

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

PENSION COMMITTEE

FRIDAY, NOVEMBER 12, 2010

AT 1:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

AT T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Pension Committee was called to order by Chair, Kathleen C. Hittner, M.D. at 2:03 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Kathleen C. Hittner, M.D, Chair of Committee; Brian Schattle, Chief Financial Officer, RIAC (designee for Kevin Dillon); Jeffrey Wiggin, representing, Local 2873.

ALSO PRESENT: Peter A. Frazier, General Counsel; Bruce Wilde, Chief Human Resources Officer; Sherri-Ann Penta, Manager of Human Resources; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Dr. Hittner and seconded by Mr. Wiggin to approve the Minutes of the Pension Committee Meeting of June 16, 2010. The motion was passed by two votes in the affirmative, with one member abstaining. Those votes are as follows:

YEAS: Kathleen C. Hittner, M.D.

Jeffrey Wiggin

NAYS: None

ABSTAIN: Brian C. Schattle

2. Update by Chief Human Resources Officer and Plan Administrator.

There was no formal report. However, there was a brief overview of the Investment Policy Statement which had been drafted by Meridien Financial. It was noted that further works needs to be completed on the statement, including a detailed legal review, before it is submitted to the Committee for formal review and approval.

3. Action Items:

(a) Consideration of and Action Upon Possible Implementation of Investment Advisor's Recommendation Regarding Fund Performances.

Mr. Balasco, and Mr. Kushigian, representing Meridien Financial, gave a detailed overview of the suggested investment changes. There was discussion of the specific changes which included merging or replacing certain underperforming funds, and placing other funds on a watch list. There were several recommendations and suggestions concerning the data presented, and Meridien Financial will prepare additional analysis based on the comments they received, and come back to the Committee with a recommendation for review.

(b) Consideration of and Action Upon Possible Addition of “Retire Secure” Product to RIAC’s Principal Plan.

Mr. Walter, representing Principal, gave an overview of the “Retire Secure” Product, which would be at no cost to RIAC or the participant. Employees would be offered the opportunity to have a one on one meeting with Principal to review their retirement plan, including those assets outside the RIAC plan. Principal would also offer advice and customize an overall retirement plan for the employee which would include life insurance, retirement funds, and debt management.

A motion was made by Mr. Wiggin and seconded by Dr. Hittner to add the “Retire Secure” product to RIAC’s Principal Plan, subject to review by Legal Counsel and final approval by the Board. The motion was passed unanimously.

(c) Consideration of and Action Upon Possible Addition of “Retire View” Product to RIAC’s Principal Plan.

Mr. Walter, representing Principal, gave an overview of the “Retire View” Product, which would be at no cost to RIAC or the participant. Employees would be offered a personalized assets allocation plan based on a questionnaire which would look at the individual’s target retirement date and adversity to risk. Principal would then customize a portfolio for the employee. Portfolios would be rebalanced on a quarterly basis.

A motion was made by Mr. Wiggin and seconded by Dr. Hittner to add the “Retire View” product to RIAC’s Principal Plan, subject to review by Legal Counsel and final approval by the Board. The motion was passed unanimously.

(d) Consideration of and Action Upon Possible Combining of the Current 457 Plans with Valic and ING into a Single 457 Plan with Principal OR Alternatively, if not Combining the 457 Plans, Consider Adding Loan Provisions to the Current Valic and ING Plans.

Mr. Prewitt, representing Principal, gave an overview of the current 457 plans. Discussion focused on the current fee structure of the current plans and a comparable plan with Principal. After discussion, this item was tabled for further review and analysis.

Ms. Penta gave an overview of the proposal to add loan provisions to the current Valic and ING plans. Ms. Penta reported that both plans are voluntary plans. Adding the loan provision to the plans would be at no cost to RIAC, and employees would process the loans directly with the vendor and pay them back directly, not through payroll deductions. The proposal is to allow one loan per 12 month period, and employees would be allowed to borrow up to 50% of their balance, with a \$50,000 maximum loan value. Any fees would be charged to the employee. The interest rate would be base rate plus 3%.

A motion was made by Mr. Wiggin and seconded by Dr. Hittner to approve adding loan provisions to the current Valic and ING plans, subject to Board approval. The motion was passed unanimously.

(e) Consideration of and Action Upon Possible Addition of Five Year Increments of Lifetime Funds to RIAC's Principal Plan.

There was discussion of adding five year increments of Lifetime Funds to RIAC's Principal plan. RIAC's plan currently has 10 year increment Lifetime Funds which are chosen by Principal based on an individual's targeted retirement date. It was noted that the addition of five-year increments would help employees invest with a portfolio more in line with their actual retirement date.

A motion was made by Mr. Wiggin and seconded by Dr. Hittner to

approve the addition of five year increments of Lifetime Funds to RIAC's Principal Plan, subject to Board approval. The motion was passed unanimously.

4. Future Meetings:

The next meeting will be announced.

5. Adjournment:

At approximately 2:50 p.m. a motion was made by Mr. Wiggin and seconded by Dr. Hittner to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D, Chair Rhode Island Airport
Corporation
Pension Committee**

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

PENSION COMMITTEE MEETING

FRIDAY, NOVEMBER 12, 2010

NAME AFFILIATION

Rob Walter Principal

Tim Prewitt Principal

Michael Balasco Meridian Financial

Henry Kushigian Meridian Financial