

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, FEBRUARY 15, 2012, 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 pm., 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; Bradford S. Dimeo; Robert D. Sangster; Michael F. Ryan; Michael A. Traficante (arrived at 4:06 pm).

**BOARD MEMBER ABSENT:** Joseph M. Cianciolo; Deborah M. Thomas.

**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. Sangster and seconded by Mr. Ryan to approve the minutes of the Board of Director's Meeting of December 21, 2011. The motion was passed unanimously.**

## **2. Open Forum:**

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

**Mr. Formisano, a citizen of Warwick, addressed the Board with several ideas he felt would enhance the runway expansion project at T. F. Green Airport.**

**Mr. Langseth, representing the Greenwich Bay Watershed, addressed the Board with his concerns related to financial reporting documents, and public access to such records.**

**Mr. Zarum, a citizen of Warwick, addressed the Board with his concerns related to the airport's cost structure. Mr. Zarum also addressed his concerns related to some of the infrastructure analysis completed as part of the EIS process.**

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

**Mr. Dillon reported that total PVD passenger traffic in December 2011 was up 0.78% on approximately 2% less scheduled capacity. The airport ended the calendar year down 1.34%. Mr. Dillon noted that**

**passenger traffic in January 2012 was up 0.62%.**

**Mr. Dillon reported that for calendar year 2011 total operations at the GA airports were down 15.67%. Fuel sales for that period were up 7.23%. In January total operations were up 6.31% and, total fuel sales were up 7.12%.**

**Mr. Dillon gave a brief overview of the visit to Providence of JetBlue CEO, Dave Barger, on January 19, 2012.**

**Mr. Dillon reported that Southwest's seasonal service from Providence to Fort Myers started on Sunday, February 12, 2012.**

**Mr. Dillon reported that Southwest announced it was ending its service from Providence to Philadelphia in January 2012, and would also cease flights from Boston to Philadelphia in February 2012.**

**Mr. Dillon reported that PEOPLExpress announced their new startup service on February 13, 2012 and Providence is one of the cities that they intend to serve. PEOPLExpress is still waiting for official FAA certification so no exact timeline for service start has been announced.**

**Mr. Dillon reported that there was positive press for the Southwest flights to Indianapolis for the Superbowl.**

**Mr. Dillon reported that there was positive press for the Valentines for Veterans event which was held in the airport terminal on February 10, 2012. Passengers and airport employees filled out hundreds of valentine's cards which were then distributed to veteran homes.**

**Mr. Dillon gave an update on the EIS and specifically the progress being made in negotiations with the Airport Litigation Committee. Mr. Dillon reported that they had met three times, and the meetings have been difficult. Mr. Dillon noted that they are continuing to meet in the hopes of coming to a mutual agreement.**

**Mr. Dillon reported the new information kiosk in the InterLink is operational. Governor Chafee held a press event at the airport on January 11, 2012 with RIAC and DOT to announce this new enhancement.**

**Mr. Dillon reported that work is continuing on the signage enhancements.**

**Mr. Dillon reported that the Corporation is hosting the Northeast Chapter/AAAE Conference in Providence in August 2012.**

**Mr. Dillon reported that RIAC and RISCA collaborated on Green Space, a gallery which will display contemporary art in the terminal building. The first exhibition has been installed and will run through April 2012. There will be a total of three exhibitions in 2012. Monies**

to fund the exhibitions are part of the art monies from the EDS project. Exhibitions will continue as long as there is funding.

#### **4. Action Items:**

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

Mr. Dillon gave an overview of the renewal terms for the Corporation's health and dental insurance coverages, including the new deductible structure. The recommendation is that the Board approve a resolution ratifying the President and CEO's execution of the insurance contract renewal with Blue Cross and Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2012, and approve the introduction of the \$1,000 per individual and \$2,000 per family deductible plan for healthcare effective March 1, 2012.

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

**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, with the assistance of its health insurance consultant, Borah Associates (Borah), negotiated a 5.9% premium increase for health coverage, a 3% increase for family dental coverage, and a 3.4% increase for individual dental coverage effective February 1, 2012; and**

**WHEREAS, Borah recommended, and RIAC staff agreed, that the Blue Cross coverage be renewed at the proposed rates effective February 1, 2012; and**

**WHEREAS, the increase in health insurance falls below the 9.6% average Blue Cross annual rate increase for 2012, as approved by the Rhode Island Health Insurance Commissioner for large groups (groups with more than 50 employees); and**

**WHEREAS, the increase in dental insurance falls below the reported average increase of 4.4%; and**

**WHEREAS, to ensure continuity of coverage, the Insurance Contract was renewed effective February 1, 2012; and**

**WHEREAS, RIAC staff recommends that the Board ratify and approve**

**the renewal; and**

**WHEREAS, RIAC staff and Borah also negotiated rates for healthcare plans that incorporate a deductible structure; and**

**WHEREAS, Borah recommends, and RIAC staff agrees, that RIAC implement the deductible healthcare plan effective March 1, 2012; and**

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

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

**That the Board approves and ratifies the Insurance Contract Renewal with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2012, and authorizes the President and CEO to introduce the \$1,000 per individual and \$2,000 per family deductible plan for healthcare effective March 1, 2012.**

**The motion was passed unanimously.**

**5. Pension Committee Report:**

**Consent Item:**

**(a) Consideration of and Action Upon Authorization of the Plan Administrator to Implement Recommended Fund Changes.**

**Dr. Hittner reported that at the Pension Committee meeting in September 2011, Capital Research and Management Company's American Funds Growth Fund of America A Fund was placed on the watch list due to underperformance. At the Pension Committee Meeting on February 8, 2012, RIAC's investment advisor reported that this subpar performance has continued and the Pension Committee voted to recommend the removal of that fund from the investment option portfolio and that those funds be reinvested into the T. Rowe Price/Brown Advisory's Large Cap Growth I R4 Fund.**

**A motion was made by Mr. Traficante and seconded by Mr. Dimeo recommending that the Board approve the removal of the Capital Research and Management Company's American Funds Growth Fund of America A Fund from the investment option portfolio, and reinvestment of those funds into the T. Row Price/Brown Advisory's Large Cap Growth I R4 fund.**

**The motion was passed unanimously.**

**A motion was made by Mr. Dimeo to amend the Board Agenda to add an Executive Session for the purpose of discussions related to one potential litigation matter related to a construction contract, and one**

**pending litigation matter related to the collective bargaining agreement. Mr. Ryan seconded the motion. By the following roll call vote the motion was passed unanimously.**

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

**Bradford S. Dimeo**

**Robert D. Sangster**

**Michael A. Traficante**

**Michael F. Ryan**

**NAYS: None**

**ABSTAIN: None**

## **6. Executive Session:**

**At approximately 4:58 p.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 December 21, 2011 – R.I.G.L. § 42-46-5(a) (1), (2) and (7); and**

**(b) Discussions Related to One Potential Litigation Matter (Construction Contract) and Two Pending Litigation Matters (EIS and**

**Collective Bargaining Agreement) - R.I.G.L. § 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 and GA Airport Event) – R.I.G.L. § 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.**

**Bradford S. Dimeo**

**Robert D. Sangster**

**Michael A. Traficante**

**Michael F. Ryan**

**NAYS: None**

**ABSTAIN: None**

**Mr. Ryan left the meeting at 5:25 p.m.**

**At approximately 6:01 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.**

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

### **(a) Motion to Seal the Minutes of the Executive Session Held on February 15, 2012.**

**A motion was made by Mr. Dimeo and seconded by Mr. Traficante 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.**

**Bradford S. Dimeo**

**Robert D. Sangster**

**Michael A. Traficante**

**NAYS: None**

**ABSTAIN: None**

### **(b) Report on Actions Taken During Executive Session:**

**During the Executive Session, at approximately 5:10 p.m., a motion was made by Mr. Sangster to approve the sealed minutes of the Executive Session held on December 21, 2011. The motion was seconded by Mr. Dimeo. The motion was passed unanimously.**

## **8. Future Meetings:**

**The next Board Meeting will be held on Wednesday, March 21, 2012 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

## **9. Adjournment:**

**Mr. Dimeo moved to adjourn at approximately 6:03 p.m. Mr. Traficante 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  
WEDNESDAY, FEBRUARY 15, 2012**

**NAME      AFFILIATION**

**Brian Schattle    RIAC**

**Peter Frazier     RIAC**

**Patti Goldstein   RIAC**

**Woody Cresswell   The Paradies Shops**

**Robert Goff      New England Parking**

**Nick Stefanak    Louis Berger Group**

**Raymond Choiniere   House Policy Office**

**Richard Langseth   Greenwich Bay Watershed**

**Mr. Oscar Formisano   Citizen**

**Mrs. Cindy Formisano   Citizen**

**The minutes of the Executive Session of the Board Meeting of February 15, 2012, have been sealed in accordance with R.I.G.L. § 42-46-4.**