

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, FEBRUARY 21, 2007

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 Acting Chairman, James C. Forte, at 4:15 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;

BOARD MEMBERS ABSENT: James Rosati; Michael Traficante; Joseph Larisa.

ALSO PRESENT: Mark Brewer, A.A.E., President and CEO; Peter Frazier, General Counsel; Brian C. Schattle, Chief Financial Officer; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Sangster and seconded by Dr. Hittner to approve the minutes of the Board Meeting of January 24, 2007. 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 reported that passenger numbers for January were down 5.7%.

Mr. Brewer reported that Spirit Airlines has announced that they will be converting their operation at PVD to seasonal service, ending their current scheduled service in April with the anticipation that they will commence scheduled service in the Fall.

Mr. Brewer reported that, along with Mr. Frazier and Mr. Licht, he will be visiting Southwest Airlines' corporate offices in Texas to discuss mutual airport issues. Southwest's route development staff has also indicated an interest in coming to PVD to see the progress on the construction of the new baggage handling system.

Mr. Brewer reported that design is continuing on the new Block Island Terminal with input from local community representatives.

Mr. Brewer reported that plans are underway for the Annual Briefing for Mayor Avedisian and the Warwick Representatives and Senators. The tentative date is March 30, 2007.

There was discussion of the Corporation's air service marketing efforts, and Ms. Goldstein gave a detailed overview of current initiatives.

4. Legislative Report:

Mr. Brewer reported that the report was in the Board package.

5. Operations and Capital Committee Report:

(a) Discussion of Capital Improvement Program (CIP) (i.e., Land Acquisition Program, Draft Environmental Impact Statement, Environmental Permitting, Airfield Maintenance Facility, Easement Acquisition, In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements and Other Projects at the General Aviation Airports.

Ms. Carol Lurie from VHB, gave an overview of the recently released

Group 2 Environmental Consequences Chapter, which focused on noise and air quality. The presentation included a project overview, analysis, and preliminary findings. Board Members and the consultants discussed the information presented, including the next steps in the process.

(b) Discussion of Air Monitoring Statute.

There was no discussion of this item.

6. Consent Agenda Items:

Mr. Forte reported that the Committee had met two hours 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 Dr. Hittner to approve the items on the Consent Agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement with PB Americas Inc., for Project Management Services for the Warwick Intermodal Project.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an

Intermodal Facility; and

WHEREAS, on January 24, 2007, the Board authorized RIAC to enter into negotiations with PB Americas, Inc. (PB) to provide Project Management (PM) services related to the Intermodal Facility; and

WHEREAS, this project is budgeted in RIAC's Capital Improvement Program (CIP) in the amount of \$222,456,000 with funding through the Series 2006 First Lien Bond proceeds, proceeds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, Federal Highway Administration (FHWA) Grants, State of Rhode Island Grants and Customer Facility Charges (CFCs); and

WHEREAS, RIAC staff has received a scope and fee from PB in the amount of \$1.9 million to perform PM services during the design and construction of the Intermodal Facility and staff is currently conducting negotiations.

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 Professional Services Agreement with PB Americas Inc. in an amount not-to-exceed \$1.9 million to provide Project Management services associated with the Warwick Intermodal Facility, subject to FHWA and RIDOT approvals.

(b) Consideration of and Action Upon Approval to Enter into a Construction Management Agreement for Pre-Construction Services for the Warwick Intermodal Project with the Gilbane Building Company.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a CIP Project to construct an Intermodal Facility; and

WHEREAS, on October 18, 2006, the Board approved the selection of Gilbane Building Company (Gilbane) to perform construction management services; and

WHEREAS, on November 15, 2006, the Board approved and RIAC subsequently entered into a Letter of Intent (LOI) with Gilbane effective November 1, 2006 in the amount of \$704,767; and

WHEREAS, it is necessary to enter into an agreement with Gilbane to perform preconstruction services and construction management services for site enabling projects in order to maintain the project schedule; and

WHEREAS, RIAC staff has received a scope and fee from Gilbane in the amount of \$5,937,683 to perform preconstruction phase services through the execution of a Guaranteed Maximum Price Agreement (GMP) and construction management services for site enabling projects and are currently conducting negotiations; and

WHEREAS, services performed under this agreement will be invoiced on a time and materials basis; and

WHEREAS, the scope and fee referenced above includes the work being performed under the previously approved LOI.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to enter into an agreement with Gilbane to perform preconstruction phase services through the execution of a Guaranteed Maximum Price Agreement (GMP) and construction management services for the completion of enabling projects in an amount not-to-exceed \$5,937,683, subject to the consent of FHWA and RIDOT.

(c) 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.

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, the Memorandum of Agreement (MOA) between RIAC and the Transportation Security Administration (TSA), states that the airport is required to "...bear all site preparation costs associated with infrastructure, facility or conveyor modifications required for the installation of the EDS equipment. These costs include, but are not limited to, infrastructure work, electric, mechanical, baggage handling system installation and modifications, and vendor oversight/support to commission the EDS equipment"; and

WHEREAS, the cost associated with this electrical work is not included in the original GMP; 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, RIAC staff has received a scope and fee from Skanska to provide additional electrical work to the baggage handling system (BHS) in the amount of \$457,493 and staff is currently conducting negotiations; and

WHEREAS, \$457,493 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 additional electrical work to the BHS at T. F. Green Airport in an amount not-to-exceed \$457,493.

(d) Consideration of and Action Upon Approval of a Contract Amendment for the Intermodal Quick Turnaround (QTA) Fueling Facility.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an Intermodal Facility; and

WHEREAS, on June 21, 2006, the Board authorized RIAC to enter into a Professional Services Agreement (PSA) with Jacques Whitford to provide 30% Preliminary Design Services for the Intermodal QTA Fueling Facility in the amount of \$99,260; and

WHEREAS, the Concession Agreement with the Rental Car Agencies (RACs) established a \$12 million Tenant Improvement Fund to finance the design and construction of the fuel system to be funded from proceeds of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan secured in Fiscal Year 2006; and

WHEREAS, in accordance with the terms of the Concession Agreement with the Intermodal RAC's and subject to the indemnity provisions contained therein, RIAC will administer the process of designing the Intermodal QTA Fueling Facility, including but not limited to the storage tank(s), fuel piping, valves, pumps and safety systems and development of operating criteria and training for concurrence by the Rhode Island Fire Marshal; and

WHEREAS, Jacques Whitford has submitted a scope and fee proposal in the amount of \$654,492 to provide 100% design, bid phase and construction administration services associated with the Intermodal QTA Fueling Facility and staff is currently conducting negotiations.

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 Jacques Whitford to provide 100% design, bid phase and construction administration services associated with the Intermodal QTA Fueling Facility in an amount not-to-exceed \$654,492 utilizing TIFIA proceeds.

7. Finance and Audit Committee Report:

There was no report.

8. Compensation Committee Report:

Mr. Sangster reported that work is continuing on the non-union Compensation Study.

Mr. Sangster reported that there was one consent agenda item for consideration by the Board.

(a) Consideration of and Action Upon Summary of Action Plans for FY07.

A motion was made by Mr. Sangster and seconded by Dr. Hittner approving the Summary of Action Plans for FY07 in substantially the form submitted to the Board.

The motion was passed unanimously.

9. Executive Session:

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

(b) Pending Litigation (Parking, and RIPDES) and Potential Litigation (EIS, GA Airport Tenant, ACME Waterproofing and Air Monitoring) - R.I.G.L. § 42-46-5(a)(2).

(c) Acquisition of Real Property for Public Purposes – R.I.G.L. § 42-46-5(a)(5).

(d) Personnel (Contract Renewal) - R.I.G.L. § 42-46-5(a)(1).

Dr. Hittner noted that the affected personnel have been provided advance written notice that they may request that the discussions related to agenda item 9 (d) be held in Open Session and that no such request was received.

At approximately 5:32 p.m., a motion was made by Dr. Hittner and seconded by Mr. Sangster to go into Executive Session. By the following vote the motion was passed unanimously.

YEAS: James Forte

Joseph Cianciolo

Kathleen Hittner, M.D.

Robert Sangster

NAYS: None

ABSTAIN: None

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

10. Action Item:

(a) Consideration of and Action Upon Collective Bargaining Agreement Ratification.

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

WHEREAS, the Corporation and representatives of Local 2873, Rhode Island Council 94, A.F.S.C.M.E., have reached agreement on a new 3-year union contract which will contain the new contract terms as outlined in the “Summary of New Collective Bargaining Terms”, attached hereto as Exhibit A; and

WHEREAS, the union membership voted by ballot and agreed to accept the contract as presented by the Union Executive Committee.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the contract terms outlined in the “Summary of New Collective Bargaining Terms” (Exhibit A) are approved and ratified.

2. That the President and CEO of the Corporation is hereby authorized and directed to execute and deliver the Collective Bargaining Agreement, after final review by the Corporation’s General

Counsel.

3. That the directors and officers of the Corporation are hereby authorized and directed to take all such other action, including execution and delivery of such other documentation, as may be necessary or appropriate, to give effect to the foregoing resolution.

There was also clarification of changes to Pay and Benefits for non-union personnel:

- Non-union personnel will participate in health care premium sharing at the rate of \$10 per pay period for an individual plan and \$20 per pay period for a family plan.**
- There will be an additional 0.5% wage increase, retroactive to July 1, 2006, for all non-union personnel hired before that date.**

It was noted that Post Retirement Health Coverage has never been a benefit available to non-union personnel and the existence of this coverage is and remains an issue of dispute with the Union. Therefore, the opt out payment for union personnel in the Collective Bargaining Agreement will not be offered to non-union personnel.

The motion was passed unanimously.

(b) Consideration of and Action Upon Employment Contract

Negotiations and Renewals.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo authorizing the Chair of the Board to execute the Employment Contract renewal for Mark P. Brewer, A.A.E., President and CEO as presented, and authorizing the President and CEO to execute the Employment Contract renewal for Peter A. Frazier, General Counsel, as presented.

The motion was passed unanimously.

11. Future Meetings:

The next meeting will be held on Wednesday, March 21, 2007, at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.

12. Adjournment:

At approximately 6:15 pm a motion was made by Mr. Sangster and seconded by Dr. Hittner to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

**James C. Forte, Acting Chairman
Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
FEBRUARY 21, 2007**

NAME AFFILIATION

Doug Dansereau RIAC

Bruce Wilde RIAC

Patti Goldstein RIAC

Brenda Pope RIAC

Ahmed Shihadeh RIAC

Billy Cox RIAC

Richard Licht Tillinghast Licht

Meredith Holderbaum Senate Fiscal Office

Robert Goff The Parking Company

Susan Nichols VHB

Carol Lurie VHB

John Silva FAA

Exhibit A

SUMMARY OF NEW CBA TERMS

1. Term:

- **3 years (7/1/06 — 6/30/09)**

2. Wages:

- **4/3.5/3.5**
- **Retroactive first year payment**

3. Health Care Premium Sharing:

- **Year 1: \$10.00/individual per pay period; \$20.00/family per pay period**
- a **Year 2: \$12.00/individual per pay period; \$22.00/family per pay period**
- **Year 3: \$15.00/individual per pay period; \$25.00/family per pay period**

4. Retiree Health Coverage:

- **Opt-out of \$25K, payable over 2 years;**
- **RIAC reserves the right to challenge the existence of this coverage relative to anyone who does not opt-out;**
- **Union guarantees that 55 employees who are eligible for the alleged retiree health program will accept the opt-out;**
- **Eligible employees shall have 45-days from ratification of the CBA by the RIAC Board of Directors in which to opt-out;**
- **Employees hired after 6/30/07 shall have no right to claim retiree health coverage.**

5. Vehicles:

- **RIAC will determine which union members can take home vehicles.**

6. Call-Back Time:

- **Union employees who are scheduled to come to work within 2 hours of their scheduled work time (training, meeting, etc.) will be paid OT for each hour of OT worked. Anything over 2 hours or if they are called back for an emergency response or snow removal, will be paid the 4 hours of OT for call-back pay.**

7. Certified List:

- **RIAC will no longer keep certified lists for external candidates**

8. ARFF Schedule:

- **ARFF schedule will be what is currently in the CBA.**

9. Ratification Payment:

- **RIAC shall pay to each member of the bargaining unit upon**

ratification of the CBA the sum of \$500.00 in accordance with regular payroll practices

10. Accretion Withdrawal:

- **Union agrees to withdraw pending petition to accrete IT positions into the bargaining unit and to notify SERB that petitions are withdrawn. Renewed petition may be re-filed on or after 7/1/09.**

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON FEBRUARY 21, 2007**

1. At approximately 5:32 p.m., a motion was made by Dr. Hittner and seconded by Mr. Sangster to go into Executive Session. The motion was passed unanimously.

2. Board Members and Corporation Personnel discussed the Summary of New Collective Bargaining terms. There was also discussion of pay and benefit changes for non-union personnel.

3. Mr. Frazier gave an overview of pending parking and RIPDES matters.

4. Mr. Frazier gave an overview of potential litigation specifically in relation to the EIS, a GA tenant issue, and a claim by ACME Waterproofing.

5. Mr. Frazier discussed a proposal to purchase property at one of the general aviation airports.

6. Board Members discussed Employment Contract renewals for the President and CEO and General Counsel.

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

YEAS: James Forte

Joseph Cianciolo

Kathleen Hittner, M.D.

Robert Sangster

NAYS: None

ABSTAIN: None

Respectfully submitted,

**James C. Forte, Acting Chairman
Rhode Island Airport Corporation**