

MINUTES OF MEETING
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS
THURSDAY, AUGUST 12, 2021 AT 8:45 AM
IN THE MARY BRENNAN BOARD ROOM
RHODE ISLAND T. F. GREEN INTERNATIONAL AIRPORT
2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (RIAC) Board of Directors was called to order by Chair, Jon Savage at 8:45 a.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Act (R.I.G.L. §42-46-1 et seq.).

BOARD MEMBERS PRESENT: Jonathan Savage; Michael Traficante; Deborah Thomas; Christopher Little; Gregory Pizzuti; Jeffrey Bogosian and Jonathan Roberts.

BOARD MEMBER ABSENT: None.

ALSO PRESENT: Iftikhar Ahmad, President and CEO, and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by **Ms. Thomas** to approve the minutes of the Board of Director's Meeting of June 10, 2021. The motion was seconded by **Mr. Bogosian**.

2. Open Forum:

Mr. Savage asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from the President and CEO:

Mr. Ahmad presented the President and CEO Report and reported on the following:

- **Mr. Ahmad** stated concessionaires at PVD are continuing to report difficulties with hiring employees and supply chain. Previously, Grove Bay indicated that serious labor issues are impacting their current operation of the Providence Provisions and Wolfgang Puck concepts as well as impacting the opening of the food court locations. **Mr. Ahmad** noted Paradies successfully opened the Brighton and CNBC locations and will continue to operate on hours, which are subject to availability of staff and its ability to circumvent supply chain issues caused by the pandemic. In order to help our tenants help fill open positions, RIAC staff plans to host a job fair at PVD on August 18, 2021 from 12:00pm – 6:00pm in the Board Room.
- **Mr. Ahmad** stated in preparation of the annual financial audit, RIAC held a pre-audit call with the Plante Moran audit team on July 28, 2021. RIAC staff continued coordination with the Auditor General's office and Plante Moran on Single Audit requirements. RIAC staff has scheduled a call with the RIAC Board Treasurer, as a part of the annual planning process. We remain on track on recommendation to the board on September

- **Mr. Ahmad** stated RIAC continues to process payments and is tracking towards the completion of receipt of roughly 260 aircraft registration renewals. As of July 31, 2021, 174 aircraft registrations (\$12,340 in revenue) have been processed and completed. We expect an estimated \$20,000 of revenues from this operation.
- **Mr. Ahmad** stated the HR team completed the final session of manager training for the transition to the UKG Kronos system on July 30th. On August 1st, hourly employees began parallel punching on the ADP and UKG Kronos time clocks to ensure the new system is functioning and calculating properly.
- **Mr. Ahmad** stated RIAC held the 3rd session of Diversity, Equity and Inclusion Training with CCRI on July 28th with another group of employees. There are two sessions remaining on August 4th and August 18th, which will complete training for the entire workforce.
- **Mr. Ahmad** stated the RIAC legal team and other staff members completed the Rhode Island Attorney General's Open Government Summit on July 30th to obtain their annual certification. The summit covered developments on the Access to Public Records Act and Open Meetings Act.
- **Mr. Ahmad** stated Airfield Maintenance Techs completed the painting of the taxiway centerline of the surface movement guidance control system (SMGCS) route totaling 80,296 square feet of surface painted. Aircraft use the SMGCS route during low visibility operations and must possess high reflective centerlines to provide pilots clear direction in travelling to and from the runway to the apron.
- **Mr. Ahmad** stated the Airfield team assisted with escorts for fence line vegetation clearing at North Central Airport. This was critical in RIAC receiving the mandatory RIDEM permit for an FAA AIP funded security fence project at North Central.
- **Mr. Ahmad** stated ARFF conducted four training sessions with the Warwick Fire Department on their mutual aid roles and responsibilities during an aircraft incident at PVD. This included the proper staging of apparatus at the staging area, establishing unified command at the incident command post, and actions at the site of the aircraft incident. This training supports operational readiness for both RIAC ARFF Department as well as the Warwick Fire Department.
- **Mr. Ahmad** stated RIAC welcomed expanded Frontier service to Atlanta and Philadelphia on July 12th and 13th with inaugural celebrations.
- **Mr. Ahmad** stated lastly, RIAC welcomed three inaugural flights with our newest airline, Breeze Airways in the last month: service to Charleston, South Carolina on July 22nd and service to Norfolk, Virginia and Pittsburgh, Pennsylvania on July 29th. All were greeted with inaugural celebrations.
- **Department Updates:**

(a) Air Service Update

Mr. Schattle noted, as you will recall, we developed a detailed forecast and sensitivity analysis based on the COVID-19 pandemic back in March of 2020. For the fiscal year through June 2021, actual enplanements were approximately 96% of our planned forecasted enplanements. The model did not include a second or third wave. **Mr. Schattle** noted on the graph, we overlaid the daily new cases in Rhode Island. With the rapidly decreasing numbers in daily cases, we are pleased to report that we exceeded our forecasted amounts by 8% for the month of May and 4% for the month of June.

Mr. Schattle noted for the month of June, the daily carrier seats were up approximately 94% and daily carrier departures were up approximately 180% from the prior year and looking forward we expect to see these type of trends continuing. As we look at the month of June for the total passengers were up approximately 237% year on year. Enplanements include data from July 1st through June 30th including the COVID-19 pandemic. Our enplanements were down approximately 52% from the prior year and down approximately 52% in overall passengers. The increased activity in from April through June of the fiscal year helped this year-to-date statistic and mentioned earlier we finished the year within 5% of our forecast. **Mr. Schattle** noted RIAC continues to track and monitor industry metrics including TSA checkpoint activity. For the fiscal year to date through June, T. F. Green has performed better than Boston and New England average and as you will recall the northeast was impacted greater than the rest of the country by the pandemic.

(b) Airport Financial Report Update

Mr. Schattle noted as we complete the eleventh month of the fiscal year, we are continuing with our strategy based on a low CPE. Overall operating revenues are down approximately 7%, which we are choosing to do as we continue to keep low costs for the airlines that operate at Rhode Island T. F. Green International Airport by setting lower rates for their operations. Revenue streams such as parking and concessions will continue to fluctuate with activity levels. We will continue to monitor those revenue streams in line with our CPE strategy throughout the year and expect the deficit to diminish as activity levels continue to recover. Also \$11M is included for CARES Act funding that RIAC will be utilizing for operating expenses and debt service to help mitigate cost for the airlines. **Mr. Schattle** noted that we continue to focus on managing our operating expenses. Our operating expenses year to date through May are down approximately 8%. Some highlights include communications and utilities which is down approximately 23% and are reflective of RIAC's efforts throughout the fiscal year to manage electrical usage based on operations and also includes the positive results from our net metering credits. Contractual services are down approximately 4%, again as a result of our initiatives to manage these costs in line with operations. **Mr. Schattle** noted the federal governmental service for customs and border protection has been removed in the current year saving approximately \$791,000. We are in the midst of our GA Strategic Business Plan to address the subsidies to aircraft owners, operators and users of the facilities at the general aviation airports. Our plan is focused on addressing the approximately \$6.3M budgeted subsidy to the general aviation across the airport system through recommendations from our plan and proactively marketing economic development parcels at the airports. The overall operating loss for the general aviation airports is approximately \$941,000 the year to date through May. **Mr. Schattle** noted the increase in operating expenses for the general aviation airports includes increased payroll assigned to these cost centers of approximately \$790,000

and approximately \$224,000 worth of additional legal costs. The non-operating revenues and expenses are largely driven by the timing of grants and capital projects. We are undertaking several large capital projects including our runway 16-34 and the restroom projects that are grant funded with reimbursements through the FAA. We expect to have \$10M in the fiscal year for those projects. Also, line items such as our passenger facility charges will be dependent on timing of our increased activities and changes in enplanement levels. **Mr. Schattle** noted the revenue streams for the InterLink facility are largely driven by activity levels. The facility has strong liquidity, which will help manage us through the impacts of the COVID 19 pandemic and we are continuing and will continue to keep in close contact with the rental car companies to discuss facility charges and trends in the industry moving forward.

(c) Overtime Update

Mr. Greco noted the month of June exceeded last fiscal year's overtime by 2%. We saw increases due to covering sick time, personal time and vacation. ARFF's increase in overtime continues due a retirement, and use of accrued leave. During this time period ARFF sent a newly hired Crewmember to the ARFF academy. The crewmember returned and completed his field training requirements at PVD and then was assigned to a shift at the beginning of July. This filled the vacancy created by a retiree in 2020. **Mr. Greco** noted the next slide shows the fiscal year to date amounts. We ended the fiscal year exceeding the overtime from 2020. The next slide breaks down the fiscal year to date totals by Department. As you can see ARFF, Operations and Maintenance and Dispatch are over the previous year. We are working with Human Resources on hiring another crewmember for ARFF and are scheduling another exam to create an updated list for future hires in order to fill projected openings and to minimize the overtime. **Mr. Greco** noted the snow team overtime was mainly due to the number of snow days in February that totaled approximately 18 days of snow removal. The other category is mainly due to our support staff assisting in preparation for GA Strategic Business Plan meetings and various support functions. **Mr. Traficante** asked how many ARFF and Police personnel were on IOD. **Mr. Greco** answered there is 1 ARFF person and 4 Police personnel. **Mr. Traficante** asked how long they have been in this status. **Mr. Greco** answered 2 – 5 years. Human Resources is tracking and we are working on this. One of our objectives is to close that loop.

(d) SAFE, CARES and EASE Campaigns

Ms. Wright noted for the Safe, Cares and Ease campaigns, I will be opening with the marketing update, which shares what we are doing to continually bring people back to fly. RIAC published its first annual report highlighting our accomplishments, historical milestones, and vision for the future. The annual report was a cross-departmental collaboration in which we presented our strategic business plan, sectioned by economic development, infrastructure, operations, organization, customer service, communication and our financial accomplishments. The printed version of the annual report is currently in production and will be available in early September. This is an example of strengthening our brand, creating transparency while informing the public on our key initiatives across our six airports. **Ms. Wright** noted on September 27, 2021, Rhode Island T. F. Green International Airport will celebrate our 90th anniversary. This marks a monumental time for our airport as we look back proudly on our airport's past and embrace our vision for the future. We plan to celebrate throughout the day in the terminal with give-ways, such as a \$90 gift card to Wolfgang Puck, a selfie booth for social media, employee email signatures, email blast, press release, social media campaign, website banner, digital and print ads and much more! Our team is also

compiling a 90th anniversary video that showcases how our airport is an incredible asset to the state, and highlights the economic impact and historical milestones. Not only will we highlight the positive impacts that we have on the community, but we will also share historical facts such as how we were originally founded as Hillsgrove State Airport and the first state-owned and operated airport in the U.S. We have had many firsts throughout our history, and we continuously strive to support our community and look forward to building upon our strong foundation in the years to come. **Ms. Wright** noted our marketing campaign highlighting new service from Breeze Airways is well underway. Our all-around marketing approach has successfully created awareness, generated interest, and encouraged action, driving sales and conversions. As a result of our efforts, PVD is the highest performing market for Breeze Airways. Out of the 16 markets across the nation, Rhode Island has the most number of bookings through radio, out of home, digital and social advertisements. The total estimated impressions through the end of November are over 64 million. Our strategy has proven to be effective, bringing top results and a return on its investment. **Ms. Wright** noted on July 22nd, Rhode Island T. F. Green International Airport celebrated the inaugural flight of Breeze Airways to Charleston, South Carolina. Our celebratory reception included a brief speaking program. RIAC President & CEO, Iftikhar Ahmad, Senator Jack Reed, Lt. Governor Matos, Board Chairman Jonathan N. Savage, Breeze Co-Founder, Trey Urban, and other local dignitaries were in attendance. Our celebration included South Carolina cuisine, a tiered decorative cake, live music, promotional items, champagne christening, and a proper Rhode Island Del's Lemonade toasting. A key takeaway from this event is that it's more apparent than ever that all the people who work here at RIAC contributed to a very successful day. As we move forward in our recovery process, a number of inaugurals and service resumptions are happening at our airport. In addition to Breeze Airways, we celebrated Frontier's inaugurals and service resumptions to Myrtle Beach, Miami, Atlanta, and Philadelphia. Our team celebrated with a ribbon-cutting ceremony, water salute, terminal signage, social media promotions, website banners, and press coverage. There was a trivia contest and flight giveaways for passengers at the gate. **Ms. Wright** noted South County Tourism Council conducts destination marketing to support service to Pittsburgh with a search marketing campaign along with billboards. This is an example of bridging the gaps and strengthening our relationships with our regional partners. South County has identified an opportunity to promote our region and developed a marketing campaign that attract visitors to our region. When we asked Louise Bishop, President South County Tourism Council, why she chose to conduct destination marketing, she explained, "South County has seen a steady increase of visitors from 12% to 16% within the last year from the mid-region Pennsylvania area, even with Covid-19. So, to have Breeze come in at this time was ideal. Now we'll be able to watch the growth expand further. And we love the collaboration of the airlines to our region!" **Ms. Wright** noted the South County Tourism Council is developing a Google, Yahoo, and Bing Search Marketing Campaign with a focus on generating a significant volume of measurable, qualified leads through text ads and keywords. The campaign is to start mid-August and run for 3 months targeting the Pittsburgh designated marketing area only. We will continue to share updates and results of these campaigns with the board in the upcoming months.

Mr. Goodman noted as the Board is aware, RIAC has been working over the past year to help raise public awareness of the safety of air travel. Even as we gently let people know that when they're ready, we're ready, RIAC has gathered and promoted scientific studies conducted by the Harvard School of Public Health and other trusted sources demonstrating that when individuals wear face coverings as directed they can be 99.9% sure they will not contract COVID from air travel. While the resulting rebound in travel numbers is good news, we're not taking public confidence in safe travels, or public safety, for granted. We recognize

that vaccine hesitancy and the emergence of new COVID-19 variants remain an ongoing concern that could slow recovery of the travel and tourism industry. As such we continue to integrate public safety messaging with added airport services such as free COVID testing, continued enhanced cleaning and distribution of free masks and PVD Cares Kits. **Mr. Goodman** noted RIAC also continues to work with all airport and airline partners help maintain compliance with federal mask wearing mandates, and we are proud to note that customer surveys and other comments indicate that travelers do indeed feel safe in our airport and on our airlines. We credit all those at Rhode Island T. F. Green International Airport who keep the airport running smoothly and who have worked so hard to earn the trust of travelers and restore public confidence in the air travel industry. This confidence is demonstrated in both the numbers of returning passengers and the vote of confidence of airlines like Breeze Airways which chose PVD as one of 16 inaugural airports launching service just last month. **Mr. Goodman** noted these and other positive developments at the airport help showcase what RIAC's leadership, finance, marketing and customer service teams can achieve when working well together, and how these efforts benefit Rhode Island's economy and the creation of local jobs, as noted in this recent media coverage. That concludes my presentation to the Board. Let me just add that Breeze has extended their \$39 introductory fare for certain flights at PVD and other cities. **Mr. Pizzuti** noted RIAC is doing a great job with marketing of routes and flights booked and asked what percentage of passengers are coming from Rhode Island to Rhode Island. **Mr. Goodman** noted RIAC worked closely with other airports on this initiative. **Mr. Ahmad** noted we had lunch with 2 founders with Breeze while they were here. PVD is the number one in booking, but do not know the split yet. That data will show up in 3-4 months when the DOT starts publishing the numbers. When we ask Breeze this question, they do not give out the information. We are working with Commerce and others to encourage them to do destination marketing and only 1 tourism is doing that. There is structure weakness in Rhode Island tourism and there are no destination marketing funds available to bring aviation. They are spending money on local travel, but at the destinations. **Mr. Ahmad** noted RIAC has dialogue with the Governor and leadership on this. We will see significant changes when the special legislation meets to decide how to divvy up the funds and where they need to be spent. **Mr. Pizzuti** noted he did not know destination marketing was not under our control. It is great RIAC is working closely with other airports to ensure they are helping to drive enplanements to Rhode Island, as he had not previously heard that.

Mr. Pimental noted as the lead of our focus on customer experience, I am pleased to provide the latest update on our customer service campaign called CARES. Air travel at PVD has continued to significantly increase over the past few months. During this time, the Customer Service department aggressively worked on the reintroduction of several programs that have a direct positive impact on our passenger's airport experience. The CARES campaign, in parallel with other RIAC-led initiatives, aims to firmly position PVD as the preferred airport in our region. The first initiative I would like to update you on is the reactivation of the PVD Pups program. This very popular and high profile program brings a sense of comfort to passengers who may be a little anxious about flying or simply acts as an unexpected but pleasant interaction before a flight. Recertification of Teams takes several weeks of training, familiarization, badging, and documentation. 14 Teams have completed all of the steps needed to return to the program and we are working with 6 more to navigate the process. As a means to celebrate the program's 6th anniversary, we have put together a special Pups show for this Sunday at 11:00am and 3:00pm on the arrivals level. **Mr. Pimental** noted the next program I would like to highlight is our Music Program. The Music Program was launched in late November with the purchase of a Baby Grand Piano. The Piano is currently located in the baggage claim area near the former Starbucks location. In early June, we welcomed our first

Music Volunteer into the program. He has performed at PVD 6 times so far. We recently used our piano at the Breeze Airways inaugural celebration. Our action plan to grow the program during FY22 include outreach to area high schools, colleges, and universities as well as recruitment through social media and our website. **Mr. Pimental** noted the last program I would like to update you on is the Volunteer Program. This program has become a cornerstone of the customer service department's efforts to provide impactful interaction for our customers. In FY21, we grew the ranks of this program to 25 members despite the many challenges the COVID-19 pandemic presented. The volunteers can most often be found assisting airport patrons at the Information Center on the arrivals level, but are often also stationed at the two departures level information booths pre and post security. The volunteers are also part of special events such as the Breeze inaugural celebration and the upcoming airport job fair the Customer Service department has organized for next week. We plan to increase the number of volunteers in this program in FY22 using similar efforts as detailed in the Music Program. Collectively, these programs play a vital role in our overall strategy to provide an airport experience that drives repeat customers. Combined with PVD's ease of access and ease of use, they provide a pleasant ambiance and a helpful and friendly experience that leaves a lasting impression geared towards increasing passenger traffic.

(e) Status of the Updates on Renaming the Airport

Ms. Wright noted in June of this year, after receiving overwhelming support of the legislators in our General Assembly, and the strong support of Governor Dan McKee, legislation to rename our airport was signed into law. This is a long-awaited achievement. Our new name, Rhode Island T. F. Green International Airport, increases brand awareness, supports our growing air service, and provides improved geographic identification to better support the state's economy. In addition, the name change will attract more domestic and international travelers to the Ocean State. We are confident this change will have a long-term benefit to the region's economy to support the recovery process and growth further. **Ms. Wright** noted we eagerly began the transition and released a number of rebranded marketing items, such as our updated logo, terminal signage, website updates, digital ads, and email communications. Along with new social handles that changed across all platforms to @iflyrhodeisland. In addition, we are working closely with RIDOT to update highway signage to read Rhode Island T. F. Green International Airport. On the left-hand side of the slide, you will see the existing signage and how it reads currently. We have reviewed several options presented by RIDOT and are determining the best text treatments and design according to the available space on the sign. **Ms. Wright** noted the preferred option is to fully spell out Rhode Island and include T. F. Green International Airport wherever possible. Most of the signs will read R. I. T. F. Green International Airport. There may be a few signs that read Rhode Island International Airport but this is all dependent upon the space and legibility of the signs. We will report back next month with additional updates and progress on the highway signage.

(f) Business Development Activity on General Aviation Economic Development Parcels

Mr. Schattle noted RIAC is continuing to ramp up economic development at the general aviation airports. As you will recall, RIAC engaged industry and real estate expert, Hayes & Sherry/Cushman & Wakefield, which has a blend of local expertise and industry expertise to market the parcels across the five GA airports. 17 parcels are being actively marketed by with 24 prospects in various stages across the system, three of which are related to solar. There are approximately 135 acres being marketing across the general aviation airports to date.

Since last year, two parcels are under lease in Quonset, one on the northeast side of the airfield and one on the southwest side. This will represent approximately \$8.2M in revenue over the life of the leases. Hayes & Sherry are doing a good job at marketing these parcels. **Mr. Schattle** noted specific to solar, there are three potential prospects and Hayes and Sherry is preparing a term sheet for a non-binding letter of intent with a potential solar developer for two parcels at North Central Airport. The goal is to bring a recommendation to the September Board meeting. Solar is the perfect use for these parcels, as they are outside of the airport field. We will bring additional information at a later meeting. RIAC engaged with the Town of New Shoreham over the summer regarding the parcels on Block Island. **Mr. Schattle** noted there is competing interest between the pilots and neighbors. RIAC sent a formal request to the town for a response on what they are looking for. The town showed interest in two of the four parcels, BID 2 and BID 4, but ask us to remove two of the parcels from the marketing material, BID 1 and BID 3, for a variety of reasons. RIAC will work with the town and continue marketing the two remaining parcels. **Mr. Pizzuti** asked in regards to solar, what is the desire to put solar and are the funds going to Quonset State Airport. **Mr. Schattle** noted the revenue stream will support the general aviation revenue. If the solar is at North Central State Airport, the revenue will go to North Central State Airport. We are continuing to reduce deficit and there is more information coming up in the General Aviation Strategic Business Plan update. **Mr. Pizzuti** asked what we received annually from solar. **Mr. Schattle** noted that full implementation of the virtual net metering is estimated at \$750,000. **Mr. Little** asked for an update on Orsted and the QDC project at Quonset State Airport. **Mr. Schattle** noted RIAC is continuing to work with QDC centered around new development. The QDC is continuing to work on development and we are working them. The QDC is coordinating with the FAA and other parties impacted with the development and we are helping to facilitate discussions.

(g) Master Plan Update

Mr. Porter noted he is here to share some good news on the recent FAA approval of the Rhode Island T. F. Green International Airport Master Plan. This 2 year process, utilizing FAA guidelines on master planning, included many elements culminating in an estimated \$840M 20-year Master Plan. The elements included inventory, forecasting, facility requirements, alternatives development, phasing and financial strategy, and an environmental overview. The sum of these elements resulted in a Master Plan Report and an approved Airport Layout Plan in June 2021. There was also an extensive stakeholder and public involvement process, and the final plan can be viewed on our website under PVD Master Plan Update. **Mr. Porter** noted the timing of the proposed development is demand driven and defined based upon planning activity levels or PALs. The primary PALs driving future development are aircraft operations and total passengers. Three PALs for ops and passengers were developed starting from the base year 2018 with operations forecast from 71k to 89k, and passengers from 4.3M to 7.4M. Mr. Roberts asked what years those are. **Mr. Porter** noted they are based on when the PALs hit, but they are 2027, 2030, 2031 and 2041. As you know, the pandemic has stifled the forecasted levels and we will continue to track these numbers in line with future development. Development concepts were developed and are prioritized based upon an assessment of facility needs and the PALs. There were four primary focus areas to include the airfield infrastructure (runways and taxiway), the terminal building and adjacent landside amenities, the north apron to include corporate and cargo activity, and the south area to include potential new development to supplement the cargo and corporate activity. **Mr. Porter** noted in order to move forward with any new development, a new ALP was produced and approved by the FAA. Any FAA AIP or PFC funded projects are required to be on an approved Airport Layout Plan (ALP). One item to note, the ALP is for planning purposes only

and does represent a commitment by the airport or the FAA to fund or develop the projects. The projects are aspirational in nature and again driven by planning activity level. The \$840M financial plan is consistent with RIAC's capital budgeting approach of maximizing and leveraging federal funds and PFCs and (again) is demand driven. The \$840M plan will be funded through a combination of AIP grants, PFCs, General Airport Revenue Bonds, Local Funds, and Third Party Funding. In addition to the financial plan, an economic impact analysis was conducted and concluded that an estimated \$528M of economic impact for the City of Warwick and an estimated 3,200 jobs, \$989M and 5,500 jobs for Rhode Island. **Mr. Porter** noted last, I would like to speak to the robust stakeholder and public outreach program in developing the plan. Two public off site workshops and four on airport open houses were conducted for public review and comment. In addition three Technical Advisory Committee meetings were conducted involving over 20 stakeholders including federal agencies, city and state officials, and airport tenants. **Mr. Ahmad** noted an airport updates their Master Plan every 5 – 7 years. RIAC's Master Plan was last done in 2007. It is important we are able to process the Master Plan with the FAA and USDOT. You cannot take on projects without an approved Master Plan. You get public comments, the plan is approved and the projects get put into the Capital Plan to remind you it is part of the approved Master Plan. The process of the EA is these are the projects you are doing, next step from the FAA is the environmental impact. After you do the environmental assessment it has a shelf life so you have to make sure it is included in the Capital Plan. **Mr. Ahmad** noted we heard yesterday that there is a \$3.5T government infrastructure package and RIAC is expecting \$45M of that. We have a plan with some environmental cleaning needed. We are putting the RFP out there and this is how RIAC is going to use leverage on work already done to make sure no hurdles to get the project done.

(h) General Aviation Strategic Business Plan Update

Mr. Greco noted in June I briefed you on the hard work RIAC staff had put into the General Aviation Strategic Business Plan. The following statistics show the hard work the men and women of RIAC have put into this effort. In 30 months, RIAC put out 20 notices for public meetings, held 28 meetings with 18 elected and appointed officials, as well as 41 stakeholders. We consider these meetings critical in getting input from the communities surrounding the airports as well as those people who use and operate out of them. The planning process generated over 34,000 emails in those 30 months as well as the posting of 60 documents on our General Aviation Strategic Business Plan webpage. In those 30 months, we estimate approximately 9,000 hours have been dedicated to the Plan. **Mr. Greco** noted as you may recall, the Board approved the hiring of three consultants to conduct assessments on pavements, facilities, and obstructions at each airport. The \$1.4M for these assessments generated 1,800 pages and have been posted to our website. The Board also approved RIAC to hire a financial consultant to identify economic opportunities and forecast of revenues and expenses. These assessments provided the information for RIAC staff to draft a 10 year plan projected to cost approximately \$98M providing an economic impact state wide of \$193M as assessed by the financial consultant. The next slide highlights those assessments. **Mr. Greco** noted the airport obstruction analysis cost \$500,000 and where Stantec analyzed 18 runways, identified over 1,800 data points obstructing the airspace and over a 1,000 near obstruction data points. Over 1,200 of these obstructions are on airport grounds with over 500 off-airport grounds. As previously briefed at a board meeting by our Vice President for Planning, RIAC is working with FAA who has been hesitant to fund obstruction removal, even on airport grounds, when the controlling obstruction cannot be removed. This was mainly due to the ongoing litigation hindering DOT's authority to condemn. Although recent state legislation has

reinforced DOT's authority, the current litigation and injunction remain in effect. **Mr. Greco** noted however, RIAC is moving forward in those areas it can remove obstructions and near obstructions and the Vice President of Planning will be requesting Board approval today for this project. Stantec, projects the total cost for obstruction removal to be approximately \$7.3M. Another consultant, Kimley-Horn, inspected just under 700,000 square feet of pavement that included 9 runways. On average, runways, taxiways and aprons have been assessed in fair condition and landside pavement assessed at satisfactory condition. Kimley-Horn projects the cost of repairs to be approximately \$73.2M. There were 44 facilities assessed across the airport system, as well as 6,300 linear feet of fence, 4 fuel farms, 5 electrical vaults, and 5 segmented circles and wind cones. **Mr. Greco** noted Stantec recommends 3 facilities to be demolished as the cost of repair of these facilities would exceed the return of investment. All 3 are in the 10 year plan and the planning team will finalize the draft at the end of this month. I will update the final draft to the Board next month, post for public comment for 60 days starting in October, and then post the final plan to our website in January of 2022. **Mr. Roberts** asked which projects those are. **Mr. Greco** answered the Quonset State Airport terminal, hangar at Westerly State Airport and the terminal at North Central Airport. **Mr. Ahmad** noted on the planning side, this is another one where we need to get to a direction where we want to go. The New Shoreham Town Council gave us a muted approach and since they are elected officials, we are listening to them. Three years is enough time. With \$148M worth of work in 20 years coupled with the PVD Master Plan with \$840B worth of work over 20 years. RIAC would like to tell the FAA, that the Council is on board. They were a little frustrated with us on trees and to make a point, they asked us to return the money. We want them to reverse the notion. **Mr. Ahmad** noted this could happen thanks to a bill, win in court, and with a plan in writing. These were open to public comment and many were engaged. Mr. Greco and team go to these meetings and engage are with them. We have to have a plan that we can execute. **Mr. Roberts** noted the 10-year plan is very comprehensive and asked when the items get changed to priority. **Mr. Ahmad** answered in the next ten years, the first six years gets looped into the capital plan. Last years plan, the bottom general aviation part said we are working on the Strategic Business Plan. When we know the direction we will begin to populate the general aviation part with more projects. You will see the capital plan will mimic this plan. **Mr. Rodio** noted a lot of funding in the infrastructure plan approves funds available near term. **Mr. Ahmad** noted we are getting info as we speak. The FAA will guide how you spend and what kind of projects. There has been no communication but probably in the next 3 – 4 months with clarity and details. Anything eligible for PFC we determine what is required and what will be the match. They are saying a small hub match is 5%. We would like to see zero, but it is better than a large hub. **Mr. Roberts** noted it will be good to get more than our fair share and you are ready. **Mr. Ahmad** noted discretionary funding is more than a fair share. It is so many millions based on enplanements and based on cargo numbers. The \$30M for Runway 16-34 was discretionary funding.

Mr. Schattle noted that RIAC makes it a point to note that capital budgets are planned on a long term basis, and based on a tentative plan subject to funding and other changes. We communicate that in our budget materials. As we are looking at development at the parcels at Quonset State Airport we look at the financial status. Regarding the northeast parcel at Quonset, we are helping the QDC with the initiative. There were comments from the FAA that the property requires a release of land. The FAA is looking at operations and it showed concerns on the use of the area for helicopter operations and access to the airfield. RIAC is supporting and working through the FAA process with QDC. **Mr. Schattle** noted the solar opportunity there will be included in the Strategic Business Plan. RIAC is working with Ricondo and developing a financial plan with the input from the three studies. As Mr. Greco mentioned

earlier, that we are taking the three assessments and developing a financial plan. The financial plan goal is to identify strategic opportunities and provide recommended action to reduce the subsidies of the general aviation airports and make them more self-sustaining. The removal of the deficits will likely not be realistic. The Financial plan is being developed with the baseline of current revenues streams and costs and a detailed forecast model through 2030. **Mr. Schattle** noted that we are incorporating the results and needs of the infrastructure studies and funding approaches, in addition to the debt service schedules that are currently in place. This factors in a phased leasing of the economic development parcels at the General Aviation airports that will provide an estimated \$1.4 million of additional revenue over the term, for example solar at North Central airport. The plan will also include benchmarking to other airports, as an example, benchmarking to the Connecticut Airport Authority which operates a similar system with Bradley, a larger commercial service airport, and five general aviation airports. PVD is a small hub with five general aviation airports. One example of findings in benchmarking is that 47 of 50 states have other revenue streams from aviation fuel tax. For example, Bradley Airport had \$7M of aviation fuel tax revenue in 2019 to support their system. We do not receive fuel taxes in Rhode Island. **Mr. Roberts** noted on the fuel, he does not find the fuel less expensive in Rhode Island. RIAC already takes a percentage of the fuel as a fuel flowage fee. Can RIAC take a larger percentage for the fuel flowage fee. Fuel tax does not result in a higher amount of consumption. **Mr. Ahmad** noted based on our last call, the team has started to work on this. Finance had a deadline to do benchmarking and look at fuel charges and ask for more from fuel providers. When that comes in, we will update the board. **Mr. Schattle** noted he sees an opportunity for that. **Mr. Pizzuti** asked in CT, do they have a strict formula for the general aviation airport or do they do what we are doing. **Mr. Schattle** noted if you remove fuel tax at CT they will have a loss based on deficit at the airport. RIAC is seeing what the trends will be to head to self-sustaining and the types of outputs in this plan. We will bring further updates at the September board meeting. **Mr. Ahmad** noted we are trying to get rid of subsidies and we are using the benchmarking to see what they are providing to the general aviation airports. We do not have \$7M of fuel taxes coming to our airport, but they do. Our team would not mind money coming from the general aviation airports to stay with the general aviation airports. We would be open to that. We just do not want them to be subsidized by the airlines. **Mr. Roberts** noted the expenses are up 42% for the general aviation airports. He has reviewed the allocations with RIAC and they look appropriate. The general aviation community is making a lot of noise and we are trying to let them know that they were undercharged in the past.

(i) System Wide Obstruction Removal Update

Mr. Porter noted we are moving forward with environmental due diligence. The FAA approved funding for all five EA's received and they are under review. The North Central State Airport draft EA is expected to be finalized in August, the Block Island State Airport draft EA is expected to be finalized October and the Westerly State Airport draft EA is expected to be finalized in November. The FAA approved funding to include the Quonset runway 16, 5 non-residential easements under the Fair Market Value appraisal process. RIAC will bring forth an aviation easement acquisition package for September board approval to include 4 easements at North Central State Airport and 9 easements at Block Island State Airport. The FAA approved funding for clearing design, permitting and construction services and this is being presented later today for board approval. **Mr. Roberts** asked if there is any sense of when Newport State Airport construction will be underway. **Mr. Porter** answered we are waiting until September, for a ruling in the Westerly case. Newport State Airport is indirectly involved in that process. **Mr. Rodio** noted the remaining item is unrelated to economic development. It is

under the Home Protection Act. We are hoping to have a hearing on this meeting. The fastest date is in September. We are looking forward to aggressively pushing for September – October. **Mr. Ahmad** noted he can assure the board that Mr. Porter lives and breathes these obstructions.

(j) Construction Update

Mr. Nguyen noted we had a safety incident on the construction site on July 27th. RIAC and the project team immediately addressed the issue and ensured extra measures were put in place to prevent future mishaps. The project lost two days and three nights in the process, but we are now back on track. Overall, the project is currently on schedule with five phases ongoing concurrently (Phases 1, 2, 3, 4, and 6). Project phasing is designed and executed based on their sectional locations on the runway to minimize operational impacts to the airlines. The project team took advantage of the construction phasing plan to expedite the execution of Phases 3A, 3B and 6 ahead of schedule to ensure that this project will be completed on time, if not ahead of schedule. **Mr. Nguyen** noted the main focus of the project at this time is on Phases 4 and 6 with great progresses being made. Phase 4 started on schedule on July 18th with the projected completion date of August 13th. Phase 6 commenced on July 7th instead of September 16th, and it is scheduled to be completed on August 20th. Phase 5 is soon to follow and schedules to start on August 23rd as planned. There are three pending requests for additional costs to account for possible nightly intersection closure delays each night in Phase 4, as well as the loss of productions due to the compressed nightly construction schedule to accommodate the airlines' operational requirements (8 hours nightly construction closure being compressed to 7 hours), and the need to mill and pave each night in order to reopen the runway the following morning. **Mr. Nguyen** noted RIAC has been working closely with the contractor and the FAA to get most of the work done in Phase 4 via the Airport Improvement Program, while not having to extend Phase 4 closure period ending on August 13th due to the scheduling impact as the direct result of the safety incident. RIAC received the official approval from the FAA to proceed with the keel option on August 4th to ensure timely completion of phase 4 by August 13th. Work continues with phase 4 with the installation of the centerline lights of runway 5-23. All shoulder works have been milled out. Vermeer and trenching for the lighting cables and conduits are ongoing. Regarding Phase 6, the placement of P-154 and P-209 are ongoing, as well as the excavation and preparation for the subgrade in the shoulder areas. The restroom project is currently within allowances and on budget, and Change Orders are being pre-approved by the FAA for eligibility. **Mr. Nguyen** noted Change orders for Phase 1 are expected to be lessening. However, we fully expect more change orders to the project with anticipated unforeseen for Phase 2 work once demolition commences. The contractor is requesting a schedule extension to the end of March, 2022, primarily in response to unforeseen conditions in phase 1 restrooms, and the material shipment delays. We are actively working with the contractor to implement lessons learned from Phase 1 and pre-plan the execution of phase 2 in order to save time and cost as applicable. For Phase 1, the Mechanical, Electrical and Plumbing work is 95% complete. The installation of the walls and floor finishes is also 95% complete. The remaining work includes the installation of ceiling grid, lighting, wall finishes, pilasters and millwork. **Mr. Little** asked if the restroom projects are being delayed and if so, how many months is it delayed from original date. **Mr. Nguyen** answered a two month delay. **Mr. Little** asked if the additional costs and delay are refundable through the FAA. **Mr. Nguyen** noted that some additional costs would be covered by the FAA, and we are working closely with the FAA on these change orders. He noted that the project delay was also due to material shortage and manufacturer's delay in shipping out the materials. **Mr. Little** asked if the material delay would be funded by the FAA. **Mr. Nguyen** noted the material

ordering and delivering delay should not fall on RIAC as we have no control over the process. It should not come as an additional cost but as a time extension only. The delay was on the contractor side. The additional cost is directly related to unforeseen conditions. We are anticipating the same unforeseen on phase 1 with phase 2 and are planning ahead to address those issues in advance to prevent further delays to the project. **Mr. Savage** asked what the unforeseen conditions were. **Mr. Nguyen** answered the floor slabs were thicker than anticipated based on the current as-built. There were some unforeseen electrical works that we could not have anticipated until we opened up the walls. We are planning to apply what we already knew on phase 1 to phase 2, as we anticipate more of the same unforeseen conditions. **Mr. Bogosian** asked if there were any delays to the runway project because of the material delay. **Mr. Nguyen** answered no. Fortunately, there are currently no material delays on this project with asphalt and subbase materials. The project team planned ahead and got the materials on site ahead of time as much as possible. **Mr. Ahmad** noted Duc is new on our team. He was the Lt. Commander in the Navy. He is very energetic and brings a lot of energy in the infrastructure program. I expect very good things. This is the best team I have worked with. They put a lot of heart into what they do. Mr. Savage noted it shows in their presentations and thanked everyone.

4. Pension Committee Update.

Mr. Bogosian noted we had a Pension Committee Meeting this morning with Art from Hooker & Holcomb and Rob from Principal. There was a full review of the plan currently as of 6:30 am this morning. There is \$36M in plan assets with 149 active participants. Art reviewed the mutual funds talking about overall returns and who was participating. The interesting thing is employee engagement has gone up. Principal implemented a new app a quarter ago that will enhance engagement using a thumbprint to log in. **Mr. Bogosian** noted there were 1,315 new internet sessions which gives an indication that more people are using the app. This will help more and more participants. There is another education meeting coming up and I asked for it to be hybrid. Art recommended a switch from one fund to another as the small cap fund is under performing. There were questions asked that were answered and there may be vote at a later time.

5. Action Items:

- (a) Approval to execute a Professional Services Contract amendment with Stantec Consulting Services, Inc. in an amount not-to-exceed \$194,000 (pending FAA approval) to complete all tasks necessary for professional design, permitting, and construction services associated with the removal of vegetative obstructions to runway approach surfaces at Runways 23 and 15 at North Central State Airport and Runway 16 at Quonset State Airport.**

Mr. Porter noted related to my update on the System Wide Obstruction Removal, I am bringing this action item to move forward with the obstruction removal at Quonset State Airport and North Central State Airport. Two firms were interviewed and the award was issued to Stantec in 2020. The Professional Services Contract (PSC) was executed in June 2021 including environmental services and aviation easements at Quonset State Airport. The amendment to the PSC includes design and permitting services for Quonset State Airport and North Central State Airport. The cost of the amendment is \$194,000, which is 100% funded by the FAA. The anticipated milestones pending FAA approvals are: notice to proceed in August 2021, design and permitting in March 2022, the FAA AIP application in May 2022 and the

obstruction removal to be completed in September 2022. **Mr. Pizzuti** asked how much the original contract was. **Mr. Porter** answered \$417,000 and this amount will be added to the original amount.

A motion was made by **Mr. Traficante** and seconded by **Ms. Thomas** to approve the recommendation.

The motion was passed unanimously.

- (b) **Approval to execute a construction contract with JH Lynch & Sons, Inc. in the amount of \$1,567,151 to rehabilitate the existing apron at Block Island State Airport.**

Mr. Nguyen noted the main apron consists of 3 pavement sections totaling 115,809 SF. The last major construction dates range from 1990 to 2010, resulting in an area-weighted average age of 28 years old and a PCI of 50, which is poor condition. The pavement will continue to degrade to an un-operable and unsafe condition, and potentially leading to increased liability if nothing is done and will require a full reconstruction project at a much higher cost. **Mr. Nguyen** noted the scope of the construction includes the rehabilitation of the existing 115,809 SF apron, installation of new tie down moorings, installation of a new taxi lane centerline and tie down markings and the installation of a new storm water filtration system. The IFB was advertised on April 12, 2021 and opened on April 27, 2021. Three bids were received and Lynch was the lowest bidder at \$1,567,151. As of now, the notice to proceed will be issued this month and substantial completion will be 75 calendars days from the notice to proceed. **Mr. Savage** asked who the next highest bidder was. **Mr. Nguyen** answered Cardi at the bid amount of \$1,627,095. There was roughly \$60,000 difference. **Mr. Bogosian** noted D'Ambra's bid amount was \$3.8M and noted you rarely see that vast of a difference in pricing. Was there something they saw that the other companies did not? **Mr. Nguyen** noted that normally it would be a concern. However, based on the proposed costs of the three received proposals, with Cardi's and Lynch's proposals were relatively closed, and they were closely grouped together, and it is a good indication that we had received reasonable pricing for the project. **Mr. Nguyen** stated that it was unclear on how or why the third proposal was in the high range. There were assumptions on the why, and it could have been anything, but they were assumptions nonetheless. If all of the bids came in at different ranges and not near one another, then it would be a different interpretation or assessment. **Mr. Savage** asked when the start date will be. **Mr. Nguyen** noted we are planning to start after Labor Day, September 7th, 2021. We have already spoken with FlightLevel during the design phase. **Mr. Greco** noted we plan to start after the busy season. **Mr. Roberts** noted FlightLevel is doing some assessment on the need to expand the parking area and noted they would provide that data to the planning team and asked if there was any further information on that. **Mr. Greco** noted FlightLevel is continuing to get data in the season and we will then get feedback from the FAA.

A motion was made by **Mr. Traficante** and seconded by **Mr. Little** to approve the recommendation.

The motion was passed unanimously.

- (c) **Approval to execute a construction contract with Connectivity Point Design & Installation, LLC. in the amount of \$107,934 to complete the construction**

**for the ARFF Rapid Response Deployment Communication System
Replacement project at Rhode Island T. F. Green International Airport.**

Mr. Nguyen noted this system is used to alert airport personnel of current or impending aircraft emergencies at the airport. The current system is dated, fragmented and at risk of failure in an event of an emergency. When an emergency is declared to the FAA tower, the alert phone is activated. The alert is then received at the ARFF stations as well as Airport Police dispatch. The new and improved system will improve reliability, ease of maintenance and improve response time. **Mr. Nguyen** noted the project consists of installation of a new rapid response deployment communication that will replace the current system. Installation of primary and secondary alert phone controllers, all new alert phones, terminal adaptors, network switches and patch cables, fiber optic patch cables, station alerting system and uninterruptible power sources. **Mr. Nguyen** noted the IFB was advertised on April 13, 2021 and three proposals were received from KOVA, Connectivity Point and XOP Networks. The construction notice to proceed is scheduled for this month and the anticipated project completion is 180 days from the notice to proceed. **Mr. Little** noted your recommendation is to award this contract to the second lowest bidder. There is a note that KOVA was not compliant, but they are the lowest bidder. Please explain how they are not compliant. **Mr. Rodio** noted KOVA's bid had two key areas of deficiency. The bid requested all costs to be broken out into components revealing how the total bid was determined and their bid did not include the cost for labor and travel costs, which RIAC could not determine whether such costs were included. On its own, it may have been possible to clarify whether the costs were included. However, there required technical specification to determine whether the product offered would even work with RIAC's system. The consultant's noted that of 11 items that they would have needed to submit to determine that the system would function properly for RIAC, and they submitted zero. Simply put, we cannot say their equipment will work in the airport. Given the importance of the safety of this item and the time sensitivity, RIAC did not feel it could not rebid. In short, since we were unsure if the contractor failed to submit all costs, and because they included 0 out of the 11 items that were required on their proposal to determine system compliance, the proposal was clearly non-responsive in a way that would not allow clarification without tainting the bid process.

A motion was made by **Mr. Traficante** and seconded by **Mr. Little** to approve the recommendation.

The motion was passed unanimously.

6. Executive Session:

At approximately 10:23 a.m., a motion was made by **Mr. Little** and seconded **Ms. Thomas** to go into Executive Session for the purpose of discussing the following items:

The Board will seek to go into Executive Session for the following stated purposes:

- (a) **Motion to approve the minutes of the Executive Session held on May 6, 2021 § 42-46-5(a),(2), (5) and (7); and**
- (b) **Session pertaining to the following litigation matter, Newport Hangars, LLC v. Rhode Island Airport Corporation, PC-2021-03644 § 42-46-5(a)(2); and**

- (c) **Discussion regarding a matter of security, including deployment of security devices (Cyber Security Update) § 42-46-5(a)(3); and**
- (d) **Discussion related to the lease of real property for public purposes and the disposition of public property wherein advanced public information would be detrimental to the interest of the public, discussion of lease (one non-public potential lease agreement at PVD) § 42-46-5(a)(5); and**
- (e) **Motion to return to open session.**

At approximately 11:24 a.m., a motion was made by **Mr. Traficante** and seconded by **Mr. Bogosian** to return to Open Session.

The motion was passed unanimously.

Mr. Little left the meeting at 11:16 a.m.

7. Post Executive Session Actions and Announcements:

- (a) **Motion to seal the minutes of the Executive Session held on August 12, 2021.**

A motion was made by **Ms. Thomas** and seconded by **Mr. Bogosian** to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7.

- (b) **Report on actions taken in Executive Session.**

During the Executive Session, a motion was made by **Mr. Pizutti** and seconded by **Mr. Traficante** to approve the sealed minutes of the Executive Session held on June 10, 2021.

The motion was passed unanimously.

8. Future Meetings:

The next meeting is scheduled for Thursday, September 23, 2021 at 9:30 a.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Traficante moved to adjourn at approximately 11:27 a.m. **Ms. Thomas** seconded the motion.

Respectfully submitted,

Jon Savage, Chair
Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, AUGUST 12, 2021

<u>NAME</u>	<u>AFFILIATION</u>
Brian Schattle	RIAC
Alicia Seabury	RIAC
Donna Melone	RIAC
Dennis Greco	RIAC
Don Stubbs	RIAC
John Goodman	RIAC
Kellie Wright	RIAC
Dan Porter	RIAC
Duc Nguyen	RIAC
Tim Pimental	RIAC
Steve Parent	RIAC
Joseph Rodio, Jr.	Rodio & Ursillo
Tony Martinez	MGT Consulting Group
Pat Rogers	Hinckley Allen & Snyder LLP

The minutes of the Executive Session of the Board Meeting on August 12, 2021 have been sealed in accordance with R.I.G.L. § 42-46-7(c).