

**UNOFFICIAL**

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**FINANCE AND AUDIT COMMITTEE**

**WEDNESDAY, SEPTEMBER 15, 2004**

**2:30 P.M.**

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT  
WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chairman, Joseph Cianciolo, at 2:30 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: Joseph Cianciolo, James Forte, Charles Gaffney.**

**ALSO PRESENT: Laurie Cullen, Senior Vice President of Planning, Engineering and Environmental; Brian Schattle, Senior Vice President of Finance and Chief Financial Officer; Doug Dansereau, Chief Auditor and Financial Analyst; Jason Doyle, Corporate Controller; and those individuals listed on the attendance sheet attached hereto.**

**1. Approval of the Minutes: Mr. Gaffney moved that the minutes of the Finance and Audit Committee Meeting of June 14, 2004 be approved. Mr. Forte seconded the motion. The motion was passed unanimously.**

**2. Report from Chief Auditor/Financial Analyst:**

**Mr. Dansereau gave a summary of ongoing car rental audits noting that the reports for Avis, Budget, Dollar, Thrifty, National, and Enterprise are complete and that audits are in process for Affordable Auto, Hertz, and Enterprise. An audit for Budget is scheduled for October. Mr. Dansereau also gave an update on the Northstar audit which started three (3) months ago. The audit report was issued a month ago and the Corporation is waiting for comments. Mr. Cianciolo asked if the review of parking cards had been completed, and Mr. Dansereau reported that there are some outstanding issues that need to be resolved with the airlines. There will be a report on this issue at the next meeting.**

**3. Report from Senior Vice President of Finance and Chief Financial Officer:**

**Mr. Schattle introduced Mr. Jason Doyle who had recently joined the Corporation as Controller.**

**Mr. Schattle reported that as a result of the US Airways bankruptcy,**

**the Corporation had completed an analysis of its receivables and noted that US Airways are currently up to date on payments. Mr. Schattle reported that the Corporation is continuing to monitor this situation and will provide the Committee updates as they become available.**

**Mr. Schattle reported that as a result of the US Airways bankruptcy the Corporation has reviewed the financial contingency plans that were developed in 2002 and 2003, and will look at developing a current plan going forward. Mr. Cianciolo asked if the Corporation had received all of the monies due from the first round of bankruptcies and Mr. Schattle noted that there is still a receivable on the books for United. It was noted that the Corporation is currently doing an analysis of space and resources in the terminal, to include gates.**

**Mr. Schattle gave an update on Garage B which RIAC has been operating since August 22. Mr. Schattle gave an overview of the operation, including recent maintenance efforts, staffing and revenues.**

**Mr. Schattle gave an update on the Directors and Officers insurance which is up for renewal.**

**Committee Members and Corporation Personnel discussed the upcoming bond issue, and a cash reserve analysis.**

#### **4. Action Items:**

**The Committee changed the order of the items, and considered items (a) (b) and (c) at the same time.**

**(a) Consideration of and Action Upon RIAC Policy – Military Leave.**

**(b) Consideration of and Action Upon RIAC Policy – Tolerance and Diversity.**

**(c) Consideration of and Action Upon RIAC Policy – Drug Free Workplace.**

**Mr. Einhorn gave an overview of the three (3) policies, focusing specifically on questions from the Committee on the Military Leave Policy and on the Drug Free Workplace Policy. Mr. Einhorn explained that the Military Leave Policy had been reviewed by legal counsel and meets the standard requirements. It was noted that drug testing is for those employees who have licensure requirements, and is part of the union contract.**

**A motion was made by Mr. Gaffney and seconded by Mr. Forte to approve the policies as presented to the Committee. The motion was passed unanimously.**

**(d) Consideration of and Action Upon Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2004.**

**Mr. Schattle gave an overview of the monthly Financial Statements, focusing on specific questions from the Committee on overtime, printing and receivables.**

**Mr. Schattle gave a report on the Audited Financial Statements and noted that work is continuing on completing the reports, drafting the statement footnotes and summarizing recommendations. There were no material weaknesses. Mr. Schattle reported that there was one recommendation concerning the self reporting of airline landed weights which the Corporation will take action on. There was also some outstanding audit work which needed to be completed on the Quonset Support Fund. RIAC's Chief Auditor, Doug Dansereau is in the process of completing this audit. It was noted that the Corporation was on schedule for submitting the statements to the EDC and the Auditor General's office.**

**A motion was made by Mr. Forte and seconded by Mr. Gaffney to accept the draft Audited Financial Statements in substantially the form submitted to the Committee, subject to any minor adjustments that may be made to the statements after review of the audit of the Quonset Support Fund. Approval was also given to submit the draft Audited Financial Statements to the Auditor General's office and EDC as required by the State. If substantial changes are made to the**

**Audited Financial Statements as a result of the audit of the Quonset Support Fund, the statements will be brought back to the Committee for review and final approval.**

**The motion was passed unanimously.**

**5. Executive Session:**

**(a) Discussion Related to Personnel - R.I.G.L. § 42-46-5(a)(1).**

**(b) Discussion Related to Potential Litigation (Audits) – R.I.G.L. § 42-46-5(a)(2).**

**At approximately 3:47 p.m., a motion was made by Mr. Forte and seconded by Mr. Gaffney to go into Executive Session. By the following roll call vote, the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**Charles Gaffney**

**NAYS: None**

**At approximately 4:10 p.m. a motion was made by Mr. Forte and seconded by Mr. Gaffney to return to the open session. The motion was passed unanimously.**

## **6. Future Meetings:**

**The next meeting will be announced.**

## **7. Adjournment:**

**Mr. Gaffney moved to adjourn at approximately 4:12 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.**

**Respectfully submitted,**

**Joseph Cianciolo, Chair  
Finance and Audit Committee of  
the Rhode Island Airport Corporation**



**ATTENDANCE SHEET  
RHODE ISLAND AIRPORT CORPORATION  
FINANCE AND AUDIT COMMITTEE MEETING  
SEPTEMBER 15, 2004**

**NAME      AFFILIATION**

**Bill Steinkamp      RIAC**

**Nicole Williams      RIAC**

**Patti Goldstein      RIAC**

**Mel Einhorn      RIAC**

**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATON  
FINANCE AND AUDIT COMMITTEE MEETING  
SEPTEMBER 15, 2004**

**1. At approximately 3:47 p.m., a motion was made by Mr. Forte and seconded by Mr. Gaffney to go into Executive Session. The motion was passed unanimously.**

**2. Committee Members and Corporation Personnel discussed ongoing audits.**

**3. Committee Members and Corporation Personnel discussed the senior staff positions in the Corporation and specifically compensation for those positions.**

**At approximately 4:10 p.m. a motion was made by Mr. Forte and seconded by Mr. Gaffney to return to Open Session. By the following roll call vote the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**Charles Gaffney**

**NAYS: None**

**Respectfully submitted,**

**Joseph Cianciolo, Chair**

**Finance and Audit Committee of the Rhode Island Airport  
Corporation**