

MINUTES OF MEETING
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS
THURSDAY, JUNE 15, 2023 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 8:49 a.m., 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, Gregory Pizzuti, Jeffrey Bogosian, and Jonathan Roberts.

BOARD MEMBERS ABSENT: Christopher Little.

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 **Mr. Traficante** to approve the minutes of the Board of Directors Meeting of May 4, 2023. The motion was seconded by **Mr. Bogosian**.

The motion was passed unanimously.

2. Open Forum:

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

3. Report from the President and CEO:

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

- **Mr. Ahmad** reported on the April 2023 landings, passengers, seat capacity, and load factors.
- **Mr. Ahmad** reported on the completed Affirmative Action plan showing significant improvement from prior years, especially in management positions. RIAC has seen a 170% increase in diversity demographics from 2015 to 2023.
- **Mr. Ahmad** stated RIAC has reached an agreement with The Cracked Mug, LLC to provide Food and Beverage services to Block Island State Airport. The agreement is on the agenda today for approval.
- **Mr. Ahmad** reported on grant applications for six upcoming Infrastructure projects,

including the Quonset 16-34 Runway Reconstruction Design; PVD Taxiway C Reconstruction Design; PVD Southside Grading and Utility improvements; Westerly Wildlife Fence Installation, Repair, and Replacement; Block Island Terminal Apron Expansion; and North Central Tie-Down Apron Reconstruction.

- **Mr. Ahmad** stated Breeze Airways has executed a construction contract and started infrastructure work on its base of operations here at PVD. The base of operations includes crew support space, mechanic work areas and aircraft parts' storage and maintenance in the belly cargo facility. The crew support space is expected to be completed by the end of this month with the cargo space following shortly thereafter.
- **Mr. Ahmad** reported on two FAA recent environmental approvals for the South Cargo development project at PVD and the REGENT development at Quonset State Airport. RIAC staff is now completing the full land release package on this project for FAA's approval for REGENT.
- **Mr. Ahmad** stated as a reminder, Rhode Island T. F Green International Airport is in the running for the "Best Airport" in the Condé Nast Traveler Readers' Choice Awards. Voting runs until June 30. Visit flyri.com and click the "vote now" button to be entered for a chance to win a 65-day trip from Buenos Aires to Milwaukee with Viking Cruises.
- **Mr. Ahmad** stated he would like to take a moment to express sincere appreciation and gratitude to one of our esteemed board members, Board Treasurer Thomas. Today marks her last meeting as she concludes her dedicated service to our organization. Ms. Thomas has been an invaluable member of this board, bringing a wealth of knowledge, expertise, and commitment to our mission. On behalf of the entire board and RIAC, he wants to express his deepest thanks for Ms. Thomas' remarkable dedication, wisdom, and invaluable service.

Mr. Ahmad stated on a personal level, **Ms. Thomas** has been an incredible asset for our team on financial matters. She worked hard. Most of all, she supported our team with grace. Ask anybody here at RIAC, **Ms. Thomas** has a lot of grace! We wish her continued success and fulfillment in her future endeavors, knowing that she will undoubtedly continue to make a positive impact wherever she goes. As far as we are concerned, she will always be a part of us.

- **Department Updates**

- (a) Operations Update**

Ms. Morgan provided an overview of passenger enplanement data which exceeded forecasts in most areas. **Ms. Morgan** presented the overtime trends, which showed decreasing overtime in most departments as well as overall. **Ms. Morgan** presented an update on the Breeze Base. RIAC received excellent coverage on the inaugural Breeze Flight to LAX. To help assist in recruiting efforts and fill Breeze's base, RIAC partnered with Ms. Patti Doyle to create a video showcasing all that Rhode Island has to offer all new Breeze employees hired to support their new base in Rhode Island.

Mr. Savage asked how the video was received by Breeze. **Ms. Morgan** noted they absolutely loved it. They said the tour with Ms. Doyle was the best display of a location they have received. **Mr. Pizzuti** asked how many employees the base will house. **Ms. Morgan** noted the base will house at least 250 employees and PVD is the maintenance base for the whole region.

(b) Airport Financial Report Update

Ms. Williams presented the March 2023 revenue and expense with comparisons to both the prior year and budgets noting the impacts parking, concession, and fuel flowage fees had on revenue, and the impacts contractual services, supplies, and materials had on the expenses. **Ms. Williams** provided an overview of the operating loss for the General Aviation Airports, and the increase in passenger facility charges collected. **Ms. Williams** noted, excluding grant income, RIAC net income would be \$4.6M ahead of the prior year.

(c) Airport Connector Beautification Update from RIDOT

Ms. Morgan introduced Mr. David Walsh and Mr. Wellington Hall from RIDOT to provide an update on their airport connector beautification project. **Mr. Walsh** highlighted the partnership between the state and RIDOT regarding the success of this project. **Mr. Hall** noted the project is broken into three zones: the gateway, the corridor, and the arrival area. **Mr. Walsh** provided an overview of the design and scope of the project. **Mr. Walsh** noted that the subcontractors are ready to begin the project and are awaiting a schedule.

(d) New Marketing Summer Campaign

Ms. Morgan noted airlines have disproportionately assigned seats at PVD. The key is that with this capacity, Rhode Islanders need to buy the seats as this impacts load factors. It is a use it or lose it principle. RIAC still seeks higher load factors as it drives more economic impact. **Mr. Ahmad** noted that the number of seats made available per state residents in Rhode Island is 2.2 passengers per citizen and Connecticut is 1.2 passengers per citizen. Looking at the load factors, there is a dip that must be filled. PVD is receiving more seats than it should. This presents the opportunity for the state to do destination marketing. **Mr. Roberts** asked if the decrease in passengers is lowering the load factors or if it is the addition of seats. **Mr. Ahmad** noted we are adding capacity versus 2022; the load factors are not increasing proportionately with the capacity increase. The lag is seen on the graph and the margins on the flights are obliterated. **Mr. Roberts** asked what causes the lag in load factors. **Mr. Ahmad** noted there are quite a few variables. For Warwick passengers, it includes what other flights are available for them; 55% are going to Boston. Flights are not created equal. Adding nonstops that have more of an impact on service is how to increase market share. **Mr. Pizzuti** asked if certain new routes are contributing to a positive spike. **Mr. Ahmad** noted we must look at comparable fares between routes. **Ms. Morgan** noted that PVD spends far more on marketing than comparable airports. The State's destination marketing efforts are working, proving that bold and exciting campaigns can increase enplanements and help load factors. PVD is capturing significant passenger share on Breeze routes where destination marketing is occurring. **Ms. Morgan** noted while RIAC is grateful that the State did recently approve destination marketing funds, Rhode Island still falls behind the

average and there is no benefit of an aviation fuel tax. Logan and Bradley have a competitive advantage from revenue guarantees and fuel fees in addition to their state destination marketing funds. **Mr. Bogosian** noted the destination marketing data is very important as it will prove that the efforts are working. **Ms. Morgan** noted RIAC's shift in strategy for future creatives and introduced Karsh Hagan, one of the on-call firms, who was present to introduce the new summer marketing campaign.

Ms. Newman presented a grounding strategic approach that highlighted the mission of this campaign. **Mr. Cook** presented a mantra that is used by the team to align mentality and set the tone, as well as a potential radio advertisement. **Mr. Ryan** provided an overview on art direction that focused on branding, design, and layout. **Mr. Cook** noted the digital out-of-home (OOH) advertisements will focus on destination imagery and interior shots showcasing the passenger experience. **Mr. Cook** noted the advantage social media platforms have for broadcasting messages in a more playful and lighthearted way. Digital OOH and social media creatives were presented. Board members shared their thoughts and provided feedback on the campaign proposal.

(e) Customer Service Update

Mr. Pimental presented RIAC's latest efforts to improve the experience for patrons entering the airport when picking up a family member, business associate, or friend. By way of two 65-inch high-definition TV monitors and an annual subscription to a global provider of live flight tracking, Flight Radar 24, RIAC has made waiting for an arriving flight come to life.

(f) General Aviation Airports Update

Ms. Mineker noted the Automated Weather Observing System (AWOS) will provide continuous, real time local weather data at Quonset State Airport (OQU). Per the FAA, an AWOS is not a required airfield facility and a deficiency in weather data is not a safety issue. The FAA recently indicated that funding will now be deferred to an unknown date. **Ms. Mineker** presented the scope and timeline of the project. The former operations building and control tower at OQU was originally built in 1941 and is no longer functional. **Ms. Mineker** presented the scope and anticipated timeline for the demolition of the building. **Mr. Bogosian** asked about the FAA timeline. **Ms. Mineker** noted that the plan was for RIAC to design and construct the project then the FAA would take it over. Now however, the FAA will not take it over, but they will still fund the project by reimbursing RIAC on a timeline that is unknown. **Mr. Roberts** noted that the FAA's position that weather data deficiency is not a safety concern contradicts what he has read. **Mr. Ahmad** clarified that the FAA does not see this as a safety issue at OQU, specifically, because of the proximity to PVD and the resources available there. RIAC is still moving forward with this project. **Mr. Savage** advised that in an e-mail to RIAC the FAA deemed AWOS as not required at OQU, and AIP funds can only be used when the project meets certain criteria. AWOS deficiency is less of a safety issue and more of scheduling integrity given the proximity to PVD.

Mr. Goodman noted RIAC held its most recent virtual town hall meeting for GA airport host communities on April 19, 2023. RIAC's next round of GA Airport Tenant meetings is scheduled for the week of June 26 to 30, 2023. The next virtual GA Town Hall meeting will be held on Wednesday, July 19, 2023, at noon. **Mr. Goodman** noted, in May,

President Ahmad and members of RIAC's management team were pleased to participate in the sea glider unveiling ceremony of Quonset State Airport's future tenant, REGENT Craft, Inc. RIAC is thrilled to be a critical partner for REGENT, which has already secured \$8 billion dollars in sea glider orders for this exciting new company. **Mr. Goodman** noted RIAC's General Aviation Airport Strategic Business Plan Executive Summary has been published and is available on our website, www.flyri.com.

Mr. Cloutier presented an update of information with respect to RIAC's marketing efforts in conjunction with Hayes & Sherry. Ten of 21 parcels are now available under lease or option to lease, representing 46 acres of land, generating over \$549,000 per year in revenue to RIAC. **Mr. Cloutier** provided a status of FlightLevel's hangar developments at OQU that were presented at the April Board of Directors Meeting. At Westerly State Airport (WST), Ocean House Management has created a dual-purpose public and private café and lounge named "Plane Food" in the Westerly terminal. At Newport State Airport (UUU), Hangars-4-Planes is operating under an Option and Access Agreement that will be converted to a 30 Year Lease, which will be presented as an action item at RIAC's August Board of Director's Meeting. RIAC continues to make progress in securing leases for development in reducing the GA Airport Subsidy and working toward greater self-sufficiency of our GA Airports. **Mr. Ahmad** noted one of the 15 parcels at OQU is the site of the AWOS facility. **Mr. Cloutier** noted there were originally 22 parcels, one was landlocked and undevelopable which was designated as the AWOS site. **Mr. Roberts** noted it is great to see the hangar developments at the GA's, which is great for their profitability.

(g) Infrastructure Update

Ms. Damicis noted RIAC continues to make progress on the terminal modernization program and provided an update on the PA System, Security Cameras Phase 2, and the terminal refresh project. **Ms. Damicis** presented an overview of the construction, relocations, and timeline of the Breeze base modifications. RIAC's Infrastructure Department is current managing 19 projects. Six of these projects are awaiting FAA grant approval and will begin construction in the fall. **Mr. Ahmad** noted, for aviation folks, it is a great deal to be able to work on bringing in a base to an airport.

4. Finance and Audit Committee Meeting Update

Ms. Thomas noted, today at 8 a.m., the Finance and Audit Committee convened and went into a detailed review of the Fiscal Year 2024 Budget, based on the 1.6 million enplanements. RIAC is still not quite back to the 2019 level, but it is moving in the right direction and the increase in seats brings great opportunity. Costs are balanced overall and there is opportunity to increase spend if enplanements pick up. Cost per enplanement (CPE) is \$9.62 for the budget compared to \$11.35 last year. RIAC is heading in the right direction by diversifying and continuing to grow.

5. Action Items:

- (a) Approval to bind the annual insurance programs renewing on June 30, 2023.**

Ms. Morgan noted RIAC's insurance broker selectively marketed certain lines of insurance for this year's renewal and provided an overview on key lines of coverage. RIAC is receiving a premium reduction for workers compensation and automobile insurance. RIAC is receiving a premium increase for catastrophic coverage, public official's insurance, and cyber liability. Overall, RIAC will see a 13% increase from the last fiscal year.

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

The motion was passed unanimously.

- a. **Approval to execute a Restaurant Facility Lease Agreement with The Cracked Mug, LLC in the amount of \$2,000 per month for the first 24 months, and at Fair Market Value for the last 36 months, to operate the terminal location at Block Island State Airport.**

Mr. Persson noted in February of 2023, RIAC issued an RFP for an operator. In this process RIAC opened it up to a variety of concepts and was willing to consider a variety of options. Two entities attended the mandatory walk through and RIAC received one responsive bidder, the Cracked Mug, LLC. RIAC believes that the model that was negotiated will allow for an operator to establish a loyal base of customers and grow a sustainable business. After 24 months the Lease Agreement will allow RIAC to reestablish fair market value (FMV). RIAC will also be aiding the build out with a \$50,000 credit as the space requires work to allow for RIDOT permitted food service to take place. RIAC will only pay for base building heat and the other utilities will be sub metered to the tenant. Lastly, the menu that the operator has provided is shown here. It is a great mix of high-quality breakfast foods and lunch offerings.

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

The motion was passed unanimously.

- (b) **Approval to amend the Concession and Lease Agreement between the Rhode Island Airport Corporation and Carry on Coffee, Inc., d/b/a Dunkin to; (i) Extend the term expiration date from June 30, 2023 to December 31, 2023, and; (ii) Extend a month-to-month basis starting in January 2023 if needed.**

Mr. Persson noted Carry On Coffee, Inc. operates three locations of Dunkin' Donuts in the terminal, one in the north, one in the south and one pre-security. In February of 2023, RIAC issued a notice of intent (NOI) for the concessions program. As this is an open process and currently being negotiated, RIAC needs to extend the current operators beyond June 30th. The terms of the third amendment will be carried forward for the next six months and if needed would convert to month-to-month starting January 2024.

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

The motion was passed unanimously.

- (c) Approval to amend the Concession and Lease Agreement between the Rhode Island Airport Corporation and Grove Bay Concessions, LLC to extend the term expiration date from June 30, 2023 to month-to-month to transition to the start of a selected Concessionaire from the Notice of Intent for Competitive Negotiations Number 32311 for a Food and Beverage Concessions Program. All remaining terms and conditions of the Agreement shall remain in full force and effect.

Mr. Persson noted Grove Bay currently operates the food and beverage locations including Providence provisions, Wolfgang Puck, Rhode Island Burger Company, and the Whalers Bar. In February of 2023, RIAC issued a NOI for the concessions program. As this is an open process and currently being negotiated, RIAC needs to extend the current operators beyond June 30. The terms of the Agreement will be carried forward and as such would convert to month-to-month starting July 2023.

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

The motion was passed unanimously.

6. Executive Session:

At approximately 10:11 a.m., a motion was made by **Mr. Traficante** and seconded **Mr. Bogosian** 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 4, 2023 § 42-46-5(a), (5), and (6); and
- (b) Discussion and potential vote related to negotiation of leases and operation of food/beverage concession opportunities, consisting of discussion related to a prospective business locating in the state of Rhode Island when an open meeting would have a detrimental effect on the interest of the public, as well as discussion and consideration related to the lease of real property for public purposes wherein advanced public information would be detrimental to the interest of the public (§42-46-5(a)(6)) and §42-46-5(a)(5)); and

By roll call vote the motion was passed unanimously.

At approximately 10:52 a.m., a motion was made by **Mr. Bogosian** and seconded by **Mr. Traficante** to return to Open Session.

The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

- (a) Motion to seal the minutes of the Executive Session held on June 15, 2023; and**

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

The motion was passed unanimously.

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

During the Executive Session, a motion was made by **Mr. Traficante** and seconded by **Mr. Bogosian** to approve the sealed minutes of the Executive Session held on May 4, 2023.

The motion was passed unanimously.

8. Future Meetings:

The next meeting is scheduled for Thursday, August 3, 2023, at 8:45 a.m., in the Mary Brennan Board Room, Rhode Island T. F. Green International Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Bogosian moved to adjourn at approximately 10:52 a.m. **Mr. Traficante** seconded the motion.

The motion was passed unanimously.

Respectfully submitted,

Jon Savage, Chair
Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JUNE 15, 2023

<u>NAME</u>	<u>AFFILIATION</u>
Alicia Seabury	RIAC
Sapha Mabrouk	RIAC
David Cloutier	RIAC
Brittany Morgan	RIAC
Jessica Damicis	RIAC
Dawn Mineker	RIAC
Nicole Williams	RIAC
Nikolas Persson	RIAC
John Goodman	RIAC
Tim Pimental	RIAC
Joseph Rodio	Rodio & Ursillo
Patti Doyle	Patti Doyle Communications
Dave Cook	Karsh Hagan
Renae Newman	Karsh Hagan
Greg Ryan	Karsh Hagan
David Walsh	RIDOT
Wellington Hall Jr.	RIDOT
Laurent Dion	RIDOT
Chris Shea	RI Current
Michele Tucci	Grove Bay
Woody Creswell	Paradies

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JUNE 15, 2023

NAME

AFFILIATION

Steve Hardy

Gaspee

Nancy laDeluca

United Here Local 26

Claudio Amaral

Carry On Coffee

The minutes of the Executive Session of the Board Meeting on June 15, 2023 have been sealed in accordance with R.I.G.L. § 42-46-7(c).