

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

TUESDAY, NOVEMBER 13, 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 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; Bradford S. Dimeo; Michael F. Ryan; Michael A. Traficante; Deborah M. Thomas and Robert D. Sangster.

BOARD MEMBER ABSENT: Joseph M. Cianciolo.

ALSO PRESENT: Peter A. Frazier, C.M., Interim 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. Traficante

to approve the minutes of the Board of Director's Meeting of October 17, 2012. The motion was passed unanimously.

2. Open Forum:

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

Mr. Kevin Blais, raised his concerns regarding permitting and procurement process for an exterior renovation to a building at North Central Airport. Mr. Blais claimed that the work had been given to an airport tenant and that there were no work permits or performance bonds. Mr. Blais further claimed that the new ramp is not wide enough, has no rails, is not handicapped accessible and displays the initials of the contractor in the walkway.

Mr. Blais also claimed customer service concerns. He alleged that he was told that RIAC would never rent an airport facility to him. Mr. Blais stated that other general aviation airports are successful and he would like to be a part of that success here. Mr. Traficante asked which agency issued the permit after the work was completed. Mr. Blais stated it was the State of Rhode Island Department of Buildings.

Dr. Hittner stated his concerns would be reviewed.

3. Report from Interim President and CEO:

Mr. Frazier presented the President and CEO report and the following information:

- Hurricane Sandy did not impact to security at T. F. Green Airport or the general aviation airports. There was modest damage at Block Island State Airport. The hard work and coordination of efforts displayed by Mr. Alan Andrade, VP Operations and Maintenance, was commended. The airlines and TSA were pleased with our seamless level of coordination.**
- The first snow event of the season had no flight impacts and the RIAC Snow Team was well prepared.**
- JetBlue is preparing for their service start and will have an inaugural flight celebration on November 29th with a short speaking program including Governor Lincoln Chafee, Mayor Scott Avedesian, Dr. Kathleen Hittner, Peter Frazier and JetBlue Chief People officer, Joanna Geraghty. RIAC staff will be in attendance to share in the new service celebration and in appreciation of their hard work.**
- The three major capital projects are moving apace. RIAC is meeting with the FAA to work on the financing and grant protocols.**
- RIAC staff has met with Councilwoman Vella Wilkinson to discuss community meetings related to the Runway Protection Zone (RPZ),**

the Main Avenue acquisitions and the relocation of the Winslow fields. Multiple meetings will be scheduled in December to discuss the acquisitions processes with the public. Community meetings to discuss properties included in the sound insulation program will be scheduled in April. A final meeting is being scheduled with the Winslow Park leagues and a meeting with the Lakeshore neighborhood residents will be scheduled shortly.

- A meeting with Mayor Avedesian was held and RIAC provided an update on its compliance the terms of the MOU. The City of Warwick will soon be designating the water quality liaison to witness our sampling/training with the University of Rhode Island.**

- Based on the timing of the Board meeting, the passenger numbers for T. F. Green Airport for October are not yet available. Based on the reduction in capacity for October and the impacts of flight cancellations due to Hurricane Sandy, a double digit reduction is expected.**

- Based on the time of the Board meeting, the analysis for the general aviation airports is not yet available.**

- Legislation is being evaluated on subjects including weapons in the airport, Noise Monitoring Act public meetings and borrowing authority for RIAC.**

- Renewable Now television program has aired and highlighted**

favorable green initiatives at T. F. Green Airport and is also available to be viewed on their website.

- **The New London's Mayor has contacted the Mayor of Providence and Senator Reed and is interested in a business partnership seeking an Amtrak stop at T. F. Green Airport.**

- **The MS Society, in partnership with FedEx, raised over \$68,000 for the MS JET Pull event held in October. This event received good press attention.**

4. Discussion Item:

Mr. Schattle gave a presentation on the current overall funding plans for the Runway 5-23 Extension Project, Runway 16-34 Safety Area Improvement Project and the Deicer Management System Project. Mr. Schattle stated the three funding goals are to minimize debt, limit increases to airline rates and maintain a flexible schedule. Mr. Schattle's presentation included a description of each project's estimated cash flow, its funding sources and related impacts on RIAC. The Board thanked Mr. Schattle and the RIAC staff for this in-depth presentation.

5. President and CEO Selection Committee Report:

Dr. Hittner stated that the Committee met prior to the Board Meeting

and noted that Mr. Doug Kuelzman was in attendance at both the Committee and the Board Meeting. Dr. Hittner reported the Mr. Kuelzman provided recommendations to the Committee on the short listed candidates to move forward to the final interview stage in December. Dr. Hittner stated a decision on the President and CEO position will be made in the not too distant future.

6. Action Items:

(a) Consideration of and Action Upon Approval of a Consultant Task Order to Provide Program Management Services for the 16-34 Safety Area Improvements and the Runway 5-23 Extension Projects Proposed at T. F. Green Airport.

Mr. Frazier gave an overview of the task order noting the not to exceed amount of \$850,000. Ms. Thomas asked if their control process had been reviewed. Mr. Frazier stated the controls had been reviewed in the vetting process and they would be following RIAC controls and procedures. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a Task Order with AECOM Technical Services, Inc. to provide Program Management Services for the Runway 16-34 Safety Area Improvements and the Runway 5-23 Extension projects proposed for T. F. Green Airport through December 31, 2013 in an amount not to exceed \$850,000, subject to FAA approval.

WHEREAS, on September 21, 2011, the Board approved the selection of AECOM to provide Program Management Services for the T. F. Green Airport Improvement Program; and

WHEREAS, subsequent to this approval, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (Agreement) dated October 15, 2011, with AECOM to provide these services; and

WHEREAS, to date, five Task Orders totaling \$1,751,009 have been issued under this Agreement; and

WHEREAS, RIAC staff has received a Scope and Fee with AECOM in the amount of \$850,000 to perform Program Management Services for the Runway 16-34 Safety Area Improvements and the Runway 5-23 Extension projects proposed for T. F. Green Airport through December 31, 2013 and is currently conducting negotiations; and

WHEREAS, this Task will initially be funded with General Purpose Funds; and

WHEREAS, RIAC is currently working with the Federal Aviation Administration (FAA) to develop the federal funding plan related to these services utilizing federal grants or Passenger Facility Charges; and

WHEREAS, RIAC will reimburse any remaining portions of this Task Order from a future bond issue.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve authorizes the President and CEO, or his designee, to execute a Task Order with AECOM Technical Services, Inc. to provide Program Management Services for the Runway 16-34 Safety Area Improvements and the Runway 5-23 Extension projects proposed for T. F. Green Airport through December 31, 2013 in an amount not to exceed \$850,000, subject to FAA approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Request the Rhodes Island Department of Transportation Exercise its Condemnation Authority to Acquire and Easement into an Existing Sewer Line.

Mr. Frazier briefed the Board on the subject matter noting that RIAC earnestly tried to negotiate a fair market value but have been unable to reach an agreement with the owner. Mr. Frazier reported that this is time sensitive and critical component of the project. The recommendation is that the Board authorizes the Rhode Island Airport Corporation (RIAC) to request that the Director of the Rhode Island Department of Transportation (RIDOT) to exercise RIDOT's

power to acquire the easement by condemnation and allow RIAC to enter into a Memorandum with RIDOT to agree to pay the costs associated with the condemnation process.

WHEREAS, the Rhode Island Airport Corporation's (RIAC) conducted an analysis of potential sanitary tie-in locations for the Deicing Management Facility; and

WHEREAS, the most effective tie-in location (cost and time) was determined to be to tie-into the existing private sewer line; and

WHEREAS, the sewer line is located on RIAC property; and

WHEREAS, RIAC has worked diligently with the attorney representing the owner of the private sewer line to reach an agreement allowing RIAC to tie into the line for fair market value; and

WHEREAS, RIAC offered, subject to Board approval, to enter into an agreement to try to negotiate fair market value and if no agreement was reached on fair market value we would agree to be bound by the determination of an independent third party as to the fair market value amount; and

WHEREAS, the offer was rejected.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Rhode Island Airport Corporation (RIAC) to request that the Director of the Rhode Island Department of Transportation (RIDOT) to exercise RIDOT's power to acquire the easement by condemnation and allow RIAC to enter into a Memorandum with RIDOT to agree to pay the costs associated with the condemnation process.

The motion passed unanimously.

(c) Consideration of and Action Upon Approval to Apply for a Loan from the Rhode Island Clean Water Finance Agency Utilizing the Clean Water State Revolving Fund.

Mr. Frazier provided an overview on this item noting filing the application will allow RIAC to start the process but will not finalize it. Ms. Thomas requested an analysis of the benefits of this loan when the information is received. The recommendation is the Board authorizes the Rhode Island Airport Corporation to apply for a loan from the Rhode Island Clean Water Finance Agency utilizing the Clean Water State Revolving Fund to fund the Deicer Management System at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation's (RIAC) Fiscal Year 2013 Capital Improvement Program (CIP) budget includes \$25,254,907 for the Deicer Management System at T. F. Green Airport; and

WHEREAS, established under Title VI of the Federal Clean Water Act and Chapter 46-12.2 of the Rhode Island General Laws, the Clean Water State Revolving Fund (CWSRF) is a subsidized loan program for local government units to finance wastewater infrastructure projects; and

WHEREAS, the purpose of this program is to provide financial assistance to local governmental units for water pollution abatement projects in the form of loans with below market interest rates or interest rate subsidies which reduce the cost of financing these projects by at least 33%; and

WHEREAS, RIAC is in the process of applying for a loan from the Rhode Island Clean Water Finance Agency (RICWFA) utilizing the CWSRF to fund elements of this project; and

WHEREAS, the RICWFA and the Rhode Island Department of Environmental Management (RIDEM) have requested RIAC staff obtain RIAC Board approval for this application process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Rhode Island Airport Corporation to apply for a loan from the Rhode Island Clean Water Finance Agency utilizing the Clean Water State Revolving Fund to fund the Deicer

Management System at T. F. Green Airport.

The motion was passed unanimously.

7. Executive Session:

A motion was made by Mr. Dimeo pursuant to Rhode Island General Laws Section 42-46-6(b) to amend the agenda to add One Additional Non-Public Potential Litigation Matter at a general aviation airport pursuant to § 42-46-5(a)(2).

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

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Michael A. Traficante

Michael F. Ryan

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 5:05 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 October 17, 2012 - R.I.G.L. § 42-46-5(a),(2),(5) and (7); and

(b) 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

(c) Discussion Related to Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Construction Contracting Methodology) – R.I.G.L. § 42-46-5(a)(7); and

(d) Discussion Related to Potential Litigation (Non Public Construction Issue and GA Airport Issue) and Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2); and

(e) Discussion Regarding Individual Candidate Qualifications (Job Performance and Character) - R.I.G.L. § 42-46-5(a)(1); and

(f) Motion to Return to Open Session.

For the record, the affected individual was notified in writing that the Board intended to convene in Executive Session in order to discuss their job performance, and 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.

Bradford S. Dimeo

Michael A. Traficante

Michael F. Ryan

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 5:50 p.m., a motion was made by Mr. Dimeo and seconded by Mr. Ryan to return to the Open Session. The motion was passed unanimously.

8. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held November 13, 2012.

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.

Bradford S. Dimeo

Michael A. Traficante

Michael F. Ryan

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Mr. Dimeo to approve the sealed minutes of the Executive Session held on October 17, 2012. The motion was seconded by Ms. Thomas. Neither Mr. Sangster nor Mr. Traficante were in the room at the time of the vote. The motion passed unanimously by the remaining Board members.

9. Future Meetings:

The next Board Meeting will be held on Wednesday, December 19, 2012 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

10. Adjournment:

Mr. Dimeo moved to adjourn at approximately 5:51 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
TUESDAY, NOVEMBER 13, 2012**

NAME AFFILIATION

Brian Schattle RIAC

Patti Goldstein RIAC

Paul McDonough RIAC

Alan Andrade RIAC

Liberty Luciano RIAC

Robert Goff New England Parking

Doug Kuelpman ADK Executive Search

Kevin Blaise Resident

Tammy Burnham Allied Reporters

Jim Falvey PB Americas

Woody Creswell The Paradies Shops

Charlie Donovan House Policy Office

Howard Mann InterVistas

The minutes of the Executive Session of the Board Meeting of November 13, 2012, have been sealed in accordance with R.I.G.L. § 42-46-4.