

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, MAY 17, 2006

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 V. Rosati, at 4:02 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; Robert Sangster; Kathleen Hittner, M.D.; Michael Traficante.

BOARD MEMBERS ABSENT: Joseph Larisa.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Brian Schattle, Senior Vice President of Finance and Administration/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. Traficante and seconded by Mr. Forte to approve the minutes of the Board Meeting of May 4, 2006. The motion was passed unanimously.

2. Open Forum:

Mr. Rosati asked if anyone present wanted to speak in Open Forum. Ms. Maya Dehart, representing UNITE HERE referenced a letter that had been sent to the Corporation from the Secretary-Treasurer of UNITE HERE Local 217, requesting that the Corporation include “Employee Retention” language in the upcoming airport concessions RFP, thereby retaining employees of the current concessionaires for a 90-day trial period. Ms. Dehart explained the benefits of this practice. Board Members thanked Ms. Dehart for her comments, and the issue will be taken under advisement.

3. Report from President and CEO:

Mr. Brewer reported that passenger numbers for April were down 10.4%, and approximately 5% year to date. Mr. Brewer noted that this was in part due to the airlines utilizing smaller aircraft (regional jets) and the corresponding decrease in the number of passenger seats for sale. There was a brief discussion on the impact to Corporation

revenues.

Mr. Brewer reported that the Attorney General had issued an opinion on an Open Meeting Act complaint that had been filed against the Corporation. The opinion held that there was a technical violation with the agenda, but that the Corporation had, on its own, taken steps to improve its compliance.

Mr. Brewer reported that the staff is continuing to focus on the financing for the Intermodal project.

Mr. Brewer gave an overview of several FAA air traffic control issues.

Mr. Brewer reported that a Press Event will be held on May 22 for the opening of the CNG station.

Mr. Brewer reported that the Corporation had recently received a Safety Award from the FAA's Flight Standards District Office in Boston.

4. Legislative Report:

Mr. Brewer reported that a summary of legislation was contained in the Board package.

5. Operations and Capital Committee Report:

Mr. Forte reported that the Operations and Capital Committee had met prior to the Board Meeting and there were items on the consent agenda for approval by the Board. (Item “b” was withdrawn by Corporation staff prior to the Operations and Capital Committee meeting and, accordingly, no action was taken thereon.) A motion was made by Dr. Hittner and seconded by Mr. Traficante to approve the items on the consent agenda. The motion was passed unanimously.

Consent Agenda:

(a) Consideration of and Action Upon Approval of a Consultant Task Order for the Voluntary Land Acquisition Program (Phase 6) Project at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with O R Colan Associates of FL, LLC (O R Colan) to provide on-call land acquisition and relocation services for noise mitigation and aviation easement acquisition for obstruction removal services; and

WHEREAS, RIAC has negotiated a scope and fee with O R Colan to perform acquisition and relocation services associated with the Voluntary Land Acquisition Program (Phase 6) at T. F. Green Airport

in the amount of \$2,709,757; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 and 2008 Capital Improvement Program (CIP) budget in the amount of \$18,948,000; and

WHEREAS, this task order will be funded 80% (\$2,167,806) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0003-762006 with RIAC's 20% (\$541,951) matching share through 2005 Airport Revenue Bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a task order with O R Colan to provide acquisition and relocation services associated with the Voluntary Land Acquisition Program (Phase 6) at T. F. Green Airport in the amount of \$2,709,757, subject to receipt of a federal grant offer.

(b) Consideration of and Action Upon Award of a Construction Contract for the Installation of an Individual Sanitary Disposal System at North Central Airport.

This item was withdrawn prior to the meeting. No action was taken.

(c) Consideration of and Action Upon Approval of a Contractor Task

Order for the On-Airport Obstruction Removal as Identified in the Federal Aviation Administration's Notice of Determination at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Northern Tree Service (NTS) to provide on-call vegetative management services; and

WHEREAS, RIAC received a Notice of Determination dated December 1, 2005 (Notice) from the Federal Aviation Administration (FAA) detailing certain on airport obstructions to be removed based on the results of the completed T. F. Green Aeronautical Study; and

WHEREAS, RIAC has negotiated a scope and fee with NTS to perform these on-airport obstruction removals as identified in the Notice at T. F. Green Airport in the amount of \$51,000; and

WHEREAS, the approved Fiscal Year 2006 Operating and Maintenance (O&M) budget includes \$117,200 for the Vegetative Maintenance Program (VMP) in the Obstruction Removal line item. The proposed Fiscal Year 2007 O&M budget includes \$120,000 for VMP services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

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

designee, to execute a task order with NTS to perform on-airport obstruction removal as identified in the FAA's Notice of Determination at T. F. Green Airport in the amount of \$51,000.

(d) Consideration of and Action Upon Approval of a Consultant Task Order for the Airport Road Culvert Project at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Fuss & O'Neill, Inc. (F&O) to provide on-call environmental services; and

WHEREAS, RIAC has negotiated a scope and fee with F&O to perform design/build services associated with Airport Road Culvert Project at T. F. Green Airport in the amount of \$61,000; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$90,000; and

WHEREAS, this task order will be funded through the RIAC General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a task order with F&O to provide design/build

services associated with Airport Road Culvert Project at T. F. Green Airport in the amount of \$61,000.

(e) Consideration of and Action Upon Approval of a Consultant Contract Amendment for Construction Phase Services Associated with the Rehabilitate Runway 5-23 Project at North Central Airport AND Consideration of and Action Upon Approval of a Construction Contract for the Rehabilitate Runway 5-23 Project at North Central Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Edwards & Kelcey (E&K) to provide design phase services associated with the Rehabilitate Runway 5-23 Project at North Central; and

WHEREAS, RIAC has received a scope and fee from E&K to provide construction phase services in the amount of \$163,585 and is currently conducting negotiations; and

WHEREAS, the project has been estimated in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$3,411,201; and

WHEREAS, this contract amendment will be funded 95% (\$155,406) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0004-16-2006 with RIAC's 5% (\$8,179) matching share through

the RIAC General Purpose Fund.

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 contract amendment with E&K to provide construction phase services for the Rehabilitate Runway 5-23 Project at North Central Airport in an amount not-to-exceed \$163,585, subject to receipt of a federal grant offer.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) Procurement Rules and Regulations for the Rehabilitate Runway 5-23 Project at North Central Airport; and

WHEREAS, the firm of Edwards & Kelcey (E&K), serving as RIAC's design consultant for this project, determined that J H Lynch & Sons, Inc. (J H Lynch) submitted the lowest responsive bid in the amount of \$2,741,559; and

WHEREAS, E&K recommends that J H Lynch be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, the project has been estimated in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$3,411,201; and

WHEREAS, this contract will be funded 95% (\$2,604,481) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0004-16-2006 with RIAC's 5% (\$137,078) matching share through the RIAC General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a construction contract with J H Lynch for the Rehabilitate Runway 5-23 Project at North Central Airport in the amount of \$2,741,559, subject to receipt of a federal grant offer.

(f) Consideration of and Action Upon Approval of a Construction Contract for the Airside Improvements Project at Block Island Airport AND Consideration of and Action Upon Approval of a Consultant Task Order Amendment for Construction Phase Services Associated with the Airside Improvements Project at Block Island Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a task order with Edwards & Kelcey (E&K) to provide design phase services associated with the Airside Improvements Project at Block Island Airport; and

WHEREAS, RIAC has received a scope and fee from E&K to provide

construction phase services in the amount of \$147,879 and is currently conducting negotiations; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$4,000,978; and

WHEREAS, this task order amendment will be funded 95% (\$140,485) through the Federal Aviation Administration (FAA) as part of the Airport Improvement Program (AIP) under AIP No. 3-44-0001-11-2006 with RIAC's 5% (\$7,394) matching share funded through the RIAC General Purpose Fund.

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 task order amendment with E&K to provide construction phase services for the Airside Improvements Project at Block Island Airport in an amount not-to-exceed \$147,879, subject to receipt of a federal grant offer.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Airside Improvements Project at Block Island Airport and three bids were received; and

WHEREAS, the firm of Edwards & Kelcey (E&K), serving as RIAC's design consultant for this project, determined that J H Lynch & Sons, Inc. (JH Lynch) submitted the lowest responsive bid in the amount of \$3,331,011; and

WHEREAS, E&K recommends that JH Lynch be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$4,000,978; and

WHEREAS, this contract will be funded 95% (\$3,164,460) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0001-11-2006 with RIAC's 5% (\$166,551) matching share funded through the RIAC General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a construction contract with JH Lynch for the Airside Improvements Project at Block Island Airport in the amount of \$3,331,011, subject to receipt of a federal grant offer.

(g) Consideration of and Action Upon Approval of a Consultant Task Order Amendment for Construction Phase Services Associated with

the Rehabilitate Taxiway T Project at T. F. Green Airport AND Consideration of and Action Upon Approval of a Construction Contract for the Rehabilitate Taxiway T Project at T. F. Green Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Rehabilitate Taxiway T Project at T. F. Green Airport and three bids were received; and

WHEREAS, the firm of HNTB Corporation (HNTB), serving as RIAC's design consultant for this project, determined that Cardi Corporation (Cardi) submitted the lowest responsive bid in the amount of \$1,795,627.50; and

WHEREAS, HNTB recommends that Cardi be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$2,400,000; and

WHEREAS, this contract will be funded 75% (\$1,346,721) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0003-75-2006 with the 25% (\$448,907) matching share initially funded through the RIAC General Purpose Fund with reimbursement from future Passenger Facility Charges (PFC).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a construction contract with Cardi Corporation for the Rehabilitate Taxiway T Project at T. F. Green Airport in the amount of \$1,795,627.50, subject to receipt of a federal grant offer.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a task order with HNTB Corporation (HNTB) to provide design phase services associated with the Rehabilitate Taxiway T Project at T. F. Green Airport; and

WHEREAS, RIAC has received a scope and fee from HNTB to provide construction phase services in the amount of \$159,209 and is currently conducting negotiations; and

WHEREAS, the project has been proposed in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$2,400,000; and

WHEREAS, this task order amendment will be funded 75% (\$119,407) through the Federal Aviation Administration (FAA) as part of the Airport Improvement Program (AIP) under AIP No. 3-44-0003-75-2006 with the 25% (\$39,802) matching share initially funded through the RIAC General Purpose Fund with reimbursement

from future Passenger Facility Charges (PFC).

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 task order amendment with HNTB Corporation to provide construction phase services for the Rehabilitate Taxiway T Project at T. F. Green Airport in an amount not-to-exceed \$159,209, subject to receipt of a federal grant offer.

(h) Consideration of and Action Upon Approval of Relocation of Telephone Communication Cable for the In-Line, EDS Baggage System, Security Screening Checkpoint Expansion, and Associated Terminal Improvement Projects at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently undertaking the Terminal Security Project at T. F. Green Airport; and

WHEREAS, the relocation of electrical cabling and conduit is necessary to install the new escalators and elevator; and

WHEREAS, the communications cable must be relocated in order for the work to continue and ensure continuity of telephone and data services to RIAC and its terminal tenants; and

WHEREAS, Verizon has provided a cost estimate in an amount

not-to-exceed \$68,272 to relocate the conduit and cabling; and

WHEREAS, RIAC will fund this task through the 2000 and 2005 Airport Revenue Bond Construction 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 with Verizon to perform construction services associated with the relocation of telephone communications cable as part of the Terminal Security Project at T. F. Green Airport in an amount not-to-exceed \$68,272.

6. Finance and Audit Committee Report:

Mr. Forte gave the Finance and Audit Report, and noted that the Committee had met prior to the Board Meeting and that there were items on the consent agenda for approval by the Board. Mr. Forte reported that the Committee had also approved the Corporation's Alternative Fuel Policy which is intended to offer essential information to departments as they work to comply with Federal and State requirements for Alternative Fuel Vehicles (AFV).

Consent Agenda:

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the items on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Customer Facility Charges for the Intermodal Facility.

WHEREAS, by resolution dated May 4, 2006 (May 4th Resolution) the Board of Directors authorized the Rhode Island Airport Corporation (RIAC) to undertake the development, financing, construction and operation of the Intermodal Facility; and

WHEREAS, the May 4th Resolution further authorized RIAC to enter into various agreements (i.e., design, concession, management and financing agreements) of the Intermodal Facility; and

WHEREAS, RIAC intends to finance a portion of the Intermodal Facility from Customer Facility Charges (CFCs) collected from rental car customers utilizing the airport and/or Intermodal Facility; and

WHEREAS, current financial projections support increasing the base rate of the CFCs to meet forecasted costs of design, construction, financing and operation of the Intermodal Facility on the following schedule and increments: January 1, 2007 -- \$4.00; January 1, 2008 -- \$4.25; and January 1, 2009 -- \$4.50; and

WHEREAS, RIAC is authorized by, inter alia, R.I. Gen. Laws § 1-2-1.1 and RIAC's ground transportation regulations to set the base rate of CFCs.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to: 1) increase on a schedule and at increments determined to be in the best interest of RIAC and the Intermodal Facility the base rate of CFCs up to \$4.50, and 2) take any and all other action necessary or appropriate, in his discretion, to effectuate this resolution.

(b) Consideration of and Action Upon Amendment of a Consultant Task Order for the Proposed Intermodal Facility.

WHEREAS, the Board of Directors approved the selection of Ricondo and Associates, Inc. (Ricondo) 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

WHEREAS, it has been determined that there is a need to complete an Independent Feasibility Report for the proposed Intermodal Facility; and

WHEREAS, a Consultant Task Order in the amount of \$93,600 for the preparation of an Independent Feasibility Report with Ricondo was approved at the January 2006 Finance and Audit Committee and Board of Directors meetings; and

WHEREAS, due to the complexity of this project and related financings, the financing team has exceeded the anticipated amount of document review sessions and resulting updates necessary to finalize this report; and

WHEREAS, the additional work to complete the Independent Feasibility Report is estimated to be \$15,000, bringing the total Consultant Task Order to \$108,600; and

WHEREAS, the fees associated with the preparation of this report will be funded by Customer Facility Charges (CFCs) and included as a cost of issuance upon completion of the Intermodal Facility bond issue.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to amend the Consultant Task Order with Ricondo and Associates to prepare an Independent Feasibility Report to \$108,600, subject to Board approval.

7. Compensation Committee Report:

Mr. Sangster reported that work is ongoing on the development of a new non-union compensation and bonus plan.

Mr. Sangster reported that discussion on the negotiations of a new collective bargaining agreement will be held in Executive Session.

8. Executive Session:

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

(b) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2).

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

At approximately 4:23 p.m., a motion was made by Mr. Sangster and seconded by Mr. Traficante to go into Executive Session. By the following vote, the motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Cianciolo

Michael Traficante
Robert Sangster
Kathleen Hittner, M.D.

NAYS: None

ABSTAIN: None

At approximately 5:40 p.m., a motion was made by Mr. Sangster to reconvene to the Open Session. The motion was seconded by Dr. Hittner. The motion was passed unanimously.

9. Future Meetings:

Due to the temporary relocation of the Corporation offices, the next meeting will be held on Wednesday, June 21, 2006 at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.

10. Adjournment:

Mr. Sangster moved to adjourn at approximately 5:45 p.m. Dr. Hittner 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
MAY 17, 2006

NAME AFFILIATION

Patti Goldstein RIAC

Mel Einhorn RIAC

Doug Dansereau RIAC

Ahmed Shihadeh RIAC

Liberty Luciano RIAC

Steve McElroy RIAC

Bob Martin RIAC

Steve Tibbetts Landmark Aviation

Robert Goff New England Parking

Maya Dehart UNITE HERE

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON MAY 17, 2006**

- 1. At approximately 4:23 p.m., a motion was made by Mr. Sangster and seconded by Mr. Traficante to go into Executive Session. The motion was passed unanimously.**
- 2. Mr. Licht and Mr. Frazier gave an update on the Intermodal project negotiations.**
- 3. Board Members and Corporation Personnel discussed the negotiations for the collective bargaining agreement.**
- 4. Mr. Licht and Mr. Frazier gave an update on pending litigation in relation to parking operations at T. F. Green Airport.**

At approximately 5:40 p.m., a motion was made by Mr. Sangster to reconvene to the Open Session. The motion was seconded by Dr. Hittner. The motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Cianciolo

Michael Traficante

Robert Sangster

Kathleen Hittner, M.D.

NAYS: None

ABSTAIN: None

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation