

**UNOFFICIAL**

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**FINANCE AND AUDIT COMMITTEE**

**THURSDAY, JUNE 16, 2005**

**2:00 P.M.**

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

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chairman, Joseph Cianciolo, at 2:19 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, Joseph Larisa (via telephone).**

**BOARD MEMBER PRESENT: Robert Sangster.**

**ALSO PRESENT: Mark P. Brewer, A.A.E. President and CEO; Laurie K. Cullen, A.A.E., Executive Vice President (arrived at 3:30 p.m); Brian C. Schattle; Senior Vice President of Finance and Administration and CFO; Peter A. Frazier, Chief Legal Counsel; 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:**

**A motion was made by Mr. Forte to approve the minutes of the Finance and Audit Committee Meeting of May 17, 2005. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.**

**2. Report from Chief Auditor:**

**Mr. Dansereau provided a summary of audits that have recently been completed or are currently in progress. There was specific discussion of the audit of the Airport Support Fund and the audit of an airport concessionaire.**

**3. Report from Senior Vice President of Finance and Administration and CFO:**

**Mr. Schattle moved to the discussion items.**

**4. Discussion Items:**

**(a) Discussion of April 2005 Financial Statements.**

**Mr. Schattle gave an overview of the April 2005 Financial Statements. Discussion focused on revenues and operating expenses.**

**(b) Update on Bond Issue.**

**Mr. Schattle gave an overview of the recent bond sale indicating that yields were better than the yield estimates used in the financial models.**

**5. Action Item:**

**(a) Consideration of and Action Upon FY 2006 Budget.**

**Mr. Schattle gave an overview of the proposed budget for FY 2006. Discussion focused on revenues and operating expenses and the FY 06 Capital Improvement Program. Committee Members thanked Mr. Schattle, Ms. Cullen, Mr. Doyle and the Finance Department staff for their work in preparing the budget.**

**A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the FY 2006 budget in substantially the form presented to the Committee, subject to the approval of the Board. The motion was passed unanimously.**

**(b) Consideration of and Action Upon Implementation of Statutorily Required Pension Plan Update AND Consideration of and Action**

## **Upon Authorization for the President and CEO to Implement Future Statutorily Required Pension Plan Updates.**

**Mr. Frazier reported on two amendments to the RIAC pension plans mandated by recent changes in governing statutes. Authorization was sought to enact those amendments and sought to empower the President and CEO to accept and execute on behalf of the Corporation, subject to review and comment by legal counsel, future statutorily required pension plan updates. Discussion focused on the proposed pension plan amendments. Consensus was that the Committee did not need to approve the resolution to execute the two amendments because the second resolution would effectively authorize the President and CEO to execute the said amendments.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has qualified employee pension benefit plans intended to meet the applicable governmental requirements including, without limitation, the Internal Revenue Code; and**

**WHEREAS, it is currently RIAC policy that Board authorization is required when there is a change to a provision of the plans; and**

**WHEREAS, on occasion, statutory changes mandate updating the**

**pension plan provisions; and**

**WHEREAS, as a legal and fiscal safeguard, RIAC obtains a legal review by counsel with ERISA expertise of any proposed change to its pension plans prior to implementation; and**

**WHEREAS, it is in RIAC's best interest to have statutorily-required changes timely reviewed and implemented; and**

**WHEREAS, all amendments will be reported to the Committee.**

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

**The Committee, subject to final Board approval, authorizes the President and CEO to accept and execute all amendments required by changes in law related to RIAC's pension plans on behalf of the Corporation, provided all such proposed amendments are reviewed by legal counsel.**

**The motion was passed unanimously.**

**5. Executive Session:**

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

**(b) Discussion Related to Investment of Public Funds (Intermodal) –**

**R.I.G.L. § 42-46-5(a)(7).**

**At approximately 3:10 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to go into Executive Session. By the following roll call vote, the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**Joseph Larisa**

**NAYS: None**

**At approximately 3:50 p.m. a motion was made by Mr. Forte and seconded by Mr. Cianciolo to return to the Open Session. The motion was passed unanimously.**

#### **6. Future Meetings:**

**The next meeting of the Finance and Audit Committee will be announced.**

#### **7. Adjournment:**

**Mr. Cianciolo moved to adjourn at approximately 3:52 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  
JUNE 16, 2005**

**NAME      AFFILIATION**

**Mel Einhorn      RIAC**

**Dave Edwards      RIAC**

**Robert Goff      New England Parking**

**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATON  
FINANCE AND AUDIT COMMITTEE MEETING  
JUNE 16, 2005**

**1. At approximately 3:10 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to go into Executive Session. The motion was passed unanimously.**

**2. Mr. Frazier gave an overview of potential litigation issues, and responded to Committee member questions, regarding a claim for payment by a vendor, a GA tenant indebtedness, historic sewer assessments, a claim for reimbursement by a vendor, and issues related to Garage A.**

**3. Committee Members received an update on an audit of a car rental agency and the negotiations related thereto.**

**4. Committee Members and Corporation Personnel discussed the intermodal project and Mr. Schattle reported that corporation personnel had met with Mr. Licht, outside legal counsel, to discuss the financial components of this project, and the investment of public funds. There was a discussion of the financing mechanisms and operating costs.**

**At approximately 3:27 p.m. a motion was made by Mr. Forte and seconded by Mr. Cianciolo to return to the Open Session. By the following roll call vote, the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**Joseph Larisa**

**NAYS: None**

**Respectfully submitted,**

**Joseph Cianciolo, Chair**

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