

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, FEBRUARY 17, 2010, AT 4:00 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, 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; 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. Cianciolo and seconded by Mr. Hahn to approve the minutes of the Board Meeting of December 21, 2009, and

**the Amended Minutes of the Board Meeting of June 9, 2009. 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 President and CEO:**

**Mr. Dillon reported that passenger traffic at T. F. Green Airport for the year ended December 31, 2009 was down 7.6% on 9% less capacity. He noted that T. F. Green continues to fare better than other airports in the country in terms of passenger traffic.**

**Mr. Dillon reported that total operations at the General Aviation Airports for year ended December 31, 2009 were down 0.42% and total fuel operations were down 6%. Mr. Dillon gave an overview of operations at each of the airports.**

**Mr. Dillon reported that he has continued his focus on community outreach. On January 28, 2010 he met with the Woonsocket Rotary Group to update them on airport projects. Meetings with the Warwick Community were held on January 4, 2010 and January 5, 2010, and the North Central Master Plan Meeting was held on January 6, 2010.**

**Mr. Dillon reported that the Noise Monitoring Meetings, required by State Statute, were scheduled for February 10, 2010 in Cranston and February 11, 2010 in Warwick. The Cranston Meeting was cancelled due to adverse weather and was rescheduled for February 23, 2010. The meeting on February 11, 2010 went ahead as scheduled.**

**Mr. Dillon gave an update on the Intermodal reporting that the focus is on installing escalators, elevators and ceilings in the TEI, on moving walkways, ceiling frames and mechanical and electrical installations in the Skywalk, and mechanical systems, finish work and design of the tenant offices in the Customer Service Building. Precast is substantially complete on the garage.**

**Mr. Dillon reported that along with Mr. Mike Lewis, RIDOT Director, he had recently met with FHWA and Federal Transit officials in Washington DC to discuss train service to the station.**

**Mr. Dillon gave an EIS update reporting that the publication date for the draft EIS is still anticipated to be late April 2010, with the Public Hearing scheduled for late May or early June 2010. The FAA has been asked to publish the Final EIS document in Fall 2010, and have the Record of Decision in November/December 2010.**

**Mr. Dillon reported that work has started on drafting the new airline agreement. Mr. Dillon gave a brief overview of discussions on the agreement to date.**

**Mr. Dillon gave an update on legislation.**

**There was general discussion on ways to refute inaccurate or misleading statements reported about RIAC and airport issues in the media. There was an acknowledgement of the unique challenges of addressing this type of issue.**

**Mr. Hahn asked Mr. Dillon on how the recent cancellations and delays due to weather had affected the airport. Mr. Dillon reported that there had been 3 or 4 days of cancellations which had severely impacted the whole aviation system. Mr. Dillon noted that the airport did receive some diversions from other airports because of the adverse weather.**

**Mr. Forte asked if there had been a date formalized for occupancy of the intermodal Facility. Mr. Dillon reported that the date of beneficial occupancy is September 23, 2010. However, an operational date has not yet been determined.**

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

**Mr. Forte reported that the Committee had met prior to the meeting and that there were items on the consent agenda for approval by the Board.**

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

**5. Consent Agenda:**

**(a) Consideration of and Action Upon Approval of a Professional Services Agreement to Design the Medium Intensity Approach Lighting with Sequenced Flashers System (MALSF) to Runway 10 at Block Island Airport.**

**WHEREAS, the Medium Intensity Approach Lighting with Sequenced Flashers System (MALSF) to Runway 10 at Block Island Airport is in need of replacement; and**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) to provide environmental, design and construction phase services associated with this project; and**

**WHEREAS, RIAC received seven proposals on January 11, 2010 in response to this RFP; and**

**WHEREAS, a Selection Committee comprised of Ann Clarke, Senior Vice President Planning, Engineering and Environmental; Ahmed Shihadeh, Manager of Engineering; Joseph Levesque, Airport Engineer, and Beth Tetreault, Procurement Specialist, was formed to**

**review and evaluate the proposals based on the selection criteria established in the RFP; and**

**WHEREAS, based on these evaluations, the Selection Committee recommends the firm of Hoyle Tanner & Associates, Inc. perform the design and construction phase services associated with this project; and**

**WHEREAS, RIAC is working with the Federal Aviation Administration (FAA) to obtain grant funds in the current fiscal year; and**

**WHEREAS, this contract will be funded 95% (\$113,715) through the FAA's Airport Improvement Program (AIP) with RIAC's 5% (\$5,985) matching share through the General Purpose fund.**

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

**That the Board authorizes the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Hoyle Tanner & Associates, Inc. to design the Medium Intensity Approach Lighting with Sequenced Flashers System (MALSF) to Runway 10 at Block Island Airport in an amount not to exceed \$119,700, subject to receipt of a federal grant offer.**

**(b) Consideration of and Action Upon Approval of a Professional Services Agreement to Update Aeronautical Studies at Newport and**

## **Westerly Airports.**

**WHEREAS, in May 2006, the Rhode Island Airport Corporation (RIAC) entered into two separate Task Orders with Stantec Consulting Services (Stantec) to prepare Aeronautical Studies for Newport and Westerly Airports; and**

**WHEREAS, there is a need to update the Aeronautical Studies for each of these airports; and**

**WHEREAS, the RIAC Procurement Rules Section 10.4.2.7 allows for sole source procurements including, “specialized services for which there is only one documented accepted source, such as transactions involving unique professional services and/or educational institutions...”; and**

**WHEREAS, RIAC staff has determined that a sole source selection for this Professional Services Agreement (PSA) is appropriate as Stantec completed the original Aeronautical Studies and has the pertinent information necessary to complete these updates in the most timely and cost effective manner; and**

**WHEREAS, RIAC is working with the Federal Aviation Administration (FAA) to obtain grant funds in the current fiscal year; and**

**WHEREAS, these projects will be funded 95% (\$190,000) through the**

**FAA's Airport Improvement Program (AIP) with RIAC's 5% (\$10,000) matching share through the General Purpose Fund.**

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

**That the Board authorizes the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Stantec Consulting Services to update the Aeronautical Studies for Newport and Westerly Airports in an amount not to exceed \$200,000, subject to receipt of federal grant offers.**

**(c) Consideration of and Action Upon Approval of a Construction Contract for Hangar 2 Individual Sewage Disposal System (ISDS) Improvements 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 Hangar 2 Individual Sewage Disposal Systems (ISDS) improvements at T. F. Green Airport; and**

**WHEREAS, six bids were received on November 18, 2009; and**

**WHEREAS, The Louis Berger Group (LBG), serving as RIAC's Design Consultant for this project, determined that Fleet Construction Company, Inc. (Fleet) submitted the lowest responsive bid in the amount of \$373,894; and**

**WHEREAS, RIAC staff agrees with LBG's recommendation that Fleet be awarded the Construction Contract for this project; and**

**WHEREAS, the project is included in the approved Fiscal Year 2010 Capital Improvement Program (CIP) budget in the amount of \$1,500,000; and**

**WHEREAS, the original budget for this project was developed in Fiscal Year 2008; and**

**WHEREAS, the project scope has been refined and RIAC staff has assumed significant construction administration responsibilities in an effort to reduce the cost of these improvements; and**

**WHEREAS, this project also benefited from the current competitive construction environment, as demonstrated by the six bids received; and**

**WHEREAS, excess bond proceeds allocated for this project will be reallocated to other RIAC priorities during the Fiscal Year 2011 budget process; and**

**WHEREAS, this contract will be funded with 2008 Airport Revenue Bond funds.**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Construction Contract with Fleet Construction Company, Inc. for the Hangar 2 Individual Sewage Disposal System (ISDS) Improvements at T. F. Green Airport in the amount of \$373,894, subject to Board approval.**

**(d) Consideration of and Action Upon Approval to Enter Into a Project Initiative No. 9 with Amtrak Under the Force Account Agreement for the Warwick Intermodal Facility at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) Board of Directors approved a Force Account Agreement with Amtrak on July 28, 2008 to provide various Safety, Protection, Engineering and Contractor Services related to the construction of the Intermodal Facility at T. F. Green Airport; and**

**WHEREAS, Amtrak has prepared, and RIAC has received, a Project Initiative Scope and Fee to perform construction services and provide equipment required for the Post Interlocking; and**

**WHEREAS, RIAC staff, PB Americas Inc. (RIAC's Project Manager), Jacobs Engineering Group (Project Designer) and the Rhode Island Department of Transportation (RIDOT) have reviewed the Scope and Fee in an amount not to exceed \$9,837,498 for the services**

**associated with this Project Initiative and recommend approval; and**

**WHEREAS, the services that are being provided under this Project Initiative are included in the Amtrak and Related Rail Items line item as updated in the current Intermodal Facility budget, which has been increased from \$18.6 million to \$25.8 million; and**

**WHEREAS, the increase to the project budget is a reflection of increased labor costs for Amtrak forces, unanticipated costs for Amtrak project management, additional site protection needs (flaggers) and additional equipment required for the project by Amtrak; and**

**WHEREAS, Amtrak has made a reduction in costs associated with Project Initiative No. 2, due to a change in the scope of services; and**

**WHEREAS, savings made as a result in this change in services will be applied to Project Initiative No. 3 to fund additional needs, and Project Initiative No. 9, in an effort to offset costs; and**

**WHEREAS, contingency funds will be used to fund the remaining needs under Project Initiative No. 9; and**

**WHEREAS, RIAC's Project Manager, PB Americas Inc. (PB) closely monitors actual expenditures under Project Initiatives.**

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

**That the Board authorizes the President and CEO, or his designee, to execute Project Initiative No. 9 with Amtrak to perform construction services and provide equipment required for the Post Interlocking in an amount not to exceed \$9,837,498, subject to Rhode Island Department of Transportation and Federal Highway Administration approval.**

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

**Mr. Cianciolo reported that the Committee had met before the Board Meeting and he gave a brief overview of the meeting. Mr. Cianciolo noted that there was one item on the Consent Agenda for approval by the Board.**

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

**7. Consent Item:**

**(a) Consideration of and Action Upon Appointment of RIAC Purchasing Agents.**

**WHEREAS, Section 3.1.2 of the Rhode Island Airport Corporation**

**(RIAC) Procurement Rules states that “within RIAC there shall be a Purchasing Agent appointed by the RIAC Executive Director (now the President and CEO) with the approval of the RIAC Board of Directors”; and**

**WHEREAS, RIAC’s former Purchasing Agent, Jason F. Doyle, has left the organization; and**

**WHEREAS, pursuant to Section 3.1.2 of the RIAC Procurement rules, Kevin A. Dillon, A.A.E. has appointed Billy E. Cox, Manager of Business Administration, as the RIAC Purchasing Agent; and**

**WHEREAS, Brian C. Schattle, Chief Financial Officer, will serve in this capacity in the event that Mr. Cox is unavailable;**

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

**That the Committee approve the appointment of Billy E. Cox, Manager of Business Administration, as the RIAC Purchasing Agent, with Brian C. Schattle, Chief Financial Officer serving in this capacity in the event that Mr. Cox is unavailable, subject to Board approval.**

#### **8. Pension Committee Report:**

**Dr. Hittner gave an overview of the meeting which was held on February 16, 2010 and asked Mr. Wilde to give a brief overview of the**

**one action item.**

**9. Action Item:**

**(a) Consideration of and Action Upon Retirement Plan Update to Add a Loan Provision.**

**Mr. Wilde gave an overview of the item noting that this request was in response to employees' requests to access their retirement funds. These requests have increased during the recent economic downturn. Mr. Wilde reported that the Corporation had explored the idea of allowing hardship withdrawals from the Principal 414h retirement plan; however, in accordance with IRS restrictions, 414h retirement plans cannot offer hardship withdrawals. However, the option to add a loan provision does exist. Mr. Wilde asked Ms. Penta, RIAC's Plan Administrator, to give an overview of the recommended loan provisions. Ms. Penta gave an overview of the various provisions and discussed how the loans would be handled administratively by RIAC, including the various restrictions and fees associated with the loan, and the payback schedule. There was also general discussion of RIAC's pension plan. The consensus was that this loan provision was a reasonable benefit to offer employees, particularly during the current economic climate.**

**Mr. Dillon noted that the Committee had also authorized the Corporation to issue an RFP to retain the services of an independent**

**investment advisor who would review and give advice to the Corporation on the individual investment products and services being offered by Principal. If the cost of the investment advisor exceeds \$50,000, this item will be brought to the Board for approval.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) offers a 414h retirement plan through Principal Financial (Principal); and**

**WHEREAS, RIAC staff have been inquiring about access to retirement monies; and**

**WHEREAS, through consultation with Principal it was determined that our current plan does not allow hardship withdrawals per IRS guidelines; however, the option to add a loan provision exists; and**

**WHEREAS, the cost to RIAC would be a one time \$500 fee to amend the current plan document and \$8 per loan each quarter thereafter; and**

**WHEREAS, prior to withdrawal of funds employees must pre-qualify with Principal; and**

**WHEREAS, costs to process loans would be the sole responsibility of the employee.**

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

**That the Committee approves the President and CEO, or his designee, to enter into the loan provisions to the current 414h retirement plan through Principal Financial.**

- 1. Amend the plan to allow for one loan per participant.**
- 2. Minimum loan amount of \$1,000. Maximum loan amount is 50% of vested balance per IRS guidelines.**
- 3. Recognize the Plan Administrator as the Loan Administrator.**
- 4. Select Teletouch as the method for loan requests.**
- 5. Allow 10 years to repay a loan to purchase a primary residence. Any other loan has a five year limit per IRS guidelines.**
- 6. If excess monies above the scheduled payment are received the extra money should go to the principal of the loan.**
- 7. 90 days is the standard amount of time people are permitted to miss a payment before being placed in default.**
- 8. Department of Labor guidelines allow 60 days for repayment of the loan after termination.**

**The motion was passed unanimously.**

**10. Executive Session:**

**At approximately 4:32 p.m., a motion was made by Mr. Hahn and seconded by Mr. Forte to go into Executive Session for the purposes of discussing the following items:**

**(a) Motion to approve the Minutes of the Executive Session held on December 21, 2009 - R.I.G.L. § 42-46-5(a)(1)(2), (5) and (7); and**

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

**(c) Discussion Related to the Acquisition of Real Property for Public Purposes at T. F. Green Airport – R.I.G.L. § 42-46-5(a)(5).**

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

**(e) Discussion Related to Job Performance - R.I.G.L. § 42-46-5(a)(3); and**

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

**In relation to item 10(e), it was noted for the record that the effected 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, M.D.**

**James C. Forte**

**Joseph Cianciolo**

**Robert D. Sangster**

**Russell Hahn**

**NAYS: None**

**ABSTAIN: None**

**At approximately 5:16 p.m. a motion was made by Mr. Hahn and seconded by Mr. Forte to reconvene to the Open Session. The motion was passed unanimously.**

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

**(a) Motion to Seal the Minutes of the Executive Session held on February 17, 2010.**

**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, M.D.**

**James C. Forte**

**Joseph Cianciolo**

**Robert D. Sangster**

**Russell Hahn**

**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 December 21, 2009. The votes were unanimous.**

**12. Action Item:**

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

**A motion was made by Mr. Hahn and seconded by Mr. Forte to authorize 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.

**13. Future Meeting:**

The next meeting is scheduled for Wednesday, March 17, 2010 at 4:00 p.m. in the Mary Brennan Board Room, at T. F. Green Airport, Warwick, Rhode Island.

**14. Adjournment:**

Mr. Hahn moved to adjourn the meeting at 5:20 p.m. Mr. Forte 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  
FEBRUARY 17, 2010**

**NAME      AFFILIATION**

**Peter Frazier    RIAC**

**Brian Schattle    RIAC**

**Patti Goldstein    RIAC**

**Ann Clarke    RIAC**

**Bruce Wilde    RIAC**

**Sherri-Ann Penta    RIAC**

**Val Mendonca    HNTB**

**Robert Goff    New England Parking**

**Bob Furey    Hoyle Tanner & Associates**

**Chris MacFadyen    RI General Assembly – House Policy**

**The minutes of the Executive Session of the Board Meeting of February 17, 2010, have been sealed in accordance with R.I.G.L. §**

42-46-4.