

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, DECEMBER 20, 2006

4:00 P.M.

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Vice-Chairman, James C. Forte, at 4:10 p.m., in the Conference Room, at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: James Forte; Joseph Cianciolo; Kathleen Hittner, M.D; Robert Sangster; Joseph Larisa; James Rosati (arrived at 4:20 p.m.)

BOARD MEMBERS ABSENT: Michael Traficante.

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, General 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. Cianciolo and seconded by Dr. Hittner to approve the minutes of the Board Meeting of November 15, 2006 and the Special Board Meeting of November 24, 2006. The motion was passed unanimously.

2. Open Forum:

Mr. Forte asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report From President and CEO:

Mr. Brewer introduced Mr. Bruce Wilde who had recently joined the Corporation as Director of Human Resources.

Mr. Brewer reported that passenger numbers for November were down 6.9% and 9.3% year to date.

Mr. Brewer gave a brief air service update.

Mr. Brewer gave an update on the fuel farm project, reporting that construction is now underway.

Mr. Brewer reported that the runway construction project at Block Island Airport is now complete and that he had received a letter of thanks from island officials.

Mr. Brewer reported that there will be a series of meetings with Block Island officials to discuss the construction of the new terminal building.

Mr. Brewer reported that all RIAC employees are receiving mandatory training on the Continuity of Operations Plan (COOP) and the Continuity of Government (COG).

Mr. Brewer reported that a meeting has been scheduled with federal agencies to review the EIS draft Group 1 Environmental Consequences Chapter. A full briefing will be made to the Board at the January Board Meeting.

4. Operations and Capital Committee Report:

Mr. Forte reported that the Committee had met prior to the Board Meeting. Mr. Forte noted that item 4 (e) Consideration of and Action Upon Approval of the Food/Beverage Concession Agreement and the News/Gift/Specialty Retail Concession Agreement for Services at T. F. Green Airport, was being removed from the consent agenda for discussion by the Board as he had recused himself from voting on this item at the Committee Meeting.

Mr. Larisa also requested that item 4 (f) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement with Skanska USA Building, Inc., for the Terminal Security Project at T. F. Green Airport be removed from the consent agenda for discussion.

It was also noted that at the Committee Meeting during discussion of item 4 (d) Consideration of and Action Upon Approval of a Consultant Task Order to Develop a Long Term Deicing Management Strategy Plan for T. F. Green Airport it was determined that the Task Order will only cover development of the strategy and not implementation. The resolution was amended to reflect this fact.

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

(a) Consideration of and Action Upon Approval of 2007 Scheduled Meetings.

The schedule was approved as presented.

(b) Consideration of and Action Upon Approval to Enter into Professional Services Agreements (PSA) for On-Call Fencing Services.

WHEREAS, the Rhode Island Airport Corporation (RIAC) issued an Invitation for Bids (IFB) in October 2006 for On-Call Fencing Services and conducted a selection process pursuant to RIAC's Procurement Rules and Regulations; and

WHEREAS, bids were received from Citiworks, Inc. (Citiworks), Cosco, Inc. (Cosco) and State Wide Fence Company (State Wide) and RIAC staff found all three to be responsive and responsible; and

WHEREAS, the approved Fiscal Year 2007 Operating and Maintenance (O&M) budget includes \$31,300 in the Airfield Maintenance Department's supplies and materials expense budget for fencing repair and installation; and

WHEREAS, funding for these services in future years will be established through the annual O&M budget approval process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute one year Professional Services Agreements with two one-year extensions at the option of RIAC with Citiworks, Cosco and State Wide to provide fencing services.

(c) Consideration of and Action Upon Recommendation to Award a Contract for the Procurement of a One-Ton Service Truck and Three

Hybrid Sport Utility Vehicles.

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 one-ton service truck and three hybrid sport utility vehicles; and

WHEREAS, RIAC has a Fiscal Year budget which provides funding for these purchases through its Operating Capital budget; and

WHEREAS, in October 2006, RIAC issued two Invitations for Bids (IFB) for the acquisition of these vehicles; and

WHEREAS, submissions were received in response to the solicitations; 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 Herb Chambers Ford in the amount of \$145,441.00 for the acquisition of these vehicles.

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 Herb Chambers Ford in the amount of \$145,441.00 for the acquisition of a One-Ton Service Truck and Three 4x4 Hybrid vehicles.

(d) Consideration of and Action Upon Approval of a Consultant Task Order to Develop a Long Term Deicing Management Strategy Plan for T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Professional Services Agreement (PSA) with the firm of Vanasse, Hangen, Brustlin, Inc. (VHB) to perform on-call environmental services; and

WHEREAS, RIAC must develop a long-term Deicing Management Strategy Plan for T. F. Green Airport for compliance with the Rhode Island Pollutant Discharge Elimination System (RIPDES) permit; and

WHEREAS, RIAC staff has received a scope and fee from VHB for the development of a long-term Deicing Management Strategy Plan for T. F. Green Airport in the amount of \$113,043 and is currently conducting negotiations; and

WHEREAS, this Task Order will be funded through RIAC's Operating

and Maintenance (O&M) Fund as an unbudgeted expense; and

WHEREAS, glycol related costs are included in the airline landing fee calculation and will be reimbursed to RIAC as part of the annual reconciliation which is completed at the end of the fiscal year.

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 with VHB to develop the long-term Deicing Management Strategy Plan at T. F. Green Airport in an amount not-to-exceed \$113,043.

Action Item:

(e) Consideration of and Action Upon Approval of the Food/Beverage Concession Agreement and the News/Gift/Specialty Retail Concession Agreement for Services at T. F. Green Airport.

Mr. Forte announced that he was recusing himself from participation in the discussion and vote on this agenda item, and he left the Board table and moved to the general public area during these deliberations.

There was an overview of the selection process which was facilitated by Kent Vanden Over of HNTB Associates. Proposals were evaluated

using the following categories: concepts/brands, experience, facility design, management and operations plan, revenue projections and proformas, financial background, and the Disadvantage Business Enterprise (DBE) Participation plan. The Committee selected HMS Host for the Food/Beverage Concession and The Paradies Shops for the News/Gift/Specialty Retail Concession. The recommendation is that the Board authorize the President and CEO, or his designee, to negotiate and execute an agreement with HMS Host to provide Food/Beverage Concessions at T. F. Green Airport through June 30, 2020, and to negotiate and execute an agreement with The Paradies Shops to provide News/Gift/Specialty Retail Concessions at T. F. Green Airport through June 30, 2018.

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

WHEREAS, the existing concession program agreements at T. F. Green Airport became effective in 1996; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) completed a comprehensive plan to redevelop the terminal concessions consistent with the Terminal Improvement Project that is currently underway at T. F. Green Airport; and

WHEREAS, a Request for Proposals (RFP) was issued soliciting proposals from qualified respondents for the provision of

Food/Beverage and News/Gift/Specialty Retail Concession services for T. F. Green Airport; and

WHEREAS, a Selection Committee evaluated and ranked the proposals based on the following categories; concepts/brands, experience, facility design, management and operations plan, revenue projections and proformas, financial background and the Disadvantage Business Enterprise (DBE) participation plan; and

WHEREAS, the Committee selected HMS Host for the Food/Beverage Concession and The Paradies Shops for the News/Gift/Specialty Retail Concession; and

WHEREAS, in both cases, the capital investment and revenue structure exceeded those specified in the RFP.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute an agreement with HMS Host to provide Food/Beverage Concessions at T. F. Green Airport through June 30, 2020, and to negotiate and execute an agreement with The Paradies Shops to provide News/Gift/Specialty Retail concessions at T. F. Green Airport through June 30, 2018.

By the following vote, the motion was passed with four votes in the

affirmative, with one member abstaining:

YEAS: Kathleen Hittner, MD

Robert Sangster

Joseph Cianciolo

Joseph Larisa

NAYS: None

ABSTAIN: Jim Forte

(f) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement with Skanska USA Building, Inc., for the Terminal Security Project at T. F. Green Airport.

There was a discussion of the revisions to the third floor administration offices which necessitated a Change Order to increase the GMP agreement.

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

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide construction management at

risk services for the Terminal Security Project; and

WHEREAS, design for the 2nd and 3rd floor administrative spaces was completed in late January 2006 when the 100% drawings were issued by HNTB; and

WHEREAS, subsequent to the drawings being finalized, a number of administrative positions were added and in order to accommodate these positions changes to the third floor administration offices design became necessary; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, \$113,110 will be reallocated from the project budget contingencies to the GMP to fund this change order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Change Order to increase the GMP with Skanska for the Terminal Security Project related to the revisions to the third floor administration offices at T. F. Green Airport in an amount not-to-exceed \$113,110.

The motion was passed unanimously

5. Finance and Audit Committee Report:

Mr. Cianciolo reported 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. Cianciolo gave a brief overview of the items.

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

Consent Agenda:

(a) Consideration of and Action Upon Recommendation to Award On-Call Letter of Engagement for Legal Services.

WHEREAS, on November 10, 2006, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for seven primary categories of legal services in accordance with the requirements of the RIAC Procurement Rules and received 19 submissions by the December 1, 2006, deadline; and

WHEREAS, a Selection Committee consisting of Joseph Cianciolo, RIAC Board Member; Peter A. Frazier, General Counsel; and Brian C.

Schattle, Chief Financial Officer met and reviewed the various submissions based on an analysis of general competence, experience, knowledge and qualifications related to RIAC's anticipated legal needs and reasonableness of the proposed fees for services to be provided; and

WHEREAS, the Selection Committee recommends that the following firms be engaged on an as-needed basis by RIAC's General Counsel (where indicated parenthetically, the recommendation relates to a subspecialty):

Governmental

Blish & Cavanagh, LLP

Nixon Peabody LLP

Tillinghast Licht LLP

Litigation

Adler Pollock & Sheehan PC

Blish & Cavanagh LLP

Hansen Curren LLP (appellate)

Pannone Lopes & Devereaux LLP

Commercial & Real Estate

Burns & Levinson LLP

Hinckley Allen & Snyder, LLP

Joseph M. DiOrio, Inc. (bankruptcy)

Moses Afonso Jackvony Ltd.

Taft McSally LLP

Tillinghast Licht LLP

Environmental

Hinckley Allen & Snyder, LLP

Nixon Peabody LLP

Ropes & Gray LLP (EIS)

Tillinghast Licht LLP

Labor & Employment

Hinckley Allen & Snyder, LLP

Nixon Peabody LLP

Tillinghast Licht LLP

Aviation & Airport Specialties

Foley & Lardner LLP

Kaplan Kirsch Rockwell, LLP

Ropes & Gray LLP

Legislative

Pannone Lopes & Devereaux LLP

Tillinghast Licht LLP

WHEREAS, the Fiscal Year 2007 Operating and Maintenance (O & M) budget includes funds in the Legal Services line item that will be utilized for these services and funding in future years will be established through the annual O&M budget approval process.

WHEREAS, the Selection Committee also recommends that the General Counsel be authorized to extend any existing Letters of Engagement for pending litigation matters.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes RIAC's General Counsel to issue Letters of Engagement to the above identified qualified firms on an as-needed basis and that the Letters of Engagement be for a period not to exceed twelve (12) months, with the option reserved for RIAC to renew for two (2) additional twelve (12) month terms. In addition, RIAC's General Counsel may extend any existing Letters of Engagement with legal counsel with respect to pending litigation matters.

(b) Consideration of and Action Upon Authorization for a Refunding of the 1998 Series B Bonds and the Selection Process for an Underwriting Firm.

The Corporation is authorized, with the assistance of the Corporation's Financial Advisor, to pursue a potential refunding of the 1998 Series B Bonds and select an underwriter as needed.

6. Compensation Committee Report:

Mr. Sangster reported that the Committee had met prior to the Board Meeting and he gave a brief overview of items discussed.

7. Action Item:

(a) Consideration of and Action Upon Approval of the Rhode Island Airport Corporation 2007 Board of Director's Meeting Schedule.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the meeting schedule in the form presented to the Board. The motion was passed unanimously.

Mr. Rosati joined the meeting at 4:20 p.m.

8. Executive Session:

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

(b) Potential (Access Agreement and Accretion) and Pending (Parking, Coleman, Costa and RIPDES Agreement) Litigation - R.I.G.L. § 42-46-5(a)(2).

At approximately 4:22 p.m., a motion was made by Mr. Larisa and seconded by Mr. Sangster to go into Executive Session. By the following vote the motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Cianciolo

Kathleen Hittner, M.D.

Robert Sangster

Joseph Larisa

NAYS: None

ABSTAIN: None

At approximately 6:10 p.m., a motion was made by Dr. Hittner and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.

9. Future Meetings:

The next meeting will be held on Wednesday, January 17, 2007, at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

DECEMBER 20, 2006

NAME AFFILIATION

Doug Dansereau RIAC

Bruce Wilde RIAC

Brenda Pope RIAC

Billy Cox RIAC

David Cloutier RIAC

Ahmed Shihadeh RIAC

Steve Tibbetts Landmark Aviation

Lou Bottino The Paradies Shops

Lise Creswell The Paradies Shops

Michele Tucci HMS Host

Corleen Law HMS Host

Steve Whitney State Fiscal Office

Jenna Karlin UNITE Here Local 217

Robert Goff The Parking Company

John Tarantino AP&S

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON DECEMBER 20, 2006**

1. At approximately 4:22 p.m., a motion was made by Mr. Larisa and seconded by Mr. Sangster to go into Executive Session. The motion was passed unanimously.

2. Board Members and Corporation Personnel discussed a proposed parking settlement and options thereto.

Mr. Forte left the meeting at 5:30 p.m.

Mr. Cianciolo left the meeting at 5:40 p.m.

3. Board Members and Corporation Personnel discussed the negotiations for the collective bargaining agreement.

4. Mr. Schattle gave an update on potential litigation concerning access agreements.

5. Mr. Frazier gave an update on potential litigation related to a union accretion ruling.

6. Mr. Frazier gave an overview of pending litigation specifically in relation to cases involving Coleman, Costa, and RIPDES.

At approximately 6:10 p.m., a motion was made by Dr. Hittner and seconded by Mr. Sangster to reconvene to the Open Session. By the following vote the motion was passed unanimously.

YEAS: James Rosati

Kathleen Hittner, M.D.

Robert Sangster

Joseph Larisa

NAYS: None

ABSTAIN: None

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation