

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

Wednesday, January 26, 2005

3:00 p.m.

**in the Mary Brennan Board Room, T. F. Green Airport, Warwick,
Rhode Island**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte, Robert Sangster.

COMMITTEE MEMBER ABSENT: Joseph Cianciolo.

BOARD MEMBER PRESENT: Dr. Kathleen Hittner.

ALSO PRESENT: Laurie Cullen, A.A.E., Executive Vice President; Brian Schattle, Senior Vice President of Finance and Administration/CFO; William Steinkamp, Senior Vice President of Operations and Maintenance; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes: Mr. Forte moved that the minutes of the combined Operations and Capital Committee and Finance and Audit Committee Meeting of December 15, 2004 be approved. Mr. Sangster seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

Mr. Forte commended the RIAC snow crews for their efforts in keeping the airport open during the recent snowstorms.

Mr. Forte reported that he had traveled out of T. F. Green Airport on several occasions in the early morning hours and was pleased to report that there were no lines going through the screening checkpoint. He did note however that there were lines at the Dunkin Donuts coffee shop and asked if the Corporation was looking at ways to relieve the congestion. Ms. Cullen reported that the Corporation is working on a concessions plan as part of the modifications to the checkpoint and baggage screening area. Ms. Goldstein also reported that this issue had been addressed by RIAC's Customer Service Committee.

3. Discussion Item:

(a) Presentation of System Plan.

Mr. Mini gave a presentation on the Aviation System Plan Update

focusing on the established vision and goals for the System Plan, the CIP projects and costs developed to address shortcomings, and the Goals and Policies implementation. Mr. Mini also discussed the completion schedule.

4. Action Items:

(a) Consideration of and Approval of Consultant Task Order for Design Phase Services for the Consolidated Glycol Storage and Dispensing System at T. F. Green Airport.

Ms. Cullen reported that this project will relocate the airlines glycol storage tanks to a single area near the existing fuel farm Airport Operations Area (AOA) fence to accommodate secured deliveries to the glycol farm. On July 1, 2002, RIAC entered into a Professional Services Agreement with Fuss & O'Neill to provide on-call environmental services for a three-year period. Mr. Schattle gave a brief overview of the funding for this project. The recommendation is that the Committee authorize the President and CEO to negotiate and execute a Task Order with Fuss & O'Neill to provide design phase services for the Consolidated Glycol Storage and Dispensing System at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the current Fiscal Year 2005 Capital Improvement Program (CIP) included \$860,000 in Airport Revenue Bond funds for the Glycol Tank Farm and Fuel Farm AOA Fencing at T. F. Green Airport; and

WHEREAS, RIAC has contracted with the firm of Fuss & O'Neill to perform on-call environmental services; and

WHEREAS, RIAC received a scope and fee from Fuss & O'Neill to provide design phase services in a not-to-exceed amount of \$72,555; and

WHEREAS, this Task Order will be funded 100% with 2000 Airport Revenue Bond Funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby recommends that the President and CEO negotiate and execute a Task Order with Fuss & O'Neill to provide design services for the Consolidated Glycol Storage and Dispensing System at T. F. Green Airport, in an amount not-to-exceed \$72,555, subject to the approval of the Board.

The motion was passed unanimously.

(b) Consideration of and Authorization to Enter into a Memorandum

of Agreement (MOA) with the Federal Aviation Administration (FAA) for the Rehabilitation of Runway 5-23 at North Central Airport AND Consideration of and Action Upon Approval to Amend the Capital Improvement Program Budget.

Ms. Cullen reported that this project will consist of rehabilitating Runway 5-23 to include new lighting and markings. The runway lighting system will be evaluated and upgraded if necessary. As a result of this project, it is necessary for FAA personnel to assist in the design, engineering, and installation to relocate and/or establish navigation systems along with the associated power distribution system associated with the rehabilitation of Runway 5-23. Mr. Forte asked for clarification of the funding, and whether it was reimbursable. Ms. Cullen reported that the funding for these additional services will be through the RIAC General Purpose Fund, with 95% reimbursed from the FAA upon acceptance of a federal grant offer which is expected in calendar year 2005. The recommendation is that the Committee authorize the President and CEO to enter into a Memorandum of Agreement with the FAA to relocate the navigational equipment associated with the Rehabilitation of Runway 5-23 at North Central Airport and to increase the current approved Capital Improvement Program budget.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolutions:

WHEREAS, it is necessary for FAA personnel to assist in the design, engineering, and installation to relocate and/or establish navigation systems along with the associated power distribution system as part of the rehabilitation of Runway 5-23 at North Central Airport; and

WHEREAS, the FAA has submitted a Memorandum of Agreement (MOA) to RIAC for consideration in the amount of \$136,025 which is currently in negotiations; and

WHEREAS, this MOA will be initially funded through the General Purpose Fund with 95% (\$129,224) reimbursement from the FAA upon acceptance of a federal grant offer, which is expected during Calendar Year 2005.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Operations and Capital Committee hereby recommends that the President and CEO enter into a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) to relocate the navigational equipment associated with the Rehabilitation of Runway 5-23 at North Central Airport in the amount of \$136,025, subject to Board approval.

WHEREAS, the current Capital Improvement Program Fiscal Year 2005 budget has \$2,105,000 programmed for the Rehabilitation of Runway 5-23 at North Central Airport; and

WHEREAS, the Fiscal Year 2005 budget must be increased by \$136,646 for a total of \$2,241,646 to fund the entire project including the Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) and legal fees; and

WHEREAS, the budget adjustment will be initially funded through the General Purpose Fund with 95% (\$129,224) reimbursement from the FAA upon acceptance of a federal grant offer, which is expected in Calendar Year 2005.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Operations and Capital Committee hereby recommends the President and CEO amend the approved Capital Improvement Program for the Rehabilitation of Runway 5-23 at North Central Airport from \$2,105,000 to \$2,241,646 using funds from the General Purpose Fund with 95% (\$129,224) reimbursement from the FAA upon acceptance of a federal grant offer, which is expected during Calendar Year 2005, subject to Board approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Contract for Insurance Brokerage Services.

Mr. Schattle reported that RIAC issued a Request for Proposals (RFP) in November 2004, RIAC received submittals from two firms; AON Risk Services of Rhode Island and Starkweather and Shepley Insurance. Both firms were invited to make a formal presentation to the Selection Committee and to respond to inquiries regarding their submittals. The Selection Committee ranked AON as the top firm based on the overall rating criteria. The recommendation is that the Committee authorize the President and CEO or his designee to execute a contract with AON Risk Services of Rhode Island to provide insurance brokerage services for one year with two one year extensions at the option of RIAC, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation is responsible for the maintenance and operation of airport facilities at the six (6) Rhode Island Airports; and

WHEREAS, it has been determined that there is a need for Insurance Brokerage Services; and

WHEREAS, the Rhode Island Airport Corporation has a fiscal year budget which provides funding for this service through its Operating & Maintenance (O & M) budget; and

WHEREAS, the selection committee ranked AON Risk Services of Rhode Island as the top firm of those who offered submissions pursuant to the Corporation's Procurement Rules; and

WHEREAS, the recommendation is to award a one (1) year contract with two (2) one (1) year extensions at the option of RIAC to AON Risk Services of Rhode Island.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the Committee authorizes the President and CEO, or his designee, to execute a contract with AON Risk Services of Rhode Island to provide Insurance Brokerage Services in an amount of \$45,000 per year for one-year with two one-year extensions at the option of RIAC. The total cost for the three-year term will be \$135,000. This authorization is subject to Board approval.

2. The additional two (2) years will be dependant on the appropriation of funds for this purpose in the Operations and Maintenance budget for fiscal year 2006 and fiscal year 2007.

The motion was passed unanimously.

(d) Consideration of and Action Upon Amendment to Contractor Task Order Number 2 for the Obstruction Removal for Runway Approach 23 at North Central Airport.

Mr. Schattle reported that a flight check of Runway 23 indicated that there were trees that were in conflict with the standard operating safety criteria for that runway. RIAC contracted North Eastern Tree Service, Inc., to remove the trees and during the project additional obstructions were identified and required an additional eight and one half days of labor. RIAC Management authorized the additional work necessary to complete obstruction removal. The recommendation is that the Committee authorize the President and CEO to amend Task Order Number 2 with North Eastern Tree Service, subject to Board approval. Mr. Forte asked whether there was a policy that defined what came to the Committee and Board for approval. Ms. Cullen reported that the Corporation is currently working on a policy which defines Board approvals.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation is responsible for the maintenance and operation of airport facilities at the six (6) Rhode Island airports; and

WHEREAS, the flight check of Runway 23 indicated that there were several trees that were in conflict with the standard operating safety criteria for that runway; and

WHEREAS, RIAC included \$426,000 in the Fiscal Year 05 Operating and Maintenance budget for obstruction removal and vegetation maintenance; and

WHEREAS, RIAC contracted North Eastern Tree Service, Inc to remove the trees; and

WHEREAS, a need for an additional eight and one-half days labor was required and authorized by RIAC Management to complete the necessary obstruction removal at a cost of \$23,120.

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to amend Task Order Number 2 with North Eastern Tree Service, Inc in the amount of \$23,120 for a total sum of \$77,520, subject to Board approval.

The motion was passed unanimously.

(e) Consideration of and Action Upon Maintenance Contract for Elevator and Escalator Maintenance.

Mr. Schattle reported that RIAC is currently under contract with KONE, Inc., the firm who installed the elevators and escalators when the terminal was built. RIAC's Procurement Rules allows a contract to

be awarded without competition when the RIAC President and CEO determines, in writing, that there is only one source for the required supply, service or construction item. There is only one documented accepted source for this contract. The recommendation is that the Committee authorize the President and CEO or his designee to execute a five-year contract with KONE, Inc., for elevator and escalator maintenance services, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation is responsible for the maintenance and operation of airport facilities at the six (6) Rhode Island Airports; and

WHEREAS, it has been determined that there is a need for Elevator and Escalator Maintenance services; and

WHEREAS, the Rhode Island Airport Corporation has a fiscal year budget which provides funding for this service through its Operating & Maintenance (O & M) budget; and

WHEREAS, the Rhode Island Airport Corporation Procurement Rules as adopted on March 26, 2003 allows for a contract to be awarded without competition when the RIAC President and CEO determines, in writing, that there is only one source for the required supply, service,

or construction item; and

WHEREAS, the President and CEO has approved this sole source contract to maintain the manufacturer's warranties; and

WHEREAS, the recommendation is to award a five (5) year contract to KONE, Inc.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to execute a five (5) year contract with KONE Inc., for elevator and escalator maintenance services in the amount of \$194,364. This authorization is subject to Board approval.

The motion was passed unanimously.

5. Discussion Item:

There was a brief discussion of passenger numbers and air service marketing.

6. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, February 9, 2005 at 4:00 p.m., in the Mary Brennan Board

Room, at T. F. Green Airport.

7. Adjournment:

Mr. Sangster moved to adjourn at approximately 3:41 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

JANUARY 26, 2005

NAME AFFILIATION

Doug Dansereau RIAC

Patti Goldstein RIAC

Michael Mini RIAC