

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 19, 2014 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, Jon Savage at 4:01 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: Jon Savage; Russell Hahn; John Justo; Deborah Thomas and Paul Carroll.**

**BOARD MEMBER ABSENT: Michael Traficante and Bradford Dimeo.**

**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. Hahn and seconded by Ms. Thomas to**

**approve the minutes of the Board of Director's Meeting of December 18, 2013.**

**The motion was passed by four affirmative votes, with one Board Member abstaining himself from voting. The vote was as follows:**

**YEAS: Deborah Thomas**

**John Justo**

**Russell Hahn**

**Paul Carroll**

**NAYS: None**

**ABSTAIN: Jon Savage**

**2. Open Forum:**

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

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

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

- Mr. Fredericks reported, as expected, passenger travel was down**

**6.91%. Seating capacity was down 12% and is anticipated to be down 8.75% in March, 2.85% in April and 6.75% in May followed by an upward passenger trend. In light of weather and reduction of seats year to date was down 5.28%. US Airways is the only airline to show growth at a .6% increase.**

- **Mr. Fredericks reported air cargo was up 1.93%. Mr. Fredericks noted that items being shipped out of T. F. Green were up 21%. He also noted the bulk of this increase is from FedEx.**

- **Mr. Fredericks reported parking revenue is up 1.2% with ticket sales down 5.2%. Market shares and ticket sales remain strong at approximately 85% compared to off airport parking.**

- **Mr. Fredericks reported the agreement with Northstar Aviation for Corporate Hangar Development at the Strawberry Field site is being finalized. This item will be brought to the Board for consideration at the April Board Meeting.**

- **Mr. Fredericks reported operations for the general aviation system remain down overall. Fuel sales have increased substantially due to charter flights.**

- **Mr. Fredericks reported AvPorts has assigned a new General Manager, Jeremy Nielson to manage the general aviation facilities.**

- **Mr. Fredericks reported the office space rehabilitation construction at Newport Airport will begin in April and be completed by the end of 2014.**
- **Mr. Fredericks reported there were a total of 16 storm events this year with a total of 42 inches of snow at T. F. Green Airport.**
- **Mr. Fredericks reported RIAC attended several meetings and events including: the monthly meeting with Mayor Avedisian, Warwick City Council members, numerous meetings with the FAA, RIDOT, RIDEM, the Providence Chamber and the Providence/Warwick CVB.**
- **Mr. Fredericks reported he and Mr. Peter Frazier, Mr. Brian Schattle will be attending a meeting with airport representatives in Washington, DC in late March to discuss a directive from Congress related to FAA reimbursement of EDS installation costs outlined in the Omnibus appropriates bill on March 26th.**
- **Mr. Fredericks reported Mr. Peter Frazier, Mr. Brian Schattle and he will be providing face to face briefings on airport projects with each of the Rhode Island Congressional Delegation on March 27th.**
- **Mr. Fredericks stated there are a number of state and federal legislative bills that are being tracked. Ms. Goldstein stated the firearms bill heard last evening went well.**

- **Mr. Fredericks reported ADK Consultants were on site February 24th through the 28th and conducted a number of interviews with RIAC staff and continue to collect data as part of the Organizational Development Study. A draft report on their findings and suggestions will be submitted late May with results briefed to the Board in June.**
- **Mr. Fredericks stated future initiatives being looked into at T. F. Green Airport include: brightening of the terminal pre and post security, slot machines, an aircraft suspended from the ceiling inside the terminal, a water feature and displaying RI film industry components in the InterLink.**
- **Mr. Fredericks reported March 11th through the 13th Sgt. Jarrod Harrell from the Orlando Police Department provided in-house customer service training sessions to the RIAC Police Department. Senior staff also participated in the training.**
- **Mr. Fredericks gave an overview of the Winslow Park Relocation Project and noted the project needs to be completed by July 1, 2015 for the start of the league schedules.**
- **Mr. Fredericks reported construction on the Deicer Management System project continues through the winter season and testing of the facility will begin in the Fall.**
- **Mr. Fredericks reported Main Avenue will not close down to traffic**

during the relocation project.

#### **4. Department Updates:**

##### **(a) Planning**

###### **(i) Land Acquisition and Noise Program – Kelly Fredericks**

**Mr. Fredericks provided the following updates:**

- **There are 14 properties required for acquisition as part of the relocation of Main Avenue. Relocations are expected to be completed by August with demolition scheduled to begin in the Fall.**
- **There are 65 properties included in the Voluntary Land Acquisition as part of the Runway Protection Zone (RPZ). Acquisitions will occur in phases through 2017.**

##### **(b) Finance and Audit Update**

###### **(i) Year to Date Financial Results Through December 31, 2013 – Brian Schattle**

**Mr. Schattle provided the following updates:**

- **A presentation was given which provided an overview of the year-to-date financial results through December 31, 2013. The presentation focused on revenues and expenses with a focus on**

revenue streams driven by enplanements. Enplanements for the first half of the year trended well and were 5.86% higher than the prior fiscal year. It was noted that overall performance was favorable as compared to budgeted expectations.

- Personnel and operating expenses continue to be managed in line with operating revenue and are within budgeted expectations. Utility costs are being monitored due to the significant increase in utility rates.

- The general aviation airports have performed better than budgeted expectations for the first half of the fiscal year.

- There was general discussion on non-operating revenues and expenses. It was noted that net operating income for the InterLink facility was slightly below budgeted expectations, primarily driven by a variance in Customer Facility Charge (CFC) income. As discussed in the February meeting, the CFC rate will be increased from \$5.50 to \$6 per transaction day effective April 1, 2014.

**(b) Finance and Audit Update.**

**(ii) Parking Operations – Doug Dansereau**

**Mr. Dansereau provided the following updates:**

**Mr. Dansereau provided detailed updates which included an analysis**

**of gross parking revenues in 2013; marketing strategies; trends in parking revenues compared to enplanements; overall market share; revenues based on location; pricing strategies and comparisons.**

**Mr. Dansereau noted that RIAC staff is focused on maximizing this vital stream of airport revenues.**

## **5. Action Items:**

**(a) Consideration of and Action Upon Approval of a Professional Services Agreement and Consultant Task Order for Oracle R12 Upgrade, Data Conversion and Systems Integration.**

**A motion was made by Mr. Carroll and seconded by Ms. Thomas to discuss this item. Mr. Schattle gave an overview of this item. Ms. Thomas noted the team did a good job describing why the low bidder for this project was not selected. The recommendation is that the Board authorizes the President and CEO, or his designee, to 1) execute a Professional Services Agreement with Applied Software Technology Corporation; and 2) execute a Task Order in an amount of \$329,730 to upgrade Oracle from 11.5.10 to 12.3.1.**

**A motion was made by Mr. Carroll and seconded by Ms. Thomas to approve the following resolution:**

**WHEREAS, on January 10, 2014, RIAC issued a Request for Proposals (RFP) for Consultant Services for Oracle R12 Upgrade, Data Conversion and Systems Integration; and**

**WHEREAS, RIAC received eight proposals on February 5, 2014, in response to this RFP; and**

**WHEREAS, the Selection Committee comprised of Nicole Williams, Corporate Controller; Jeffrey Goulart, Manager of Finance and Administration and Dave Wilga, Chief Technology Officer met to review and rank the proposals; and**

**WHEREAS, the Selection Committee selected three firms to provide RIAC with additional information through a phone interview process; and**

**WHEREAS, following the phone interview process, the Selection Committee selected two of the firms to participate in a formal in-person interview; and**

**WHEREAS, following the formal in-person interview process, the Selection Committee independently and unanimously selected Applied Software Technology Corporation (AST) to perform these services; and**

**WHEREAS, the approved Rhode Island Airport Corporation (RIAC) Fiscal Year 2014 Operating Capital budget includes \$350,000 for this project; and**

**WHEREAS, the Proposed Cost from AST is \$329,730.**

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

**That the Board authorizes the President and CEO, or his designee, to 1) execute a Professional Services Agreement with Applied Software Technology Corporation; and 2) execute a Task Order in an amount of \$329,730 to upgrade Oracle from 11.5.10 to 12.3.1.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Approval of a Construction Contract for Services Associated with Phase 1 of the Sound Mitigation Program at T. F. Green Airport.**

**Ms. Thomas stated she would like clarification on why there were only two bidders for this project. Mr. Fredericks stated the limited response was due to the small nature of the project for this phase. Mr. Schattle noted the next phase will contain 100 properties which will increase competition. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a**

**Construction Contract with Northeast Noise Abatement Corporation in the amount of \$560,800 for services associated with Phase 1 of the Sound Mitigation Program (Pilot Program) at T. F. Green Airport.**

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

**WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for services associated with Phase 1 of the Sound Mitigation Program (Pilot Program) at T. F. Green Airport; and**

**WHEREAS, on November 11, 2013, RIAC issued an Invitation for Bids (IFB) for this project; and**

**WHEREAS, on November 21, 2013, RIAC held a pre-bid conference at T. F. Green Airport for prospective bidders in which three prospective bidders, including subcontractors, participated; and**

**WHEREAS, on December 12, 2013 one bid, for eleven homes, was received in the amount of \$635,000; and**

**WHEREAS, subsequent to the opening of the bid, one property owner requested to be removed from the Pilot Program and placed in the next phase program; and**

**WHEREAS, the reduction of the one home resulted in a reduction of the bid to \$560,800 for a total of ten homes; and**

**WHEREAS, Jones Payne Group, Inc., RIAC's Design Consultant for this project, has determined that the bid submitted by Northeast Noise Abatement Corporation in the amount of \$560,800 is the lowest responsive bid; and**

**WHEREAS, RIAC staff agrees with Jones Payne Group, Inc. determination and recommends award of this Contract to Northeast Noise Abatement Corporation; and**

**WHEREAS, the Federal Aviation Administration (FAA) has approved the award of the Contract; and**

**WHEREAS, this project is approved in the Fiscal Year 2014 Capital Improvement Program (CIP) budget in the amount of \$900,000; and**

**WHEREAS, subsequent to the approval of RIAC's Fiscal Year 2014 CIP budget, the FAA approved a grant in the amount of \$1,000,000; and**

**WHEREAS, this Contract will be funded 80% from FAA grants and 20% from Passenger Facility Charges (PFC's).**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Construction Contract with Northeast Noise Abatement Corporation in the amount of \$560,800 for services associated with Phase 1 of the Sound Mitigation Program (Pilot Program) at T. F. Green Airport.**

**The motion was passed unanimously.**

**(c) Consideration of and action Upon Approval of a Task Order for the Acquisition of Avigation Easements at Westerly Airport.**

**The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a Task Order with O.R. Colan Associates in the amount of \$230,089 for the acquisition of off-airport obstruction easements at Westerly State Airport.**

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

**WHEREAS, on July 30, 2013, RIAC issued a Request for Proposals (RFP) for On-Call Easement Acquisitions in which three proposals were received by the August 28, 2013 deadline; and**

**WHEREAS, A Selection Committee comprised of Kendra Beaver, Legal Counsel for Environmental Services; Dan Porter, Vice President Aviation Planning; David Cloutier, Assistant Vice President Commercial Programs and Jeffrey Goulart, Manager of Finance and Administration reviewed and evaluated the proposals; and**

**WHEREAS, the Selection Committee selected O.R. Colan Associates (O.R. Colan) and W.D. Schock to enter into a Professional Services Agreement to provide these Services; and**

**WHEREAS, this project involves the acquisition of easements in order to remove multiple obstructions and install obstruction lights; and**

**WHEREAS, O.R.Colan has past experience with RIAC working on easements of this exact nature at several airports, including Westerly State Airport, and has historical data and knowledge that will be very beneficial to this project; and**

**WHEREAS, RIAC staff has negotiated a fee in the amount of \$230,089 for these services; and**

**WHEREAS, the Federal Aviation Administration has approved this Task Order; and**

**WHEREAS, this project is approved in the Fiscal Year 2014 Capital Improvement Program (CIP) budget in the amount of \$1,751,330; and**

**WHEREAS, this Task Oder will be funded 90% (\$207,080) through reimbursement from the Federal Aviation Administrations (FAA) Airport Improvement Program (AIP), with RIAC's 10% portion (\$23,009) matching share through General Purpose Funds.**

**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 O.R. Colan Associates in the amount of \$230,089 for the acquisition of off-airport obstruction easements at Westerly State Airport.**

**The motion was passed unanimously.**

**(d) Consideration of and Action Upon Reimbursement Resolution for the Upcoming Bond Issuance.**

**Ms. Thomas stated she would like some discussion on this item. Mr. Schattle gave an overview of this item noting funding for projects will be provided by general purpose funds in expectation of reimbursement upon issuance of the Bonds. Mr. Schattle stated this funding is part of the Governor's budget for RIAC's five year Capital Improvement Program. The recommendation is that the Board**

**authorizes the President and CEO, or his designee, to execute a Consultant Task Order with The Jones Payne Group for Phase 2 of the Sound Mitigation Program at T. F. Green Airport in an amount not to exceed \$1,983,221.**

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

**WHEREAS, on February 13, 2013, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement with The Jones Payne Group (JPG) to provide Consultant Services related to the Sound Mitigation Program for T. F. Green Airport; and**

**WHEREAS, to date, two Task Orders in the amount of \$524,763 have been issued under this Agreement; and**

**WHEREAS, RIAC staff negotiated a Scope and Fee with JPG in the amount of \$1,983,221 to perform the planning, design and bidding, construction administration, and other related services for Phase 2 of the Sound Mitigation Program at T. F. Green Airport; and**

**WHEREAS, the Federal Aviation Administration reviewed the Scope and Fee and approved the Task Order; and**

**WHEREAS, the project is approved in the Fiscal Year 2014 Capital Improvement Program (CIP) budget in the amount of \$5,400,000; and**

**WHEREAS, this Task Order will be funded 90% (\$1,784,899) through reimbursement from the Federal Aviation Administrations (FAA) Airport Improvement Program (AIP), with RIAC's 10% (\$198,322) matching share through Passenger Facility Charges (PFC).**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Consultant Task Order with The Jones Payne Group for Phase 2 of the Sound Mitigation Program at T. F. Green Airport in an amount not to exceed \$1,983,221.**

**The motion was passed by four affirmative votes, with one Board Member abstaining himself from voting. The vote was as follows:**

**YEAS: Deborah Thomas**

**John Justo**

**Russell Hahn**

**Paul Carroll**

**NAYS: None**

**ABSTAIN: Jon Savage**

**A motion was made by Mr. Hahn pursuant to R.I.G.L. § 42-46-5(a)(7)**

**and 42-46-6(b) to amend the agenda to add a discussion item for information purposes only on a topic of a non-public matter involving the investment of public funds where the premature disclosure would be detrimental to the public interest. The motion was seconded by Mr. Carroll.**

**The motion was passed unanimously.**

#### **6. Executive Session:**

**At approximately 5:00 p.m. a motion was made by Mr. Hahn and seconded by Mr. Carroll to go into Executive Session for the purpose of discussing the following items:**

**(a) Motion to Approve the Minutes of the Executive Session held February 19, 2014 - R.I.G.L. § 42-46-5(a),(2), and (7); and**

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

**(c) Discussion Regarding Investigative Proceedings re: Allegation of Civil/Criminal Misconduct - R.I.G.L. § 42-46-5(a)(4); and**

**(d) Discussion Related to One Public Litigation Matter (Bogosian vs. RIAC) – R.I.G.L. § 42-46-5(a)(2); and**

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

**(f) Motion to Return to Open Session.**

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

**YEAS: Jon Justo**

**Deborah Thomas**

**Russell Hahn**

**John Justo**

**Paul Carroll**

**NAYS: None**

**ABSTAIN: None**

**At approximately 6:11 p.m., a motion was made by Ms. Thomas and seconded by Mr. Hahn 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 on**

**March 19, 2014.**

**A motion was made by Mr. Hahn and seconded by Mr. Carroll 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: Jon Savage**

**Deborah Thomas**

**Russell Hahn**

**John Justo**

**Paul Carroll**

**NAYS: None**

**ABSTAIN: None**

**(b) Report on Actions Taken in Executive Session.**

**During the Executive Session, a motion was made by Mr. Justo to approve the sealed minutes of the Executive Session held on February 19, 2013. The motion was seconded by Mr. Hahn.**

**The motion was passed by four affirmative votes, with one Board Member abstaining himself from voting. The vote was as follows:**

**YEAS: Deborah Thomas**

**John Justo**

**Russell Hahn**

**Paul Carroll**

**NAYS: None**

**ABSTAIN: Jon Savage**

**8. Future Meetings:**

**The next Board Meeting will be held on Wednesday, April 16, 2014 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

**9. Adjournment:**

**Ms. Thomas moved to adjourn at approximately 6:12 p.m. Mr. Savage seconded the motion. The motion was passed unanimously.**

**Respectfully submitted,**

**Jon Savage, Chair**

# Rhode Island Airport Corporation

## PUBLIC ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

MEETING OF THE BOARD OF DIRECTORS

WEDNESDAY, FEBRUARY 19, 2014

**NAME      AFFILIATION**

**Brian Schattle      RIAC**

**Peter Frazier      RIAC**

**Liberty Luciano      RIAC**

**Kendra Beaver      RIAC**

**Doug Dansereau      RIAC**

**Patricia Goldstein      RIAC**

**Nicole Williams      RIAC**

**Sherri Ann Penta      RIAC**

**Bruce Wilde    RIAC**

**Eric Seabury    RIAC**

**Ahmed Shihadeh    RIAC**

**Steve Cahill    RIAC**

**Jeff Goulart    RIAC**

**David Cloutier    RIAC**

**Joseph Ottaviano    RIAC**

**Woody Creswell    The Paradies Shops**

**Wendy Hennessey    The Paradies Shops**

**Robert Geoff    New England Parking**

**Jim Falvey    PB Americas**

**Jonathan Pratt    Thielsch Engineering**

**Tony Raposo    William Anthony Excavation**

**Laurie Brayton Senate Fiscal Office**

**The minutes of the Executive Session of the Board Meeting of March 19, 2014, have been sealed in accordance with R.I.G.L. § 42-46-4.**