

**PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
MINUTES**

Thursday, February 5, 2015

Presiding: Peter J. Loughlin, Vice Chairman;
Present: John P. Bohenko; Margaret F. Lamson; and Franklin G. Torr
Via Telephone: Robert A. Allard, Treasurer; Robert F. Preston
Attending: David R. Mullen, PDA Executive Director; Lynn Marie Hinchee, PDA General Counsel; PDA staff members; and members of the public.

I. Call to Order

Vice Chairman Loughlin called the meeting to order at 9:07 a.m. in the Board conference room, 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

Due to the participation by Directors Allard and Preston via telephone, all votes were taken by roll call.

II. Acceptance of Board Meeting Minutes: December 18, 2014

Director Torr moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the December 18, 2014 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

III. Public Comment

There were no public comments.

IV. Old Business

No old business was brought before the Board.

V. Port Committee Report

Vice Chairman Loughlin, Committee Chair, reported that the Port Committee met on February 5, 2015. The Committee was briefed by Geno J. Marconi, Division Director, on the status of the Sarah Long Bridge replacement project; operations at the Market Street Terminal; and the emergency replacement of the truck scale at the Market Street Terminal. Director Lamson commended Director Marconi on his actions regarding the truck scale.

VI. Finance Report

A. Financial Reports

1. Operating Results for the Six Month Period Ending December 31, 2014

Mr. Canner reported on the status of PDA FY 2015 finances for the six month period ending December 31, 2014. Operating revenues and expenses are approximately 4% below budget. Utilities are over budget due, in part, to the change in PDA's electricity provider and the higher kilowatt per hour rate. Operating revenues, including fuel sales and fee revenues, remain in line with the budget forecast. PDA currently employs a total of 93 people. Mr. Canner reviewed the unrestricted cash funds at the Division of Ports and Harbors and the effect on the funds with the transition from Grimm Industries operations to the ME DOT staging at the Market Street Terminal. PDA cash balances decreased by approximately \$500,000 during the period, due mostly to capital expenditures. Mr. Canner reviewed the grant funded and non-grant funded projects. PDA incurred new debt to

fund the Skyhaven Airport Runway project and the multi-use path project. PDA's revolving line of credit is expected to be paid off by June 30, 2015. The Business Units Analyses shows that passenger enplanements as of December 31st totalled 44,000+ (more than the total for the prior three years). Skyhaven Airport operating revenues decreased by approximately one-third, due mainly to a decrease in fuel sales. Outside golf play has ended for the season. The golf course bar and grill sales are approximately 30% over the same period last year. Simulator operations remain on budget. The Golf Course staff will review its anticipated capital expenditures for the next six months.

2. Nine Month Cash Flow Projections to September 30, 2015

Mr. Canner reviewed PDA cash flow projections for the nine month period ending September 30, 2015. PDA reviewed the variances in its revolving line of credit that resulted in a balance of \$1.8 million as of December 31, 2014. The grant related projects include the completion of the runway at Skyhaven Airport and projects that the Portsmouth International Airport at Pease. Non-grant funded projects include purchasing equipment for the Golf Course and the proposed purchase of a multi-use sweeper. PDA anticipates repaying the revolving line of credit by June 30, 2015. PDA anticipates cash balances will be restored due, in part, to the receipt of grant funds.

VII. Licenses/Easements/Rights of Way/Options

A. Approvals

1. NH ANG – Right of Entry

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New Hampshire Air National Guard for the installation and maintenance of fiber optic cables and security cameras for a term of five (5) years with three (3) options to extend on substantially similar terms and conditions as set forth in the draft Right of Entry dated February 1, 2015 and the memorandum of Maria J. Stowell, P.E. Manager, Engineering dated January 29, 2015, both attached hereto. Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

VIII. Leases

A. Reports

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements", David Mullen, Executive Director, reported on the following subleases:

1. 100 International Drive, LLC

100 International Drive, LLC entered into a sublease with Great North Woods Wireless, LLC for 1,178 square feet at 100 International Drive for a base term of 7 ½ months. Director Lamson approved the sublease.

2. 200 International, LP

200 International Drive, LP entered into a sublease with Phoenix Telecom NC, LLC for 1,943 square feet at 200 International Drive for a base term of two years. Director Lamson approved the sublease.

IX. Contracts/Agreements

A. Reports

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported that PDA entered into the following contracts:

1. Axiom Partners

PDA contracted with Axiom Partners to conduct a hazardous buildings materials and asbestos inspection at the buildings located at 47 and 53 Durham Street. Vice Chairman Loughlin approved the expenditure of \$4,340.00.

2. Vaisala, Inc.

PDA contracted with Vaisala, Inc. for the purchase and installation of the Runway 16 pavement sensor. Vice Chairman Loughlin approved the expenditure of \$1,600.00.

3. Honeywell Computer – Airport Access Control System

PDA contracted with Honeywell Computer International, Inc. for the purchase and installation of a replacement badging camera system that is compatible with the upgraded server. Director Allard approved the expenditure of \$2,392.00.

B. Approvals

1. Runway Lighting Computer Upgrade

Director Preston moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a contract for the upgrade of communications hardware and software for the airfield lighting system with ADB Airfield Solutions (“ADB”) of Columbus Ohio in an amount not to exceed \$25,767.18; all in accordance with the memorandum of Joseph W. McPherson, Facilities Resource Manager, dated January 29, 2015 attached hereto.**

In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement for ADB based on the following:

- 1. ADB parts are compatible only with its own system;**
- 2. At this time, it is most cost effective to upgrade the ADB system instead of replacing the whole system with products from another company.**

Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried

2. Ransom Consulting, Inc.

Director Torr moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Ransom Consulting, Inc., (“Ransom”), PDA’s civil/environmental engineering consultants, and to expend funds in a total amount not to exceed \$15,000 for Ransom to conduct a peer review of the City’s Pease**

Wastewater Treatment Plant proposal; all in accordance with the memorandum of Maria J. Stowell, P.E. Manager - Engineering dated January 29, 2015 attached hereto. Note: Roll call vote required.

Discussion: Director Torr noted that peer reviews are usually done and paid for by the developer. He would like to have the costs split between PDA and the City of Portsmouth ("COP") since the peer review is an asset to both COP and the PDA. Director Torr stated that he does not object to the study, but does object to PDA paying the entire bill. Director Bohenko informed the Board that the payment by COP will have to be evaluated and expressed his concern that the payment could set a precedent for cost sharing for other projects with tenants as well as COP. Mr. Mullen reported that developers usually pay for peer reviews. Director Torr noted that he is also concerned with the project's impact on the area wetlands. Attorney Hinchee explained that the matter was scheduled to be discussed in a non-public session to allow for a frank discussion and advised the Board of their options to deal with the motion, including tabling the motion until after the non-public session. The motion could be brought back for a vote after the non-public session. Director Bohenko informed the Board that he could make the decision on behalf of COP for the expenditure and expressed his displeasure about the request as COP has provided services that it did not have to and that cost sharing has not been an issue in the past. Director Preston felt that he did not want to see the cooperative effort that exists between COP and PDA affected by the request for cost sharing. Director Torr felt that the PDA is a state agency and that the project encompasses the region and supports the idea of cost sharing. Director Bohenko stated he would commit COP to a payment of \$7,500. Director Bohenko moved and Director Torr seconded to table the motion and to bring the motion forward after the conclusion of the non-public session of this meeting. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion to table carried.

Note: The Board returned to public session after the non-public session. The motion was brought forward for discussion.

Director Bohenko moved and Director Allard seconded to amend the original motion to include that the **The City of Portsmouth ("COP") split the cost of the peer review by Ransom Consulting, Inc. up to a maximum expenditure of \$7,500.** Discussion: Attorney Hinchee reviewed the process to authorize PDA expenditures of \$10,000 or less if the peer review cost more than the estimated \$15,000. Director Bohenko withdrew the motion to amend. Director Torr moved and Director Allard seconded to amend the original motion for **PDA and COP to split the cost of the peer review up to \$15,000; and that expenditures in excess of \$15,000 for the peer review be approved by the Board.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion as amended carried

3. Technology Upgrade – Golf Course

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Daystar Computer Services, Inc. ("Daystar") of Portsmouth, NH, in an amount not to exceed \$9,800.00 for the purchase and installation of an information technology computer server at the Pease Golf Course; all in accordance with the memorandum from Irving Canner, Director of Finance, dated January 29, 2015 attached hereto.**

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement based on the following reasons:

- 1. Time is of the essence for replacement of the server due to ongoing problems that are causing disruption of computer services and there is concern that the system may fail;**
- 2. Daystar installed the current server system and has worked on the server systems giving Daystar an intimate working knowledge of the server; and**
- 3. Daystar can expeditiously make the necessary replacement.**

Note: This motion requires 5 affirmative votes. Discussion: None. **Disposition:** Resolved by unanimous roll call vote; **motion** carried

X. Signs

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs”, Mr. Mullen reported that PDA approved of the modification to the Port City Air sign located at 104 Grafton Drive to accommodate maintenance of the sign and surrounding area. Vice Chairman Loughlin approved the sign modification.

XI. Executive Director’s Reports/Approvals

A. Reports

1. Golf Course Operations

Scott DeVito, PGA General Manager, reported on the activities at the Pease Golf Course. Events were held to promote the simulators. Bar and grill sales are doing very well. Grill 28 hired an event coordinator which has resulted in an increase in the number of functions. Eight functions are scheduled for February. The membership drive will start up again in March. Promotional programs are ongoing for the season’s pass programs. In response to Director Bohenko, Mr. DeVito reported that the simulators are 90% booked during the weekend so there is no need for weekend promotions.

2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities. Mr. Hopper thanked the PDA snow crews for their tremendous efforts at both Skyhaven Airport and Portsmouth International Airport at Pease to keep the airports open during the recent storms.

a) Skyhaven Airport (“DAW”)

Vice Chairman Loughlin asked about the type of snow removal equipment used at DAW. Mr. Hopper reported that there are fewer pieces of snow removal equipment than at PSM and it is challenging to keep the equipment operating during the heavy storms. Flight checking of the approach lights will take place shortly.

b) Portsmouth International Airport at Pease (“PSM”)

Mr. Hopper reported that enplanements reached 44,820 as of December 31, 2014. This is the highest number of enplanements since the departure of Skybus. Allegiant will begin two flights per week to Punta Gorda, Florida during the week of February 8th. Additional flights to Florida will be added during the April vacation period. The Noise Compatibility Committee scheduled for February 5th is postponed until February 12th.

c) Noise Line Report

Mr. Hopper reported that the PDA Noise Line received 9 inquiries in December, including 6 inquiries regarding the helicopters; 2 inquiries regarding fixed wing aircraft; and one inquiry regarding a dual propeller aircraft interfering with WI FI as it flew over a residence.

B. Approvals

1. Long Term Disability and Life Insurance - Renewals

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to accept and bind Long Term Disability Insurance and Life and Accidental Death and Dismemberment Insurance effective March 1, 2015 through February 28, 2017 for the continued benefit of the employees of Pease Development Authority as proposed by the Hartford Financial Services Group in the projected amount of \$25,924.08; and all otherwise in accordance with the memorandum of Irving Canner, PDA Director of Finance, dated January 29, 2015 attached hereto. Note: Roll Call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried**

2. Bills for Legal Services

Director Allard moved and Director Lamson seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$513.83 for legal services rendered to the Pease Development Authority by:**

1. **Anderson & Kreiger
Through December 31, 2014 \$ 513.83**

Note: Roll call vote required. . Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried

XII. Division of Ports and Harbors

A. Division Director's Reports

1. Port Advisory Council

The Port Advisory Council met on January 21, 2015. The Council reviewed SB 87, a proposed legislative bill dealing with headway speed in the Piscataqua River. Several people spoke in opposition to the bill. The Council is opposed to SB 87. The Council sent a letter of opposition to the chairman of the State Senate Transportation Committee. The Council also reviewed the replacement of the Wentworth Bridge in New Castle, NH. The Council supports the replacement of the bridge with a bascule bridge. The Council sent a letter to NH DOT expressing its support of the bascule bridge. Members of the Council will attend a public hearing on February 5th in New Castle. Director Bohenko reported that the City of Portsmouth and Town of Rye are in favor of a fixed bridge due to the costs savings. A fixed bridge will save approximately \$2.4 million which could be put back into infrastructure improvements in New Castle. Mr. Marconi is not sure of the position that NH DOT will take on the type of replacement bridge that should be used.

Mr. Marconi reported that the Sarah Long Bridger replacement project is in full swing with ongoing operations in both Kittery, ME and Portsmouth, NH. Director Bohenko asked if there are any plans in place to have the construction workers park at the construction sites. Mr. Marconi reported that there is some parking in the various areas, but he has not seen a parking plan for sites other than the Market Street Terminal. Director Bohenko reported that the Market Street Extension gateway project will start in May or June and there is concern for where the bridge construction workers will park. Mr. Marconi reported that the workers are parking on the Market Street Terminal.

B. Approvals

1. Shoals Marine Laboratory – Burge Wharf

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute Amendment No. 8 to Right of Entry for Non-Exclusive Use of Parcel A-2 and Burge Wharf by Cornell University - Shoals Marine Lab for the purpose of extending the Right of Entry for a period of two (2) years from April 1, 2015 through March 31, 2017; all in accordance with the terms and conditions contained in the memorandum of Geno J. Marconi, Division Director, dated January 6, 2015 attached hereto. Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried**

2. Truck Scale Replacement

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Division Director to request that the Capital Budget Overview Committee (“CBOC”) release \$80,000.00 from the Harbor Dredging and Pier Maintenance fund for the replacement of the truck scale at the Market Street Terminal.**

Further, subject to the approval of funds by the CBOC, the Board authorizes the Executive Director to enter into a Contract with Northeast Scale Company, Inc. for the purchase and installation of the truck scale in the estimated amount of \$71,879.00; all in accordance with the memorandum of Geno Marconi, Division Director dated January 29, 2015 attached hereto.

In accordance with the provisions of RSA 12BG:8, VIII, the Board justifies the waiver of the RFP requirement for the purchase and installation of the truck scale based on the following:

1. The truck scale is necessary for the daily operations at the Market Street Terminal and it is imperative that the truck scale be replaced as soon as possible;
2. Northeast Scale Company installed and serviced the existing truck scale; and
3. Northeast Scale Company can replace the scale in a timely manner.

Note: 5 Affirmative roll call votes required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried

3. Pda 700 State Slips and Piers – Renewal

Director Lamson moved and Director Torr seconded that **In accordance with the recommendation of the PDA Division of Ports and Harbors’ Advisory Council and the provisions of RSA 12-G:42, VIII, the PDA Board of Directors hereby authorizes the Division Director to initiate the rulemaking process for the re-adoption with amendments of Administrative Rules Pda 700 Slip Permits; State-Owned Restricted Piers and approves the Initial Proposal, as attached; and further authorizes the Division Director to take any necessary or recommended action in accordance with NH RSA 541-A, in furtherance of this matter. Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried**

4. Bills for Legal Services

Director Preston moved and Director Lamson seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$4,482.90 for legal services rendered to the Division of Ports and Harbors by:**

| | | | |
|----|---|--------------------|---------------------------------|
| 1. | Sheehan Phinney Bass + Green Through December 31, 2014 | \$ 406.00 | |
| | | <u>\$ 4,076.90</u> | |
| | | Total | <u><u>\$4,482.90</u></u> |

Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried

XIII. Special Events – Report

Marie Aleksy, PDA Paralegal, reported that the following special events will take place on the Tradeport.

1. **New Heights – St. Paddy’s 5 Miler**

On Sunday, March 15, 2015, New Heights - Adventures for Teens will host the St. Paddy’s 5 mile road race. Funds raised will be used to support New Heights’ programs.

2. **American Lung Association – Cycle the Seacoast**

On Sunday, May 3, 2015 the American Lung Association will host the “2015 Cycle the Seacoast” bicycle tour. Rides will range from 25 miles to 100 miles. Funds raised will be used to support the American Lung Association’s programs.

3. **Runner’s Alley/Redhook Ale Brewery Memorial 5 K**

On Sunday, May 24, 2015, Runner’s Alley and Redhook Ale Brewery will host a 5k road race. Funds raised will be used to support programs at the Krempels Brain Injury Foundation.

XIV. New Business

No new business was brought before the Board.

XV. Upcoming Meetings

| | |
|----------------------------|----------------|
| Finance Committee | March 16, 2015 |
| Board of Directors Meeting | March 19, 2015 |

. All Board and Committee meetings begin at 8 a.m. unless otherwise posted.

XVI. Directors’ Comments

On behalf of the Hampton Harbor Beach Association, Director Preston thanked Mr. Marconi his presentation to the Association to explain the work of the Division of Ports and Harbors.

Director Torr explained to the Board that he is not trying to alienate the City of Portsmouth, but that he has concerns about peer review matter.

XVII. Non-Public Session

Director Torr moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors will enter non-public session pursuant to:**

1. **NHRSA 91-A:3, Paragraph II(d) for the purpose of discussing the acquisition, sale or lease of property;**

Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. The Board entered into Non-Public session at 10:05 a.m. The Board returned to public session at 11:10 a.m.

The Board entered into public discussion at 11:10 a.m. to review Item IX B.2 See discussion above.

XVIII. Adjournment

Director Lamson moved and Director Torr seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. Meeting adjourned at 11:25 a.m.

XIX. Press Questions

No members of the Press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director/Secretary