

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 18, 2008**

**4:00 P.M.**

**IN THE MARY BRENNAN BOARD ROOM**

**2000 POST ROAD**

**WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”)**

**Board of Directors**

**was called to order by Chair, Kathleen C. Hittner, M.D., at 4:07 p.m., in the Mary Brennan Board**

**Room at 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 C. Forte; Joseph Cianciolo; Robert D. Sangster; Russell Hahn.**

**BOARD MEMBERS ABSENT: Michael Traficante; Joseph Larisa.**

**ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.**

**1. Approval of the Minutes:**

**A motion was made by Mr. Hahn and seconded by Mr. Forte to approve the minutes of the Board Meeting of May 21, 2008, as amended. 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 formal report. Dr. Hittner reported, however, that items 6 (a) Discussion Regarding the Intermodal Project Construction Contracts and 7 (b) Consideration of and Action Upon Approval of Additional Task Order for Runway Analysis, had been removed from the agenda for the meeting.**

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

**Mr. Dillon reported that passenger numbers for the month of May were down 3.30% and 1.62% year to date. This decline is being felt at airports nationwide. The focus continues to be on air service marketing efforts. Mr. Dillon reported that he has been asked by the American Association of Airport Executives (AAAE) to sit on a national task force to address issues facing the industry as energy**

**costs continue to rise.**

**Mr. Dillon invited Mr. Schattle to give a status report on the recent bond sale.**

**Mr. Schattle gave an overview of the bond sale and reported that the net present value savings of the refunding was 3.3%.**

**Mr. Dillon reported that he is continuing to accept speaking engagements in the business community, and is welcoming the opportunity to talk to people about the airport and the aviation industry.**

**Mr. Dillon gave a brief overview of the recent Joint TSA/RIAC tabletop exercise.**

## **5. Legislative Report:**

**Ms. Goldstein gave an overview of legislation.**

## **6. Action Item:**

**(a) Consideration of and Action Upon Approval to Negotiate and Enter into a Development Agreement with the Quonset Development Corporation and Atlantic Ethanol, Inc.**

**Mr. Dillon gave an overview of the agreement. The recommendation is that the Board authorize the President and CEO, or his designee, to negotiate and execute a Development Agreement and other agreement related thereto with the Quonset Development Corporation and Atlantic Ethanol, Inc., substantially in accordance with information presented to the Board, for the development by Atlantic Ethanol, Inc., of 25 +/- acres of Quonset District Industrial Area, including 2.6 +/- acres of Quonset State Airport.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) staff, the Quonset Development Corporation (QDC) and Atlantic Ethanol, Inc. (Atlantic Ethanol) have determined the need to enter into a Development Agreement regarding the leasing and development by Atlantic Ethanol of 25 +/- acres of Quonset District Industrial Area; and**

**WHEREAS, this site will be used for the construction and operation of a 60 million gallon per year ethanol plant; and**

**WHEREAS, Airport Property, currently being considered for this Development Agreement, is 2.6 +/- acres of Quonset State Airport currently classified as non-aviation use; and**

**WHEREAS, the resolution voted and approved by the QDC, along with other summary and background information presented to the QDC Board, has been attached to this resolution; and**

**WHEREAS, the QDC, as a management agent for RIAC, will lease to Atlantic Ethanol the 2.6 +/- parcel; and**

**WHEREAS, the term for the RIAC parcel will be the maximum period of time as permitted by the existing RIAC lease with the Rhode Island Department of Transportation not to exceed forty years; and**

**WHEREAS, the rent will be based on \$20,000 per acre escalated at an average of 3% per annum.**

**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 Development Agreement and other agreement related thereto with the Quonset Development Corporation and Atlantic Ethanol, Inc., substantially in accordance with the information presented to the Committee for the development by Atlantic Ethanol, Inc. of 25 +/- acres of Quonset District Industrial Area, including 2.6 +/- acres of Quonset State Airport.**

**The motion was passed unanimously.**

## **7. Human Resources Report:**

### **Consent Agenda:**

**Mr. Sangster reported that there was one item on the consent agenda for approval by the Board. It was noted that item (b) Consideration of and Action Upon Analysis of Corporate Achievements was deferred at the Committee Meeting, and therefore was removed from the consent agenda.**

**(a) Consideration of and Action Upon Compensation and Classification Report .**

**A motion was made by Mr. Forte and seconded by Mr. Hahn to approve the Compensation and Classification Report in substantially the form presented to the Board. The motion was passed unanimously.**

## **8. Executive Session:**

**(a) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Intermodal Contract Negotiations and Air Service Development) – R.I.G.L. § 42-46-5(a)(7).**

**(b) Discussion Related to Potential Litigation (One Non-Public Matter) - R.I.G.L. § 42-46-5(a)(2).**

**(c) Discussion Related to Acquisition of Real Property for Public Purposes (EIS) - R.I.G.L. § 42-46-5(a)(5).**

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

**(e) Working Session Regarding Collective Bargaining Issues - R.I.G.L. § 42-46-5(a)(2).**

**At approximately 4:20 p.m., a motion was made by Mr. Hahn and seconded by Mr. Sangster to go into Executive Session. In relation to the discussion of personnel, it was noted for the record that individuals had been notified in writing that the Board intended to convene in Executive Session in order to discuss 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**

**Russell Hahn**

**NAYS: None**

**ABSTAIN: None**

**9. Reconvene to Open Session and Announcements:**

**At approximately 5:00 p.m., a motion was made by Mr. Hahn and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.**

**A motion was made by Mr. Hahn and seconded by Mr. Forte to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously:**

**YEAS: Kathleen Hittner, M.D.**

**James Forte**

**Joseph Cianciolo**

**Robert D. Sangster**

**Russell Hahn**

**NAYS: None**

**ABSTAIN: None**

**10. Action Item:**

**(a) Consideration of and Action Upon the Intermodal Construction Contracts.**

**This item was deferred.**

**11. Future Meetings:**

**There will be a Special Board Meeting on Monday, June 30, 2008 at 10:00 am in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island.**

**The date of the next regular Board Meeting will be announced.**

**12. Adjournment:**

**Mr. Sangster moved to adjourn the meeting at 5:05 p.m. Mr. Hahn seconded the motion. 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**

**JUNE 18, 2008**

**NAME      AFFILIATION**

**Brian Schattle      RIAC**

**Ann Clarke      RIAC**

**Bruce Wilde      RIAC**

**Patti Goldstein      RIAC**

**Alan Andrade      RIAC**

**Joe DaSilva      RIAC**

**Richard Licht      Adler Pollock and Sheehan**

**Phillip Robertson      The Mercer Group**

**Jason LaForge      JH Lynch and Sons**

**Steven King      Quonset Development Corporation**

**Heidi Green    Quonset Development Corporation**

**Suzanne Courtemanche    VHB**

**Herbert Sirois    Atlantic Ethanol**

**Michael Zarum    Citizen**

**The minutes of the Executive Session of the Board Meeting of June 18, 2008 have been sealed in accordance with R.I.G.L. § 42-46-4.**