

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, OCTOBER 15, 2008 AT 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 4:00 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.

BOARD MEMBERS ABSENT: James C. Forte; 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. Traficante and seconded by Mr. Hahn to

approve the minutes of the Board Meeting of September 26, 2008. The motion was passed unanimously.

2. Open Forum:

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

Mr. Richard Langseth, representing the Greenwich Bay Watershed Group, noted that he was having problems accessing the Corporation's agendas and meeting minutes on the Secretary of State's website.

Mr. Langseth addressed the Board on various issues related to the Intermodal Project, and specifically on the proposed times and frequency of commuter trains stopping at the new rail station. Mr. Langseth urged the Corporation to seek public input on this issue.

Dr. Hittner thanked Mr. Langseth for his comments.

3. Report from Chair, Board of Directors:

Dr. Hittner reported that, along with Mr. Dillon, she had recently participated in a Chamberworks TV show which focused on airport issues. It was noted that the show should air in November or December.

4. Report from President and CEO:

Mr. Dillon reported that based on comments he had received from members of the public and staff, the seating configuration in the Board Room had been changed in order to enhance the acoustics in the room.

Mr. Dillon reported that passenger numbers were down 11.33% for the month of September and down 5.73% year to date. This continues to be a result of the negative trend in capacity, although several carriers may offer additional seats by the end of the year. Mr. Dillon noted that T. F. Green is still faring better than many airports across the country.

Mr. Dillon reported that the recent article in the Warwick Beacon on RIAC's positive financial condition had been well received, and was a testament to the sound oversight provided by Mr. Schattle, Chief Financial Officer, and the finance staff.

Mr. Dillon gave a status update on the EIS, noting that there is a revised schedule with selection of the preferred alternative anticipated in May 2009 and the Record of Decision in Spring 2010. Discussion is continuing with FAA on funding. Mr. Dillon reported that he will meet with the Warwick City Council on November 17, 2008, to give an overview of the new alternative.

Mr. Dillon gave an update on the Intermodal Project noting that construction work has started in earnest, with the project remaining on schedule.

Mr. Dillon reported that he is continuing community outreach having been a guest speaker at the Newport and East Greenwich Rotary Clubs. One further speaking engagement has been scheduled with the Franklin Rotary Club in early November. Mr. Dillon noted that he had also hosted both the Providence Warwick CVB and RI Hospitality here at the airport which provided an opportunity to discuss mutual issues.

Mr. Dillon reported that he had recently attended the House Finance Committee Transportation Hearing which had focused on the whole Rhode Island transportation system. Mr. Dillon noted that there will be meetings with individual agencies in the coming months.

Mr. Dillon reported that the Providence Oyster Bar and the Food Court had opened earlier in the day. Food tastings with tenants and staff had been held with very good reviews.

Mr. Dillon gave a GA update noting that there will be a meeting on the Westerly ALP/Noise Study on November 6, 2008. Mr. Dillon noted that work is progressing on the Block Island Terminal building and the new hangar at Quonset.

Mr. Dillon gave a brief update on the Baggage Handling System and noted that the focus continues to be on solving the outstanding issues to bring the system on line.

Mr. Dillon reported that the Corporation will look into Mr. Langseth's concerns regarding the availability of the Corporation's agendas and minutes on the Secretary of State's website. He noted, however, that RIAC was in compliance with applicable filing guidelines.

5. Operations and Capital Committee Report:

Mr. Sangster reported that the Committee had met prior to the Board Meeting.

A motion was made by Mr. Hahn and seconded by Mr. Sangster to remove item 5 (a) Consideration of and Action Upon Approval of Professional Services Agreement for Public Relations and Advertising Services at T. F. Green Airport and the Five General Aviation Airports from the consent agenda. The motion was passed unanimously.

Action Item:

(a) Consideration of and Action Upon Approval of Professional Services Agreement for Public Relations and Advertising Services at

T. F. Green Airport and the Five General Aviation Airports.

Mr. Dillon gave an overview of the Professional Services Agreement, including the selection criteria. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a one-year Professional Services Agreement with two one-year extensions at the option of RIAC for Public Relations and Advertising Services with RDW including a retainer in an amount not-to-exceed \$6,000 per month.

A motion was made by Mr. Sangster and seconded by Mr. Hahn to approve the following resolution. The motion was passed by four in the affirmative with one member abstaining. Those votes are as follows:

YEAS: Kathleen Hittner, M.D.

Joseph Cianciolo

Robert Sangster

Russell Hahn

NAYS: None

ABSTAIN: Michael Traficante

A motion was by Mr. Hahn and seconded by Mr. Traficante to approve item 5 (b) through 5 (f) on the consent agenda. The motion

was passed unanimously.

Consent Agenda:

(b) Consideration of and Action Upon Approval of a Construction Contract for the Post Road Water Valve Installation Project at T. F. Green Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Post Road Water Valve Installation Project at T. F. Green Airport and three bids were received; and

WHEREAS, The Louis Berger Group (LBG), serving as RIAC's Design Consultant for this project, determined that John Rocchio Corporation (JRC) submitted the lowest responsive bid in the amount of \$125,000; and

WHEREAS, LBG recommends that JRC be awarded the Construction Contract for this project and RIAC staff agrees; and

WHEREAS, the project is included in the proposed Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$374,400; and

WHEREAS, this contract will be funded with 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 with John Rocchio Corporation for the Post Road Water Valve Installation Project at T. F. Green Airport in an amount not-to-exceed \$125,000.

(c) Consideration of and Action Upon Approval of a Task Order for the Runway 5-23 and 16-34 Intersection Improvements Project at T. F. Green Airport.

WHEREAS, the pavement at the intersection of Runways 5-23 and 16-34 at T. F. Green Airport is deteriorated and repeated attempts by Airfield Maintenance to repair the issues have proven to be temporary in nature; and

WHEREAS, the asphalt is raveling with joint deterioration causing the need for more substantial repairs; and

WHEREAS, this project involves milling and pavement overlay with new runway markings; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) Board authorized the execution of Professional Service Agreements for

On-Call Pavement Repairs with Cardi Corporation (Cardi), D'Ambra Construction Co. Inc. and International Paving Corp. at the October 2007 Board meeting; and

WHEREAS, to date, no Task Orders have been issued to Cardi under that agreement; and

WHEREAS, RIAC staff requested pricing from the three approved On-Call Pavement Repair Companies to perform the work associated with the Runway 5/23 & 16/34 Intersection Improvements Project; and

WHEREAS, Cardi submitted the lowest fee in the amount of \$148,350, and

WHEREAS, this project is included in the RIAC Fiscal Year 2009 Operations and Maintenance (O&M) budget in the amount of \$50,000; and

WHEREAS, the remaining \$98,350 is unbudgeted and will be funded from General Purpose Funds; and

WHEREAS, due to the need to accomplish this project in a timely manner, the President and CEO issued the Task Order with Cardi and recommends ratification.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby ratifies the President and CEO's execution of a Task Order with Cardi Corporation to provide Pavement Repair Services for the Runway 5-23 & 16-34 Intersection Improvement Project at T. F. Green Airport in an amount not-to-exceed \$148,350.

(d) Consideration of and Action Upon Approval of Lease Agreement for the Restaurant Facility in the New Block Island Airport Terminal.

WHEREAS, on May 13, 2008, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for the development and operation of the restaurant space in the new Block Island Airport Terminal; and

WHEREAS, Bethany's Airport Diner, the incumbent operator in the existing terminal, was the sole respondent; and

WHEREAS, Bethany's Airport Diner will be responsible for providing the necessary trade fixtures and any other leasehold improvements to operate in this space; and

WHEREAS, tenant leasehold improvements will require RIAC's prior written consent; and

WHEREAS, RIAC has negotiated a Lease Agreement with Bethany's Airport Diner to provide the required restaurant services in the new

terminal for a five year initial term at \$1,150 per month with annual CPI increases and a mutual option term of five years with fair market rent negotiated by the parties.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Lease Agreement with Bethany's Airport Diner for the restaurant space in the new Block Island Airport Terminal at an initial rent of \$1,150 per month in substantially the form presented.

(e) Consideration of and Action Upon Approval of Professional Services Agreements for Third Party Testing Services Associated with the Construction of the Warwick Intermodal Facility at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is constructing an Intermodal Facility in Warwick, Rhode Island, pursuant to its Capital Improvement Program (CIP), and in cooperation with the Rhode Island Department of Transportation (RIDOT); and

WHEREAS, all costs associated with the Board authorization contemplated in this resolution will be included as part of the Intermodal Project; and

WHEREAS, RIAC conducted a qualification procurement process for Third Party Testing Services associated with the construction of the Intermodal Facility; and

WHEREAS, RIAC received five Qualification Statements from consultants to perform these services and a Selection Committee short-listed three of these firms to provide Proposals; and

WHEREAS, the Selection Committee evaluated the three Proposals submitted by Briggs Engineering and Testing, ATC Associates, Inc., and Professional Service Industries, Inc. and recommends Briggs Engineering and Testing to provide the Third Party Testing Services in an amount not-to-exceed the budget amount of \$552,293.

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 (PSA) with a two-year term for Third Party Testing Services with Briggs Engineering & Testing in an amount not-to-exceed \$552,293, subject to RIDOT, and FHWA approval.

(f) Consideration of and Action Upon Request for Retroactive Price Adjustment for the Taxiway 'M' Project at T. F. Green Airport.

WHEREAS, on April 16, 2008, the Rhode Island Airport Corporation

(RIAC) received three sealed bids from qualified contractors to Extend, Mark, Light and Sign Taxiway 'M' (Taxiway 'M' Project) at T. F. Green Airport; and

WHEREAS, the procurement process for the Taxiway 'M' Project was made in accordance with the RIAC Procurement Regulations, which, in relevant part, does not allow for retroactive price adjustments for contracts awarded based on low bid; and

WHEREAS, funding for the Taxiway 'M' Project was structured based on RIAC's receipt of 75% of the costs from the Federal Aviation Administration (FAA); and

WHEREAS, the FAA does not fund retroactive price adjustments under its grants; and

WHEREAS, on April 16, 2008, the proposals were opened and Cardi Corporation offered the lowest responsible and responsive bid; and

WHEREAS, there were two other proposers for the Taxiway 'M' Project which were unsuccessful because their respective bids were higher than the bid from Cardi Corporation; and

WHEREAS, the Board approved the award of the Taxiway 'M' Project Contract to Cardi Corporation at the May 21, 2008 Board Meeting; and

WHEREAS, after the commencement of the Taxiway M Project Cardi Corporation requested a retroactive price increase based on escalating petroleum costs; and

WHEREAS, RIAC staff evaluated Cardi Corporation's request for a retroactive price adjustment in terms of (a) Cardi Corporation's status as the low bidder; (b) bid tabulation information from the two other bidders; (c) RIAC's engineering consultant's cost estimates; (d) RIAC's funding source; and (e) RIAC's Procurement Regulations; and

WHEREAS, in response to an inquiry from RIAC's President and CEO, the FAA has specifically stated that it would not fund a retroactive price adjustment for the Taxiway 'M' Project; and

WHEREAS, by letter dated July 30, 2008, RIAC staff has previously denied Cardi Corporation's request for a retroactive price adjustment; and

WHEREAS, RIAC President and CEO and staff subsequently met with representatives of Cardi Corporation to explain RIAC's evaluation and the denial letter; and

WHEREAS, on September 26, 2008, during the Open Forum of the Board meeting representatives of Cardi Corporation requested the RIAC Board to authorize RIAC to make a retroactive price adjustment

for the Taxiway 'M' Project; and

WHEREAS, as no new information or authority was presented to authorize a retroactive price adjustment, RIAC staff recommends that the original denial of a retroactive price adjustment for the Taxiway 'M' Project be reaffirmed.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to respond in writing to Cardi Corporation, on behalf of the RIAC Board of Directors, respectfully declining to authorize a retroactive price adjustment for the Taxiway 'M' Project.

6. Finance and Audit Committee Report:

Mr. Cianciolo reported that there had not been a monthly meeting so there was no formal report.

7. Human Resources Committee Report:

Mr. Sangster reported that there had not been a monthly meeting so there was no formal report. There will be a meeting scheduled in November 2008.

8. Executive Session:

A motion was made by Mr. Hahn and seconded by Mr. Traficante to amend the agenda to add to the Executive Session a discussion item related to personnel regarding job performance. It was noted on the record that the individual had been notified in writing that the Corporation intended to convene in Executive Session in order to discuss their job performance; the individual declined to have this discussion take place in Open Session. The motion was passed unanimously.

At approximately 4:20 p.m., a motion was made by Mr. Hahn and seconded by Mr. Traficante to go into Executive Session for the purposes of discussing the following items:

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

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

(c) Discussion related to Collective Bargaining Issues - R. I.G.L. R.I.G.L. § 42- 46-5(a)(2).

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

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

YEAS: Kathleen C. Hittner, M.D.

Joseph Cianciolo

Michael Traficante

Robert D. Sangster

Russell Hahn

NAYS: None

ABSTAIN: None

9. Reconvene to Open Session and Announcements:

At approximately 5:25 p.m., a motion was made by Mr. Traficante and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Sangster 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

Michael Traficante

Robert D. Sangster

Russell Hahn

NAYS: None

ABSTAIN: None

10. Future Meeting:

The next meeting is scheduled for Wednesday, November 19, 2008 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

Mr. Cianciolo moved to adjourn the meeting at 5:30 p.m. Mr. Traficante seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, Chair

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

OCTOBER 15, 2008

NAME AFFILIATION

Peter Frazier RIAC

Brian Schattle RIAC

Ann Clarke RIAC

Patti Goldstein RIAC

Val Mendonca HNTB

Meredith Holderbaum Senate Fiscal Office

Robert Goff New England Parking

Richard Langseth Greenwich Bay Watershed Group

Jim Falvey PB Americas

Gregg Perry Prism

Stephanie Cunha (add)Ventures

The minutes of the Executive Session of the Board Meeting of October 15, 2008 have been sealed in accordance with R.I.G.L. § 42-46-4.