

MINUTES OF MEETING
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS
THURSDAY, MAY 4, 2023 AT 8:30 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 8:30 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, Christopher Little, Jeffrey Bogosian, and Jonathan Roberts.

BOARD MEMBERS ABSENT: Deborah Thomas and Gregory Pizzuti.

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. Bogosian** to approve the minutes of the Board of Directors Meeting of April 13, 2023 and Special Board of Directors Meeting of April 18, 2023. The motion was seconded by **Mr. Little**.

The motion was passed unanimously.

2. Open Forum:

Mr. Savage asked if anyone present wanted to speak in Open Forum. One individuals came forward.

Ms. Iadeluca noted she would like to speak.

Ms. Iadeluca noted she wanted to thank the Board and RIAC. While the process is still on going, Local 26 is happy with the process and communication. They are cautiously optimistic and are here to answer any labor questions.

3. Report from the President and CEO:

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

- **Mr. Ahmad** stated February 2023 landing reports brought passenger numbers up 7% from one year ago. Passenger numbers were 82% of the baseline in February 2019. Seat capacity was up 2.5% from one year ago. The average load factor was 75% across all airlines. Fiscal Year to Date passenger numbers are 15% ahead of RIAC's forecast.

- **Mr. Ahmad** stated RIAC celebrated National Volunteer Week April 16 to 22. As part of the Volunteer Appreciation Week, thank you cards, food and treats with a decorative ambiance in the Volunteer Center were provided for all volunteers to celebrate their selfless contributions. RIAC also highlighted some of the volunteers on our social media platforms.
- **Mr. Ahmad** stated all proposals were reviewed for the Parking Revenue Operator RFP and Shuttle Bus Service RFP and recommendations are on the agenda today for approval.
- **Mr. Ahmad** stated Rhode Island T. F. Green Airport International Airport is in the running for the “Best Airport” in the Condé Nast Traveler Readers' Choice Awards. Voting is officially open and 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. Roberts noted the airport is at 82% of the 2019 baseline while other airports are back and larger. RIAC should take a look at 10-20 comparable airports to see what they are doing. **Mr. Ahmad** noted the traffic of other airports is being monitored using benchmarking and metrics; however, the traffic to visit Rhode Island is weaker than in other areas. The average state in the US spends \$22M on destination marketing, RIAC has just started working with the government and is in the middle of spending \$4M, which is what drives load factors on flights. Our airport's load factors are around 75%. The airlines are bringing the seats, but people are not buying tickets. This is the reason RIAC will continue to advocate for destination marketing by the state. The population and location of the airport is not comparable to Bradley International Airport and Boston Logan International Airport. Bradley supports a state with population of 4M versus Logan which supports a state with 6M population while PVD is supported by 1.1M population in our state. Also, in their downtown, the density of businesses is much higher that supports the business traffic. Therefore, the comparison of passenger traffic would not be apples to apples. **Mr. Ahmad** noted there is nothing the airport can do about these metrics. The airport is competing with Boston's 130 nonstop flights, which is the reason many Warwick and Cranston residents choose to fly out of Boston. **Mr. Roberts** notes he agrees but, going back to 2019 benchmarking, those dynamics were present back in 2019. RIAC is recruiting airlines that are bringing in new nonstop flights. The extent of RIAC's ability is to recruit airlines and bring in seats but outside of that, the corporation is prohibited from destination marketing and is working with the Governor's Office, the Senate, and House of Representatives. With the nonstop flights RIAC is bringing, more people will fly from PVD. This is a long game and RIAC has to be involved on many strategic fronts. The buzz with Breeze is building and the destination marketing will continue with support from the state, which will increase load factors. The airport will get to where it needs to be.

- **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 and overall.

(b) Airport Financial Report Update

Ms. Williams presented the February 2023 revenue and expense with comparisons to both the prior year and budgets. **Ms. Williams** noted the impacts parking, concessions, and fuel flowage fees had on the 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 \$4.5M ahead of the prior year.

4. Pension Committee Meeting Update

Mr. Bogosian noted Principle and GYL, RIAC's new financial planner, both presented at the March 16, 2023 meeting. Principle provided an overview of RIAC's plan. The last virtual education seminar had a great turn out with 50 participants. Education is most important, especially with what is happening with the market now. GYL reported RIAC's plan is in very good shape. One suggestion is that there are 20 target funds and some are not being used. It can often be counterproductive to have more than 15 and it might be beneficial to scale down. **Mr. Bogosian** noted that no changes are to be made at this time, no funds are on watch and the committee is pleased with how the plan is performing at this point.

5. Action Items:

- (a) Approval to execute a Professional Services Agreement (PSA) with LAZ Parking in an amount not exceed \$4,921,040 and having a term of five years commencing on July 1, 2023, with up to two successive one year extension periods commencing on July 1, 2028, and July 1, 2029 respectively at RIAC's sole discretion, for the provision of Airport Public Parking Revenue Collection Services at Rhode Island T. F. Green International Airport.**

Mr. Cloutier noted the selected operator will be required to provide professional parking revenue collection services to include day-to-day parking facilities revenue collection services, staffing, and operation and maintenance of the airports Parking and Revenue Control System (PARCS). He presented the services to be provided by the operator. Out of the three proposals RIAC received, LAZ presented the lowest cost. LAZ's fee for the 5-year base term of the agreement from July 1, 2023 through June 30, 2028 for revenue collection shall be \$4,921,040. The total fee of the base term plus two one-year option term(s) is \$7,197,013. Board members asked questions related to the fees RIAC will pay, RIAC's experience with LAZ, the technology and functionality of LAZ's equipment, and the performance parameters in the contract.

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

The motion was passed unanimously.

- (b) Approval to execute a professional services agreement with LAZ**

Parking, having a term of five years for the amount of up to \$5,171,378.40 commencing on July 1, 2023, with up to two successive one year extension periods commencing on July 1, 2028, and July 1, 2029 respectively at RIAC's sole discretion, for the provision of Airport Public Parking Shuttle Bus Services at Rhode Island T. F. Green International Airport.

Mr. Cloutier noted the selected operator will be required to provide professional shuttle bus service between long-term lot E and the airport terminal continuously 24 hours per day, 365 days a year using two 15-passenger shuttle vehicles that must be equipped with ADA accessible systems. He provided the conditions of the agreement. RIAC received seven proposals, the lowest being LAZ Parking. LAZ's fee for the shuttle bus services from July 1, 2023 through June 30, 2028 shall be \$5,171,378.40. **Mr. Bogosian** noted that LAZ is half of the price of the other bids and asked if they are dealing with any complaints or if RIAC is satisfied with their shuttle service performance. **Mr. Cloutier** noted there are very few complaints and RIAC is very happy with their performance.

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 7th Amendment to the Rhode Island General Aviation Airport Full Service Fixed Base Operator (FBO) Agreement with FlightLevel Aviation to extend the current agreement to provide aviation related services at Block Island State Airport for five years as a pass-through expense arrangement with a total estimated annual expense of \$225,000.

Mr. Persson noted this item is a five year agreement with FlightLevel for the provision of aviation services at Block Island State Airport (BID) to be coterminous with the Master FBO agreement. He listed the services FlightLevel Aviation will provide to RIAC and the financial arrangements of the agreement. **Mr. Roberts** noted the lack of fuel at BID decreases profit and he thought all the airports were linked in the master plan. **Mr. Ahmad** noted that proposers did not include BID in their proposal. RIAC added BID later to Flightlevel's scope. This is an extension that is being added to include BID. **Mr. Roberts** asked if the other four airports are under one contract. **Mr. Rodio** noted yes. **Mr. Roberts** noted the importance of fuel at BID in connection with the other four airports. **Mr. Savage** noted his approval of the linkage of BID to the other airports in this FBO agreement and the comfort in continuing to subsidize. **Mr. Roberts** noted BID should be selling fuel and RIAC should figure out how to do that. **Mr. Savage** noted this can be put back on the agenda for discussion in a future meeting.

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

The motion was passed unanimously.

- (d) Approval to enter into a lease agreement, comprised of an initial term of five years, with three additional mutual five year option periods,

between the Rhode Island Airport Corporation and Steve C. Smith d/b/a Capt. Smith's, for the lease of Parcels WST-2 at the Westerly State Airport, comprised of 13,512 +/- square feet of land, generating \$33,499 in revenue to RIAC over the initial term, in substantially the form presented.

Mr. Persson noted the item being presented is a five year lease with Steve Smith DBA Capt. Steve's for a 13,512 square feet percent at Westerly State Airport (WST). This parcel, known, as WST-2 would generate \$33,499 over the initial five year term. The intended use of this parcel would be for the storage of boats. **Mr. Little** asked if the option is on the proposed lessee to renew the five year term. **Mr. Rodio** noted it is a mutual option and the term would be renewed if both parties agree. **Mr. Little** noted his concerns of being tied in for years for the storage of boats. **Mr. Pearson** noted there is a termination option in the agreement.

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

The motion was passed unanimously.

- (e) **Approval to execute a construction contract with J.R. Vinagro Corporation in the amount of \$50,725,457.50 to complete the Runway 16-34 Reconstruction at Quonset State Airport, subject to FAA grant funding.**

Ms. Mineker noted the existing condition of Runway 34 end does not meet the 1,000 foot Runway Safety Area (RSA) requirement. The project will shift the 34 end threshold to accommodate a full 1,000 foot RSA and a new concrete overrun. **Ms. Mineker** presented the scope of the project, the timing, and the funding sources, including the FAA tying the funding to the obstruction removals at the airport. The low bid, out of three received, for the project was submitted by J. R Vinagro with a total bid price of \$50.7M. **Mr. Bogosian** noted he does not recall J. R Vinagro ever getting a contract with RIAC before and asked if they will be able to handle a project of this magnitude. **Ms. Mineker** noted yes, RIAC is very confident. They are a heavy civil work contractors and this project has a lot of civil and earth work. **Mr. Bogosian** asked if RIAC has done work with them before. **Mr. Mineker** noted yes, in 2016 they did a demolition project. **Mr. Roberts** asked if there is a laid out timeline for this project. **Ms. Mineker** noted yes, and it has been communicated with stakeholders and contractors.

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

The motion was passed unanimously.

- (f) **Approval to execute a professional services contract with Colliers Project Leaders in an amount not-to-exceed \$2,444,073 to complete the Construction Management services for the Runway 16-34 Reconstruction project at Quonset State Airport, subject to FAA grant funding.**

Ms. Mineker noted the scope of the Quonset runway 16-34 reconstruction project is substantial and will require full-time management to ensure that the strict project funding and schedule limitations are met. To achieve this, RIAC seeks to bring on a construction manager. Colliers was selected to perform this role through a competitive, FAA compliant, request for qualifications (RFQ) process. **Ms. Mineker** noted Colliers assembled a highly qualified team, which included Airport Design Consultants (ADCI) and had the strongest project approach of the three shortlisted firms. The Owner's Representative contact will follow the same funding split as the construction contract, about 50% FAA and 50% National Guard.

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

The motion was passed unanimously.

- (g) **Approval to execute a construction contract with DiGregorio Inc. in the amount of \$879,318.00 to complete the Tie-Down Apron Reconstruction project at North Central State Airport (SFZ), subject to FAA grant funding.**

Ms. Mineker noted this project includes reconstructing approximately 5,700 square yards of apron pavement and corrects grading to promote positive drainage and presented the scope of the project. **Ms. Mineker** noted the low bid, out of six bids received, for the project was submitted by DiGregorio, Inc. with a total bid price of \$879,000. Pending the FAA grant, NTP is anticipated for August 2023, with substantial completion in October 2023. **Mr. Roberts** asked if part of the apron is being reconstructed and not all of it. **Ms. Mineker** noted yes, part of the apron. **Mr. Roberts** asked if there are plans to balance it out and do the rest in the future if funding becomes available. **Ms. Mineker** noted yes, it will be considered if funding does become available.

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 9:18 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 Executive Session held on April 13, 2023 § 42-46-5(a), (5), (6) and (7); 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 9:55 a.m., a motion was made by **Mr. Traficante** and seconded by **Mr. Bogosian** 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 May 4, 2023; and**

A motion was made by **Mr. Traficante** and seconded by **Mr. Little** 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. Little** and seconded by **Mr. Bogosian** to approve the sealed minutes of the Executive Session held on April 13, 2023.

The motion was passed unanimously.

8. Future Meetings:

The next meeting is scheduled for Thursday, June 15, 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. Traficante moved to adjourn at approximately 9:57 am. **Mr. Roberts** 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, MAY 4, 2023

<u>NAME</u>	<u>AFFILIATION</u>
Alicia Seabury	RIAC
Sapha Mabrouk	RIAC
Brittany Morgan	RIAC
Dawn Mineker	RIAC
Nik Persson	RIAC
Nicole Williams	RIAC
David Cloutier	RIAC
Don Stubbs	RIAC
Joseph Rodio, Jr.	Rodio & Ursillo
Peter Eichleay	FlightLevel
Dave Shultz	Senate Fiscal Office
Nancy Iadeluca	Local 26
Jen Renzi	Grove Bay
Michele Tucci	Grove Bay
Sal Correio	RI Pilots
Woody Creswell	Paradies
Brian Haley	LAZ Parking

The minutes of the Executive Session of the Board Meeting on May 4, 2023 have been sealed in accordance with R.I.G.L. § 42-46-7(c).