

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, NOVEMBER 18, 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 4:02 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; Michael Traficante; Paul Carroll 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 Mr. Traficante to approve the minutes of the**

**Board of Director's Meeting of October 21, 2015 and seconded by Ms. Thomas. 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 passenger travel was up 0.01% on 3% less seating capacity. Year to date, passenger travel improved from being down 0.95% to being down 0.85% demonstrating a positive turn in the industry and the importance of every seat. Load factor for the month was 89.93%, 3.33% higher than October 2014. JetBlue was up 3.32% with no change in seating capacity with a load factor of 88.7%. Southwest was up 5.32% on 1% decreased capacity with a load factor of 90.05%. American Airlines was down 6.64% on 4% decreased seat capacity with a load factor of 88.95%. Delta was down 10.02% on 11% less seating capacity with a load factor of 97.88%. United was up 7.11% on 3% increased seating capacity with a load factor of 90.36. TACV brought 689 new passengers to PVD and produced a load factor of 82% for the month.**

- **Mr. Fredericks reported cancellations are now being tracked and 6,720 seats were lost in October. Load factors for the month, without those cancellations, would have shown a 2% increase for the month.**
- **Mr. Fredericks reported the market share for each airline is as follows: Southwest Airlines 45.6%, American 24.16%, Delta Airlines 13.33%, JetBlue 7%, United 8.81%, Charter .64% and TACV .24%.**
- **Mr. Fredericks reported air cargo was down 7.15% for the month of October and down 1.38% year to date.**
- **Mr. Fredericks reported parking revenues for the month of October were up 11.1% and ticket sales were up .2%. Off airport parking revenues were down substantially. However, due to reporting discrepancies, Mr. Fredericks noted he is unable to report the exact numbers at this time.**
- **Mr. Fredericks provided an update on the general aviation airports and noted that total passengers were up 29%, 1,188 additional passengers, at both Westerly and Block Island Airports. It was noted that with the prior storm the ferry was not running resulting in increased passenger air traffic to Block Island Airport. Operations were down approximately 1.5%, Avgas sales were up 20% and jet fuel was down 1% with total fuel sales up 4%.**

- **Mr. Fredericks provided an update on the increased rates and charges at Block Island Airport. Mr. Fredericks reported based on feedback from local pilot groups, tourism and political leadership a meeting was held on Block Island to discuss the increased rates and provide information on the economic impact of the general aviation airport on T. F. Green. Mr. Fredericks reported the meeting was a great opportunity to discuss cost sharing opportunities and collaborative efforts going forward. It was noted the increase has been suspended but has not been rescinded. Mr. Fredericks reported a follow up meeting has been scheduled for December 2nd.**

- **Mr. Fredericks reported he, along with Mr. Andrade, Mr. Schattle and Mr. Warcup, met with Mr. Guy Rouelle, Vermont Aviation Program Administrator on November 4th to discuss the strategic plan for their general aviation airports, which are required by Vermont state law to become self-sustaining. Mr. Fredericks stated the discussions were valuable and positive. Mr. Fredericks noted that the information will be shared at the next meeting of the General Aviation Working Group on December 10th and plans to form a working group at each airport.**

- **Mr. Carroll stated he wanted to publicly thank Mr. Fredericks for all of the hard work he has put into working with the general aviation airports and turning a potentially bad situation into a great situation.**

- **Mr. Fredericks reported demand for development of T-Hangars at**

**some of the general aviation facilities is being gauged. Mr. Fredericks stated if there is demand RIAC may seek approval to build the hangars. Mr. Fredericks stated he will provide updates to the Board as they become available.**

- Mr. Fredericks reported he recently met with senior officials from AvPorts and AFCO to discuss strategic initiatives and next steps.**

- Mr. Fredericks provided an update on the 747 that is being refurbished at Quonset Airport to replicate Air Force One. It was noted that while an agreement has not been signed payments have been made.**

- Mr. Fredericks provided an update on the Quonset Air Museum (QAM) and noted that both he and Board Chair Mr. Jon Savage met with Senator Sheehan, Representative Craven, Representative Costa and members of the QAM on October 23rd to discuss future plans for the museum. Mr. Fredericks reported the QAM continues to look at funding stream options. Further updates will be provided as they become available.**

- 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 was introduced to new Deputy Chief of Staff Ms. Lisa Vura-Weiss, the new liaison to RIAC, who will be focusing on transportation and economic**

**development.**

- **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 noted he recently met with three members of the Council and future meetings are ongoing.**
- **Mr. Fredericks reported he and Mr. Frazier met with Congressman Langevin and Congressman Cicilline separately to brief them on reimbursement funds being sought from Homeland Security and the Transportation Security Administration for the installation of the Explosive Detection System that was installed at T. F. Green Airport. Mr. Fredericks stated Senator Reed has been a champion for RIAC in seeking these reimbursement funds.**
- **Mr. Fredericks provided an update on the FAA re-authorization and noted that a six month extension continues to be tracked and updates to the Board will be provided as they become available.**
- **Mr. Fredericks reported he continues to meet with TSA Federal Security Director Mr. Daniel Burche and Colonel O'Donnell of the Rhode Island State Police on a quarterly basis. Mr. Fredericks stated they have and continue to be great advocates and supporters of T. F. Green Airport and RIAC.**

- **Mr. Fredericks reported the “see something, say something” customer service approach is ongoing and improvements are being suggested and made.**

- **Mr. Fredericks reported the PVD Pups program continues to be well received by passengers and guests in the terminal and has exceeded expectations by providing another amenity to passengers utilizing the terminal. It was noted that there are PVD Pups in the terminal every day and additional dogs are in training.**

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

##### **(a) Operations and Maintenance**

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

- **Beacon Mutual continues to inspect the facilities and workstations on a regular basis and RIAC continues to get high reviews for having the right equipment, training and environment for its employees.**

- **The ARFF Department has received a Class C2 Ambulance Certification to provide Advanced and Basic Life Safety support, without transport. As required by the Department of Health, we have a doctor assigned to oversee the program.**

- **An update was provided on snow removal operations and it was**

**noted that aircraft are already being deiced and deicing fluid collections are being made.**

- **An update was provided on layered security measures at the airport and it was noted that the TSA, the FAA and law enforcement agencies all work together to provide a seamless customer experience. Security concerns continue to be aggressively addressed as they arise.**

- **An update was provided on Unmanned Aerial Vehicle (UAV) legislation and it was noted that the FAA did not meet the September 30th deadline to enact regulations on their operation. They are aiming to announce the final rule in the first quarter of 2016. UAVs are currently operating under model aircraft guidelines which do not address the privacy aspect of cameras on the UAVs. As of August 2015, there have been a total of 765 pilot reported sightings of UAVs this year, some being seen as high as 10,000 feet. It was noted that RIAC is involved in the effort of enacting state legislation on the operations of drones.**

**(b) Engineering**

**(i) Airport Expansion**

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

- **Winslow Park has been completed and the signal light at that access**

road for Winslow Park has been accepted by the State. A fence line between the park and residents will be installed to create a clear separation.

- Installation of the EMAS blocks for the Runway 34 safety area are close to completion with only 23 rows remaining. An FAA instrument equipment flight check has been scheduled for today.

- Work on the relocation of Main Avenue is on schedule to be completed in June 2016.

## **(ii) Glycol Facility**

Mr. Frazier provided the following update:

- Treatment has begun at the Glycol Facility and is being discharged to Warwick Sewer. The first of four discharge compliance tests has been completed. Upon completion of the remaining compliance tests, all permit requirements will have been met.

## **(c) Marketing and Community Relations Update**

Ms. Goldstein provided the following updates:

- The tagline “Travel Easier, Faster, Further” was adopted this year to target both business and leisure traveler and has been incorporated

into pr and media. These outlets include radio ads, MBTA posters, billboards and digital and social media.

- A FlyRI campaign is being promoted on radio stations Lite 105 and 92 Pro FM which promotes people to consider T. F. Green Airport when planning to fly to support RI's economy.
- An update on marketing for Condor and TACV was provided and it was noted that an increased marketing effort will be focused in Germany to promote T. F. Green and RI destination to German tourists. It was also noted that Condor will be having a fare sale for all of their destination on Black Friday running through November 30th called Sunday Friday. Fares will be under \$400 each way.
- Additional co-op airline marketing was done for both Cape Air and JetBlue.
- Three 15 second video snippets called snackables that highlight the commuter rail, InterLink, parking and easy check-in will be used on social media, PVD website and presentations to airlines.

## **5. Pension Committee Report:**

**Mr. Savage reported the Committee met prior to the Board Meeting and is recommending the Board approve selection of a plan investment advisor. Mr. Savage asked Ms. Penta to provide an**

**overview of the plan performance and the consideration item.**

**Ms. Penta reported an update was provided by both Principal and Hooker and Holcombe and the plan continues to grow despite downturns in the market. It was noted it is a robust plan with healthy contributions and good advisements to reach target goals. Ms. Penta noted there were no recommendations to change existing investment options and one recommendation to put an investment on the watch list at the next meeting of the Pension Committee.**

**Consent Item:**

**(a) Consideration of and Action Upon Selection of a Plan Investment Advisor.**

**Ms. Penta provided an overview and noted there were nine firms that responded to the Request for Proposal and the Selection Committee unanimously voted Hooker and Holcombe as the top firm. It was noted the Hooker and Holcombe was the low bidder and the contract was further negotiated down. The recommendation is that that the Board authorizes the President and CEO, or his designee, to execute a Contract with Hooker and Holcomb in the amount of \$20,600 for pension plan investment advisor services.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) on August 11, 2015 for Pension Consulting Services and conducted a selection process pursuant to RIAC's Procurement Rules; and**

**WHEREAS, a Selection Committee comprised of: Jeffery Goulart, Assistant Vice President Financial Administration; Sherri-Ann Penta, Vice President Human Resources; Jeffery Wiggin, Union Pension Committee Representative and Nicole Williams, Chief Financial Officer, was formed to evaluate the responses to the RFP; and**

**WHEREAS, the Selection Committee received nine proposals and unanimously recommends entering into a Professional Services Agreement with Hooker & Holcombe in the amount of \$20,600 to provide Pension Consulting Services for a one year period with two, one year renewal options at the sole discretion of RIAC; and**

**WHEREAS, the Pension Committee agrees with the recommendation of the Selection Committee; and**

**WHEREAS, the proposed Fiscal Year 2016 Operating and Maintenance (O&M) Budget will include \$20,000 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 Contract with Hooker and Holcomb in the amount of \$20,600 for pension plan investment advisor services.**

**The motion was passed unanimously.**

## **6. Action Items:**

**(a) Consideration of and Action Upon Approval of a New Lease Agreement for the Continued Use of a Hangar at Quonset Airport.**

**Mr. Fredericks gave an overview of this item noting it is a new three year agreement for two aircraft. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a new Lease Agreement with Quonset Flight Support, LLC for a period of three years with a rent structure in substantially the form presented.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) and Quonset Flight Services, LLC (QFS) have been in discussions with respect to a new lease agreement for certain portions of the Hangar at Quonset Airport; and**

**WHEREAS, QFS has agreed to: (1) continue leasing a non-exclusive portion of the Hangar for the storage of two (2) corporate jet aircraft; (2) continue leasing 173 square feet of existing flight support office space, and build out an additional 737 square feet of flight support office space and (3) a Minimum Aggregate Fuel Purchase of 315,000 gallons of Jet-A fuel based on an average of 105,000 gallons per year at the Fuel Premium established in the Lease Agreement (\$1.15 per gallon over AvPORTS' purchase cost); and**

**WHEREAS, the new lease agreement term is for a period of three years, with an additional mutual three year option term, with rates and charges as negotiated by the parties; and**

**WHEREAS, RIAC has agreed to issue QFS rent credits in an amount up to \$28,880 based on its investment and build-out of the additional flight support office space; and**

**WHEREAS, the below schedule includes the annual rents and fees for the current lease year and the three years of the initial lease term:**

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

**That the Board authorizes the President and CEO, or his designee, to**

**execute a new Lease Agreement with Quonset Flight Support, LLC to enter into a new Lease Agreement for a period of three years with a rent structure in substantially the form presented.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Approval of a Lease Amendment for the Continued Use of a Hangar at Quonset Airport.**

**Mr. Fredericks gave an overview of the item noting the amendment and extension is for the current tenant. Mr. Fredericks congratulated Mr. Schattle and his team on their negotiation of the lease amendment. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a Lease Amendment with Fund Management, Inc. to extend the current lease for a period of five years with a rent structure in substantially the form presented.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) and Fund Management, Inc. (FMI) have been in discussions with respect to a lease extension for certain portions of the Hangar at Quonset Airport; and**

**WHEREAS, FMI has agreed to: (1) continued lease of a non-exclusive**

**portion of the Hangar for the storage of an aircraft and up to two vehicles while the aircraft is not in the Hangar; (2) continued lease of a 476 square foot area for office space and storage and (3) purchase a minimum of 75,000 gallons of fuel based on the Fuel Premium established in the Lease Agreement (\$1.20 in the first year of the lease extension); and**

**WHEREAS, the lease extension term is for a period of five years; and**

**WHEREAS, rent and fees will be escalated annually based on the following schedule:**

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

**That the Board authorizes the President and CEO, or his designee, to execute a Lease Amendment with Fund Management, Inc. to extend the current lease for a period of five years with a rent structure in substantially the form presented.**

**The motion was passed unanimously.**

**(c) Consideration of and Action Upon Approval to Amend and Restate the Master Lease and Operating Agreement at T. F. Green Airport.**

**Mr. Frazier gave an overview of the item and noted that as part of the re-financing and new money bond a lease term of 30 years is in the Corporation's best interest. The new lease term will be effective as of July 1, 2016. Mr. Savage asked if this amendment was recommended by the bond counsel. Mr. Frazier stated it was and that both bond and RIDOT counsel participated in the review and updating of certain outdated contract provisions. The recommendation is that the Board authorizes the President and CEO, or his designee, to obtain the necessary State approvals and to enter an amended and restated the Master Lease and Operating Agreement in substantially in the form presented for the upcoming financing and bond issuance.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) is a party to a certain Lease and Operating Agreement with the State of Rhode Island, acting by and through the Rhode Island Department of Transportation (RIDOT), dated June 25, 1993, as amended from time to time (Lease); and**

**WHEREAS, based on prior Board approval, RIAC is in the bond issuance process to possibly refinance certain bonds and to borrow for certain capital projects (2015-16 Bond Issue); and**

**WHEREAS, the Lease is presently set to terminate on June 30, 2038;**

and

**WHEREAS, the maximum available lease term under state law is 30 years, and by securing this full lease term RIAC benefit from the flexibility to issue debt out to a maturity of 30 years; and**

**WHEREAS, based on legal research of the Attorney General's office and the age of the original drafting of the Lease, it has been determined that the soundest method to achieve the 30 year lease term is by entering an amended and restated agreement with an effective commencement date of July 1, 2016; and**

**WHEREAS, the amended and restated lease was prepared by counsel for RIAC and RIDOT.**

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

**That the Board authorizes the President and CEO, or his designee, to obtain the necessary State approvals and to enter an amended and restated the Master Lease and Operating Agreement in substantially in the form presented for the upcoming financing and bond issuance.**

**The motion was passed unanimously.**

**(d) Consideration of and Action Upon Meeting Schedules for 2016.**

**Mr. Fredericks reported there are some potential conflicts with the meeting schedules for 2016 and this item will be revised and brought to the December Board Meeting for approval.**

**A motion was made by Mr. Hahn pursuant to Rhode Island General Laws Section 42-46-5(a)(3) and 42-26-6(b) to amend the agenda to add one executive session item for information purposes only on a topic of discussion related to security at T. F. Green Airport. The motion was seconded by Mr. Savage.**

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

**YEAS: Jon Savage**

**Russell Hahn**

**Deborah Thomas**

**Michael Traficante**

**Paul Carroll**

**Christopher Little**

**NAYS: None**

**ABSTAIN: None**

**7. Executive Session:**

**At approximately 4:49 p.m. a motion was made by Mr. Hahn and**

**seconded by Mr. Traficante 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 October 21, 2015 § 42-46-5(a),(2),(5) and (7); and**

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

**(c) Discussions Related to Two Nonpublic Potential Litigation Matters (Construction Dispute and Potential Tort Claim) and Two Public Litigation Matters (K. Blais vs. RIAC and Airport Valet vs. RIAC) – R.I.G.L § 42-46-5(a)(2); and**

**(d) Considerations Related to the Acquisition of Real Property for Public Purpose at T. F. Green Airport – R.I.G.L § 42-46-5(a)(5); and**

**(e) Discussion Related to a Security Matter - R.I.G.L. § 42-46-5(a)(3); and**

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

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

**YEAS: Jon Savage**

**Russell Hahn**

**Deborah Thomas**

**Michael Traficante**

**Paul Carroll**

**Christopher Little**

**NAYS: None**

**ABSTAIN: None**

**During the discussion on Executive Session item 7(b) – Solar Energy Contract, Mr. Savage recused himself and left the board room at approximately 5:17 p.m. and returned to the meeting at approximately 5:50 p.m.**

**At approximately 6:19 p.m., a motion was made by Mr. Little and seconded Mr. Hahn to return to Open Session.**

**The motion passed unanimously.**

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

**(a) Motion to Seal the Minutes of the Executive Session Held November 18, 2015.**

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

**Russell Hahn**

**Deborah Thomas**

**Michael Traficante**

**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. Traficante and seconded by Ms. Thomas to approve the sealed minutes of the Executive Session held on October 21, 2015.**

**The motion was passed unanimously.**

**9. Future Meetings:**

**The next Board Meeting will be held on Wednesday, December 16,**

**2015 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

**10. Adjournment:**

**Mr. Hahn moved to adjourn at approximately 6:21 p.m. Mr. Traficante 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, NOVEMBER 18, 2015**

**NAME      AFFILIATION**

**Brian Schattle      RIAC**

**Peter Frazier RIAC**

**Patricia Goldstein RIAC**

**Alan Andrade RIAC**

**Liberty Luciano RIAC**

**Sherri Ann Penta RIAC**

**Paul McDonough RIAC**

**Bruce Wilde RIAC**

**Leo Messier RIAC**

**Doug Dansereau RIAC**

**Dan Porter RIAC**

**Timothy Pimental RIAC**

**Nicole Williams RIAC**

**Jeffrey Goulart RIAC**

**David Cloutier RIAC**

**Robert Goff New England Parking**

**Tammi Burnham Allied Court Reporters**

**Jean Mongillo Hoyle Tanner & Associates**

**Kevin Blais Constituent**

**Greg Fehrman C&S Engineers**

**Peter Gray0Mullen AI Engineers**

**Paul Parker Providence Journal**



**The minutes of the Executive Session of the Board Meeting of November 18, 2015 have been sealed in accordance with R.I.G.L. § 42-46-4.**