

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**MONDAY, DECEMBER 21, 2009, AT 3:30 PM**

**IN THE MARY BRENNAN BOARD ROOM**

**T. F. GREEN AIRPORT**

**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, at 3:30 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; James C. Forte; Joseph Cianciolo; Robert Sangster; Russell Hahn; Joseph Larisa (arrived at 3:34 p.m.)

**BOARD MEMBER ABSENT:** Michael Traficante.

**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. Forte and seconded by Mr. Hahn to

**approve the minutes of the Board Meeting of November 18, 2009. The motion was passed unanimously.**

## **2. Open Forum:**

**Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Richard Langseth, representing Greenwich Bay Watershed, gave an update on a transportation initiative which had been presented to the Warwick City Council. This initiative would bring parties involved in the Intermodal together in a round table to discuss economic development as it relates to the project. Mr. Langseth reported that he hoped the Warwick City Council would have something to present in January and he again requested RIAC's support of this effort.**

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

**Mr. Dillon took the opportunity to thank the RIAC snow crews who had worked around the clock to keep the airport operational during the recent snowstorm.**

**Mr. Dillon reported that passenger traffic at T. F. Green Airport for November was down 9.2% on 12.5% less capacity. Year to date passenger numbers were down 7.4%. However, he noted that there are signs of recovery in the industry which he will continue to monitor, and T. F. Green continues to fare better than other airports in the country in terms of passenger traffic. Mr. Dillon gave a sampling**

**of other airports in the country and their passenger statistics. Mr. Larisa asked specifically how other airports in the region were faring, and Mr. Dillon reported that Logan has started to see an increase in capacity.**

**Mr. Dillon reported that total operations at the General Aviation Airports were up 27.22%, and total fuel operations were up 36.5%. Mr. Dillon gave an overview of operations at each of the airports.**

**Mr. Dillon reported that WPRO had broadcasted live from the terminal on the day before Thanksgiving, and this had been well received by the traveling public.**

**Mr. Dillon reported that he is continuing to accept invitations to talk to local groups about the airport.**

**Mr. Dillon gave an overview of a series of community outreach meetings that are being planned to help keep the local community informed on the progress of the EIS. The first meeting had been held on December 17th. Ten local residents had attended the meeting, and questions had focused on the acquisition and soundproofing programs, as well as community impacts of the proposed runway extension.**

**Mr. Dillon gave an overview of the progress on the Intermodal project reporting that work is approximately 65% complete. The skywalk is now completely enclosed and the focus during the winter months will**

**be on interior fixtures and finishes.**

**Mr. Dillon gave a brief overview of the EIS reporting that VHB and the FAA are focusing on final preparations to the draft EIS document. Mr. Dillon noted that the Greater Providence Chamber had recently sent a letter to the head of the FAA in Washington expressing concerns about the delays in finalizing the EIS because of the revisions to the forecasts. Mr. Forte asked about the Corporation's interactions with the Chamber and Mr. Dillon reported that both he and Ms. Goldstein have a very positive working relationship with the Chamber and its leadership. Mr. Dillon noted that the Chamber has been very supportive of the airport and the EIS project.**

#### **4. Finance and Audit Committee Report:**

**Mr. Cianciolo reported that the Committee had met on November 30, 2009 and the meeting had focused on a review of the first quarter of the Fiscal Year 2010 Budget. At the meeting Mr. Dillon had given an overview of the various revenue streams and Mr. Schattle had given a presentation which focused on the specific line items in the budget.**

#### **5. Action Items:**

**(a) Consideration of and Action Upon Proposed Lease with Rhode Island Fast Ferry, Inc. at Quonset Airport.**

**Mr. Dillon gave an overview of the proposed lease. Mr. Dillon reported that the recommendation is that the Board authorize the President and CEO, or his designee, to execute a Lease Agreement and other related documents with Rhode Island Fast Ferry, Inc., subject to Legal Counsel approval. Mr. Sangster noted that he would be abstaining from voting on this issue.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has the responsibility of developing revenue to support its General Aviation airport system from certain real estate parcels at the Quonset State Airport (Revenue Producing Parcels) leased to RIAC by the State of Rhode Island; and**

**WHEREAS, the Revenue Producing Parcels are managed on behalf of RIAC by the Rhode Island Economic Development Corporation (RIEDC) and/or its subsidiary, the Quonset Development Corporation (QDC); and**

**WHEREAS, Rhode Island Fast Ferry, Inc. wishes to terminate its two existing leases, one of which expires in 2010, the other which expires in 2018. They will remove some unusable land along the beach buffer**

**and parking area from the leases and execute one new lease effective January 1, 2010; and**

**WHEREAS, the new lease will reduce the amount of leased space from 6.1 acres to 5.1 acres and will have a twenty five year term commencing January 1, 2010; and**

**WHEREAS, the base rent will be \$13,250 per acre, which is consistent with the current blended rate of the two leases; and**

**WHEREAS, the base rent will increase by 12.5% every five years; and**

**WHEREAS, Rhode Island Fast Ferry Inc. is proposing to improve the site with a new terminal building, parking, lighting and fencing; and**

**WHEREAS, the proposed improvements will become the property of RIAC at the expiration or early termination of the lease; and**

**WHEREAS, the QDC has represented, inter alia, that the base rent and terms of the Lease Agreement are commercially reasonable; and**

**WHEREAS, the QDC has approved said Lease Agreement; and**

**WHEREAS, RIAC's management has reviewed the terms of the proposed Lease Agreement and recommends approval by the Board.**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Lease Agreement and related documents with Rhode Island Fast Ferry, Inc., subject to Legal Counsel approval.**

**By the following roll call vote, the motion was passed by five in the affirmative with one Board Member abstaining. Those votes are as follows:**

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

**James Forte**

**Joseph Cianciolo**

**Russell Hahn**

**Joseph Larisa**

**NAYS: None**

**ABSTAIN: Robert D. Sangster**

**(b) Consideration of and Action Upon Recommendation to Award On-Call Letters of Engagement for Legal Services.**

**Mr. Dillon gave an overview of the services. Mr. Frazier answered individual questions concerning the qualifications of certain firms. The recommendation is that the Board authorize the President and CEO, or his designee, to issue Letters of Engagement to the above identified qualified firms on an as needed basis and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms.**

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

**WHEREAS, on October 23, 2009, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for seven primary categories of legal services in accordance with the requirements of the RIAC Procurement Rules and received 11 submissions; and**

**WHEREAS, a Selection Committee consisting of Peter A. Frazier, General Counsel; Bruce Wilde, Chief Human Resources Officer; and Brian C. Schattle, Chief Financial Officer, met and reviewed the various submissions based on an analysis of general competence, experience, knowledge and qualifications related to RIAC's**

anticipated legal needs and reasonableness of the proposed fees for services to be provided; and

WHEREAS, based on a review of the submitted materials, the selection criteria, the requirements of the applicable RIAC Procurement Regulations, and the uniqueness of each potential future engagement, the Selection Committee unanimously recommends that all of the submitting firms be approved in their respective categories, as set forth below:

#### **Governmental**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Cicione & Associates**

**&#9702; Moses & Afonso, Ltd.**

**&#9702; Nixon Peabody LLP**

**&#9702; Pannone Lopes Devereau**

**& West LLC**

**&#9702; Partridge Snow & Hahn LLP**

**Litigation**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Cicione & Associates**

**&#9702; Kaplan Kirsch Rockwell LLP**

**&#9702; Moses & Afonso, Ltd.**

**&#9702; Nixon Peabody, LLP**

**&#9702; Pannone Lopes Devereau**

**& West LLC**

**&#9702; Partridge Snow & Hahn LLP**

## **Commercial & Real Estate**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Cicione & Associates**

**&#9702; Moses & Afonso LTD**

**&#9702; Nixon Peabody, LLP**

**&#9702; Pannone Lopes Devereau**

**& West LLC**

**&#9702; Partridge Snow & Hahn LLP**

## **Environmental**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Barnes & Thornburg LLP**

**&#9702; Cicione & Associates**

**&#9702; Kaplan Kirsch Rockwell LLP**

**&#9702; Nixon Peabody, LLP**

**&#9702; Partridge Snow & Hahn LLP**

**&#9702; Ropes & Gray LLP**

## **Labor & Employment**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Cicione & Associates**

**&#9702; Littler Mendelson PC**

**&#9702; Nixon Peabody, LLP**

**&#9702; Pannone Lopes Devereau**

**& West LLC**

**&#9702; Partridge Snow & Hahn LLP**

## **Aviation & Airport Specialties**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Kaplan Kirsch Rockwell LLP**

**&#9702; Nixon Peabody, LLP**

**&#9702; Patton Boggs LLP**

**&#9702; Ropes & Gray LLP**

## **Legislative**

**&#9702; Adler Pollock & Sheehan PC**

**&#9702; Cicione & Assoc.**

**&#9702; Nixon Peabody**

**&#9702; Pannone Lopes**

**&#9702; Patton Boggs**

**WHEREAS, actual engagements of counsel will occur as each unique need arises and the individual firm selected will be based on a further review of the legal issues in question analyzed in comparison to the firms' respective qualifications, billing proposals and availability; and**

**WHEREAS, engagements meeting RIAC's Procurement Regulations thresholds will be presented to the Finance and Audit Committee for review and approval; and**

**WHEREAS, the Fiscal Year 2010 Operating and Maintenance (O & M) budget includes \$335,000 in the Legal Services line item for these services and funding in future years will be established through the annual O&M budget approval process.**

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

**That the Board authorizes the President and CEO, or his designee, to issue Letters of Engagement to the above-identified qualified firms on an as needed basis and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms.**

**The motion was passed unanimously.**

**(c) Consideration of and Action Upon Approval of Meeting Schedules for 2010.**

**A motion was made by Mr. Forte and seconded by Mr. Larisa to approve the 2010 Meeting Schedules as presented to the Board. The motion was passed unanimously.**

**6. Executive Session:**

**At approximately 3:48 p.m., a motion was made by Mr. Hahn and seconded by Mr. Cianciolo to go into Executive Session for the purposes of discussing the following items:**

**(a) Motion to approve Minutes of Executive Session held on November 18, 2009 - R.I.G.L. § 42-46-5(a)(1)(2), (5) and (7); and**

**(b) Working Session Related to Collective Bargaining - R.I.G.L. § 42-46-5(a)(2); and**

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

**(d) Discussion Related to Three Potential Litigation Matters (Two**

**Non-Public and EIS) - R.I.G.L. § 42-46-5(a)(2); and**

**(e) Discussion Related to Job Performance - R.I.G.L. § 42-46-5(a)(1);  
and**

**(f) Motion to Return to Open Session.**

**In relation to item 6 (e), it was noted for the record that the affected individual(s) were notified in writing that the Board intended to convene in Executive Session 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 C. Hittner**

**James C. Forte**

**Joseph Cianciolo**

**Robert Sangster**

**Russell Hahn**

**Joseph Larisa**

**NAYS: None**

**ABSTAIN: None**

## **7. Post Executive Session Actions and Announcements:**

**At approximately 4:32 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 to Seal the Minutes of the Executive Session Held on December 21, 2009.**

**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 C. Hittner**

**James C. Forte**

**Joseph Cianciolo**

**Robert Sangster**

**Russell Hahn**

**Michael Traficante**

**NAYS: None**

**ABSTAIN: None**

**(b) Report of Action Taken In Executive Session:**

**During the Executive Session the Board approved the sealed minutes of the Executive Session held on November 18, 2009. The vote was unanimous.**

#### **8. Human Resources Committee Report:**

**Mr. Sangster gave a brief overview of the meetings of November 30, 2009 and December 21, 2009, and noted that there was one item for approval on the consent agenda.**

**A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the item on the consent agenda. The motion was passed unanimously.**

#### **Consent Agenda Item:**

**(a) Consideration of and Action Upon Renewal of Health and Dental Insurance Coverage.**

**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 management, with the assistance of its health insurance consultant, Borah Associates (Borah), negotiated a 6% premium increase for health coverage and a 4% increase for dental coverage; and**

**WHEREAS, Borah recommends and RIAC staff agrees, that the Blue Cross coverage be renewed at the proposed rates; and**

**WHEREAS, the increase in health insurance falls below the trend of 10% and the increase in dental insurance falls below the trend of 8%; and**

**WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O&M) budget; and**

**WHEREAS, although this line item will exceed budgeted expectations by approximately \$200K, RIAC staff is managing its overall cost structure in line with current revenue streams.**

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

**That the Board authorizes the 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, 2010.**

**9. Action Item:**

**(a) Consideration of and Action Upon Authorization of Board Chair to Negotiate Contract Renewal with President and CEO.**

**A motion was made by Mr. Hahn and seconded by Mr. Sangster authorizing the Board Chair to negotiate and execute the contract renewal with RIAC's President and CEO on terms substantially similar to those discussed in the preceding Executive Session. The motion was passed unanimously.**

**10. Future Meeting:**

**The next meeting is scheduled for Wednesday, January 20, 2010 at 4:00 p.m. in the Mary Brennan Board Room, at T. F. Green Airport, Warwick, Rhode Island.**

**11. Adjournment:**

**Mr. Cianciolo moved to adjourn the meeting at 4:45 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**  
**DECEMBER 21, 2009**

**NAME      AFFILIATION**

**Peter Frazier      RIAC**

**Brian Schattle      RIAC**

**Patti Goldstein      RIAC**

**Val Mendonca      HNTB**

**Charles Donadio,Jr.      RI Fast Ferry, Inc.**

**Richard Langseth      Greenwich Bay Watershed**

**The minutes of the Executive Session of the Board Meeting of December 21, 2009 have been sealed in accordance with R.I.G.L. § 42-46-4.**