

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**MONDAY, AUGUST 17, 2015 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 4:00 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: Jon Savage; Russell Hahn; Deborah Thomas; Paul Carroll; Michael Traficante and Christopher Little.**

**BOARD MEMBER ABSENT: Heather Tow-Yick.**

**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 Ms. Thomas to approve the minutes of the**

**Board of Director's Meeting of June 29, 2015 and seconded by Mr. Hahn. The motion was passed unanimously.**

## **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 the Rhode Island Airport Corporation (RIAC) was recently notified that T. F. Green Airport had received a significant award from the Federal Aviation Administration (FAA) and Mr. Bruce Wilde attended the ceremony in Washington, DC to accept the award on behalf of RIAC. Mr. Fredericks read the following Award Ceremony Remarks into the record:**

**“Our final recipient today is being recognized for non-discrimination program compliance with Title VI. A notable accomplishment is that this airport's noise mitigation program is one of the most comprehensive that we have come across. Also, the airport's Title VI training is more inclusive than training we have encountered at other airports, especially because sensitivity training is included.**

**Additional outstanding practices include having language assistance services available, identifying assistance measures for limited english proficient individuals in their emergency plan, and ensuring public participation in airport actions that affect surrounding communities. I am pleased to present the Airport Non Discrimination Compliance Program Award to the Rhode Island Airport Corporation – T. F. Green Airport.”**

**Mr. Fredericks commended Ms. Sherri Ann Penta for all of her efforts leading and coordinating this rigorous and complex audit.**

- Mr. Fredericks reported passenger travel was down 1.74% for the month of July and seating capacity was down approximately 1.75%. Year to date, passenger travel is down 1.40%. JetBlue was up 7.04% with no change in seating capacity. This represents the 12th consecutive month of positive growth for JetBlue. US Airways was down 1.60% on 5% less seating capacity and Delta was down 2.40% on 4% less seating capacity. United was down 24.83% on over 5% increased seating capacity. Southwest was down 2.19% on 5% decreased capacity. Cape Air was down 31.64% on 20.83% less capacity. TACV brought 3,556 new passengers to PVD and produced an overall 94.1% load factor for the month. Mr. Fredericks noted departing flights for TACV had a load factor of 87.7% and arriving load factor of 100%. Condor Airlines provided 3,735 new passengers to PVD and had an overall load factor of 80.1%. Mr. Fredericks noted Condor’s departing flights had a 72.1% load factor and arriving**

**flights had an 88.1% load factor.**

- **Mr. Fredericks stated overall load factors for July 2015 was 91.28% which highlights demand for service is high and capacity increases are needed. Mr. Fredericks stated he remains encouraged that we are moving in a positive direction based on current trends, recent carrier corporate visits, follow up and additional data exchange.**

- **Mr. Fredericks reported load factor's for each airline for the month of July are: JetBlue 89.67% up from 85.92%, Southwest 91.99% up from 88.17%, Delta 93% up from 90.55%, US Airways/American 92.54% up from 88.20% and United Airlines at 90.58% (pending confirmation of data). Mr. Fredericks reported the market share for each airline is as follows: Southwest Airlines 44.9%, US Airways 21.9%, Delta Airlines 13.4%, JetBlue 7.4%, United 9.7%, TACV 1%, Condor 1.1%, Cape Air 0.4% and charters at .1%.**

- **Mr. Fredericks reported air cargo was up 0.35% for the month of July and up 0.66% year to date.**

- **Mr. Fredericks reported following a recent corporate meeting with American Airlines executives, a conference call has been scheduled for August 28th to discuss additional route forecast analysis for non-stop service to Dallas/Ft. Worth and Miami.**

- **Mr. Fredericks reported following a corporate meeting at Southwest**

**Airlines in Dallas, additional route forecast analysis for non-stop service to Denver and Las Vegas has been completed and a conference call has been scheduled for September 16th.**

- **Mr. Fredericks reported that, following a recent corporate visit to JetBlue headquarters, an additional meeting is being scheduled for September to discuss service to Washington/Regan National, additional Ft. Lauderdale service and seasonal service to West Palm Beach and Fort Myers.**

- **Mr. Fredericks reported a visit to United Airlines headquarters has been scheduled for October 14th to discuss Chicago and Texas/Houston service.**

- **Mr. Fredericks reported a meeting with Porter Airlines is being sought to discuss non-stop service to Toronto. Mr. Fredericks noted that Mr. Timothy Pimental will be meeting with Porter Airlines representatives at an upcoming conference to further discussions on a corporate visit.**

- **Mr. Fredericks reported meetings with SATA representatives were recently held to discuss once a week year round service to the Azores with the possibility of service twice weekly during the summer months. Mr. Fredericks noted dialogue is ongoing.**

- **Mr. Fredericks reported he will be traveling to Guatemala City as**

**part of Mayor Elorza's trip and is scheduled to meet with Avianca to discuss once per week service.**

- Mr. Fredericks reported conversations with WOW Airlines will be reestablished to discuss and present PVD as an alternate base.**
- Mr. Fredericks reported a familiarization tour on TACV services with regional travel agents is being planned for October/November.**
- Mr. Fredericks reported passenger numbers for Condor continue to increase and a meeting in Frankfurt has been planned for the week of August 24th to discuss marketing and strategy initiatives.**
- Mr. Fredericks reported communication with Shannon Airport is ongoing and a conference call is being planned for the following week. Mr. Fredericks noted the planning process for a visit by Rose Hynes and the Shannon delegation is being targeted for November/December.**
- Mr. Fredericks reported dialogue regarding cargo development with FedEx and UPS is ongoing.**
- Mr. Fredericks reported due to timing of the meeting, operations statistics for the general aviation airports are not yet available and will be provided to the Board following the meeting. Mr. Fredericks noted a review of fees, hangars and collections at the general aviation**

**airports will be done. Information will be provided to the Board as it becomes available.**

- Mr. Fredericks noted the next General Aviation Working Group Meeting is scheduled for September 2nd.**
- Mr. Fredericks reported the Board Members Mr. Chris Little and Ms. Heather Tow-Yick along with Mr. Kevin Gallagher, the Governor's Deputy Chief of Staff, will be touring the general aviation airports on August 19th.**
- Mr. Fredericks reported he continues to have regularly scheduled separate monthly meetings with Deputy Chief of Staff Kevin Gallagher and Mayor Scott Avedisian.**
- Mr. Fredericks reported he also continues to reach out to Warwick Council Members and other elected officials on a regular basis to update them on airport issues.**
- Mr. Fredericks reported an airport update is being scheduled for Mayor Elorza's Chief of Staff Tony Simon and the Mayor's Chief Operating Officer, Brett Smiley.**
- Mr. Fredericks reported RIAC is working with the Governor's Office, the Commerce Corporation and a number of other entities on a Coordinated Agency Plan for Job Growth. Mr. Fredericks**

**commended Mr. Dan Porter on his contribution to this draft plan.**

- **Mr. Fredericks reported proposed FAA re-authorization and raising the PFC cap is still being tracked. Updates will be provided as they become available.**

- **Mr. Fredericks reported during the next state legislative session, RIAC plans to introduce increasing lease duration from the current maximum term of 30 years to a potential 99 years as currently allowed for other state agencies. Mr. Fredericks noted RIAC plans to also revisit raising aircraft registration fees to be in line with surrounding states.**

- **Mr. Fredericks provided an update on the Airport Expansion Program and noted that the program continues to advance on schedule to meet the expected opening on December 7, 2017. Mr. Fredericks noted high profile projects are expected to come on line shortly and media events will be planned around them. The high profile projects include the Glycol Treatment Facility and the new Winslow Park Athletic Complex. Mr. Fredericks reported relocation of Main Avenue project is underway and will be completed in 2016. It was noted that Main Avenue will remain open during the relocation. Mr. Fredericks reported Runway 5 design is 70% completed and is expected to go out to bid in the spring.**

- **Mr. Fredericks reported the PVD Pups Program was officially**

announced on August 12th. Mr. Fredericks stated the program was extremely well received by passengers and had phenomenal media and social coverage both locally and from industry peers across the country. Mr. Fredericks noted there are currently 9 dogs certified as PVD Pups with additional dogs in training. Mr. Fredericks commended Ms. Liberty Luciano for leading this program.

- Mr. Fredericks asked Mr. Frazier to provide an update on the letter received from the ACLU regarding data sharing with the Transportation Security Administration (TSA). Mr. Frazier stated the Board of Directors approved entering into a contract with the Department of Homeland Security Science and Technology Directorate, the TSA and Reallaer, LLC subject to confirmation of appropriate insurance coverage and ensuring the traveling public are notified of the video recording. Mr. Frazier noted the surveillance will focus on the actors and there will be minimal impact to passenger privacy. It was noted that special signage will be posted informing passengers of the recording. Mr. Frazier stated this is a great partnership that will allow for enhanced security at airports.

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

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

###### **(i) Land Acquisition and Noise Program**

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

- **Land Acquisition – Main Avenue –** With construction underway, a final update was given for the acquisition of properties for the Right-of-Way. Fourteen single family homes and one vacant lot have been acquired through sale. RIAC was able to purchase all 14 SF homes and one vacant lot without use of condemnation. Budget was \$4.4M, final cost of project \$3.75M, attributed a lower cost per acquisition than anticipated - \$265k vs. original estimated figure of \$305k. This is the all-in cost to include consultant fees, acquisition, and demo. Also we were able to roll in three out of the 14 properties into the Noise Program – as they were inside the 70dB contour.

- **Runway Protection Zone (RPZ) – Single family (SF) homes on the south side** include 60 SF homes and five vacant lots. To date, 20 SF homes and 1 vacant lot have been purchased. Phase 3 plan is underway as meetings with the homeowners continue and offers are being made (there are 13 SF homes in this phase). Phase 4 and 5 will include the remaining 22 SF homes, all offers extended prior to opening of runway in December 2017, as funding becomes available.

- **Noise Acquisitions (homes inside the 2025 - 70dB contour –** include 65 SF family homes primarily to the south of Runway 5. Forty-four out of the 65 have been acquired in the first two phases. Phase 3 is underway and consists of eight SF homes and the last phase will consist of nine properties and will be acquired as funding becomes available.

- **Sound insulation – Phases 1 and 2A are complete and consisted of 56 properties. There has been positive feedback from homeowners. A letter was sent to the Mayor from a homeowner stating how pleased he is with the program, the products and services. A grant was received for the next two phases, 2B and 3, and a notice-to-proceed will be sent to the contractor this week. Phase 4 is currently under design and includes 80 SF homes, and 146 multi-family homes. Phase 5 will be the last Phase through the opening of the Runway in December 2017. We are obligated to have at least offered sound insulation before the opening of the runway.**

- **An update on the solar energy RFP (Request for Proposal) was provided. A site analysis for conducive properties is due this week and an RFP is scheduled for the end of the month with proposals due with at least a three week turnaround. It was noted that it would take approximately four to six weeks to bring this to contract and an additional six to seven months of construction, leaving approximately ten months for planning and permitting. In order to receive the 30% energy credit this project would need to be completed by the end of 2016.**

**(b) Maintenance and Operations**

**(i) PVD Airfield and GA Facilities and Operations**

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

- **The Volvo Ocean Race which traverses around the world from Spain to Sweden made one of its 11 stops in Newport. Over 50 helicopters utilized Newport Airport during this stop.**
- **There were over 100,000 attendees at the Quonset Air Show which included four show teams in May.**
- **The route for the 2nd Annual Southwest Road Race to benefit the Wounded Warrior Program was both on and off airfield at T. F. Green Airport and included over 100 participants.**
- **Several corporate events have been held in the hangar at North Central Airport.**
- **An update was provided on the terminal improvements at T. F. Green Airport including exterior LED lighting, improvements to the In-Line Baggage Handling System and painting of Hangar 2.**
- **An overview of the effect of the storm of August 4th was provided and it was noted that there was no major impacts to the airport.**
- **The NFL season has begun and team charters will be utilizing T. F. Green Airport for games played at Gillette Stadium as well as for away games for the New England Patriots.**
- **There was discussion on drone activity and it was noted it is an**

**education process on the appropriate locations to operate the drones and when an authorization from the Federal Aviation Administration is required.**

**5. Action Item:**

**(a) Consideration of and Action Upon Amendment for Minutes of March 19, 2014 Meeting Relating to the Reimbursement Resolution of the Board of Directors.**

**Mr. Frazier gave an overview of this item noting that although the referenced Reimbursement Resolution was approved at the March 19, 2014 Board meeting there was a typographical error in the minutes of the meeting that needs to be corrected. The recommendation is the minutes of the March 19, 2014 meeting are hereby amended to remove the recommendation and resolution referenced under Item 5(d) and replace them with the Reimbursement Resolution of Board of Directors attached as Exhibit A under Item 5(d) of said minutes AND that all parties may rely upon the minutes of the meeting, as so amended hereby, as the duly adopted Minutes of the March 19, 2014 meeting of the Board of Directors.**

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

**WHEREAS, at a meeting of the Rhode Island Airport Corporation (“the Corporation”) held on March 19, 2014, which meeting was duly called and notice duly posted, the agenda contained an item “Consideration of and Action Upon Reimbursement Resolution for the Upcoming Bond Issue” as Item 5(d); and**

**WHEREAS, at the March 19, 2014 meeting, the directors discussed the nature and purpose of a Reimbursement Resolution and reviewed a memorandum and form of resolution prepared by Bond Counsel for consideration by the board; and**

**WHEREAS, after deliberation on Item 5(d), there was a motion made by Mr. Hahn and seconded by Mr. Carroll to approve the Reimbursement Resolution attached as Exhibit A, which was unanimously approved; and**

**WHEREAS, the minutes of the March 19, 2014 meeting were approved on April 17, 2014. Upon review of said minutes, it was noted that the Reimbursement Resolution was omitted from the minutes of the meeting, as adopted by the Board; and**

**WHEREAS, Bond Counsel has requested that the Board adopt an amendment to the Minutes of the March 19, 2014 meeting to include the Reimbursement Resolution attached as Exhibit A as an action item having been duly approved at the March 19, 2014 meeting, and to**

**incorporate by reference Exhibit A to said minutes.**

**Now, therefore, the Board of Directors of Rhode Island Airport Corporation, a public corporation, governmental agency and public instrumentality of the State (“RIAC”), hereby adopts the following resolutions:**

**RESOLVED: That the minutes of the March 19, 2014 meeting are hereby amended to remove the recommendation and resolution referenced under Item 5(d) and replace them with the Reimbursement Resolution of Board of Directors attached as Exhibit A under Item 5(d) of said minutes.**

**RESOLVED: That all parties may rely upon the minutes of the meeting, as so amended hereby, as the duly adopted Minutes of the March 19, 2014 meeting of the Board of Directors.**

**The motion was passed unanimously.**

## **6. Executive Session:**

**At approximately 4:49 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 Sessions held on**

**May 20, 2015 and June 29, 2015 § 42-46-5(a)(1),(2),(3) 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) Discussions Related to Four Nonpublic Potential Litigation Matters (Construction Dispute, GA Airport Issue, T. F Green Terminal Issue and Off-Airport Parking Issues) and Two Public Litigation Matter (Bogosian vs. RIAC and Airport Valet vs. RIAC) – R.I.G.L. § 42-46-5(a)(2); and**

**(d) Discussions Related to Three Prospective Businesses locating within Rhode Island Where Premature Disclosure Would be Detrimental to the Public Interest – R.I.G.L. § 42-46-5(a)(6); and**

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

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

**YEAS: Jon Savage**

**Russell Hahn**

**Deborah Thomas**

**Paul Carroll**

**Michael Traficante**

**Christopher Little**

**NAYS: None**

**ABSTAIN: None**

**At approximately 6:14 p.m., Mr. Traficante left the meeting.**

**During the discussion on Executive Session item 6(C) – Off-Airport Parking, Mr. Little recused himself and left the board room at approximately 4:53 p.m. and returned to the meeting at approximately 5:52 p.m.**

**At approximately 6:58 p.m., a motion was made by Mr. Carroll and seconded by Mr. Little to return to Open Session.**

**The motion passed unanimously.**

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

**(a) Motion to Seal the Minutes of the Executive Session Held on August 17, 2015.**

**A motion was made 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 as follows:**

**YEAS: Jon Savage**

**Russell Hahn**

**Deborah Thomas**

**Paul Carroll**

**Christopher Little**

**NAYS: None**

**ABSTAIN: None**

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

**During the Executive Session, a motion was made by Mr. Carroll and seconded by Mr. Traficante to approve the sealed minutes of the Executive Sessions held on May 20, 2015 and June 29, 2015. The motion passed unanimously.**

**(c) Consideration of and Action Upon Approval of a Construction Contract Change Order for Additional Construction Work Related to the Runway 16-34 Safety Areas Improvements Project at T. F. Green Airport.**

**Mr. Frazier gave an overview of this item and noted that it is eligible for federal reimbursement. The recommendation is that the Board**

**authorizes the President and CEO, or his designee, to execute a Construction Contract Change Order with Cardi Corporation in the amount of \$1,475,000, which is included in the Fiscal Year 2016 Capital Improvement Program budget, for additional construction work required for the Runway 16-34 Safety Area Improvements project at T. F. Green Airport.**

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

**WHEREAS, as a result of an independent review of the embankment design for the Runway 34 End safety area, it was determined that a rock buttress is required to satisfactorily complete the project; and**

**WHEREAS, the construction of the rock buttress is required to provide overall stability for the embankment and EMAS systems based on the latest soils information at the site; and**

**WHEREAS, Rhode Island Airport Corporation (RIAC) staff has negotiated with the Contractor (Cardi Corporation) a Construction Change Order (CCO) in the amount of \$1,475,000 for the construction of the rock buttress; and**

**WHEREAS, this CCO was reviewed by the Federal Aviation Administration (FAA) and was determined to be eligible for FAA funding; and**

**WHEREAS, RIAC plans to initially fund this CCO from General Purpose Funds and seek a grant amendment at the time the project is completed; and**

**WHEREAS, the costs associated with this CCO are included in the Fiscal Year 2016 Capital Improvement program budget.**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Construction Contract Change Order with Cardi Corporation in the amount of \$1,475,000, which is included in the Fiscal Year 2016 Capital Improvement Program budget, for additional construction work required for the Runway 16-34 Safety Area Improvements project at T. F. Green Airport.**

**The motion passed unanimously.**

**(d) Consideration of and Action Upon Approval of a Policy Related to Off Airport Parking Airport Access Rights Including Existing Operator, New Ownership of Existing Operators or Assignees Thereof and New Entrants.**

**There was no action taken on this item.**

**(e) Consideration of and Action Upon Approval of Updated Airline Incentive Program.**

**Mr. Fredericks gave an overview of this item noting this update is to increase the annual incentive amount. The recommendation is that the Board approves the updated Airline Incentive Program in substantially the form presented and authorizes the President and CEO to issue incentives that adhere to the approved program with subsequent reporting to the Board.**

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

**WHEREAS, Airline Incentive Programs are structured and administered to enhance air carrier service and increase traffic; and**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has an existing Airline Incentive Program for T. F. Green Airport; and**

**WHEREAS, RIAC has successfully utilized this incentive program to attract new carriers and new routes including new international service from Condor and TACV; and**

**WHEREAS, RIAC staff recommends that the international marketing incentive limits be increased from \$250,000 to \$750,000 and the**

**maximum amount of overall marketing dollars available per year be increased from \$500,000 to \$1,000,000; and**

**WHEREAS, RIAC's President and CEO will continue to utilize this Airline Incentive Program as a tool to attract new airlines, add new routes, and increase traffic levels at T. F. Green Airport; and**

**WHEREAS, the President and CEO will report to the Board future incentives issued under this program.**

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

**That the Board approves the updated Airline Incentive Program in substantially the form presented and authorizes the President and CEO to issue incentives that adhere to the approved program with subsequent reporting to the Board.**

**The motion passed unanimously.**

#### **8. Future Meetings:**

**The next Board Meeting will be held on Thursday, September 17, 2015 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

#### **9. Adjournment:**

**Mr. Hahn moved to adjourn at approximately 7:01 p.m. Mr. Little 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  
MONDAY, AUGUST 19, 2015**

**NAME      AFFILIATION**

**Brian Schattle      RIAC**

**Peter Frazier      RIAC**

**Patricia Goldstein      RIAC**

**Alan Andrade RIAC**

**Liberty Luciano RIAC**

**Sherri Ann Penta RIAC**

**Bruce Wilde RIAC**

**Leo Messier RIAC**

**Doug Dansereau RIAC**

**Dan Porter RIAC**

**Timothy Pimental RIAC**

**Nicole Williams RIAC**

**Jeffrey Goulart RIAC**

**Robert Geoff New England Parking**

**Joe Barra Robinson and Cole**

**Jen Milette Allied Court Reporters**

**Paul Parker Providence Journal**

**John Walsh Pre Flight**

**Al Albino Pre Flight**

**Greg Fehrman C&S Engineers**

**Pat Rogers Hinkley Allen**

**David Wollin Hinkley Allen**

**Paul Hanly Ricondo**



**The minutes of the Executive Session of the Board Meeting of August 17, 2015 have been sealed in accordance with R.I.G.L. § 42-46-4.**