

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**FINANCE AND AUDIT COMMITTEE**

**THURSDAY, MAY 4, 2006**

**2:00 PM.**

**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 2:11 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.**

**COMMITTEE MEMBER ABSENT: Joseph Larisa.**

**BOARD MEMBER PRESENT: Robert Sangster.**

**ALSO PRESENT: Mark P. Brewer, A.A.E. President and CEO; Brian C. Schattle; Senior Vice President of Finance and Administration and CFO; Marci Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Peter A. Frazier, Chief Legal Counsel; Doug Dansereau, Chief Auditor and Financial Analyst; Mel Einhorn, Chief, Human Resources; Jason Doyle, Corporate Controller; and those**

**individuals listed on the attendance sheet attached hereto.**

**Mr. Cianciolo welcomed Mr. Sangster to the Committee Meeting.**

**1. Report from Chief Auditor:**

**Mr. Dansereau provided a brief overview of the 2007 audit plan, and provided a summary of audits that have recently been completed or are currently in progress.**

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

**Mr. Schattle gave a brief overview of the Financial Statements for February 2006. There was specific discussion on revenues, capital program spending, airline bankruptcy reserves, signatory landing fees, and personnel and operating expenses.**

**Mr. Schattle gave an update on upcoming visits to the rating agencies and TIFIA funding for the intermodal project.**

**Mr. Schattle gave a status report on financial software upgrades.**

**3. Action Items:**

**(a) Consideration of and Action Upon Award of a Professional Services Agreement (PSA) for Auditing Services.**

**Mr. Schattle gave an overview of the services required, indicating that two submittals were received in response to the solicitation. A Selection Committee evaluated both submittals and interviewed the firms on April 7, 2006. The Selection Committee unanimously ranked Carlin, Charron and Rosen LLP as the top firm to satisfy RIAC's auditing requirements. Mr. Schattle reported that the request is that the Committee authorize the President and CEO, or his designee, to execute a three-year Professional Services Agreement with Carlin, Charron and Rosen LLP to provide auditing services, subject to Board approval.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) in March 2006 for auditing services and conducted a selection process pursuant to RIAC's Procurement Rules; and**

**WHEREAS, a Selection Committee was formed to evaluate the responses to the RFP; and**

**WHEREAS, the Selection Committee received two proposals and**

**recommends Carlin, Charron and Rosen LLP to provide auditing services for a three year period; and**

**WHEREAS, the fees for the audits of financial statements are \$39,800, \$42,800 and \$43,800 for the Fiscal Years ended June 30, 2006, 2007 and 2008, respectively; and**

**WHEREAS, hourly rates for the Single and Passenger Facility Charge (PFC) audits are blended for all staff at \$105, \$107, and \$110, for the Fiscal Years ended June 30, 2006, 2007 and 2008, respectively; and**

**WHEREAS, funding for future fiscal years will be established on an annual basis as part of the O&M budget.**

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

**That the Committee authorizes the President and CEO, or his designee, to execute a Professional Services Agreement for a three year period with Carlin, Charron and Rosen LLP to provide auditing services, subject to Board approval.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Approval of Award of a Professional Services Agreement (PSA) for Banking and Cash Management Services.**

**Mr. Schattle gave an overview of the services required, indicating that five submittals were received in response to the solicitation. A Selection Committee evaluated all of the submittals and interviewed three firms on March 10, 2006. The Selection Committee unanimously ranked Citizens Bank as the top financial institution to provide RIAC's banking and cash management services. Mr. Schattle noted that Citizen's has committed to paying an investment yield equal to the London Interbank Offered Rate (LIBOR) on all deposited funds and waive all banking fees on all services provided directly by Citizens Bank to RIAC for the life of the relationship. Mr. Schattle reported that the request is that the Committee authorize the President and CEO, or his designee to execute a Professional Services Agreement with Citizens Bank for banking and cash management services, subject to Board approval.**

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

**WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) in February 2006 for banking and cash management services and conducted a selection process pursuant to RIAC's Procurement Rules; and**

**WHEREAS, a Selection Committee was formed to evaluate the responses to the RFP; and**

**WHEREAS, Citizens Bank has committed to paying an investment yield equal to the London Interbank Offered Rate (LIBOR) on all deposited funds and waive all banking fees on all services provided directly by Citizens Bank to RIAC for the life of the relationship; and**

**WHEREAS, the Selection Committee received five proposals and recommends Citizens Bank to provide RIAC with banking and cash management services.**

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

**That the Committee authorizes the President and CEO, or his designee, to execute a Professional Services Agreement with Citizens Bank to provide banking and cash management services, subject to Board approval.**

**The motion was passed unanimously.**

#### **4. Executive Session:**

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

**At approximately 2:50 p.m. Mr. Forte made a motion, pursuant to Rhode Island General Laws § 42-46-6(b), to amend the agenda to add**

**an Executive Session for the purpose of discussing a potential litigation matter. The motion noted that the item is a discussion item for information purposes only. The motion was seconded by Mr. Cianciolo. By the following vote the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**Jim Forte**

**NAYS: None.**

**At approximately 2:59 p.m. a motion was made by Mr. Forte to reconvene the Open Session. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.**

#### **5. Future Meetings:**

**The next meeting of the Finance and Audit Committee will be on Wednesday, May 17, 2006 at 2:00 p.m., in the Mary Brennan Board Room, at T. F. Green Airport, Warwick, Rhode Island.**

#### **6. Adjournment:**

**Mr. Forte moved to adjourn at approximately 3:00 p.m. Mr. Cianciolo 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  
MAY 4, 2006**

**NAME      AFFILIATION**

**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATON  
FINANCE AND AUDIT COMMITTEE MEETING  
MAY 4, 2006**

**1. At approximately 2:50 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 update on a potential litigation matter.**

**At approximately 2:59 p.m. a motion was made by Mr. Forte and seconded by Mr. Cianciolo to return to the Open Session. By the following vote the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**NAYS: None**

**Respectfully submitted,**

**Joseph Cianciolo, Chair**

**Finance and Audit Committee of**

**the Rhode Island Airport Corporation**