

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, AUGUST 21, 2013 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 4:05 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; Deborah Thomas; Bradford Dimeo; Michael Traficante; Russell Hahn and John Justo.

BOARD MEMBER ABSENT: None.

ALSO PRESENT: Kelly J. Fredericks, P.E., 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 of Director's Meeting of July 17, 2013. The motion was passed unanimously.

2. Open Forum:

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

Mr. Franklin Sherman stated that he is a flight instructor and flies out of North Central Airport. Mr. Sherman stated he had attended a meeting with the prior RIAC President and CEO to discuss t-hangars and the possible addition of a restaurant at North Central Airport and asked if those items were still on the agenda for North Central. Mr. Sherman also discussed grass take offs and landings and requested permission to utilize that grassy area. Mr. Fredericks stated there are presently no interested business prospects for a restaurant at North Central. Mr. Fredericks stated that he has visited the GA Airports twice with plans to continue to visit them on a monthly basis and would be available to discuss Mr. Sherman's concerns and requests.

Mr. Raymond Venticinque stated he has flown out of North Central Airport for 11 years and would like to express his support for Mr. Sherman regarding confrontations with Mr. Kevin Blaise that have occurred at North Central Airport. Mr. Venticinque stated he believes Mr. Blaise is a threat to the airport based on threats he has made to

other pilots and Mr. Blaise's claims that he is carrying a weapon. Mr. Venticinque stated that Mr. Blaise also does not have a IFR rating and is a danger to pilots utilizing North Central Airport.

Mr. Lance Eskelend stated he and his wife own a plane that is parked at North Central Airport and have witnessed Mr. Blaise arguing with Mr. Sherman regarding a non-standard approach. Mr. Eskelend stated his wife felt threatened by Mr. Blaise's demeanor. Mr. Eskelend also stated Mr. Blaise does not have a tie down for his aircraft and is continuously relocating it around the airport.

Mr. Paul Carroll stated he was the past President of the Rhode Island Pilot's Association and is a Fast Team Safety representative. Mr. Carroll stated Mr. Blaise acts in an unsafe manner and has reported him to the FAA. Mr. Carroll stated he would like to put RIAC and its Board on notice that Mr. Blaise should not be operating out of North Central Airport as he continues to act improperly in air space.

Dr. Hittner stated an investigation into this matter will be conducted.

3. Report from President and CEO:

Mr. Fredericks presented the President and CEO Report and reported on the following:

- Mr. Fredericks stated that the format at the Board Meeting will change beginning in October. Mr. Fredericks stated that RIAC staff

will be providing brief department updates at each meeting.

- **Mr. Fredericks stated he is pleased to report that passenger traffic in July was up 4.1% on five straight months of growth on 4.5% increased seating capacity. Capacity for the next three months is expected to be approximately 7.98%, 9.63% and 8.8%. Mr. Fredericks stated year to date PVD is now up 2.79% with almost 60,000 more passengers than last year at this time.**

- **Mr. Fredericks reported parking revenue is up 7.8% for July with ticket sales up .2%. Market share is 85.7% of the tickets and 91% of the revenues.**

- **Mr. Fredericks reported three Letters of Interest (LOI) were received for corporate hangar development. Mr. Fredericks stated a formal Request for Proposals (RFP) will be issued on November 9th and an update will provided to the Board on recommendations and next steps.**

- **Mr. Fredericks reported a full scale disaster drill is scheduled at PVD for September 14th from 7am to 1pm.**

- **Mr. Fredericks reported that a study of the general aviation airports and facilities is scheduled to begin in September. The study will focus on costs, improvements and efficiencies. Mr. Fredericks stated the initial finding will be brought for Board review in October/November.**

- **Mr. Fredericks reported he conducted a tour of the general aviation airport facilities in late July and will continue to tour the facilities and meet with tenants on a monthly to bi-monthly basis.**
- **Mr. Fredericks stated the passenger numbers for both Block Island and Westerly airports were down due to weather and fog issues. Mr. Fredericks stated passenger numbers at these airports will be closely monitored as this peak season shortfall may effect FAA entitlement funding.**
- **Mr. Fredericks reported on July 29th the crosswind runway was closed and the Notice to Proceed for the Deicing Collection system and R/W 16 RSA projects was issued.**
- **Mr. Fredericks reported the Request for Proposals (RFP) for the design and CM Services for the Runway 5-23 Extension Project is being finalized and will be issued in August. Mr. Fredericks reported this is a qualification based selection that is receiving national attention. Mr. Fredericks reported a full briefing will be brought to the Board at the November 20th meeting. Negotiations will begin after the briefing and this item will be brought back to the Board in January or February.**
- **Mr. Fredericks reported RIAC attended several meetings and events including: the monthly meeting with Mayor Avedesian; a meeting with**

officials from Middletown to discuss planning issues associated with Newport Airport and participating in the kick-off event for the Rhode Island Foundations “Rhode Island, it’s all in our backyard” program.

• Mr. Fredericks reported RIAC staff participated in a FAA presentation to FAA Regional Administrator Amy Corbett regarding the Runway Expansion Project. Mr. Fredericks reported he is pleased to report that due to the details of the presentation, an Opening Date of December 7, 2017 has been determined.

• Mr. Fredericks reported Mr. Paul McDonough and Mr. Peter Frazier participated in the NEC/AAAE Annual Conference in Pittsburgh, Pennsylvania.

• Mr. Fredericks reported beginning in October a monthly report to elected officials with an airport update will be sent out electronically. Mr. Fredericks reported a newsletter to Stakeholders will also be sent out.

• Mr. Fredericks reported the first Quarterly Stakeholder Meeting will be scheduled for late October or early November.

• Mr. Fredericks commended Mr. Brian Schattle and Mr. David Cloutier for adjusting the schedule for the closing of TGI Fridays to a slower season. Mr. Fredericks reported TGI Fridays will close on September 1st for 2 to 3 weeks of construction and will reopen as Budweiser

Bowtie.

- **Mr. Fredericks reported the military lounge has been completed and a Ribbon Cutting Ceremony is scheduled for September 6th at 10 a.m.**
- **Mr. Fredericks reported the Department of Justice has filed an anti-trust lawsuit to block the US Airways/American Airlines merger. Mr. Fredericks believes that the merger will eventually be approved.**

Mr. Fredericks asked Mr. Schattle to brief any financial updates. Mr. Schattle reported the Finance Department is in the process of updating the Audited Financial Statement and will present the audit at the September Finance and Audit Committee Meeting. Mr. Schattle reported the working group for the bond refinancing continues to monitor the market for potential savings.

- **Mr. Fredericks reported item 6a would be discussed in Executive Session. Mr. Fredericks reported this item has been given a thorough review and has Senior Management and FAA approval. Mr. Fredericks asked Mr. Steven King, Managing Director of QDC, if he would like to make any comments on this item. Mr. King stated QDC has been in negotiations with a tenant that occupies space on RIAC property. Mr. King stated QDC is seeking a sublease for this parcel of property to establish a long term working relationship with its client.**

4. Action Items:

(a) Consideration of and Action Upon approval of an Agreement for Glycol Management Services at T. F. Green and Quonset Airports.

Mr. Fredericks gave an overview of this item noting it is a one year Agreement. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a one year Professional Services Agreement with Inland Technologies International to provide Glycol Management Services at T. F. Green and Quonset Airports in the amount of \$517,500.

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

WHEREAS, it has been determined that there is a need for Glycol Management Services at T. F. Green and Quonset Airports; and

WHEREAS, RIAC issued a Request for Proposals (RFP) On June 17, 2013 for Glycol Management Services pursuant to RIAC Procurement Rules; and

WHEREAS, RIAC received two proposals on July 2, 2013 in response to this RFP; and

WHEREAS, the Selection Committee comprised of Kendra Beaver,

Environmental Compliance Officer; Jay Brolin, Manager of Environmental Programs and Jeffrey Goulart, Purchasing Agent evaluated the proposals; and

WHEREAS, based on the evaluations, the Selection Committee unanimously recommends the firm of Inland Technologies International to perform these services; and

WHEREAS, the approved Fiscal Year 2014 Operating and Maintenance budget includes \$540,000 for these services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a one year Professional Services Agreement with Inland Technologies International to provide Glycol Management Services at T. F. Green and Quonset Airports in the amount of \$517,500.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Consultant Task Order for the Runway 5-23 Extension Project at T. F. Green Airport.

Mr. Fredericks gave an overview of the item noting that after negotiations an independent fee estimate was completed and a record of the negotiation have been documented. The

recommendation is that Board authorizes the President and CEO, or his designee, to execute a Task Order with Gordon R. Archibald, Inc. to provide Design and Bid Phase Services related to the relocation of Main Avenue as part of the Runway 5-23 Extension Project at T. F. Green Airport, in an amount not to exceed \$837,111, subject to FAA approval.

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

WHEREAS, on March 1, 2013, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Gordon R. Archibald, Inc. (GRA) to provide On-Call Civil Engineering Services; and

WHEREAS, GRA successfully completed the preliminary design for the relocation of Main Avenue as part of the Runway 5-23 Extension Project at T. F. Green Airport (Project) under a previously approved PSA; and

WHEREAS, and it is in RIAC's best interest to continue to use GRA's services for the relocation of Main Avenue; and

WHEREAS, no Task Orders have been issued under this Agreement; and

WHEREAS, RIAC staff has negotiated a Scope and Fee with GRA in the amount of \$837,111 to perform Design and Bid Phase Services for the relocation of Main Avenue portion of the Project; and

WHEREAS, the Project is proposed in the Fiscal Year 2014 Capital Improvement Program (CIP) budget in the amount of \$81,997,077; and

WHEREAS, this Task Order will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 61% of the expenditures from the Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP); and

WHEREAS, RIAC plans to reimburse its matching share of this Task Order from either Passenger Facility Charges or future revenue bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Task Order with Gordon R. Archibald, Inc. to provide Design and Bid Phase Services related to the relocation of Main Avenue as part of the Runway 5-23 Extension Project at T. F. Green Airport, in an amount not to exceed \$837,111, subject to FAA approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Airport Joint Use Agreement – Quonset Airport.

Mr. Fredericks gave an overview of this item noting the Agreement had expired on October 1, 2012. Mr. Fredericks commended Mr. Brian Schattle and Mr. David Cloutier on negotiating retroactive payments as part of the new Agreement. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a five year Joint Use Agreement with the United States of America (acting by and through the National Guard Bureau) and the State of Rhode Island (acting by and through Adjunct General) for use of the flying facilities and infrastructure of the Quonset Airport in substantially the form presented with payments set at \$226,023 per year.

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

WHEREAS, the Rhode Island Port Authority, the Rhode Island Economic Development Corporation (RIEDC), the Rhode Island Department of Transportation (RIDOT) and the United States Government's (Government) General Services Administration (GSA) entered into the Quonset State Airport Deed and the Quonset Access

and Services Agreement; and

WHEREAS, said agreements contain conditions and restrictions which mandate that certain parcels of Quonset Airport be made available for use by the Department of Defense for the purpose of providing Air National Guard facilities; and

WHEREAS, the Rhode Island Airport Corporation (RIAC), as Lessee of the Quonset Airport, has assumed the pre-existing lease agreement and associated deed restrictions with respect to the Rhode Island Air National Guard (RIANG) facilities at Quonset Airport; and

WHEREAS, the Government requires substantial use of the flying facilities of the airport for the RIANG and the Army National Guard; and

WHEREAS, RIAC is agreeable to such governmental use of the flying facilities by the RIANG and the Army National Guard; and

WHEREAS, the Government and RIAC desire to establish the Government's reasonable share of the use and maintenance of the flying facilities, and proportional to such use, delineate the Government's cost of operating and maintaining the jointly used flying facilities through an Airport Joint Use Agreement between RIAC and United States of America (acting by and through the National Guard Bureau) and the State of Rhode Island (acting by and through Adjunct General) providing payments of \$226,023 per year

from October 1, 2012 through September 30, 2017; and

WHEREAS, a draft of the Joint Use Agreement is attached to this resolution.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a five year Joint Use Agreement with the United States of America (acting by and through the National Guard Bureau) and the State of Rhode Island (acting by and through Adjunct General) for use of the flying facilities and infrastructure of the Quonset Airport in substantially the form presented with payments set at \$226,023 per year.

The motion was passed unanimously.

5. Executive Session:

At approximately 4:25 p.m. a motion was made by Mr. Dimeo and seconded by Mr. Hahn to go into Executive Session for the purpose of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session held on July 17, 2013 - R.I.G.L. § 42-46-5(a)(2) and (7); and

(b) Discussion Related to Personnel (Job Performance) - R.I.G.L. § 42-46-5(a)(1); and

(c) Discussion Regarding Security - R.I.G.L. § 42-46-5(a)(3); and

(d) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and One Business Development Opportunities at Quonset State Airport) – R.I.G.L. § 42-46-5(a)(7); and

(e) Discussion Related to Two Public Litigation Matters (W.C./IOD Cases - Sgt. Hastings and Ofc. Scott) – R.I.G.L. § 42-46-5(a)(2); and

(f) Motion to Return to Open Session.

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

YEAS: Kathleen C. Hittner, M.D.

Joseph Cianciolo

Deborah Thomas

Bradford Dimeo

Russell Hahn

Michael Traficante

John Justo

NAYS: None

ABSTAIN: None

During Executive Session, Mr. Cianciolo left the meeting at 5:15 p.m.

At approximately 5:48 p.m., a motion was made by Mr. Traficante and seconded by Mr. Dimeo to return to the Open Session. The motion was passed unanimously.

6. Post Executive Session Actions and Announcements:

(a) Consideration of and Action Upon Proposed Lease with Quonset Development Corporation.

Mr. Fredericks gave an overview of this item noting that Steven King, Managing Director of the QDC, had commented on the proposed lease earlier in the meeting. There was a discussion related to the lease term, the insurance clause and the assignment provision. Mr. Frazier noted that the final form of lease would be on terms as protective as those in the QDC's sublease with the anticipated tenant.

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

WHEREAS, the Rhode Island Airport Corporation (RIAC) has the responsibility of developing revenue to support its general aviation airport system from certain real estate parcels at the Quonset State Airport (Revenue Producing Parcels) leased to RIAC by the State of Rhode Island; and

WHEREAS, the Revenue Producing Parcels are managed on behalf of RIAC by the Quonset Development Corporation (QDC); and

WHEREAS, RIAC presently has leased, in conjunction the Rhode Island Economic Development Corporation (EDC), portions of the Revenue Producing Parcels to Electric Boat Corporation (EB); and

WHEREAS, the QDC recently completed negotiations with EB to expand the amount of EDC property leased by EB as well as extend the lease term; and

WHEREAS, in order to avoid any Federal Aviation Administration grant assurance issues, RIAC will lease the subject Revenue Producing Parcels to QDC for fair market rent and the QDC shall, in turn, lease the same property to EB; and.

WHEREAS, attached hereto is a Letter of Intent (LOI) which contains the material terms of the proposed lease between RIAC and the QDC; and

WHEREAS, the LOI will form the basis of the lease agreement

between RIAC and QDC;

WHEREAS, the QDC retained a professional real estate appraiser, Peter M. Scotti & Associates, who has affirmed that the rent that RIAC will receive is within the reasonable range constituting fair market value; and

WHEREAS, the QDC's board will need to review and approve the foregoing said lease; and

WHEREAS, RIAC's professional staff has reviewed terms of the LOI and recommends that a lease to the QDC be approved on those terms by the Board.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a standard form of lease agreement with the Quonset Development Corporation substantially on the terms presented in the Letter of Intent provided the lease term is 25 years, that an escalating insurance clause is proposed to the subtenant, and the lease clauses in the subject lease and the sublease are equally protective to the landlord's interest including, without limitation, the assignment and subletting clause.

The motion was passed by six affirmative votes, with one Board

Member recusing himself from voting. The vote was as follows:

YEAS: Kathleen C. Hittner, MD

Deborah Thomas

Michael Traficante

Russell Hahn

John Justo

NAYS: None

RECUSALS: Bradford S. Dimeo

(b) Motion to Seal the Minutes of the Executive Session Held on August 21, 2013.

A motion was made by Mr. Traficante and seconded by Mr. Hahn 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.

Deborah Thomas

Bradford Dimeo

Russell Hahn

Michael Traficante

John Justo

NAYS: None

ABSTAIN: None

(c) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Mr. Cianciolo to approve the sealed minutes of the Executive Session held on July 17, 2013. The motion was seconded by Mr. Dimeo. The motion passed unanimously.

7. Future Meetings:

The next Board Meeting will be held on Wednesday, September 18, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

8. Adjournment:

Ms. Thomas moved to adjourn at approximately 5:50 p.m. Mr. Dimeo 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, AUGUST 21, 2013

NAME AFFILIATION

Peter Frazier RIAC

Brian Schattle RIAC

Liberty Luciano RIAC

Sherri Ann Penta RIAC

Patricia Goldstein RIAC

Bruce Wilde RIAC

Dan Porter RIAC

Doug Dansereau RIAC

Alan Andrade RIAC

Kendra Beaver RIAC

Steven King QDC

Laurie Brayton State Fiscal Office

Chris Connelly PB Americas

Michael Zarum Constituent

Paul Parker Providence Journal

Val Mendonca HNTB

Dave Chamberlain Jacobs

Lance Eskelund Pilot

Paul Carroll Pilot

Raymond Venticinque Pilot

Frank Olivera Pilot

The minutes of the Executive Session of the Board Meeting of August 21, 2013, have been sealed in accordance with R.I.G.L. § 42-46-4.