 airport bonds project prior to the issuance of the 2005 bonds in the maximum amount of \$104,285,000.

A motion was made by Mr. Forte and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation ("RIAC") is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (the "State") organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the "Act") as a subsidiary public corporation of the Rhode Island Economic Development Corporation (the "EDC"); and

WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act" ... to furnish proper and adequate airport facilities within the State ...;" and

WHEREAS, RIAC is undertaking the 2005 Airport Bonds Project, consisting principally of the acquisition, installation and construction of an in-line explosive detection system and related infrastructure, the construction of additional administrative space at T.F. Green Airport and the financing of various capital projects (the "2005 Airport Bonds Project"); and

WHEREAS, RIAC may also undertake the refinancing of all or a portion of the outstanding \$61,175,000 Rhode Island Economic Development Corporation Revenue Bonds (1998 Series) and all or a portion of the outstanding \$50,545,000 Rhode Island Economic Development Corporation Airport Revenue Bonds (2000 Series) (the "Prior Bonds") (the "Refunding"); and

WHEREAS, RIAC intends to finance the 2005 Airport Bonds Project and the Refunding by requesting the EDC to issue up to \$104,285,000 Airport Revenue Bonds (the "2005 New Money Bonds") and to issue Airport Refunding Bonds (the "2005 Refunding Bonds") in an amount necessary to refund all or a portion of the Prior Bonds pursuant to the Master Indenture of Trust among the EDC, RIAC and U.S. Bank, National Association, as Trustee, (the "Trustee") (the "Master

Indenture"), a Seventh Supplemental Trust Indenture among RIAC, the EDC and the Trustee (the "Seventh Supplemental Indenture") and a Loan Agreement between RIAC and the EDC (the "2005 Loan Agreement"), pursuant to which the EDC will loan the proceeds of the sale of the 2005 Bonds to RIAC for a portion of the 2005 Airport Bonds Project; and

WHEREAS, RIAC has issued a request for proposals for senior managing underwriter for the 2005 Bonds and has received eight responses; and

WHEREAS, the Selection Committee, consisting of the Treasurer, the Vice Chairperson and the CFO has reviewed the proposals and has interviewed four of the potential candidates; and

WHEREAS, the Selection Committee has recommended that Merrill Lynch be appointed as Senior Managing Underwriter.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

The RIAC Board hereby authorizes the CFO, along with members of the financing working group to develop and negotiate the financing documents necessary for the 2005 Bonds;

RIAC hereby requests the EDC to appoint Merrill Lynch, as senior managing underwriter for the 2005 Bonds.

. RIAC hereby declares its official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse certain expenditures made for the 2005 Airport Bonds Project prior to the issuance of the 2005 Bonds in the maximum amount of \$104,285,000.

The motion was passed unanimously.

ction Item:

onsideration of and Approval of Proposed Amendment to Article I, Section 5 of the By-Laws.

Mr. Licht gave an overview of the proposed amendment which changes the position of Executive Director to President and CEO.

A motion was made by Mr. Traficante and seconded by Mr. Forte to approve the following resolution:

WHEREAS, Article I, Section 1, of the By-Laws of the Rhode Island Airport Corporation (“RIAC”) provides that the officers of RIAC are the Chairperson, Vice Chairperson, Secretary, and Treasurer; and

WHEREAS, Article I, Section 5, of the By-Laws of the Rhode Island Airport Corporation (“RIAC”) provides the Board of Directors may hire, from time to time, an Executive Director and other employees as

it shall deem appropriate; and

WHEREAS, the Board of Directors deems it to be in the best interest of RIAC to change the position of Executive Director to President and CEO; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. Article I, Section 5, is hereby deleted and amended to read, in its entirety, as follows:

“5. President, Staff and Professionals. The Board of Directors may from time to time hire: (i) a President and CEO, to carry out the duties and responsibilities of the position of President and CEO with the authority and powers customarily incident to such position, to serve at the pleasure of the Board of Directors; and (ii) such other employees, professionals, including without limitation, legal counsel and accountants, and others as it shall deem appropriate. Wherever the term ‘Executive Director’ appears in these By-Laws it shall mean and include, in each instance, ‘President and CEO.’”

2. Mark P. Brewer, A.A.E., is hereby confirmed as the President and CEO of RIAC.

. Any and all actions of Mark P. Brewer, A.A.E., as President and CEO of RIAC, to the date hereof, and any and all actions of any other

Executive Director of RIAC appointed or designated as RIAC's President and CEO by the Board of Directors, to the date hereof, for, on behalf, and in the name of RIAC, are hereby ratified, approved, and confirmed in all respects.

The motion was passed unanimously.

consideration of and Action Upon Support of Proposed Repeal of the Wright Amendment.

Mr. Brewer reported that RIAC has been approached by Southwest Airlines requesting political support for the repeal of a piece of federal legislation known as the Wright Amendment. The Wright Amendment was attached to the International Air Transportation Competition Act of 1979 and essentially limits airline service from Dallas Love Field to destinations within Texas or its contiguous states (although Alabama, Mississippi and Kansas were added to the legislation at a later date via the Shelby Amendment). Mr. Brewer stated that several airports have voted to support the repeal in the hopes of gaining low cost service to Dallas on Southwest. The DFW Board and American Airlines have been lobbying hard to keep the Amendment in place. Discussion focused on the history of the amendment and the pros and cons of RIAC supporting the repeal. Mr. Brewer reported that this item was for discussion only and that no action by the Board was required at this time.

10. Executive Session:

Discussion Related to Investment of Public Funds (Development at Quonset) – R.I.G.L. § 42-46-5(a)(7).

Discussion Related to Acquisition of Real Estate (North Central Airport) – R.I.G.L. § 42-46-5(a)(5).

Discussion Related to Potential Litigation (Environmental and Parking) - R.I.G.L. § 42-46-5(a)(2).

At approximately 4:20 pm., a motion was made by Mr. Forte and seconded by Mr. Traficante to go into Executive Session. By the following roll call vote, the motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Cianciolo

Joseph Larisa

Robert Sangster

Michael Traficante

NAYS: None

At approximately 4:47 p.m., a motion was made by Mr. Forte to reconvene to the Open Session. The motion was seconded by Mr. Larisa. The motion was passed unanimously.

A motion was made by Mr. Traficante and seconded by Mr. Forte to seal the minutes of the executive session in accordance with R.I.G.L. § 42-46-7(c) and 42-46-5 and 5. The motion was passed unanimously.

11. Future Meetings:

The next meeting will be held on Wednesday, April 27, 2005 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

12. Adjournment:

Mr. Sangster moved to adjourn at approximately 4:50 p.m. Mr. Traficante seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
MARCH 16, 2005**

NAME AFFILIATION

Patti Goldstein RIAC

Mel Einhorn RIAC

Doug Dansereau RIAC

Dave Cloutier RIAC

Liberty Luciano RIAC

Don Pillsbury RIPA

Sue Pillsbury RIPA

Robert Goff NEP

Alisa Gallo Citizen

The minutes of the executive session of the Board Meeting of March 16, 2005, were sealed by the Board of Directors in accordance with R.I.G.L. § 42-46-7(c) and 42-46-5 and 5.