

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**FRIDAY, SEPTEMBER 26, 2008 AT 2:00 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 2:05 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 C. Hittner, M.D; Joseph Cianciolo; Robert D. Sangster; Russell Hahn; Michael Traficante; Joseph Larisa (arrived at 2:15 p.m.).**

**BOARD MEMBERS ABSENT: James C. Forte.**

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

**1. Approval of the Minutes:**

**A motion was made by Mr. Traficante and seconded by Mr. Sangster**

**to approve the minutes of the Board Meeting of July 28, 2008. The motion was passed unanimously.**

## **2. Open Forum:**

**Dr. Hittner asked if anyone present wanted to speak in Open Forum.**

**Mr. Steven Cardi, representing Cardi Corporation, requested that the Board consider implementing a retroactive oil escalation clause in their contract for a project at T. F. Green Airport. Mr. Cardi reported that this would offset the recent escalation in liquid asphalt, a major component of bituminous concrete paving, which is used on the Taxiway 'M' project. Mr. Cardi provided cost escalation calculations showing the impacts of the increases to their project, and noted that this is a problem facing the industry. Mr. Cardi noted a variety of states and federal entities that allow retroactive oil escalation clauses in their contracts. It was noted that this project is funded by a grant from the FAA and the FAA currently does not allow post-award escalation payments. Dr. Hittner thanked Mr. Cardi for his comments.**

## **3. Report from Chair, Board of Directors:**

**There was no report.**

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

**Mr. Dillon reported that passenger numbers are down 11.68% for the month of August, and down 5.04% year to date. This is still a result of the negative trend in capacity. Mr. Dillon noted however that capacity cuts do not necessarily reflect market demand. Market demand is reflected in the load factors which are high. Mr. Dillon noted that T. F. Green is still faring better than many airports across the country. There was brief discussion on airline mergers and the affect on the industry.**

**Mr. Dillon reported that he is continuing dialogue with several airlines interested in starting service at T. F. Green Airport.**

**Mr. Dillon gave a brief overview of the meeting with the FAA and Mayor Avedisian on the EIS and specifically the new runway alternative.**

**Mr. Dillon reported that he is still focusing on community outreach with speaking engagements lined up in both Rhode Island and Massachusetts. Mr. Dillon noted that he is also scheduled to meet with the Editorial Board at the Providence Journal on October 3, 2008.**

**Mr. Dillon reported that the Providence Journal article, “Day in the Life of the Airport” was well received.**

**Mr. Dillon reported that work is continuing on the concessions with**

**the Providence Oyster Bar, the Food Court and the Brighton Store coming on line in late October. The remaining News Stands are scheduled to be open around Thanksgiving.**

**Mr. Dillon gave a brief update on the Intermodal Project noting that construction is moving forward and the project is on schedule for Fall of 2010.**

**Mr. Dillon reported that the Trusted Agent Lot is fenced off as work continues on the Intermodal Project, and staff have been relocated to the short term lot. A contingency plan is being developed for staff parking for the upcoming holidays when parking in the short term lot is at a premium.**

**Mr. Dillon reported that the Operations and Maintenance staff are preparing for winter operations, with the focus on the snow removal plan.**

**Mr. Sangster asked for a status update on the Baggage Handling System. Mr. Dillon reported that the system is still not fully operational and that analysis is being done to find the root of the problems. It was noted that several other airports are having similar issues with the same machines. In the interim, TSA is still utilizing the machines in the terminal lobby.**

**Mr. Hahn asked for a status update on the projects at both Quonset**

and Block Island. Mr. Dillon reported that construction is ongoing on the new terminal on Block Island with completion expected the latter part of November. Ms. Clarke reported that the project for the hangar at Quonset is on track with an estimated completion in Spring of 2009.

## **5. Operations and Capital Committee Report:**

There was no report.

### **Action Items:**

**(a) Consideration of and Action Upon Approval of a Task Order for Glycol Management Services for T. F. Green Airport.**

Mr. Dillon gave an overview of the Task Order. There was brief discussion on the glycol collection process. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Task Order with Inland Technologies, Inc., to provide Glycol Management Services at T. F. Green Airport and Quonset Airport.

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) is**

**responsible for the Operations and Maintenance (O&M) of airport facilities at the six Rhode Island airports; and**

**WHEREAS, it has been determined that there is a need for Glycol Management Services at T. F. Green and Quonset Airports; and**

**WHEREAS, RIAC issued a Request for Proposal (RFP) in June 2007 for Glycol Management Services pursuant to RIAC Procurement Rules; and**

**WHEREAS, as a result of the selection process, Inland Technologies International, Inc. (Inland) was chosen to provide these services; and**

**WHEREAS, the RIAC Board of Directors approved this selection and authorized RIAC to enter into a Professional Services Agreement (PSA ) with Inland for a one-year term with two additional one-year terms at the discretion of RIAC; and**

**WHEREAS, RIAC staff has negotiated a Scope and Fee for services from October 15, 2008, through April 15, 2009, and recommends award of this Task Order in an amount not-to-exceed \$634,210; and**

**WHEREAS, the approved Fiscal Year 2009 Operations and Maintenance (O&M) budget includes \$624,760 for these services.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute a Task Order with Inland Technologies, Inc. to provide Glycol Management Services at T. F. Green and Quonset Airports in an amount not-to-exceed \$634,210.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Approval of a Contract Award for Tow-Behind Continuous Friction Measurement Equipment Trailer.**

**Mr. Dillon gave an overview of the contract. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a contract with Neubert Aero Corp, for the purchase of a CFME trailer.**

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

**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 Tow-Behind Continuous Friction Measurement Equipment (CFME) Trailer at T. F. Green Airport; and**

**WHEREAS, the approved RIAC Fiscal Year 2009 Operating Capital budget includes \$55,000 for this purchase; and**

**WHEREAS, RIAC issued an Invitation for Bids (IFB) in July 2008 for the acquisition of a CFME trailer vehicle pursuant to RIAC's Procurement Rules and received two bids on August 29, 2008; and**

**WHEREAS, 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 Neubert Aero Corp. in the amount of \$51,803 for the acquisition of a CFME trailer for use at T. F. Green Airport.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board hereby authorizes the President and CEO, or his designee, to execute a Contract for the acquisition of a CFME trailer with Neubert Aero Corp. in the amount of \$51,803.**

**The motion was passed unanimously.**

**(c) Consideration of and Action Upon Approval of a Consultant Task Order for**

**the Taxiway 'N' Reconstruction Project at T. F. Green Airport.**

**Mr. Dillon gave an overview of the Task Order. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Task Order with McFarland-Johnson, Inc., to provide Design and Bid Phase Services for the Taxiway 'N' Reconstruction Project at T. F. Green 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) entered into a Professional Services Agreement (PSA) with McFarland-Johnson, Inc. (MJ) to provide On-Call Architectural and Engineering Services; and**

**WHEREAS, RIAC has received a Scope and Fee from MJ to provide Design and Bid Phase Services associated with the Taxiway 'N' Reconstruction Project at T. F. Green Airport in the amount of \$218,830 and staff is currently conducting negotiations; and**

**WHEREAS, this project is included in the RIAC Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$3,244,800; and**

**WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 75% (\$164,123) reimbursement from the**

**Federal Aviation Administration upon receipt of a Federal Fiscal Year 2009 Airport Improvement Project's grant offer and RIAC's 25% (\$54,707) matching share reimbursed from the planned Passenger Facility Charges application.**

**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 McFarland-Johnson, Inc. to provide Design and Bid Phase Services for the Taxiway 'N' Reconstruction Project at T. F. Green Airport in an amount not-to-exceed \$218,830.**

**The motion was passed unanimously.**

**(d) Consideration of and Action Upon Approval of a Contract Agreement for Construction Phase Engineering and Architectural Services Associated with the Warwick Intermodal Facility at T. F. Green Airport.**

**Mr. Dillon gave an overview of the Contract Agreement. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Contract Agreement with Jacobs Engineering Group, Inc., to perform Construction Phase Engineering and Architectural Services for the Warwick Intermodal Project at T. F. Green Airport, subject to RIDOT and FHWA approval.**

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

**WHEREAS, the Rhode Island Department of Transportation (RIDOT) procured the services of Jacobs Engineering Group, Inc. (Jacobs) (formally Edwards and Kelcey) to provide Design and Construction Phase Services related to the Intermodal Facility; and**

**WHEREAS, on June 1, 2006, RIDOT and the Rhode Island Airport Corporation (RIAC) entered into a Project Agreement where RIDOT assigned to RIAC certain responsibilities for the design and completion of the Intermodal Facility; and**

**WHEREAS, RIAC has received a Scope and Fee from Jacobs to provide Construction Phase Engineering and Architectural Services in the amount of \$2,000,000 and is currently conducting negotiations; and**

**WHEREAS, RIAC will fund this project through the various funding sources included in the project budget.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute a Contract Agreement with Jacobs Engineering Group, Inc. to**

**perform Construction Phase Engineering and Architectural Services for the Warwick Intermodal Project at T. F. Green Airport in an amount not-to-exceed \$2,000,000.**

**The motion was passed unanimously.**

**(e) Consideration of and Action Upon Proposed Acquisition of Certain Property Located Near T. F. Green Airport.**

**Mr. Dillon gave an overview of the proposed acquisition. There was discussion on the impact of the purchase to the City of Warwick Tax Rolls. Mr. Dillon explained that this particular acquisition is needed for development of the airport and noted that this had been discussed with the City of Warwick. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Purchase and Sales Agreement with Joni Auto Rentals, Inc.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) is a public corporation organized as a subsidiary of the Rhode Island Economic Development Corporation (RIEDC), a public corporation, governmental agency and public instrumentality of the State of Rhode Island; and**

**WHEREAS, through a certain Lease and Operating Agreement with the State of Rhode Island dated June 25, 1993, as amended, RIAC maintains and operates T. F. Green Airport in Warwick, Rhode Island; and**

**WHEREAS, Joni Auto Rentals, Inc. (Seller) wishes to sell and RIAC wishes to purchase certain property located at 2282 Post Road, Warwick, RI, and identified by the Warwick Tax Assessor to be Lot 131 on Map 323 (Property); and**

**WHEREAS, the approved Fiscal Year 2009 Capital Improvement Program (CIP) budget includes \$4 million in 2008 Airport Revenue Bond Funds for commercial land acquisition surrounding T. F. Green Airport; and**

**WHEREAS, the \$940,000 purchase price of the Property is appropriate based on the results of two appraisals; one performed on behalf of the Seller by Andolfo Appraisal Associates, Inc., and one performed on behalf of RIAC by Peter M. Scotti and Associates; and**

**WHEREAS, the purchase will be funded with 2008 Airport Revenue Bonds.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to**

**execute a Purchase and Sales Agreement with Joni Auto Rentals, Inc. with a purchase price not-to-exceed \$940,000 and including other terms and conditions as prepared by RIAC's Legal Counsel for purchase of certain property located at 2282 Post Road, Warwick RI, and identified by the Warwick Tax Assessor to be Lot 131 on Map 323.**

**The motion was passed unanimously.**

**(f) Consideration of and Action Upon Approval of a Construction Contract Amendment for the Landside Improvements Project at Block Island Airport.**

**Mr. Dillon gave an overview of the contract amendment. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Construction Contract Amendment with TRAC Builders, Inc.**

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

**WHEREAS, on January 16, 2008, the Board of Directors of the Rhode Island Airport Corporation (RIAC) authorized RIAC to enter into a Construction Contract Agreement with TRAC Builders (TRAC) to perform Construction Services Associated with the Landside Improvements Project at Block Island Airport; and**

**WHEREAS, there is a need to amend the contract to remove the requirement to connect power from Block Island Power to the terminal, provide a base build-out of the restaurant area located in the terminal building, and update the electrical wiring at the relocated hangar; and**

**WHEREAS, RIAC has received a fee from TRAC to provide the necessary services in the amount of \$129,810; and**

**WHEREAS, this project is included in the Fiscal Year 2009 Capital Improvement Program budget in the amount of \$6,600,000 to be funded through proceeds from the Federal Aviation Administration (FAA), and a combination of 2005 and 2008 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 Construction Contract Amendment with TRAC Builders, Inc. for the Landside Improvements Project at Block Island Airport in the amount of \$129,810.**

**The motion was passed unanimously.**

**(g) Consideration of and Action Upon a Land Lease Between the Rhode Island Airport Corporation and the State of Rhode Island,**

**Executive Department – Executive Staff.**

**Mr. Dillon gave an overview of the lease. There was discussion on the terms of the lease, and these terms were clarified before passage of the resolution. The recommendation is that the Board authorize the President and CEO, or his designee, to execute the lease documents.**

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

**WHEREAS, the Rhode Island Port Authority, the Rhode Island Economic Development Corporation (RIEDC), the Rhode Island Department of Transportation (RIDOT), and the United States Government's General Services Administration (GSA), entered into the Quonset State Airport Deed and the Quonset Access and Services Agreement; and**

**WHEREAS, said agreements contain conditions and restrictions which mandate that certain parcels of the Quonset State Airport be made available for use by the Department of Defense for the purpose of providing Air National Guard facilities; and**

**WHEREAS, the Rhode Island Airport Corporation (RIAC), as Lessee of the Quonset State Airport, has assumed the pre-existing lease agreement and associated deed restrictions with respect to the Rhode Island Air National Guard facilities at Quonset State Airport;**

**and**

**WHEREAS, the United States Government, through the Department of the Army, was granted a lease extension from January 1, 2008 to December 31, 2047 for the Rhode Island Air National Guard facilities at Quonset State Airport; and**

**WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Executive Military Staff wishes to lease a 0.9 acre parcel at the Quonset State Airport for 30 years at \$1.00 for purposes of national defense on behalf of the Rhode Island Army National Guard as a subtenant of the foregoing lease.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute the Lease Documents in substantially the form presented with review by legal counsel.**

**The motion was passed unanimously.**

## **6. Finance and Audit Committee Report.**

**Mr. Cianciolo reported that there had not been a monthly meeting but that there was one action item for review and consideration by the Board.**

## **Action Item:**

### **(a) Consideration of and Action Upon Audited Financial Statements.**

**Mr. Cianciolo gave an overview of the audit of the financial statements, reporting that the auditors had issued a clean opinion and there would be no management letter. Mr. Schattle reported that the recommendation is that the Board accept the audited financial statements in substantially the form submitted. Mr. Cianciolo took the opportunity to thank the staff for their hard work on the audit.**

**A motion was made by Mr. Cianciolo and seconded by Mr. Hahn to accept the audited financial statements in substantially the form submitted to the Board.**

**The motion was passed unanimously.**

## **7. Executive Session:**

**(a) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Hangar Development) - R.I.G.L. § 42-46-5(a)(7).**

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

**(c) Discussion Related to Security – R. I.G.L. R.I.G.L. § 42-46-5(a)(3).**

**At approximately 2:40 p.m., a motion was made by Mr. Hahn and seconded by Mr. Traficante to go into Executive Session.**

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

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

**Joseph Cianciolo**

**Joseph Larisa**

**Michael Traficante**

**Robert D. Sangster**

**Russell Hahn**

**NAYS: None**

**ABSTAIN: None**

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

**At approximately 4:00 p.m., a motion was made by Mr. Hahn 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. Cianciolo 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 C. Hittner, M.D.**

**Joseph Cianciolo**

**Joseph Larisa**

**Michael Traficante**

**Robert D. Sangster**

**Russell Hahn**

**NAYS: None**

**ABSTAIN: None**

**9. Future Meetings:**

**The next meeting is scheduled for Wednesday, October 15, 2008 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.**

**10. Adjournment:**

**Mr. Cianciolo moved to adjourn the meeting at 4:05 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**  
**SEPTEMBER 26, 2008**

**NAME      AFFILIATION**

**Peter Frazier      RIAC**

**Brian Schattle      RIAC**

**Ann Clarke      RIAC**

**Patti Goldstein      RIAC**

**Steve Tibbetts      Landmark**

**Val Mendonca      HNTB**

**Steven Cardi      Cardi Corp.**

**Tony Cardi    Cardi Corp.**

**Meredith Holderbaum    Senate Fiscal Office**

**Paul Parker    Providence Journal**

**John Howell    Warwick Beacon**

**Robert Goff    New England Parking**

**The minutes of the Executive Session of the Board Meeting of September 26, 2008 have been sealed in accordance with R.I.G.L. § 42-46-4.**