

MINUTES OF MEETING
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS
THURSDAY, JUNE 2, 2022 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 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 and Jeffrey Bogosian.

BOARD MEMBER ABSENT: Jonathan Roberts.

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 Director's Meeting of May 12, 2022. The motion was seconded by **Ms. Thomas**.

The motion was passed unanimously.

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 April 2022 Landing Reports brought passenger numbers up 43% from one year ago. Passenger numbers were 84% of the baseline in April 2019. Seat capacity was up 38% from one year ago. The average load factor was 84% across all airlines.
- **Mr. Ahmad** stated on May 9, RIAC HR staff meet with RIAC's designated BlueCross Manager for Well-Being Solutions and discussed health and wellness offerings available to RIAC through RIAC's health insurance plan. RIAC has 29 hours of learning available and will work with BlueCross to ensure that it will make maximum use of these offerings for our employees. **Mr. Ahmad** noted the HR Staff and BlueCross are working with BlueCross to schedule a visit by BlueCross to RIAC to meet with employees and provide information and demonstrations

regarding the available offerings.

- **Mr. Ahmad** stated on May 18, the Rhode Island delegation announced that RIAC was awarded over \$7.3M in federal funding for upgrades at Rhode Island T. F. Green International Airport and Quonset State Airport.
- **Mr. Ahmad** stated RIAC staff is working with SITA on the rollout of the new IDS platform. SITA held two workshops with RIAC staff to review system configuration and finalize their data requests. The system is on track to go live on July 1.
- **Mr. Ahmad** stated RIAC ARFF Trainees completed on vehicle readiness inspections, driver training on the Oshkosh T-3000 and the two Rosenbauer Panthers. They also completed training on FAR Part 139 regulations, US DOT Emergency Response Guidebook for Hazmat, Extinguishing Agents, Airport Signage, Markings and Lighting. Airport Operations assisted with Vehicle Movement Area and ATCT Communications.
- **Mr. Ahmad** stated RIAC is planning an official roll-out of new logo materials including the newly designed website. The campaign includes print, digital, terminal signage and social media to highlight our new logo and brand.
- **Mr. Ahmad** stated RIAC continues to promote that Rhode Island T. F. Green Airport is in the running for "Best Airport!" in the Condé Nast Traveler Readers' Choice Awards survey. RIAC is promoting through social media, terminal signage, radio and digital advertisements.
- **Mr. Ahmad** stated on May 27, RIAC celebrated the inaugural service to Columbus, Ohio and Jacksonville, Florida on Breeze Airways by hosting a gate event with destination themed food, music, trivia, and a water cannon salute. RIAC also celebrated the resumption of service to Minneapolis, Minnesota on Sun Country Airlines for the fourth season with signs, balloons and pictures with the crew for social media.
- **Department Updates:**

(a) Air Service Update

Mr. Greco noted as you will recall, we created a detailed forecast and sensitivity analysis compared with actual passenger enplanements. As you see, actual passenger enplanements have exceeded the forecast for the month of April at approximately 178% above the forecast with YTD passenger enplanements of about 170% above the forecast. Passenger activity in April increased just shy of 46% for arriving passengers and over 41% departing passengers, with a total increase of 44% from last year. **Mr. Greco** noted in terms of fiscal year to date, we have seen an increase in arriving passengers just under 143%, departing passengers increased over 139% with a total increase in passenger activity of over 141%. **Mr. Pizzuti** noted it is great to see more passengers and asked if they are coming from certain locations or does this increase have to do with destination marketing. **Mr. Ahmad** noted that the State has not started destination marketing yet and we are the same as far as the point of sales information is concerned. Overall, the

enplanements are coming back at Rhode Island T. F. Green International Airport and Boston Logan International Airport (BOS) may get ahead with their international business and leisure, but their domestic traffic is still not strong. Leisure is doing well here, but international is lagging behind. BOS will come out faster. The numbers are increasing here, but there is no movement on point of sales. Commerce is ready to begin the destination marketing, but they have not started yet. **Mr. Pizzuti** noted he is interested to track and see how the numbers are after the destination marketing has started. **Mr. Ahmad** noted that he went to a conference with more than 100 airlines and airports and our booth saying "Rhode Island T. F. Green International Airport". Turkish folks approached staff greeted us thinking that we were "Rhodes Island", their neighboring Greek Island. We informed them we were from Rhode Island in the United States, not Rhodes Island. There is work to be done for Rhode Island T. F. Green International Airport to be seen as a place to visit and the only way is to show them what we have here through destination marketing.

(b) Airport Financial Report Update

Mr. Tang noted as we completed the first nine months of the fiscal year 2022, our overall operating revenues are up approximately 41%. Revenue streams such as parking and concessions have continued to recover throughout and are up approximately 213% and 180% respectively. Also, RIAC continues to utilize approximately \$1.1M each month in CARES Act funds for operating expenses and debt service to help the airlines. The CARES Act funds are federal funds that have been provided to airports across the country, from the FAA to support airlines that operate at the airports. **Mr. Tang** noted we continue to focus on managing our operating expenses in a strategic manner as activity levels are increasing. Overall operating expenses are up approximately 8%, largely driven by the planned increase in advertising expenses which are up approximately \$699,000 for the fiscal year to date as traffic recovers. We also have the Rhode Island T. F. Green International Airport campaign highlighting new service from Breeze Airways this fiscal year. Contractual services are up approximately \$388,000, 12.4% primarily as a result of an increase to the janitorial services and security services as passenger activity and operations have increased over the prior year. **Mr. Tang** noted operating loss for the GA airports is \$190,000 for the year-to-date through March. Air service marketing includes expenditures for the new Breeze Service to Pittsburg, Norfolk and Charleston. Passenger Facility Charges are up approximately \$2,980,000 for the fiscal year to date through March with the increase in the passenger activity levels. **Mr. Tang** noted the other components of non-operating revenues and expenses are largely driven by the timing of grants and capital projects. We had several large capital project, such as Runway 16-34 and Restroom Renovations that were grant funded. Reimbursements from the FAA through March 2022 include \$9.4M for Runway 16-34 and \$3.8M for restroom renovations.

(c) General Aviation Airports Update

Mr. VanBurg noted RIAC assigns General Aviation (GA) Technicians at each GA airport to provide care and maintenance to the airfield. Year to date, our GA Techs have mowed and rolled 1,890.39 acres of grass and swept a combined total of 219,200 feet of runway, taxiway and apron surfaces. This past month they have mowed 236.2 acres and rolled 112.8 acres of grass collectively. Each airport has a number of acres with Block

Island State Airport at 58 acres, Newport State Airport with 104 acres, North Central State Airport at 132 acres, Westerly State Airport has 139 acres and finally Quonset State Airport with 383 acres that each of the GA Techs maintain throughout the season. **Mr. VanBurg** noted our mowing season began on May 6 of this year. To highlight the activities in the past month, our GA Techs, along with help from Building Maintenance, Airfield Maintenance and Airport Operations here at PVD have completed, or are in the process of working on many items. At Block Island State Airport, we replaced a number of taxiway and runway edge lights. At North Central State Airport, we are coordinating with the electrical contractors, and they will be cutting the main electric feed to the terminal and replacing a number of insulators on the poles, which have been identified as needing replacement. We have hooked up a portable diesel generator to keep power on in the terminals during this process. **Mr. VanBurg** noted at Newport State Airport, starting the week of May 31, our electricians will be working on the rotating beacon, as well as reseating a number of taxiway lights. At Quonset State Airport, the fence contractor has received all of their materials and anticipates beginning work on the fence repairs in the coming weeks. The GA Techs will also provide support in clearing areas in preparation for parcel development.

Mr. Ahmad noted Mr. VanBurg has been in the aviation industry for three decades, working at Toronto and other airports. By the level of his participation in meetings, one would think that he has been here for years as he has hit the ground running.

Ms. Damicis noted currently under construction is the BID Apron Rehabilitation project with JH Lynch & Sons, Inc. This project is on time and on budget. They are currently working on tie-downs. The SFZ Wildlife Fence project is progressing well and is substantially complete. We are awaiting dry conditions to bury the wildlife skirt that has been attached to the perimeter of the airport. **Ms. Damicis** noted there are six projects planned and under design. The WST Security Fence project add fencing to the perimeter of the airport. Design work is being scheduled. The SFZ Apron Rehabilitation project will be designed this summer. The scope is being defined and an RFQ will be issued soon. There are three design projects at Quonset State Airport. The AWOS project is contracted to start this summer including safety at the airport. **Mr. Savage** asked how the AWOS interacts, who uses it. Can any pilot use the system. **Mr. Damicis** confirmed that any pilot can use the system. **Mr. Traficante** how much JH Lynch & Sons, Inc.'s bid was for the BID Apron Rehabilitation project. **Ms. Damicis** noted around \$900,000. **Mr. Traficante** asked if the reconstruction bid is separate. **Ms. Damicis** confirmed yes. **Mr. Traficante** asked when the project will go out for bid. **Ms. Damicis** noted the project is currently in design. This is a revenue generating site and their term is obsolete. The BID Apron Rehabilitation project goal is to expand the parking. There will be 12 additional parking spaces for the peak travel. **Mr. Bogosian** asked if the AWOS is FAA funded. **Mr. Ahmad** noted the AWOS is a NAVAID that is installed by the FAA and maintained by the FAA at airports. He added that the FAA maintenance team has their own offices on site with assigned personnel. When we were asked to put an AWOS at Quonset State Airport, the FAA was going to do the project, but it was going to take five or six years. There was a feeling that this too long a duration by some and therefore RIAC took this project over from the FAA to get reimbursed, except that the FAA has to approve every step of the process and we have to go with their speed. **Mr. Savage** confirmed RIAC will get reimbursed 100%. **Ms. Mineker** noted we are working on the consultant scope and fee. **Mr. Ahmad** noted Ms. Damicis does a fantastic job. She is handling more projects

then he did at her age. He also added that RIAC hired Ms. Mineker from Hawaii. She is an engineer and a pilot.

Ms. Mineker noted the OQU Runway 16-34 and Taxiway A Relocation project is at Quonset State Airport. The design fee is \$5.2M. The overall budget for this project is \$57M. The cost will be shared with the FAA and DOD. This project is at a 30% design level and scheduled to go out to bid in December. We are working on alternatives for phasing. Coordination is ongoing with the Federal Aviation Administration (FAA), Rhode Island National Guard (RING), and FlightLevel Aviation with scheduled monthly meetings. The next meeting is scheduled on June 8. **Mr. Pizzuti** noted we talk more about GA then years ago and asked if it was because there is more activity or just more updates being presented. **Mr. Ahmad** noted there is more activity at the General Aviation airports and some days that is all the staff work on. We are trying to keep up with the expectations out there to do more at the General Aviation airports. Hopefully we can sustain it, but it is costing us more and the budget is reflective of that. **Mr. Savage** noted one question raised at the Finance and Audit Committee Meeting was if the right allocation is being used for investment of staff time and how this effects the signatory airlines. Mr. Ahmad is doing a good job delivering that information to us so the board can make an informed decision. **Mr. Ahmad** noted the economic impact of Rhode Island aviation is tracked on an annual basis and the information can be found on the FAA website. There is a \$2.6B economic impact from aviation and the General Aviation airports have a \$55M impact. PVD is at about \$2.6B. We keep an eye on it, but we have been asked to put more emphasis on the General Aviation airports. **Mr. Pizzuti** noted RIAC is doing great business development around the airport and doing nice things so he hopes it is a positive impact. **Mr. Ahmad** noted Mr. Surehan works to develop the General Aviation airports and is working on the 15 open parcels. **Mr. Traficante** asked Ms. Damicis if the demolition at Quonset State Airport has gone out for bid and if so when. **Mr. Damicis** noted the design phase is ending in December and we will put it out for bid next fall.

Mr. Goodman noted last week RIAC held our second virtual town hall meeting for townships and the general public. The meeting announcement was posted publicly on the Secretary of State's website two weeks before the meeting, allowing members of the public to receive advance notification of the meetings. As was the case for our first town hall meeting, we also issued a press release to local media outlets and posted a reminder to the public on RIAC's Facebook and twitter accounts. In this most recent meeting the RIAC team provided updates on operations and infrastructure and addressed an inquiry from the Westerly Town Council President. **Mr. Goodman** noted RIAC is also about to issue its first GA Airport Newsletter, On the Horizon, providing community stakeholders with yet another resource to stay informed on aviation activities. This newsletter will be published quarterly and will include both general information as well as updates specific to progress being made at each general aviation airport. It will also include news and developments important to local pilots, providing similar updates to those offered at Board meetings. **Mr. Goodman** noted finally, the RIAC team will hold its quarterly Tenant Meetings for each individual state airport next week to provide an additional engagement opportunity between RIAC and general aviation airport tenants. **Mr. Traficante** asked when RIAC goes to local airports, what type of participation do you get. **Mr. Goodman** noted we are working with local leaders to get participating at these meeting and we are also trying a new day and time, maybe during lunch, for the GA town hall meetings to keep them accessible for 9 – 5 workers.

Mr. Surehan noted we are happy to share news of a new restaurant coming to Westerly State Airport. The owners of The Preserve, in Richmond, Rhode Island plan to open a restaurant within the airport terminal around mid-June. The restaurant, named Plane Food, will be a self-service concept enabling it to remain open all day for customers. We anticipate a high quality operation and we will evaluate customer response to this self-service concept as it may have similar applications at other GA airports especially during the off-season when customers and potential restaurant employees are scarce. **Mr. Pizzuti** asked how many people go through the terminal at Westerly State Airport. **Mr. Surehan** noted he will get this information to him. **Mr. Savage** noted there is a private airport in Richmond, Rhode Island, what type of planes could fly into that airport. **Mr. Surehan** noted single engine piston planes that would not require nav aids or fuel. There are a couple of dated hangars there and this is the only private non-RIAC operated airport in the state.

(d) Paradies Design Update

Mr. Surehan noted we are also happy to share that RIAC's retail concessionaire, Paradies Lagardere plans to introduce a dramatic concept design for its first new concession addition in the North Concourse. Paradies and JGA, together with RIAC, developed a new concept, consistent with the creation of a Sense of Place in Rhode Island focusing on the classic style found in Newport. As you can see from the illustration shown on the slide, we believe it creates a warm, elegant atmosphere for our customers. Design is under way and construction is expected to be completed by year-end, hopefully before the Christmas holiday. Paradies will open additional retail concessions locations as passenger traffic recovers and we will work together on concepts that will continue this Thematic Design throughout the terminal. **Mr. Ahmad** noted the restroom project is part of our terminal renovation efforts. Just imagine when we put the RFP out in the fall for food and beverage and the impact that it would create with new restraints and eateries, add to it the new elegant store fronts that Paradies will create in the coming years and RIAC staff performing upgrades to the main gate areas with plants and introducing live music. These items will transform the airport. **Mr. Ahmad** applauded the team for their efforts. **Mr. Little** asked where the new Paradies location is going be. **Mr. Surehan** noted Paradies first new location, based on the concept design shared today, will be located at the former Heritage Bookstore in the North Concourse

(e) Overtime Update

Mr. Greco noted fiscal year to date we saw a decrease of 11% from the FY 21 numbers. The next slide showed a breakdown of the fiscal year to date totals by department. Operations and Maintenance and GA are over the previous year. As noted last month, we saw an increase this past year mainly due to the support from the GA techs and operations across the airport system to help with escorting consultants and contractors for the projects going on. **Mr. Greco** noted for the month of March we saw a decrease of 23.11% from last year. The increase we see for snow on the next slide is due to two snow events that took place in March. The snow team was on standby.

(f) Infrastructure Update

Mr. Zogheib noted following the previous presentation of GA Airport projects, I will introduce the PVD airport projects, starting with an airfield project of Taxiway C Reconstruction. The scope of this project includes not just pavement condition improvement, but also partial relocation to comply with the FAA required separation distance from the runway. The project is currently in the design phase at 30% completion stage, with 60%, 90%, and 100% completion slated for June 15, October 15, and December 15 respectively. The design consultant is C&S Companies, the design cost is approximately \$1.03M. The project is currently proceeding on schedule, within budget, with no issues to report. **Mr. Zogheib** noted next are the PVD Terminal Improvement projects. The ARFF Rapid Response project is to provide updated technology and upgrade to address emergency response situations. The construction work is being done by Connectivity Point at a construction cost of approximately \$108,000. The equipment programming work has been completed, on site install is forecasted for June 21, and testing and completion on August 30. Next is the Soffit and Drainage Repairs project. This project is to repair a drainage issue from the upper level roadway to the lower level. The design has been completed by WSP and the project will be going out to bid in June 2022. Next is the Restrooms Renovation project. The north section of the terminal bathrooms has been completed and opened, and the expected completion of the final phase of the south side is June 17. **Mr. Zogheib** noted finally is the Security Cameras project. This project is split into 2 phases. Phase 2 is the camera head installation and is currently awaiting grant execution before it can be awarded, and Phase 1 is on-going. Faith Group is the design Engineer and Siemens is the contractor. The project is currently in the RFI and submittal phase and proceeding with no issues. Server set up is anticipated completion by June 15, and testing and training is scheduled on August 30.

4. Finance and Audit Committee Update.

(a) Approval of the Fiscal Year 2023 budget package.

Ms. Thomas noted the Finance and Audit Committee met earlier in the morning. The purpose of the meeting was to review and approve the FY 2023 budget package. There was a very good presentation made by Mr. Tang. Ms. Williams is also behind that and many thanks to her and Shahzad. We had an opportunity to hear from the team. The budget for FY 2023 reflects a CPE of \$11.65 compared to the budget for FY 2022, which was \$17.34. The airport is working hard and diligent to keep the CPE competitive in the industry to attract more airlines. **Ms. Thomas** noted enplanements are at 1.4M, which is 70% of the 2019 level and will increase to 80% as we progress through the year. We are approaching the 2019 level of enplanements at 800,000 and we are seeing things improve. RIAC ended the year with greater enplanements than that, which you see in the results. The higher the enplanements, the higher the budget and non-airline revenue is at \$27.2M per year resulting from parking. The team has done a wonderful job helping to keep down the CPE to attract airlines and seats in concurrence with our strategy. We saw lots of activity at the ga airports. The ga airport costs are expected to increase and we heard about that today. There is a slight loss however, the airport continues to add revenue generation at the ga airports and we are pushing towards being self-funded for the entire ga system. **Ms. Thomas** noted the overall total non-operating costs are higher simply related to depreciation of assets. Ongoing projects fluctuate the net income. We reviewed the capital plan, debt service plan and various areas of the upcoming economic development and plans in the upcoming FY 23 budget. **Mr. Traficante** noted he is

hopeful the GA airports can become self-sustaining and asked how optimistic we are that will happen. **Mr. Ahmad** noted that we are optimistic that someday we will get there. There are hurdles and a lot of pressure to do more at the General Aviation airports. When we tried to institute cost recoup at Block Island State Airport through the parking, there was no support from the community. We continue to work on it and we have made a lot of progress. We are spending more staff time. It is a different scenario than 2016. **Mr. Pizzuti** asked when we launch new projects, does that bring revenue to the airport. **Mr. Ahmad** noted Quonset State Airport is in the green and Block Island State Airport and Westerly State Airport are behind. We are working with the General Aviation airports as a whole entity in terms of financials. We do not separate them when we get grant money each year. **Mr. Rodio** noted the revenue received at each airport stays associated with that particular airport in the financials.

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

The motion was passed unanimously.

5. Action Items:

- (a) **Approval to execute a Professional Services Contract with AECOM in the amount of \$300,000 to perform an Environmental Assessment for the South Cargo Development Phase 1 at Rhode Island T. F. Green International Airport.**

Mr. Zogheib noted as part of the South Development project, FAA has required the implementation of the Environmental Assessment. The scope of work includes project planning, impact analysis assessment, draft EA, Public outreach, and final EA for submittal to FAA for approval. A contract with AECOM has been signed in the amount of \$300,000, of which FAA pays 90%. Upon approval of this project, a notice to proceed will be issued. The draft EA is estimated for completion in December, and final EA completion in March 2023.

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

The motion was passed unanimously.

- (b) **Approval to execute a professional services contract with ABM Aviation with an all-inclusive hourly rate of \$21.42 for Airport Security Officers, \$24.22 for Working Supervisors, and \$20.72 for Cart Operators/Passenger Assistance Representatives in year 1 and then as escalated over 5 years to provide passenger assistance and security services at the Rhode Island T. F. Green International Airport (PVD).**

Mr. Greco noted the RIAC currently utilizes the services of Allied Universal LLC for passenger assistance and security services. Due to economic and labor pool uncertainties during the pandemic, Allied Universal, would only agree to sign a 1-year

agreement in early 2021. The current hourly rates from all proposers saw an increase from pandemic levels based on the upward pressure on wages as firms across most industries struggle to fill staff vacancies. **Mr. Greco** noted the selection committee, through its individual scoring of all of the required criteria as well as after conducting in person interviews with the top two firms, unanimously agreed that the management/staffing plan and customer service aspects of ABM's proposal was superior, the area representing the highest weighted criteria and thus highlighting our customer service through our Passenger Assistance and Security Program. **Mr. Traficante** asked if they discussed the contract escalations. **Mr. Greco** confirmed yes. **Mr. Rodio** noted this was included in the proposals.

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

The motion was passed unanimously.

- (c) **Approval to execute a Sixth Amendment to the Rhode Island General Aviation Airport Full Service Fixed Base Operator Agreement with FlightLevel Aviation to extend the current agreement to provide aviation related services at Block Island State Airport for one year as a pass-through expense arrangement.**

Mr. Surehan noted as you are aware, FlightLevel Aviation has performed FBO services at 4 of our general aviation airports, Newport State Airport, North Central State Airport, Quonset State Airport and Westerly State Airport since 2018. Because RIAC has encountered difficulty in soliciting FBO services at Block Island State Airport due to the extreme seasonal nature of activity, RIAC negotiated a series of 1 year Amendments to the FlightLevel FBO Agreement to add aviation services at Block Island State Airport, beginning in 2019. **Mr. Surehan** noted the latest Amendment expires June 30 and we are proposing a 6th Amendment to extend these services through June 30, 2023, coterminous with the expiration of the FlightLevel Agreement for our 4 other GA airports under existing terms, including the expense pass-through arrangement. Going forward, we want to bundle Block Island State Airport together with our other 4 GA airports for any potential contract. **Mr. Pizzuti** asked if when FlightLevel does something new, do they keep the same people there or do they get new people. **Mr. Surehan** answered this contract has been extended yearly since 2019. This extension is for 1 year. **Mr. Little** asked between now and 1 year from now, what steps can be taken to enhance revenue at Block Island State Airport. **Mr. Surehan** noted we will bundle Block Island State Airport and address the issue of fuel farm or fuel truck at the facility. We are open to any suggestions. Block Island State Airport is extremely seasonal in nature so it is only used 5 months in the year. When it is as cyclical as this, it is difficult to generate profit. **Mr. Ahmad** noted there are two opportunities there, either recoup from parking or have four parcels developed. The community shot down two of the four parcels plans. We are not seeing support from the community therefore we do not think that the airport will get to a positive cash flow status. **Mr. Traficante** asked what is behind the community refusals. **Mr. Ahmad** noted they do not want to pay for the services they ask for, but the more operations there cost more.

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

the recommendation.

The motion was passed unanimously.

- (d) **Approval to enter into a Third Amendment to the Facilities Lease between the Rhode Island Airport Corporation and PVD Fuel Facilities, LLC, extending the term of agreement through June 30, 2024, and providing a one-year mutual option through June 30, 2025, under the same terms and conditions of the current agreement.**

Mr. Surehan noted PVD Fuel Facilities, LLC, is a consortium of airlines Delta, Southwest, United and UPS, which leases and operates the fuel farm and glycol facilities for member and non-member airlines at Rhode Island T. F. International Green. Our FBO, Atlantic Aviation, provides fuel to other carriers, including American, FedEx and low cost carriers. Together, PVD Fuel Facilities and Atlantic Aviation FBO are subject to our Minimum Annual Guarantee (MAG) of \$0.02 per gallon for the first 37.5 million gallons of combined system annual fuel throughput. This MAG generates \$750,000 annually to RIAC. Our current amendment with PVD Fuel Facilities expires June 30. Given the continuing recovery from the impact of COVID, we are proposing a 3rd amendment extending the current terms of the agreement, including the MAG for 2 years, with a 1 year option. During this time, RIAC will evaluate its competitive position with regard to fuel facilities and flowage fees options to maximize revenues, and determine the best course of action for Rhode Island T. F. International Green, as well as our GA airports. **Mr. Savage** asked Mr. Surehan to explain the price used to deliver revenue to RIAC between the private group that provides to members and non-members as it relates to the FBO. **Mr. Surehan** noted there are two groups that provide full service jet fuel, the airline consortium and FBO. Both are subject to the MAG, which is \$0.02 per gallon for the first 37.5 million gallons of combined system annual fuel throughput. The MAG provided \$750,000 in revenue with just 10.6 M gallon of fuel in 2021in 2021, 21.0M gallons of fuel in 2020 and 29.2M gallons for 2019. The closest to the MAG was in 2018, with 33.7M gallon. The past 15 years they have not met or exceeded MAG. **Mr. Savage** asked if this represents both operations combined. **Mr. Surehan** confirmed yes. RIAC's MAG is working in our favor now. We are taking time to evaluate RIAC's competitive position vs. other airports regarding fuel flowage fees or taxes, charging rent for the fuel farm at PVD. **Mr. Savage** noted it is a benefit to the consortium with respect to us, but it gives flexibility where to get the fuel, where to get the fuel from and asked who saves from the benefit of that method. **Mr. Ahmad** noted the deals are brought to the consortium. **Mr. Savage** asked if this was the right option at this time. **Mr. Ahmad** noted the MAG generates \$750,000 per year. Every two decades, something like the pandemic hits and we get ahead due to the minimum revenue guarantee. We do not get the fuel tax that Massachusetts or Connecticut receive. **Mr. Savage** asked if those airports have similar situations. **Mr. Ahmad** confirmed yes, they are double dipping with the rent on the fuel farms and the fuel tax. Thus, we have to put more effort in order to obtain the lower CPE.

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

The motion was passed unanimously.

(e) **Approval to bind the annual insurance programs renewing on June 30, 2022.**

Mr. Tang noted our insurance broker is Willis Towers Watson and here with us today is Nancy Rogers, the Senior Vice President of Global Client Advocate and Janet Marshall-Tate, the Associate Director, New England Market Team Leader. The FY 23 insurance renewal strategy meeting was held back in February. At that time, WTW conveyed an expectation of 15% - 20% increase in premiums. Market changes were discussed including the wave of market corrections resulting in broad rate increases since pre-pandemic. With aviation liability taken out, the combined portfolio increase is about 11% and with aviation liability included, there is an overall increase of 18.5%. **Mr. Tang** noted given the market challenge, many underwriters declined to offer quotes because they reduced industry underwriting capacity, increased scrutiny of underwriting risk or increased rates. For the aviation liability line item we had two options, QBE who is the incumbent as quota share and Starr who came back with a higher deductible. QBE made an internal decision to pull back coverage across all accounts to \$100M max. The current coverage limit is \$300M, \$250M primary plus \$50M excess. The coverage limit was raised 50% in FY 18, when enplanements were up and the premiums were inexpensive. **Mr. Tang** noted for the FY 23 budget, RIAC recommends to lower the coverage limit of this time to \$200M to be in line with appropriate historic enplanement levels. We will revisit raising the coverage in the future once enplanements cross 2M annually. Our insurance broker advised RIAC for the FY 23 renewal, an expectation of 50% - 200% increase in premiums for cyber liability. Many airports are considering other alternatives such as self-insurance and lowering limit of coverage. RIAC made the decision to lower premiums and focus on fortifying RIAC information systems, to reduce RIAC's IT risk profile.

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

The motion was passed unanimously.

(f) **Approval to execute a one-year time extension to the Signatory Airlines Agreement effective July 1, 2022.**

Mr. Tang noted the term of the current signatory airlines agreement is through June 30. Included in the agreement is seven airlines, American, Delta, JetBlue, Southwest, United, FedEx and UPS. In addition to the signatory airlines, RIAC has six non-signatory airlines including Air Canada, Breeze, Allegiant, Frontier, Southern Airways and Sun Country for a total of 13 airlines operating at Rhode Island T. F. Green International Airport. **Mr. Tang** noted in 2016, there were 17 non-stop routes and in 2022 there are 34 non-stops which is a 100% increase. RIAC and the signatory airlines entered into a one-year extension of the agreement in the prior fiscal year bring the term to June 30. The signatory airlines have shared an interest in extending the current agreement to June 30, 2023 so that they have more time to work with RIAC to determine the best course of action for the future.

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

The motion was passed unanimously.

6. Executive Session:

At approximately 9:55 a.m., a motion was made by **Mr. Little** 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 May 12, 2022 § 42-46-5(a)(7); and**
- (b) **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 one lease inquiry of land at Quonset State Airport, § 42-46-5(a)(5); and**
- (c) **Motion to return to open session.**

By roll call vote the motion was passed unanimously.

At approximately 10:35 a.m., a motion was made by **Mr. Traficante** and seconded by **Mr. Little** 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 2, 2022; 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. Bogosian** and seconded by **Mr. Little** to approve the sealed minutes of the Executive Session May 12, 2022.

The motion was passed unanimously.

8. Future Meetings:

The next meeting is scheduled for Thursday, July 14, 2022 at 8:30 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 10:36 am. **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 2, 2022

<u>NAME</u>	<u>AFFILIATION</u>
Alicia Seabury	RIAC
Brittany Morgan	RIAC
Dennis Greco	RIAC
Don Stubbs	RIAC
Yil Surehan	RIAC
Ali Khorsand	RIAC
John Goodman	RIAC
Nicole Williams	RIAC
Tim Pimental	RIAC
Kellie Wright	RIAC
Jessica Damicis	RIAC
Wallace Tang	RIAC
Elie Zogheib	RIAC
Rob VanBurg	RIAC
Aaron Keller	RIAC
Joseph Rodio, Jr.	Rodio & Ursillo

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JUNE 2, 2022

NAME

AFFILIATION

Nancy Rogers

Willis Towers Watson

Janet Marshall-Tate

Willis Towers Watson

The minutes of the Executive Session of the Board Meeting on June 2, 2022 have been sealed in accordance with R.I.G.L. § 42-46-7(c).