

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

FRIDAY, SEPTEMBER 23, 2011, AT 8:00 AM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (i§Corporation;”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 8:00 a.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 M. Cianciolo; Deborah M. Thomas; Bradford S. Dimeo; Robert D. Sangster; Michael F. Ryan.

BOARD MEMBERS ABSENT: Michael A. 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. Cianciolo and seconded by Ms. Thomas

to approve the minutes of the Board of Director's Meeting of July 20, 2011. 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 the Board with his concerns related to the audited financial statements and RIAC's accounting methods. (A copy of Mr. Langseth's comments were distributed to the Board Members at the meeting).

3. Report from President and CEO:

Mr. Dillon responded to Mr. Langseth's Open Forum comments. Mr. Dillon noted that he was disappointed that Mr. Langseth had not taken him up on the offer to meet with RIAC staff to discuss his concerns. Had he done so, RIAC could have corrected his misunderstanding about RIAC's accounting methods and the rules that govern them. Mr. Dillon advised that Mr. Langseth's observations, specifically in relation to capital leases, are misleading. Mr. Dillon again extended an invitation to Mr. Langseth to meet with him and RIAC staff to discuss his concerns further.

Mr. Dillon reported that he had recently accepted the following

grants:

fæ New England Regional General Aviation (NERGA) System Study:

This grant offer is related to Phase 1 services for the preparation of the NERGA along with costs associated with the preparation of an independent cost estimate. The total of FAA funds offered for this phase of the project is \$628,871 (95%) with the matching share in the amount of \$33,625 (5%) to be shared by the six New England states.

fæ PVD iV Rolling Stock: This grant offer is to purchase several pieces of snow removal equipment. The total of FAA funds offered for this equipment is \$1,210,598 (75%) with RIACi's matching share in the amount of \$403,522 (25%) through General Purpose Funds.

fæ OQU Wildlife Fencing: This grant offer is related to the installation of approximately 3,500 linear feet of fencing and three gates to preclude wildlife access, and provide public protection and security in areas vulnerable to inadvertent entry onto the airfield. The total of FAA funds offered for this phase of the project is \$149,530 (95%) with the matching share in the amount of \$7,870 (5%) through RIAC General Purpose Funds.

Mr. Dillon reported that passenger traffic for August was down 4.06% on approximately 3% less scheduled capacity. Year to date traffic was down 1.87%. T. F. Green Airport lost approximately a day and a half of scheduled flights due to Hurricane Irene on the last weekend

of the month.

Mr. Dillon reported that total operations at the General Aviation Airports were down 22.14% and total fuel sales were down 9.33%. Mr. Dillon noted, however, that there was some good news for September's fuel numbers. North Central Airport experienced the best sales ever as a result of corporate aircraft traffic during the Deutsche Bank Golf Tournament. North Central Airport sold close to 12,000 gallons of Jet A fuel. The previous record was 8,000 gallons.

Mr. Dillon reported that Mr. Dave Barger, President and CEO of JetBlue, was at a business event in Boston and mentioned that the airline was interested in starting service at T. F. Green Airport. Mr. Dillon noted that Mr. Barger had also commented on T. F. Green Airport's impressive facilities in a recent post on Twitter. Dr. Hittner gave a brief update on a recent meeting in New York, where Governor Chafee, Dr. Hittner, Kevin Dillon, Mayor Avedisian, and several other key business leaders, had met with Mr. Barger to discuss JetBlue service at T. F. Green Airport. The meeting was very informative, and Mr. Barger was very complimentary of the infrastructure at T. F. Green Airport, noting that an extension of the main runway would be beneficial to their future service needs.

Mr. Dillon reported that he is continuing to schedule meetings with other air carriers in an effort to expand the air service market at T. F. Green Airport.

Mr. Dillon reported that the public review of the Aeronautics Regulations has been completed. The regulations will now be finalized for posting, and they will be submitted to the State for filing.

Mr. Dillon reported that the preparations for Hurricane Irene went very well, and there was only minor damage reported at the airport. Quonset Airport did sustain more substantial damage to the electrical systems in the terminal building and to the Runway 16 localizer. Damage was assessed in the region of \$50,000 and an insurance claim has been filed.

Mr. Dillon reported that the Aviation Expo was held on September 21, 2011. High School students from throughout the state attended the event which focused on career opportunities in aviation. The event received positive local media coverage.

Mr. Dillon reported that the MS Jet Pull will be held at the airport on Saturday, October 1, 2011. Teams of 20 people will be pulling a FedEx 727 aircraft approximately 10 feet using a rope. This is a national fundraising event sponsored by the MS Society in conjunction with FedEx.

Mr. Dillon reported that the Corporation is waiting for the FAA to release the Record of Decision (ROD) for the EIS. The release is

expected to be either later today or early next week. Mr. Dillon noted that there will be no funding levels in the document when released. However, he had met with the FAA to discuss AIP funding. There was discussion of funding mechanisms for the projects.

Mr. Dillon reported that he is continuing to work with the Warwick Historical Cemetery Commission on the EIS and potential impacts to several historical cemeteries in Warwick.

Mr. Dillon gave an update on several outstanding issues related to the InterLink. Mr. Dillon noted that work has started on speeding up the moving walkways, a roadway signage package has been developed to improve circulation in and around the facility, and track work is continuing so that the full train schedule can be brought on line. The elevator for the CSO is also in final design, with the installation expected to be complete in January 2012.

Mr. Dillon reported that the public hearings required as part of R.I.G.L. § 1-2-3 were held on September 1, 2011 in Warwick and on September 15, 2011 in Cranston. Approximately 25 people attended the Warwick meeting. No one from the general public attended the Cranston meeting.

Mr. Dillon reported that the State Guide Plan was approved on September 15, 2011. Mr. Dillon noted that this was a very important milestone for the airport.

Mr. Dillon reported that he had met with the Town Managers for both Lincoln and Smithfield to discuss the relocation of the fuel farm at North Central Airport. Mr. Dillon advised that he had taken them for a tour of the airport, and had pointed out the reason for the new site location.

Mr Dillon reported that the Public Information Meeting for the Draft Environmental Assessment at North Central Airport will be held on October 5, 2011, at the Smithfield Town Hall.

Mr. Dillon gave a brief update on the FAA reauthorization bill, focusing on the proposal to eliminate entitlement monies for medium and large hub airports in return for increasing the PFC.

Mr. Dillon gave an update on the parking revenue control system noting that there have been several positive customer service enhancements. Revenue per ticket is also up 6.8% on average. Mr. Dillon noted that License Plate Recognition (LPR) is also being tested.

Mr. Dillon reported that T. F. Green Airport was selected by Airport Revenue News as one of 2011's Top 50 Performing North American Airports for concession revenue based on Sales Per Enplaned Passenger. T. F. Green Airport finished at number 29, with sales of \$8.54 Per Enplaned Passenger. The average Sales Per Enplaned

Passenger of the top 50 airports was \$9.04, with JFK being number 1 at \$15.89 and Milwaukee being number 50 at \$7.12.

Mr. Dillon gave a brief update on the proposed Cell Phone Lot reporting the plans have to be presented to the Zoning Board as a zoning variance is required. It is anticipated that the plans will be presented to the Zoning Board in the near future.

Several items were reversed on the agenda.

4. Action Items:

(a) Consideration of and Action Upon Approval of the Rhode Island Airport Corporation Committee Members.

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

Finance and Audit Committee:

Deborah M. Thomas Chair

Joseph M. Cianciolo

Michael F. Ryan

Kathleen C. Hittner, M.D. Alternate

Bradford S. Dimeo Alternate

Pension Committee:

Kathleen C. Hittner, M.D. Chair

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement to Provide Rhode Island Pollutant Discharge Elimination System (RIDPES) Permit Sampling Services for T. F. Green Airport.

Mr. Dillon gave an overview of the Agreement. There was brief discussion of the scope of services provided under the contract. Mr. Sangster advised that recent fish counts in Buckeye Brook were up while other streams were down. He was hopeful that recent airport initiatives to help reduce pollutant discharges into Buckeye Brook have contributed to this increase. The recommendation is that the Board authorize the President and CEO, or his designee, to enter into a one year Professional Services Agreement with RI Analytical Laboratories, Inc., to provide Rhode Island Pollutant Discharge Elimination System Permit Sampling services for T. F. Green Airport, with two additional one year terms at the discretion of RIAC

A motion was made by Mr. Dimeo and seconded by Mr. Ryan to approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules to provide Rhode Island Pollutant Discharge Elimination System (RIPDES) Permit Sampling Services for T. F. Green Airport; and

WHEREAS, on June 16, 2011, RIAC issued an Invitation for Bids (IFB) for RIPDES Permit Sampling for T. F. Green Airport; and

WHEREAS, six bids were received on July 12, 2011; and

WHEREAS, RIAC staff has determined that RI Analytical Laboratories, Inc. submitted the lowest responsive bid in the amount of \$106,158; and

WHEREAS, these costs are included in the Fiscal Year 2012 Operating and Maintenance (O&M) budget in the amount \$162,820.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to enter into a one year Professional Services Agreement with RI Analytical Laboratories, Inc. (RIAL) in the amount of \$106,158, to provide Rhode Island Pollutant Discharge Elimination System (RIPDES) Permit Sampling Services for T. F. Green Airport, with two additional one year terms at the

discretion of RIAC.

The motion was passed unanimously.

5. Finance and Audit Committee Report:

Consent Item:

(a) Consideration of and Action Upon Draft Fiscal Year 2011 Audited Financial Statements and Related Reports.

Ms. Thomas reported that the Committee had met on September 20, 2011, and had completed an extensive review of the Audited Financial Statements and related reports, which included the Federal Financial and Compliance Report and the Passenger Facility Charge Program Reports. Ms. Thomas reported that the Statements and related reports are substantially complete and have been submitted to the EDC and the Auditor General's office for final review. Ms. Thomas advised that there were no management comments issued by the auditors. The Corporation was commended for its sound fiscal management as it was able to maintain tight control over expenses at a time when enplanements were in decline.

A motion was made by Ms. Thomas and seconded by Mr. Dimeo to approve the Draft Fiscal Year 2011 Audited Financial Statements and Related Reports in substantially the form presented.

The motion was passed unanimously.

6. Continuance of Action Items:

(a) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement for the Operation and Maintenance of the Long Term Air Quality Monitoring System for T. F. Green Airport.

Mr. Dillon gave an overview of the proposed Agreement. There was brief discussion of the services included in the Agreement. The recommendation is that the Board authorize the President and CEO, or his designee, to enter into a one year Professional Services Agreement with Advanced Monitoring Methods for the operation and maintenance of the Long Term Air Quality Monitoring System at T. F. Green Airport, with two additional one year terms at the discretion of RIAC.

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

WHEREAS, the Rhode Island Airport Corporation (RIAC) is required to collect air quality monitoring data for a select set of pollutants and parameters in the vicinity of T. F. Green Airport per Rhode Island General Laws, Section 1-7-1 et seq., The Permanent Air Quality

Monitoring Act; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules to provide Long Term Air Quality Monitoring Services for T. F. Green Airport; and

WHEREAS, on July 7, 2011, RIAC issued an Invitation for Bids (IFB) to provide Long Term Air Quality Monitoring Services for T. F. Green Airport; and

WHEREAS, seven bids were received on July 26, 2011; and

WHEREAS, RIAC staff has determined that Advanced Monitoring Methods submitted the lowest responsive bid; and

WHEREAS, the Fiscal Year 2012 Operating and Maintenance (O&M) budget includes \$258,600 for these services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to enter into a one year Professional Services Agreement with Advanced Monitoring Methods in the amount of \$147,935, for the operation and maintenance of the Long Term Air Quality Monitoring System at T. F. Green Airport, with two additional one year terms at the discretion of RIAC.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of the Program Management Methodology and a Professional Services Agreement for Program Management Services at T. F. Green Airport.

Mr. Dimeo reported that he was recusing himself from voting on this item and he left the Board table.

Mr. Dillon gave an overview of the program management methodology and the proposed Professional Services Agreement. The overview focused on the selection process, funding, and the exact scope of services to be provided under the Agreement.

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

WHEREAS, for contracts requiring RIAC Board approval, the RIAC Board is given the discretion to consider and approve the recommendation of the RIAC Purchasing Agent regarding the appropriate method of construction contract management for the given project; and

WHEREAS, based on (a) the nature, size, scope and complexity of the projects comprising the T. F. Green Airport Improvement Program, (b)

the importance of managing the construction in the most efficient manner to limit the impacts on airport operations and surrounding communities, and (c) a review of the selection criteria, the RIAC Purchasing Agent and management staff recommend that program management be approved as the appropriate construction contract management methodology; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) to provide Program Management Services at T. F. Green Airport; and

WHEREAS, RIAC received five proposals on June 29, 2011 in response to this RFP; and

WHEREAS, a Selection Committee comprised of Brian Schattle, Chief Financial Officer; Doug Dansereau, Chief Auditor and Financial Analyst; Ann Clarke, Sr. Vice President of Planning and Land Acquisitions; Alan Andrade, Vice President of Operations and Maintenance; and Ahmed Shihadeh, Manager of Engineering 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 requested interviews with the following firms Parsons; Brinckerhoff, The Louis Berger Group, HNTB and AECOM; and

WHEREAS, based on the review of the proposals and interviews, the Selection Committee chose AECOM as the most qualified firm to perform these services; and

WHEREAS, funding will be established on a task by task basis.

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) recognize program management as the appropriate construction contract management methodology and (2) negotiate and execute a Professional Services Agreement with AECOM to provide Program Management Services for the T. F. Green Airport Improvement Program.

The motion was approved by five votes in the affirmative, with one member recusing himself from voting. Those votes are as follows:

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Robert D. Sangster

Michael F. Ryan

NAYS: None.

RECUSED: Bradford S. Dimeo

7. Pension Committee Report:

Dr. Hittner reported that the Committee had met on Wednesday, September 21, 2011 and had completed an annual review of RIAC's pension plan with RIAC's investment advisors. There was brief discussion of RIAC's investment benefits.

8. Executive Session:

At approximately 8:53 a.m. a motion was made by Mr. Dimeo and seconded by Mr. Ryan 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 July 20, 2011 iV R.I.G.L. i± 42-46-5(a)(2) (5) and (7); and

(b) Discussion Related to One Potential Litigation Matter (EIS) and One Pending Matter (Fire Watch) - R.I.G.L. i± 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Airport and Air Service Development) iV R.I.G.L. i± 42-46-5(a)(7); and

(d) Motion to Return to Open Session.

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

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Bradford S. Dimeo

Robert D. Sangster

Michael F. Ryan

NAYS: None

ABSTAIN: None

At approximately 9:30 a.m., a motion was made by Mr. Dimeo and seconded by Mr. Ryan to reconvene to the Open Session. The motion was passed unanimously.

9. Post Executive Session Actions and Announcements:

It was noted that Ms. Thomas left the Executive Session at 9:02 a.m.

(a) Motion to Seal the Minutes of the Executive Session Held on September 23, 2011.

A motion was made by Mr. Dimeo and seconded by Mr. Ryan 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 M. Cianciolo

Bradford S. Dimeo

Robert D. Sangster

Michael F. Ryan

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session a motion was made by Ms. Thomas to approve the sealed minutes of the Executive Session held on July 20, 2011. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.

10. Future Meetings:

The next meeting is scheduled for Wednesday, October 19, 2011, at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

11. Adjournment:

Mr. Dimeo moved to adjourn at approximately 9:35 a.m. Mr. Ryan seconded the motion. The motion was passed unanimously.

Respectfully submitted,

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

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
FRIDAY, SEPTEMBER 23, 2011**

NAME AFFILIATION

Brian Schattle RIAC

Peter Frazier RIAC

Patti Goldstein RIAC

Ann Clarke RIAC

Marc Champigny Louis Berger

Paul McDonough Louis Berger

Val Mendonca HNTB

John Howell Warwick Beacon

Bob Wright AECOM

Carl Tortolano McFarland Johnson, Inc.

Richard Langseth Greenwich Bay Watershed

The minutes of the Executive Session of the Board Meeting of September 23, 2011, have been sealed in accordance with R.I.G.L. § 42-46-4.