

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, DECEMBER 19, 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; Joseph Cianciolo; Bradford S. Dimeo; Deborah M. Thomas; Michael Traficante and Robert D. Sangster.

BOARD MEMBER ABSENT: None.

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. Traficante and seconded by Mr. Cianciolo

to approve the minutes of the Board of Director's Meeting of November 13, 2012. 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 Interim President and CEO:

Mr. Frazier presented the President and CEO report and reported on the following:

- The passenger traffic for November 2012 was down 9.39% on 15% less capacity. The loss of capacity will be decreasing over the next 3 months and we should see an increase in February 2013.**
- JetBlue's service start has been a success with excellent load factor counts.**
- November was a fair month overall for the RI GA Airport system. Six of ten Operational and Fuel related categories had increases.**
- All major capital projects are moving forward according to schedule.**

- **The first public meeting regarding the relocation of the ball fields was held on the evening of December 18th at the Buttonwoods Community Center. RIAC is evaluating the comments received.**
- **Informational meetings for homeowners that are impacted by the RPZ will be scheduled for January 2013.**
- **An informational meeting for the homeowners that will be potentially eligible for the sound insulation program will be scheduled for early Spring.**

4. Discussion Item:

Mr. Frazier noted that at the November Board meeting a citizen raised concerns regarding the procurement process and quality of construction of certain improvements at North Central Airport. In response to a Board request, RIAC undertook an investigation. Mr. Frazier reported the investigation was conducted by Mr. Doug Dansereau, RIAC's Internal Auditor, who will be presenting his findings. Mr. Frazier stated there will be an additional 10 minute open forum.

Mr. Dansereau reported that he had investigated all of the allegations raised by Kevin Blais regarding the North Central wheelchair ramp procurement and construction. The allegations included, but were not limited to, the lack of a demolition permit, timing of the building

permit, the need for a certificate of occupancy, the concrete type, ADA compliance, bidding procedures and Access to Public Records Act compliance. He found no material errors on the part of RIAC, AvPorts or the contractor. Mr. Dansereau did note, that the contractor did not timely pull the building permit but the State Building Inspector's department was aware of this fact and had nevertheless issued a building permit. Mr. Dansereau also noted that training of RIAC contractors, which make procurements on its behalf, would be appropriate. Mr. Dansereau's investigation included interviewing witnesses, visiting the scene and reviewing the relevant documentation.

Mr. Frazier asked if anyone present wanted to speak in Open Forum. No one came forward.

The Board thanked Mr. Dansereau for this in-depth presentation and encouraged staff to get the training planned and scheduled.

5. Action Items:

(a) Consideration of and Action Upon Approval of a Lease Agreement for Premises Located in and Adjacent to Hangar 2 at T. F. Green Airport with Federal Express Corporation.

Mr. Frazier gave an overview of the lease renewal agreement noting it would run from February 1, 2013 until December 31, 2017. Mr. Frazier

reported the rates are consistent with other cargo providers. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to execute a Lease Agreement with Federal Express Corporation for premises located in and adjacent to Hangar 2 at T. F. Green Airport commencing February 1, 2013 through December 31, 2017.

WHEREAS, Federal Express Corporation (FedEx) currently leases certain premises located in and adjacent to Hangar 2 at T. F. Green Airport; and

WHEREAS, the current agreement terminates on January 31, 2013; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) staff is currently working with FedEx to execute a new Lease Agreement with a term of February 1, 2013 through December 31, 2017; and

WHEREAS, the new agreement will continue the existing rates for the remainder of Fiscal Year 2013 and contain rental rate increases for Fiscal Years 2014 through 2018; and

WHEREAS, the rates are consistent with the established rates and escalation methodologies used for United Parcel Service Inc. (UPS), the other major tenant of Hangar 2.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to execute a Lease Agreement with Federal Express Corporation for premises located in and adjacent to Hangar 2 at T. F. Green Airport commencing February 1, 2013 through December 31, 2017.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of Hotel Access Permit Agreements at T. F. Green Airport.

Mr. Frazier gave an overview of the agreements noting it was a renewal contract in substantially the same form approved two years ago. Mr. Frazier stated there is a 3% fee increase in the Agreements. Hotels will have the option to pay the flat fee or pay a per trip fee. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to execute Hotel Access Permit Agreements, containing the terms substantially the form presented, for access to T. F. Green Airport through December 31, 2014.

WHEREAS, the Rhode Island Airport Corporation (RIAC) maintains and operates T. F. Green Airport (Airport); and

WHEREAS, in conjunction with its operation of the Airport, RIAC

maintains the Airport Circulator allowing access to the Airport; and

WHEREAS, in accordance with the provisions of R. I. Gen. Laws §1-2-1.1, and the provisions of §8.3 of the Rhode Island Airport Corporation Ground Transportation Regulations, RIAC has the right to charge an access fee to commercial users of the Airport; and

WHEREAS, seventeen area hotels currently utilize the commercial curb and Airport Circulator for the purposes of transporting guests at T. F. Green Airport; and

WHEREAS, the current agreements expire on December 31, 2012; and

WHEREAS, companies have the option to execute a “Per Trip” Access Fee Agreement or a “Flat Fee” Annual Access Fee Agreement; and

WHEREAS, RIAC staff has distributed the new, two year agreements to the hotels; and

WHEREAS, the rates proposed for Calendar Year 2013 represent a 3% increase to the current rates; and

WHEREAS, Calendar Year 2014 fees will be increased by the greater of 3% or the increase in the Consumer Price Index.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to execute Hotel Access Permit Agreements, containing the terms substantially the form presented, for access to T. F. Green Airport through December 31, 2014.

The motion passed unanimously.

(c) Consideration of and Action Upon Lease Agreement for Premises at T. F. Green Airport with General Services Administration Utilized by the Transportation Security Administration.

Mr. Frazier provided an overview on this item noting the new rental rates incorporate an amount for preventative maintenance. Ms. Thomas asked how the projected preventative maintenance fees relate to actual maintenance costs. Mr. Schattle reported the preventative fees are based on actual expenses. The recommendation is the Board authorizes the Interim President and CEO, or his designee, to execute a Lease Agreement with General Services Administration for premises utilized by the Transportation Security Administration at T. F. Green Airport for a five year period, with an option to renew an additional five years.

WHEREAS, the General Services Administration (GSA) currently

leases certain premises located at T. F. Green Airport on behalf of the Transportation Security Administration (TSA); and

WHEREAS, the current Lease Agreement expired on November 30, 2012; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) staff is currently working with GSA to execute a new Lease Agreement containing an initial term of December 1, 2012 through November 30, 2017, with a five year renewal option through November 30, 2022 at the following rates; and

LEASE YEAR OFFICE RATE

per RSF ANNUAL

OFFICE RENT ANNUAL PREVENTIVE

MAINTENANCE RATE TOTAL

ANNUAL RENT MONTHLY

RENT

12/1/12 -11/30/13	\$71.19	\$240,052.68	\$5,000.00	\$245,052.68	\$20,421.06
12/1/13 -11/30/14	\$73.39	\$247,471.08	\$5,150.00	\$252,621.08	\$21,051.76
12/1/14 -11/30/15	\$75.66	\$255,125.52	\$5,304.50	\$260,430.02	\$21,702.50
12/1/15 -11/30/16	\$77.99	\$262,982.28	\$5,463.64	\$268,445.92	\$22,370.49
12/1/16 -11/30/17	\$80.39	\$271,075.08	\$5,627.54	\$276,702.62	\$23,058.55
12/1/17 -11/30/18	\$82.87	\$279,437.64	\$5,796.37	\$285,234.01	\$23,769.50
12/1/18 -11/30/19	\$85.42	\$288,036.24	\$5,970.26	\$294,006.50	\$24,500.54

12/1/19 -11/30/20 \$88.05 \$296,904.60 \$6,149.37 \$303,053.97 \$25,254.50
12/1/20 -11/30/21 \$90.76 \$306,042.72 \$6,333.85 \$312,376.57 \$26,031.38
12/1/21 -11/30/22 \$93.55 \$315,450.60 \$6,523.87 \$321,974.47 \$26,831.21

WHEREAS, the GSA currently reimburses RIAC for certain preventative maintenance activities of the leased premises; and

WHEREAS, RIAC staff and the GSA have agreed to incorporate a rate for annual preventative maintenance into the rent for the new Lease Agreement.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to execute a Lease Agreement with General Services Administration for premises utilized by the Transportation Security Administration at T. F. Green Airport for a five year period, with an option to renew an additional five years.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of On Call Legal Services Providers for State Legislative Services.

Mr. Frazier gave an overview of this item noting that the on-call legal service list is renewed every three years, and that this action item

relates solely to legal services for state legislative services. Mr. Frazier reported that two of the firms that submitted responses to the RFP have been sued by the Rhode Island Economic Development Corporation and one of those firms is being recommended to be on the on-call list. For that firm, it is recommended that, as a condition of engagement, the individually sued attorney be prohibited from working on RIAC matters. The recommendation is the Board authorizes the Interim President and CEO, or his designee, to issue Letters of Engagement on an as needed basis to provide Legislative Legal Services to Adler Pollock & Sheehan, PC, Nixon Peabody, and Pannone Lopes Devereaux & West LLC, and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms, subject to the ethical wall safeguard referenced above

WHEREAS, the Rhode Island Airport Corporation (RIAC) seeks to qualify firms to provide legislative legal services (e.g., lobbying) for the RIAC on an as needed basis; and

WHEREAS, Fiscal Year 2013 Operating and Maintenance (O&M) budget includes \$25,000 in the Legal Services line item for legislative legal services, and

WHEREAS, funding for future years will be established through the annual O&M budget approval process; and

WHEREAS, on November 20, 2012, RIAC issued a Request for Proposals (RFP) for six primary categories of legal services in accordance with the requirements of the RIAC Procurement Rules and received six submissions; and

WHEREAS, the Selection Committee consisting of Peter A. Frazier, Interim President and CEO/General Counsel; Kendra Beaver, Esq., Environmental Compliance Officer and Brian C. Schattle, Chief Financial Officer, met and reviewed the submissions; and

WHEREAS, based on a review of the submitting materials, the selection criteria, the requirements of the applicable RIAC Procurement Regulations, and the uniqueness of each potential future engagement, the Selection Committee unanimously recommends that the firms of Adler Pollock & Sheehan, PC, Nixon Peabody, and Pannone Lopes Devereaux & West LLC be approved to provide legislative legal services; and

WHEREAS, it is noted that two of the submitting law firms (one of which is recommended to be the on-call list) have been sued by the Rhode Island Economic Development Corporation (RIEDC); and

WHEREAS, RIAC staff's recommendation is that the effected firm be qualified for on-call status subject to the firm's agreement that any individually sued attorneys be ethically walled from working on any RIAC matters until resolution of the suit; and

WHEREAS, actual engagements of counsel will occur as need arises and the individual firm selected will be based on a further review of the legal issues in question analyzed in comparison to the firms' respective qualifications, billing proposals and availability. Engagements meeting RIAC's Procurement Regulation thresholds will be presented to the Board for review and approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to issue Letters of Engagement on an as needed basis to provide Legislative Legal Services to Adler Pollock & Sheehan, PC, Nixon Peabody, and Pannone Lopes Devereaux & West LLC, and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms, subject to the ethical wall safeguard referenced above.

The motion was passed unanimously.

(e) Consideration of and Action Upon Feasibility Study for the Project Labor Agreement and the Form of Project Labor Agreement at T. F. Green Airport.

Mr. Frazier provided an overview of this item noting it is a pre-hire Collective Bargaining Agreement, also known as a Project Labor Agreement (PLA), intended to bring complex projects to completion in a timely and efficient manner. Mr. Frazier reported an independent analysis was conducted regarding the potential impact of a PLA on competition, and it was concluded that there will be adequate competition. Mr. Frazier noted the independent analysis did not recommend that the sound insulation project be in the PLA. The runway and glycol projects were assessed as being appropriate for the PLA. There was general discussion on the benefits of PLAs. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to approve the Project Labor Agreement's contractual provisions to be attached to future bid documents as appropriate.

WHEREAS, the Rhode Island Airport Corporation (RIAC) seeks consideration and action upon Feasibility Study for a Project Labor Agreement and the Form of Project Labor Agreement at T. F. Green Airport; and

WHEREAS, RIAC is embarking on a variety of large and interrelated capital projects at T. F. Green Airport. Based on the nature, scope and duration of these projects it was appropriate to analyze whether a Project Labor Agreement would be beneficial; and

WHEREAS, historically, RIAC has used a PLA for the Terminal

Improvement Project (i.e., In-Line Baggage and EDS Systems and Security Checkpoint Expansion) and presently, there is a Presidential Executive Order that encourages the analysis of using a PLA for Federal Construction Projects in excess of \$25 million; and

WHEREAS, under Rhode Island Law a PLA is permissible provided that it is supported by an independent assessment. See *Assocs. Builders and Contractors of Rhode Island v. Department of Administration*, 787 A.2d 1179 (RI 2002); and

WHEREAS, RIAC is subject to the State Purchases Act. R.I. Gen. Laws § 37-2-1, et seq, Section 37-2-2(a) and Section 37-2-2(b); and

WHEREAS, RIAC, with the assistance of its labor and construction counsel, had an independent objective assessment of the utility of a PLA conducted by Keough Construction (Keough); and

WHEREAS, Keough concludes that the Glycol Treatment Facility, the Runway 16-34 Runway Safety Area, and the Runway 5-23 Extension be procured and constructed pursuant to the terms of a PLA. Keough also assessed the appropriateness of a PLA for the sound insulation program. It concluded that a PLA was not appropriate for that project; and

WHEREAS, RIAC's Chief Purchasing Agent, Peter Frazier, has reviewed the Keough report and agrees with its conclusions; and

WHEREAS, based on the conclusion of the independent Keough analysis and the concurrence of RIAC staff, subject to Board approval, RIAC approached the Rhode Island Building and Construction Trades Council, which represents 15 affiliated unions, to negotiate a PLA; and

WHEREAS, the PLA incorporates contractual provisions to ensure that RIAC receives the noted benefits of a PLA. The PLA will be attached to the appropriate bid documents to apprise all bidders of the PLA provisions covering the project.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to approve the Project Labor Agreement's contractual provisions to be attached to future bid documents as appropriate.

The motion was passed unanimously.

(f) Consideration of and Action Upon Approval of Meeting Schedules for 2013.

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the 2013 Meeting Schedule as presented to the Board. The motion was passed unanimously.

6. Executive Session:

At approximately 4:45 p.m. a motion was made by Mr. Dimeo and seconded by Mr. Traficante to go into Executive Session for the purposed of discussing the following items:.

(a) Motion to Approve the Minutes of the Executive Session held on November 13, 2012 - R.I.G.L. § 42-46-5(a),(1),(2),(5) and (7); and

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

(c) Discussion Regarding Individual Candidate Qualifications (Job Performance as ranked by the Committee) - R.I.G.L. § 42-46-5(a)(1); and

(d) Motion to Return to Open Session.

For the record, the affected individuals were 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

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 5:25 p.m., a motion was made by Mr. Dimeo and seconded by Mr. Cianciolo to return 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 December 19, 2012.

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

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 November 13, 2012. The motion was seconded by Mr. Traficante. The motion passed unanimously.

8. President and CEO Selection Committee Report.

Dr. Hittner reported the Selection Committee met prior to the Board Meeting and progress is being made. Dr. Hittner reported when an agreement with a candidate has been reached she will inform the Committee and may call for a special meeting of the Board of Directors.

9. Future Meetings:

The next Board Meeting will be held on Wednesday, January 16, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

10. Adjournment:

Mr. Cianciolo moved to adjourn at approximately 5:30 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, DECEMBER 19, 2012**

NAME AFFILIATION

Brian Schattle RIAC

Patti Goldstein RIAC

Paul McDonough RIAC

Liberty Luciano RIAC

Doug Dansereau RIAC

Sherri Ann Penta RIAC

Robert Goff New England Parking

Doug Kuelpman ADK Executive Search

Tammy Burnham Allied Reporters

Paul Parker The Providence Journal

Ray Venticinqu Country Squire Land Design

Mike Berniea New England Aviation

Frank Oliveira Pilot

Paul Tocco Pilot

Ray Keough Keough Construction

Chris Conoly PB Americas

Robert Geoff The Parking Company

Woody Creswell The Paradies Shops

Charlie Donovan House Policy Office

Howard Mann InterVistas

The minutes of the Executive Session of the Board Meeting of December 19, 2012, have been sealed in accordance with R.I.G.L. § 42-46-4.