

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**FRIDAY, JANUARY 27, 2006**

**9:30 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 Chairman, James Rosati, at 9:30 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: James Rosati; James Forte; Robert Sangster, Michael Traficante; Joseph Larisa (arrived at 9:44 am);**

**BOARD MEMBERS ABSENT: Joseph Cianciolo; Dr. Kathleen Hittner.**

**ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Laurie K. Cullen, A.A.E., Executive Vice President; Brian C. Schattle, Senior Vice President of Finance and Administration and CFO; Marci A. Greenberger, A.A.E., 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. Forte to approve the minutes of the Board Meeting of December 21, 2005. The motion was seconded by Mr. Sangster. The motion was passed unanimously.**

## **2. Open Forum:**

**Mr. Rosati invited members of the public to speak in Open Session. No one came forward.**

## **3. Report from President and CEO:**

**Mr. Brewer reported that total passenger numbers for the month of December were down 4.79%, but that year to date the numbers were up 4.02%. It was noted that 2005 was a record year with 5.7 million passengers. Mr. Brewer gave an air service update reporting that in April American Airlines would be replacing their mainline service with service from American Eagle, and that later in the year Delta would be replacing their mainline fleet with regional jets. Mr. Brewer noted that these changes are being felt nationwide. Mr. Brewer reported that he is continuing to focus on cooperative marketing initiatives, and noted that along with Ms. Goldstein he would be meeting with representatives in Dallas from both Southwest Airlines and American Airlines. Mr. Brewer reported that the meeting with Southwest**

**Airlines would also include representatives from Manchester Airport and that this was the first time that two airports in the New England Region had teamed up to visit an airline together. Mr. Brewer reported that in February, along with Ms. Goldstein, he would be visiting with representatives from Spirit and United.**

**Mr. Brewer reported that the Corporation's new website went on line on January 20, 2006.**

**(a) Discussion of RIAC Objectives and Action Plans.**

**Mr. Brewer gave a powerpoint presentation on the RIAC Objectives and Action Plans. There was general discussion of the implementation plan.**

**4. Executive Session:**

**(a) Discussion Related to Investment of Public Funds (In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvement Projects) – R.I.G.L. § 42-46-5(a)(7).**

**At approximately 9:46 am a motion was made by Mr. Traficante and seconded by Mr. Sangster to go into Executive Session to discuss the security project only. By the following vote the motion was passed unanimously.**

**YEAS: James Rosati**

**James Forte**

**Joseph Larisa**

**Robert Sangster**

**Michael Traficante**

**NAYS: None**

**At approximately 10:36 am a motion was made by Mr. Sangster and seconded by Mr. Larisa to reconvene to the Open Session. The motion was passed unanimously.**

**Two items were removed from the Operations and Capital Committee Consent Agenda and were approved by the Board.**

**5. Action Items:**

**(a) Consideration of and Action Upon Approval of a Construction Manager At Risk Contract and Guaranteed Maximum Price Agreement for the In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements (Replace Carpet) Projects at T. F. Green Airport.**

**Ms. Cullen took the opportunity to introduce Mr. Steve Eustis and Mr. Andy Moore who will be managing the project on behalf of Skanska.**

**Mr. Michael Mini will be RIAC's project manager.**

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

**WHEREAS, RIAC contracted with the firm of Skanska USA Building, Inc. (Skanska) to perform preconstruction services for the In-Line EDS Baggage System, Security Screening Checkpoint Expansion, and associated Terminal Improvements at T. F. Green Airport; and**

**WHEREAS, pursuant to Article 9.10 "Construction Contracting Method" of the RIAC Procurement Rules, RIAC staff evaluated various construction contracting management methods for project delivery; and**

**WHEREAS, per the American Institute of Architects there are primarily three project delivery methods available – Design-Bid-Build (DBB), Construction Management at Risk (CMR), and Design-Build; and**

**WHEREAS, RIAC staff assessed the methods by evaluating the project, owner, and market characteristics in relation to the project; and**

**WHEREAS, based on the foregoing analysis, staff recommends using the Construction Management at Risk method for project**

**delivery as it is in RIAC's best interest to do so.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes RIAC to utilize the American Institute of Architects family of documents, as modified by negotiations and recommendation of Counsel, to contract with a Construction Management at Risk entity and to negotiate the terms of the final contract.**

**WHEREAS, RIAC contracted with the firm of Skanska USA Building, Inc. (Skanska) to perform the preconstruction services for the In-Line EDS Baggage System, Security Screening Checkpoint Expansion, and associated Terminal Improvements at T. F. Green Airport; and**

**WHEREAS, RIAC has negotiated a Guaranteed Maximum Price (GMP) Agreement with Skanska to provide Construction Management at Risk (CMR) services for the project in an amount of \$68.5 million; and**

**WHEREAS, RIAC will fund this project through the 2000 and 2005 Airport Revenue Bond Accounts and the Passenger Facility Charge (PFC) Account.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his**

**designee, to execute a Guaranteed Maximum Price Contract with Skanska USA Building, Inc. in the amount of \$68,500,000 for the T. F. Green Airport In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements, now referred to as the T. F. Green Terminal Security and Infrastructure Improvements Project.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Approval of Construction Administration Services Contract Agreement for the In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements (Replace Carpets) Projects 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 design services associated with the Security Screening Checkpoint Expansion at T. F. Green Airport; and**

**WHEREAS, RIAC has received a revised scope and fee from HNTB Rhode Island, Inc. to provide construction administration services**

associated with these projects and is currently conducting negotiations; and

WHEREAS, RIAC will fund this project through the 2000 and 2005 Airport Revenue Bond Accounts and the Passenger Facility Charge (PFC) Account.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

That the Board hereby authorizes the President and CEO, or his designee, to execute a contract agreement with HNTB Rhode Island, Inc. to perform construction administration services for the In-Line EDS Baggage System/Security Checkpoint Expansion at T. F. Green Airport in a not-to-exceed amount of \$2,664,108.

The motion was passed unanimously.

#### **6. Operations and Capital Committee Report:**

Mr. Forte reported that the Operations and Capital Committee had met one hour prior to the Board Meeting, and that there were items on the Consent Agenda for approval by the Board.

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

**(a) Consideration of and Action Upon Approval of Consultant Task Order for the Business Strategy Plans at North Central, Newport and Westerly Airports.**

**WHEREAS, RIAC has contracted with the firm of The Louis Berger Group to perform on-call planning services; and**

**WHEREAS, RIAC has received a scope and fee from The Louis Berger Group to prepare Business Strategy Plans for North Central, Newport and Westerly Airports in the amount of \$120,000 and is conducting negotiations; and**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O & M) budget to fund this Task Order.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby recommends that the President and CEO, or his designee, negotiate and execute a Task Order with The Louis Berger Group to prepare Business Strategy Plans for North Central, Newport and Westerly Airports in an amount not-to-exceed \$120,000.**

**(b) Consideration of and Action Upon Approval of a Consultant Task Order for the Hangar 2 Interior Remodel and Roof Replacement Project at T. F. Green Airport.**

**WHEREAS, RIAC has contracted with the firm of Siegmund and Associates to perform on-call architectural and engineering services; and**

**WHEREAS, RIAC has received a scope and fee from Siegmund and Associates to provide design and bid phase services for the Hangar 2 Interior Remodel and Roof Replacement Project at T. F. Green Airport in the amount of \$119,676 and is conducting negotiations; and**

**WHEREAS, the current Fiscal Year 2006 Budget includes a total of \$1,001,075 for this project \$981,075 through the 2005 Airport Revenue Bond Funds and \$20,000 through the General Purpose Fund.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby recommends that the President and CEO, or his designee, negotiate and execute a Task Order with Siegmund and Associates to provide design and bid phase services for the Hangar 2 Interior Remodel and Roof Replacement Project at T. F. Green Airport in an amount not-to-exceed \$119,676.**

**(c) Consideration of and Action Upon Approval of Purchase Order Agreement for the Rhode Island Pollutant Discharge Elimination System Permit Water Quality Monitoring and Sampling at T. F. Green Airport.**

**WHEREAS, the RIPDES Permit issued November 12, 2004 requires the Rhode Island Airport Corporation (RIAC) to conduct water quality monitoring and sampling; and**

**WHEREAS, to date \$61,144.84 has been committed to provide services for RIPDES water quality monitoring and sampling at T. F. Green Airport during this fiscal year; and**

**WHEREAS, RIAC's Department of Environmental Management Systems recommends that RIAC contract with R I Analytical to conduct sampling and analysis required by the RIPDES permit; and**

**WHEREAS, R I Analytical is an approved vendor listed in the State's Master Price Agreement (MPA) for laboratory services; and**

**WHEREAS, funding for this purchase order will be through the funds included in the Professional Fees line item of the Operating & Maintenance Budget.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to execute a Purchase Order with R I Analytical to conduct water quality monitoring and sampling at T. F. Green as required by the RIPDES permit, in an amount not-to-exceed \$65,000.**

**(d) Consideration of and Action Upon Award of Contract for a Glycol Recovery Unit at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) 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 a glycol recovery unit; and**

**WHEREAS, RIAC has a fiscal year budget which provides funding for this purchase through its Capital Improvement Program budget; and**

**WHEREAS, in December 2005, the Corporation issued an Invitation for Bids (IFB) for a glycol recovery unit; and**

**WHEREAS, two submissions were received in response to the solicitation; and**

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

**WHEREAS, as a result of this evaluation, staff recommends awarding a contract to Inland Technologies International, Inc., in the amount of**

**\$309,000.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to award the contract to Inland Technologies International, Inc., in the amount of \$309,000 to purchase a glycol recovery unit.**

**(e) Consideration of and Action Upon Award of Two Contracts for the Procurement of Four Vehicles at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) 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 four vehicles; and**

**WHEREAS, RIAC has a fiscal year budget which provides funding for this purchase through its Operating Capital budget; and**

**WHEREAS, in December 2005, the Corporation issued an Invitation for Bids (IFB) for assorted vehicles; and**

**WHEREAS, five submissions were received in response to the solicitation; and**

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

**WHEREAS, as a result of this evaluation, the recommendation is to award a contract to Liberty Chevrolet, Inc in the amount of \$98,342 for three vehicles and to Stoneham Motor Company in the amount of \$26,735 for one vehicle.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to award the contract to Liberty Chevrolet, Inc., in the amount of \$98,342 for three vehicles and to Stoneham Motor Company in the amount of \$26,735 for one vehicle.**

**(f) Consideration of and Action Upon Approval of Consultant Task Order for the Independent Feasibility Report for the Proposed Intermodal Facility.**

**WHEREAS, the Board of Directors approved the selection of Ricondo and Associates as Airport Consultants at the December 2005 Board of Directors meeting; and**

**WHEREAS, the completion of an independent feasibility report is**

**contemplated under the terms of the Professional Service Agreement (PSA) with Ricondo and Associates; and**

**WHEREAS, it has been determined that there is a need to complete an independent feasibility report for the proposed Intermodal facility; and**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O & M) budget.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO to execute a Consultant Task Order with Ricondo and Associates to prepare an independent feasibility report in an amount not-to-exceed \$93,600.**

**(g) Consideration of and Action Upon Purchase of Builders Risk Insurance for the In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements (Replace Carpet) Projects at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation's (RIAC) insurance broker, AON Risk Services, Inc. of Rhode Island (AON), obtained quotes for Builders Risk Property Insurance for the In-Line EDS Baggage System/Security Checkpoint Expansion Project at T. F.**

**Green Airport; and**

**WHEREAS, upon receipt of quotes AON reviewed the premiums and evaluated the relevant differences in the insurance coverages; and**

**WHEREAS, OBI quoted the lowest premium and offered as broad of coverage as any of the other submitting insurance companies; and**

**WHEREAS, AON recommends and RIAC staff agrees that coverage be obtained from OBI; and**

**WHEREAS, RIAC will fund this project through the 2000 and 2005 Airport Revenue Bond Accounts and the Passenger Facility Charge (PFC) Account.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to enter into a contract with OBI to provide Builders Risk Property Insurance, for the In-Line EDS Baggage System/Security Checkpoint Expansion Project at T. F. Green Airport.**

**(h) Consideration of and Action Upon the Renewal of Employee Health Insurance Coverage.**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently**

**under contract with Blue Cross/Blue Shield of Rhode Island to provide health and dental insurance for RIAC's employees and their families; and**

**WHEREAS, this contract renews each February 1, at which time the premiums are adjusted; and**

**WHEREAS, RIAC management, with the assistance of its health insurance consultant, evaluated alternate health coverage provided by United Healthcare and determined that the plan was not equivalent to the existing coverage; and**

**WHEREAS, RIAC staff, with the assistance of its health insurance broker, negotiated renewal rates of a 5% premium increase for health coverage and a 0% increase for dental coverage; and**

**WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O & M) budget.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to execute an insurance contract renewal with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage.**

## **7. General Aviation Report:**

**There was no report.**

## **8. Finance and Audit Committee Report:**

**There was no report.**

## **9. Action Item:**

### **(a) Consideration of and Action Upon Formation of Board Sub-Committee.**

**Mr. Frazier gave an overview of the new Committee and reported that the recommendation is that the Board authorize the establishment of the Compensation Committee, in accordance with Article III of the RIAC By-Laws. Mr. Sangster recommended that the resolution be amended to reflect that the Board member appointee to this committee will serve at the pleasure of the Chairperson, rather than serving a specified one-year term.**

**A motion was made by Mr. Sangster and seconded by Mr. Forte approving the resolution as amended:**

**WHEREAS, the Chairperson of the Board requests that a**

**Compensation Committee be established pursuant to Article III of the RIAC By-Laws; and**

**WHEREAS, the Committee will provide oversight and direction pertaining to critical initiatives related to RIAC personnel and administration including, without limitation, compensation and evaluation methodologies and the Corporation's collective bargaining negotiations; and**

**WHEREAS, the membership of this Committee shall be comprised of the Vice-Chairperson of the Board, the Chairperson of the Finance and Audit Committee, and one Board member who will serve at the pleasure of the Chairperson of the Board; and**

**WHEREAS, the Committee shall report from time to time to the Board with respect to its efforts; and**

**WHEREAS, to the extent that time permits, actions related to the Committee's mission requiring Board approval should be first brought to the Committee and, subject to approval there, shall be presented to the Board at the next meeting as a consent agenda item.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board approves the establishment of the Compensation Committee, in accordance with Article III of the RIAC By-Laws.**

**The motion was passed unanimously.**

**10 Executive Session:**

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

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

**(c) Discussion Related to Personnel – R.I.G.L. § 42-46-5(a)(1).**

**(d) Discussion Related to Safety and Security – R.I.G.L. § 42-46-5(a)(3).**

**At approximately 10:48 a.m., a motion was made by Mr. Sangster and seconded by Mr. Larisa to go into Executive Session. Mr. Frazier noted that during Executive Session there would be a discussion of personnel and pursuant to R.I.G.L. § 42-46-5(a)(1) the affected employee was given advanced written notice that they may require the meeting to be held in Open Session. By the following vote, the motion was passed unanimously.**

**YEAS: James Rosati**

**James Forte**

**Joseph Larisa**

**Robert Sangster**

**Michael Traficante**

**NAYS: None**

**At approximately 12:30 p.m., a motion was made by Mr. Sangster to reconvene to the Open Session. The motion was seconded by Mr. Traficante. The motion was passed unanimously.**

**11. Future Meetings:**

**The next meeting will be held on Wednesday, February 15, 2006 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 12:35 p.m. Mr. Forte 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  
JANUARY 27, 2006**

**NAME      AFFILIATION**

**Patti Goldstein    RIAC**

**Mel Einhorn      RIAC**

**Doug Dansereau   RIAC**

**Brenda Pope      RIAC**

**Joe DaSilva      RIAC**

**Jason Doyle      RIAC**

**Michael Mini      RIAC**

**Liberty Luciano RIAC**

**Steve Tibbetts Landmark Aviation**

**Kendra Beaver Tillinghast Licht**

**Bill Herendeen NEP**

**Meredith Holderbaum RI Senate Fiscal Office**

**Steve Eustis Skanska**

**Andy Moore Skanska**

**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATION  
BOARD OF DIRECTORS MEETING ON JANUARY 27, 2006**

**1. At approximately 9:46 a.m a motion was made by Mr. Traficante and seconded by Mr. Sangster to go into Executive Session to discuss the security project only. The motion was passed unanimously.**

**2. Board Members and Corporation Personnel discussed the**

**negotiation status, project delivery methodology, risk allocation issues, and the Guaranteed Maximum Price proposal relative to funding sources and design alternatives.**

**At approximately 10:36 a.m a motion was made by Mr. Sangster and seconded by Mr. Larisa to reconvene to the Open Session. By the following vote the motion was passed unanimously.**

**YEAS: James Rosati**

**James Forte**

**Joseph Larisa**

**Robert Sangster**

**Michael Traficante**

**NAYS: None**

**Respectfully submitted,**

**James V. Rosati, Chairman**

**Rhode Island Airp**

**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATION  
BOARD OF DIRECTORS MEETING ON JANUARY 27, 2006**

- 1. At approximately 10:48 a.m., a motion was made by Mr. Sangster and seconded by Mr. Larisa to go into Executive Session. The motion was passed unanimously.**
- 2. Mr. Frazier gave an update on the status of potential litigation matters.**
- 3. Mr. Licht gave an update on the parking litigation.**
- 4. Ms. Cullen briefed the Board on an issue related to the possible investment of public funds the premature disclosure of which would be detrimental to the public interest.**
- 5. Mr. Licht gave an update on the progress of negotiations on the intermodal agreement with the rental car agencies.**
- 6. Board Members, Outside Legal Counsel, and Corporation Personnel discussed the RIPDES litigation and related negotiations with DEM.**
- 7. Board Members and Corporation Personnel discussed safety and security operations at T. F. Green Airport.**
- 8. Board Members discussed personnel issues related to executive compensation.**

**At approximately 12:30 p.m., a motion was made by Mr. Sangster to reconvene to the Open Session. The motion was seconded by Mr. Traficante. The motion was passed unanimously.**

**YEAS: James Rosati**

**James Forte**

**Joseph Larisa**

**Robert Sangster**

**Michael Traficante**

**NAYS: None**

**Respectfully submitted,**

**James V. Rosati, Chairman**

**Rhode Island Airport Corporation**