

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, DECEMBER 19, 2007

4:00 P.M.

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT
2000 POST ROAD, WARWICK, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (i§Corporationi”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

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

ALSO PRESENT: Peter A. Frazier, Interim President and CEO; Brian C. Schattle, Chief Financial Officer; Ann Clarke, Senior Vice President Planning, Engineering and Environment; 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. Hahn to approve the minutes of the Board Meeting of November 28, 2007. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from Chair, Board of Directors:

There was no report.

4. Report from President and CEO:

Mr. Frazier gave an overview of the emergency response to the Air Wisconsin aircraft incident that occurred on December 16, 2007. He also thanked the State Police, City of Warwick, RIEMA, TSA and the other agencies who responded to the incident and worked cooperatively with RIAC.

Mr. Frazier reported that passenger numbers for the month of November were down 2.27% and down 3.37% year to date. The decline is attributed to Spirit Airlines no longer serving T. F. Green. Mr. Frazier further reported that the Corporation had received the preliminary numbers for the December holiday period and load

factors are high.

Mr. Frazier reported that Standard Parking assumed operation of the RIAC parking facilities on December 1, 2007, and the transition has been smooth. A new daily parking rate of \$17 was instituted for Garage B. The daily rate for Garage A is \$20 a day, and Garage C is \$15 a day.

Mr. Frazier reported that the dedication of the RIAC conference rooms in honor of former Board Chairs, Carol Grant, Herb Cummings, Colby Cameron and Jim Rosati, was held on December 7, 2007, and was well attended by Board Members and members of the business community.

Mr. Frazier reported that an employee appreciation luncheon was held on December 18, 2007 and was well attended by RIAC staff. General McBride, RI Army National Guard, made a presentation to RIAC for support of the troops in Iraq. The resolution that was approved by the Board in November was also presented to RIAC police officers, David Shinskey, George Pedro and Joe Diniz honoring them for their service in Iraq.

Mr. Frazier reported that Charles Hall, former West Warwick Fire Chief, is to join RIAC as Assistant Fire Chief after the holidays.

Mr. Frazier reported that there will be a farewell reception for Mr.

Mark Brewer on Friday, December 21, 2007, 2:00 p.m. - 4:00 p.m., in the Mary Brennan Board Room. Mr. Frazier thanked Mr. Brewer for his service and specifically for the help and support he provided to him when he assumed the role of Interim President and CEO on December 1, 2007.

5. Operations and Capital Committee Report:

Mr. Forte reported that there were items on the consent agenda for approval by the Board. It was noted that items (h) and (i) were being removed from the Board agenda for further review and analysis.

6. Consent Agenda:

A motion was made by Mr. Traficante and seconded by Mr. Hahn to approve items 6(a) through 6(g) on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval of 2008 Operations and Capital Committee Meeting Schedule.

The schedule was approved as presented.

(b) Consideration of and Action Upon Replacement of Full Service Fixed Base Operator Agreement at T. F. Green Airport.

WHEREAS, the Rhode Island Department of Transportation (RIDOT) and North East Jet, Inc. (Northeast Jet) entered into a facility

construction and lease agreement on October 27, 1987, as amended from time to time, wherein Northeast Jet agreed, inter alia, to provide FBO services at T. F. Green State Airport; and

WHEREAS, Northeast assigned its rights under this agreement to Northstar on April 21, 1988; and

WHEREAS, RIDOT assigned the lease agreement to the Rhode Island Airport Corporation (RIAC) on June 25, 1993; and

WHEREAS, the lease provides Northstar the right of first refusal to extend the lease for an additional ten years subject to terms and conditions that are mutually acceptable to Northstar and RIAC; and

WHEREAS, the lease which was originally set to expire on October 31, 2007, was extended by mutual agreement to December 31, 2007 to allow the parties to negotiate renewal alternatives; and

WHEREAS, Northstar has agreed to replace the lease with an updated agreement that better addresses the current operations and expectations; and

WHEREAS, RIAC staff and Northstar have negotiated the following summary of terms that will be included in the replacement agreement:

„X The fuel flowage fee will remain at 10% of the wholesale cost of

fuel.

„X Cargo landing fees will be remitted directly to RIAC from the Cargo Carriers at 100% (The current agreement allows Northstar to retain 50% of these fees).

„X All other landing fees that Northstar is required to collect will be remitted to RIAC. Northstar will be allowed to retain 15% of these fees to cover administrative costs (the current agreement allows Northstar to retain 50% of these fees).

„X Ground rent, established by an independent appraisal, will be paid at \$0.55 per square foot for 358,729 square feet resulting in a total annual amount of \$197,301 (Northstar currently pays \$74,996 for ground rent based on the terms of the current agreement).

„X Building rent, established by an independent appraisal, will be \$28,685 per year (the current agreement does not provide for the payment for building rent).

„X Both rents will be adjusted every two years on January 1st based on the consumer price index (the current agreement allows for an adjustment every five years).

„X The general terms and conditions of the agreement are being updated to comply with current FAA requirements, to reflect current operations and to incorporate RIAC standards.

„X All repairs, maintenance, capital and structural expenses, insurance, taxes, and any other expense associated with the property or business will continue to be paid by Northstar.

„X The premises description is being updated to reflect the updated FBO footprint.

„X Beginning April 1, 2008, Northstar will transition from quarterly reporting and remittance to a monthly schedule.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute the Replacement Full Service Fixed Base Operator (FBO) Agreement with Northstar Aviation Inc. containing the terms and conditions consistent with the summary above, subject to Board approval.

(c) Consideration of and Action Upon Renewal of Health and Dental Insurance Coverages.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently under contract with Blue Cross/Blue Shield of Rhode Island (Blue Cross) to provide health and dental insurance for RIAC's employees and their families; and

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

WHEREAS, RIAC staff, with the assistance of its health insurance consultant, successfully negotiated renewal rates which include a 2.5% premium increase for health coverage and a 5% increase for dental coverage; and

WHEREAS, over the prior two years, Borah and RIAC staff have evaluated alternative health coverage from United Healthcare and dental coverage from Delta Dental; and

WHEREAS, based on these evaluations and favorable renewal rates presented by Blue Cross, Borah recommends and RIAC staff agrees that the Blue Cross coverage be renewed at the negotiated rates; 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 Committee hereby authorizes the Interim President and CEO, or his designee, to execute an Insurance Contract Renewal for one year with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2008, subject to Board approval.

(d) Consideration of and Action Upon Approval to Extend the Agreement with R.I. Analytical Laboratories, Inc., for an Interim Air Monitoring System at T. F. Green Airport.

WHEREAS, current legislation requires that the Rhode Island Airport

Corporation (RIAC) provide an air monitoring system at T. F. Green Airport; and

WHEREAS, while developing the scope of the permanent air monitoring system RIAC has been utilizing an interim system provided by R.I. Analytical Laboratories, Inc. (R.I. Analytical) since April 2007; and

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

WHEREAS, the original interim air monitoring system agreement was projected to run from April 26, 2007 through September 2007 in an amount not-to-exceed \$173,340 and funding for this project was included in the approved Fiscal Year 2008 Operating and Maintenance budget; and was subsequently amended for October through December 2007 in an amount not-to-exceed \$144,990; and

WHEREAS, the RIAC Board of Directors approved the extension of the interim air monitoring system agreement for the months of October through December 2007 in an amount not-to-exceed \$144,990; and

WHEREAS, the RIAC Board of Directors approved the selection of Environ International Corp. (Environ) to perform the long term air quality monitoring at the October 2007 meeting; and

WHEREAS, the current implementation schedule for the long term air quality monitoring system requires the extension of the interim air quality monitoring system through March 2008; and

WHEREAS, a scope and fee proposal has been received from R.I. Analytical in an amount not-to-exceed \$127,280 for the months of January through March 2008.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to extend the agreement with R.I. Analytical for interim air quality sampling and testing services related to the air monitoring system at T. F. Green Airport to include the period from January through March 2008 in an amount not-to-exceed \$127,280, subject to Board approval.

(e) Consideration of and Action Upon Approval of a Consultant Task Order for the Off-Airport Obstruction Removal Project at North Central Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Stantec to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from Stantec to provide design services for the Off-Airport Obstruction Removal project at North Central Airport in the amount of \$100,654 and staff is currently conducting negotiations; and

WHEREAS, this project is included in the approved Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$577,778; and

WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 90% (\$90,589) reimbursement from the Federal Aviation Administration.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to negotiate and execute a Task Order with Stantec to provide design services for the Off-Airport Obstruction Removal Project at North Central Airport in an amount not-to-exceed \$100,654, subject to Board approval.

(f) Consideration of and Action Upon Approval to Enter into a Professional Services Agreement to Provide Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is

responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, the approved Fiscal Year 2008 Operating Capital Budget includes \$250,000 for the replacement of certain equipment and upgrade of RIAC's phone system; and

WHEREAS, in November 2007, RIAC issued a Request for Proposals (RFP) for Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport; and

WHEREAS, timely responses were received from the following five firms: Altura Communication Systems (Altura), Netversant of New England, TriNet Systems, Inc., Carousel Industries and Verizon Business; and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: Joe DaSilva, AVP Building Maintenance; Dave Wilga, Chief Technology Office; Rodney McClaren, Electronic Technician and Beth Tetreault, Procurement Specialist; and

WHEREAS, the Committee individually reviewed and ranked the five submissions based on the selection criteria; and

WHEREAS, the Committee individually scored the candidates based on the selection criteria identified in the RFP and selected Altura as

the best candidate to provide telecommunication system upgrade and maintenance services at T. F. Green Airport; and

WHEREAS, the base bid in an amount not-to-exceed \$166,366 will allow Altura to design and install a new phone system backbone which will include upgrades to existing software and equipment as well as the purchase and installation of new components including thirty new IP handsets; and

WHEREAS, during the implementation process RIAC staff and Altura will review options for additional conversions of phone sets to either IP or digital sets and finalize a scope for this additional equipment within the approved budget to be brought as a separate task order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Altura Communications Services to provide Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport in an amount not-to-exceed \$166,366, subject to Board approval.

(g) Consideration of and Action Upon Approval to Enter Into a Contract to Provide Chiller Maintenance Services at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$30,000 for chiller maintenance and support; and

WHEREAS, under section 10.4.2.7 of RIAC's Procurement Rules specialized services for which there is only one documented accepted source, such as transactions involving unique professional services; Ke.g., repair/maintenance agreements with manufacturers; K qualifies as a sole source procurement; and

WHEREAS, as the original manufacturer and sole maintainer of this system since its implementation, Trane Company (Trane) is uniquely positioned to provide these services thus RIAC staff has determined that a sole source selection for this contract is appropriate; and

WHEREAS, Trane has provided a Scope and Fee proposal to provide Chiller Maintenance services for a five year period ending each September 30th with annual costs as follows: 2008 - \$38,940, 2009 - \$67,550, 2010 - \$67,550, 2011 - \$38,940, and 2012 - 38,940 for a total contract value of \$251,920.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a Contract with Trane Company to provide Chiller Maintenance Services at T. F. Green Airport for the five years ending September 30, 2012, in the amount of \$251,920, subject to Board approval.

7. Finance and Audit Committee Report:

There was no formal report.

8. Human Resources Committee Report:

Mr. Wilde gave a status update on hiring of vacant positions.

Mr. Wilde reported that staff will be meeting in January with the consultant working on the non-union compensation study.

9. Action Item:

(a) Consideration of and Action Upon Approval of 2008 Board of Directors Meeting Schedule.

A motion was made by Mr. Traficante and seconded by Mr. Forte to approve the schedule as presented to the Board. The motion was

passed unanimously.

10. Executive Session:

(a) Potential Litigation (Two Non-Public Matters and EIS) - R.I.G.L. § 42-46-5(a)(2).

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Taxi Services, Intermodal and Air Service Development) - R.I.G.L. § 42-46-5(a)(7).

(c) Discussion Relating to Perspective Business Locating in Rhode Island - R.I.G.L. § 42-46-5(a)(6).

(d) Working Session Related to Personnel (President and CEO Candidate Evaluations) - R.I.G.L. § 42-46-5(a)(1).

At approximately 4:15 p.m., a motion was made by Mr. Forte and seconded by Mr. Hahn to go into Executive Session. It was noted for the record that in relation to the discussion regarding personnel relative to President and CEO candidate evaluations that the individuals were notified in writing that the public body intended to convene in executive session in order to discuss issues that may entail their job performance and they declined to have this discussion take place in open session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

Mr. Larisa arrived at the meeting at 4:20 p.m.

At approximately 5:50 p.m., a motion was made by Mr. Forte and seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Hahn and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7(c). By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Joseph Larisa

Michael Traficante

Robert D. Sangster

Russell Hahn

NAYS: None

ABSTAIN: None

11. Future Meetings:

The next meeting will be held on Wednesday, January 16, 2008, at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

12. Adjournment:

At approximately 5:52 p.m., a motion was made by Mr. Forte and seconded by Mr. Hahn to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D., Chair

Rhode Island Airport Corporation

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
DECEMBER 19, 2007**

NAME AFFILIATION

Mark P. Brewer RIAC

Doug Dansereau RIAC

Patti Goldstein RIAC

Bruce Wilde RIAC

Darrell Watson RIAC

Joe DaSilva RIAC

Dave Edwards RIAC

Don Pillsbury RIPA

Sue Pillsbury RIPA

Robert Goff New England Parking

Eric Weiner All Occasion Transportation

The minutes of the Executive Session of the Board of Directors Meeting of December 19, 2007 have been sealed in accordance with R.I.G.L. § 42-46-7(c).