

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, NOVEMBER 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; Russell W. Hahn; Joseph S. Larisa (arrived at 4:10 p.m.); Michael A. Traficante; Robert D. Sangster; Deborah M. Thomas.

BOARD MEMBERS ABSENT: Joseph M. Cianciolo.

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 October 20, 2010. 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, addressed his concerns related to RIAC's agreement with the airlines, specifically the budget projections that were provided to the airlines in relation to the approved budget, and bond coverage. Dr. Hittner thanked Mr. Langseth for his comments.

3. Report from President and CEO:

Mr. Dillon reported that passenger traffic for the month of October was down 0.38%. Year to date traffic was down 10.28%. Mr. Dillon noted that Parking Garages A and B are both full.

Mr. Dillon reported that total general aviation operations were up 5.2%. Fuel sales were flat.

Mr. Dillon reported that RIAC recently issued an RFI for a company to manage the general aviation airports. Mr. Dillon noted that there were several management options within the RFI, but that a company had to propose managing at least three airports which must include Block Island. Mr. Dillon gave a brief overview of the provisions which would

be included in the management contract. Mr. Dillon noted that four companies responded to the RFI and interviews are currently being scheduled.

Mr. Dillon reported that the MS Jet Pull was held on October 23, 2010. 21 teams participated in the event and over \$40,000 has been raised to date.

Mr. Dillon reported that the Greater Providence Chamber of Commerce's Annual Dinner is scheduled for Monday, November 22nd at the Convention Center.

Mr. Dillon reported that he had attended the City Council Meeting on November 15th specifically to hear the council's discussion on RIAC's zoning request. Mr. Dillon noted that the City Council had voted against the request. He will discuss this issue further with Mayor Avedisian.

Mr. Dillon reported that Mr. Ron Stella has been selected for the AVP Airfield Operations and Facility position. Mr. Dillon noted that Ron is currently a Shift Manager at Logan Airport. He comes highly recommended with extensive Airport Operations experience, including two years of service here at T. F. Green Airport as an Airport Operations Specialist and Sr. Operations Specialist before moving on to Massport. He will start work in his new position on November 22, 2010.

Mr. Dillon reported that there had been nationwide media interest in the new AIT screening equipment which has been implemented by the TSA. There are some reports that protests against the new equipment will be held by concerned passengers at airports during the upcoming Thanksgiving holiday.

Mr. Dillon reported that he had been contacted by a Rhode Island resident who was looking for a facility to be named after his uncle who was the first Rhode Island Aviator. Mr. Dillon reported that he would be further researching this issue. Dr. Hittner asked if the airport had considered documenting the history of the airport. Mr. Dillon reported that he believed one of the mitigation items in the EIS will be a requirement to catalog the history of the airport.

4. Action Items:

(a) Consideration of and Action Upon Approval to Add the Hangar Fire Suppression System Upgrade at North Central Airport Into the Fiscal Year 2011 Budget AND Consideration of and Action Upon Approval to Enter Into a Consultant Task Order to Provide Design and Bid Phase Services at North Central Airport.

Mr. Dillon gave an overview of the project. The recommendation is that the Board authorize the President and CEO, or his designee to (1) include the Hangar Fire Suppression System Upgrade at North

Central Airport in the Fiscal Year 2011 budget and (2) execute a Task Order with Jacobs Engineering Group, Inc., to provide Design and Bid Phase Services associated with the project.

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

WHEREAS, subsequent to the approval of the Fiscal Year 2011 budget, RIAC staff identified the need to review and potentially upgrade the Fire Suppression System in the hangar at North Central Airport in an estimated amount of \$800,000; and

WHEREAS, RIAC will seek to fund 95% of this project with a grant from the Federal Aviation Administration (FAA); and

WHEREAS, any amounts not funded by the FAA will be funded through Airport Revenue Bonds; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) dated October 31, 2009 with Jacobs Engineering Group (Jacobs) to provide On-Call Mechanical Engineering and Plumbing Services; and

WHEREAS, RIAC has negotiated as Scope and Fee with Jacobs to provide Design and Bid Phase Services in the amount of \$85,282; and

WHEREAS, RIAC will seek to fund 95% (\$81,018) of this Task Order through the FAA's Airport Improvement Program (AIP).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to:

(1) include the Hangar Fire Suppression System Upgrade at North Central Airport in the Fiscal Year 2011 budget; and

(2) execute a Task Order with Jacobs Engineering Group, Inc. to provide Design and Bid Phase Services associated with the project in an amount not to exceed \$85,282.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Change Order to the Professional Services Agreement for the Environmental Impact Statement at T. F. Green Airport.

Mr. Dillon gave an overview of the services provided in the Change Order noting that the services are required to prepare the FEIS and the Record of Decision (ROD) for the T. F. Green Airport Improvement Program. Mr. Dillon noted it will also include permitting and approvals for Federal regulatory requirements. There was general

discussion of the proposed hangar in the vicinity of the Warwick Pond noise mitigation area and specifically its impact on the maps in the FEIS.

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

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Professional Services Agreement (PSA) with Vanasse Hangen Brustlin, Inc. (VHB) for the preparation of the Environmental Impact Statement (EIS) at T. F. Green Airport; and

WHEREAS, RIAC staff and the FAA have received a Scope and Fee with VHB in an amount not to exceed \$2,196,971 to perform tasks to prepare the Final Environmental Impact Statement (FEIS) and Record of Decision (ROD); and

WHEREAS, the approved Fiscal Year 2011 Capital Improvement Program (CIP) budget for this project is \$4.8 million; and

WHEREAS, this Change Order will be funded 75% (\$1,647,728) through the Federal Aviation Administration's Airport Improvement Program with RIAC's 25% (\$549,243) matching share through Passenger Facility Charges.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to execute a Change Order with Vanasse Hangen Brustlin, Inc. to perform tasks associated with the Final Environmental Impact Statement for T. F. Green Airport in an amount not to exceed \$2,196,971, subject to Federal Aviation Administration approval.

The motion was passed unanimously.

5. Pension Committee Report:

Consent Item:

(a) Consideration of and Action Upon Pension Plan Amendments.

Ms. Penta gave a brief overview of the amendments, which included adding loans to the ING and Valic Plans, adding 5-Year increment funds to the current Lifetime offerings, and adding the Retire Secure and Retire View products to the Principal plan.

A motion was made by Mr. Larisa and seconded by Mr. Hahn authorizing RIAC's Plan Administrator to implement the Pension Plan Amendments as suggested by the Pension Committee and presented to the Board, subject to legal review of the final documentation.

The motion was passed unanimously.

6. Executive Session:

At approximately 4:36 p.m., a motion was made by Mr. Hahn and seconded by Mr. Larisa 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 October 20, 2010 – R.I.G.L. § 42-46-5(a)(1), (2), and (5); and

(b) Discussion Related to Four Potential Litigation Matters (Two Non-Public, EIS and EDS Project) - R.I.G.L. § 42-46-5(a)(2); 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); and

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

(e) Motion to Return to Open Session.

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

YEAS: Kathleen C. Hittner, M.D.

Russell W. Hahn

Joseph S. Larisa
Michael A. Traficante
Robert D. Sangster
Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 6:08 p.m., a motion was made by Mr. Hahn and seconded by Ms. Thomas to reconvene to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on November 17, 2010.

A motion was made by Mr. Hahn and seconded by Ms. Thomas 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.

Russell W. Hahn

Joseph S. Larisa

Michael A. Traficante

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session a motion was made to approve the sealed minutes of the Executive Session held on October 20, 2010. The motion was passed by four votes in the affirmative, with two members abstaining from voting. Those votes are as follows:

YEAS: Kathleen C. Hittner, M.D.

Russell W. Hahn

Michael A. Traficante

Robert D. Sangster

NAYS: None

ABSTAIN: Joseph S. Larisa

Deborah M. Thomas

8. Action Item:

(a) Consideration of and Action Upon Project Close-Out Change Orders and Related Documents for the Terminal Improvement 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) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide Construction Management at Risk Services for the Terminal Security Project; and

WHEREAS, the Terminal Security Project's budget is \$86,531,506; and

WHEREAS, RIAC staff has previously received and approved Change Order Requests (CORs) from Skanska regarding increased costs associated with changes to the baggage handling system (BHS) and with the delayed integration of the Transportation Security Administration owned explosive detection machines; and

WHEREAS, not included in those approved CORs were certain costs charged by Skanska's subcontractors associated with schedule accelerations, delays and extensions.

WHEREAS, a negotiated resolution, recommended by both Skanska and HNTB, of these costs was achieved in the amount of \$425,000; and

WHEREAS, since issuing the GMP, RIAC has authorized 137 Change Orders totaling \$5,785,140, bringing the total amount of the GMP to \$73,947,840 before this proposed Final Change Order; and

WHEREAS, due to the involvement of multiple parties paying varying portions towards a global resolution, part of the close out process includes the execution of a comprehensive settlement agreement.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to (1) execute a Final Change Order with Skanska USA Building, Inc. in the amount of \$425,000 and (2) execute all other project close out documents.

The motion was passed unanimously.

9. Future Meetings:

The next meeting is scheduled for Wednesday, December 15, 2010 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

10. Adjournment:

Mr. Hahn moved to adjourn at approximately 6:11 p.m. Mr. Sangster seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**