

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

Thursday, June 15, 2017

Presiding: George M. Bald, Chairman
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman and Franklin G. Torr
Absent: Robert F. Preston
Attending: David R. Mullen, PDA Executive Director; Mark Gardner, PDA Deputy General Counsel; PDA staff members; members of the public

I. Call to Order

Chairman Bald called the meeting to order at 8:05 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

II. Acceptance of Minutes: May 18, 2017

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the May 18, 2017 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comments

There were no public comments.

IV. Old Business

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to extend Two International Group, LLC's option for the premises located at 100 New Hampshire Avenue, Portsmouth, New Hampshire, effective August 1, 2017, for a period of six months at a fee of \$24,200; all otherwise in accordance with the Board's prior approval of the Option Agreement granted at its January 19, 2017 meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

V. Golf Committee Report

Scott DeVito, PGA General Manager, reported on the Colliers Golf Course Advisory Services ("Colliers") Operational Audit for the Golf Course. Colliers reviewed the Maintenance Department's operations and made recommendations regarding turf maintenance. Colliers also reviewed the Club House's merchandising operation noting that the profit margin is lower for Cost of Goods Sold ("COGS"); Tee Sheet Management and how to maximize the public play without increasing rates; the Annual Pass Holder (APH) programs and how to maximize play with non-APH holders; and the Grill 28 Restaurant Operations and an assessment of the existing agreement with Grill 28. It was noted that the concession fee was insufficient to support the expenses associated with operations as well as required capital expenditures resulting in a net loss of \$137,000 over the last three years.

There was discussion about maximizing the Blue Nine course through the use of social media. In response to Director Lamson regarding the trimming of the Lower Nine trees, Mr. DeVito indicated the trees were only pruned for control of ticks and bugs and that his staff is licensed yearly to spray. The

simulators were discussed and how they have accounted for more than \$100,000 in annual revenue for the Golf Course and that they generate revenue in the winter.

VI. Finance Committee Report

Irv Canner, PDA Director of Finance, reported that the Finance Committee met on June 12, 2017 to review the status of PDA finances.

A. Financial Reports

1. Operating Results for Ten Month Period Ending April 30, 2017

Irving Canner, PDA Director of Finance, reported on the status of PDA FY 2017 finances for the ten-month period ending April 30, 2017 including operating revenues and expenses. Mr. Canner indicated that the year-end audit preparations are ongoing and that a bid was completed for credit card processing. The operating cost variance is 7.9% below budget. The operating revenue is higher than budget for YTD by approximately 1.6%. The fuel sales are lower than budget and the associated fuel procurement costs are lower than budget. Mr. Canner reported that personnel services and benefits are under budget by 2.7% due to delays in filling open positions.

2. Nine Month Cash Flow Projections to February 28, 2018

Mr. Canner reviewed PDA cash flow projections for the nine month period ending February 28, 2018, including a review of PDA's debt status; grant funded capital improvement projects including the runway rehabilitation and the airport obstruction removal projects; status of PDA's revolving line of credit; and the status of the Division of Ports and Harbors unrestricted funds.

3. Proposed FY 2018 Operating Budget and FY 2019-2021 Forecast

Director Lamson moved the motion and Director Bohenko seconded that the **Pease Development Authority Board of Directors approves of and accepts the proposed FY2018 Operations and Maintenance ("O&M") Budget and FY 2019-2021 O&M Forecast in substantially the same form as attached hereto.** Discussion: There was discussion regarding the legal fees, future payments to third parties, status of the meeting with the attorneys pertaining to pending litigation, potential improvements to intersections, potential implementation of solar power and LED lighting. Chairman Bald indicated that further discussions are warranted regarding intersections and solar power. Disposition: Resolved by unanimous vote; motion carried.

VII. Licenses/Easements/Rights of Way/Options

A. Approvals

1. Redhook Brewery - Fencing

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to approve the request from Redhook Brewery to install split rail fencing as depicted in the attached diagram and in accordance with the memorandum from Maria J. Stowell, PE, Manager - Engineering, dated June 6, 2017, and attached hereto.** Discussion: Director Torr commented it would be a great improvement to the property. Disposition: Resolved by unanimous vote for; motion carried.

2. City of Portsmouth Police Department – Vehicle Training ROE

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with the City of Portsmouth Police Department for the purpose of conducting emergency vehicle operator’s training courses at Portsmouth International Airport at Pease through December 31, 2017; all in accordance with the memorandum from Paul E. Brean, Airport Director, dated June 7, 2017, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

VIII. Leases

A. Approvals

1. Summit Land Development Company, LLC – Concept Plan

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves of the Concept Plan submitted by Summit Land Development Company, LLC for the premises located at 160 Corporate Drive, Portsmouth, New Hampshire; all on terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated June 8, 2017, attached hereto. Discussion: Maria Stowell, Engineering Manager, introduced Chad Kageleiry from Summit Land Development Company, LLC who gave a brief presentation of the proposed building at 160 Corporate Drive. There was discussion regarding the utilization of space, the phases of construction, addressing the wetlands buffer, obtaining a Conditional Use Permit, and snow storage. Disposition: Resolved by unanimous vote; motion carried.**

Note: Director Bohenko stepped out of the meeting at 8:50 a.m. and returned at 8:52 a.m.

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. Stanley Elevator Company, Inc. – PSM Elevator Repairs

PDA contracted with Stanley Elevator Company, Inc. for the repair at the Air Traffic Control Tower at the Portsmouth International Airport at Pease. The expenditure of \$6,341.00 was approved by Vice-Chairman Loughlin.

2. Daystar, Inc.

This item was for a server update and has been deferred.

3. Tri State Fire Protection, LLC – Kitchen Suppression System Inspection

PDA contracted with Tri State Fire Protection, LLC for semiannual inspection of the kitchen suppression system at the Golf Course at Pease. The expenditure of \$450.00 was approved by Treasurer Allard.

4. GZA GeoEnvironmental, Inc.

PDA contracted with GZA GeoEnvironmental, Inc. for 2017 mitigation monitoring services of the Newfields Ditch Buffer Enhancement Area. The expenditure of \$4,025.00 was approved by Vice-Chairman Loughlin.

5. Ricci Construction Company, Inc. – PSM Roof Work

PDA contracted with Ricci Construction Company, Inc. for the emergency repair of the Quonset hut roofs at the Portsmouth International Airport at Pease. The expenditure of \$46,000.00 was approved by Treasurer Allard. Mr. Mullen provided details regarding the repairs.

B. Approvals

1. Merchant Services – Credit Card RFP

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to enter into a contract with JPMorgan Chase Bank d/b/a Merchant Services, for the purposes of credit card services; all in accordance with the memorandum from Irv Canner, Director of Finance, dated June 8, 2017 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

2. County Club Enterprises – Golf Course Car Tracking Module

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors approve of and authorize the Executive Director to enter into a contract with Country Club Enterprises (Country Club) for the Golf Car Tracking Module in an annual amount of \$14,040; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated June 7, 2017 and 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. the current GPS program lease is with Country Club; 2. No other Golf Car Tracking Module software will operate on the currently leased GPS system.** This motion requires 5 affirmative votes. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

X. 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, including course membership, simulator activities, Golf Course maintenance work and marketing. Events occurring today at the Golf Course should bring approximately 400 rounds of play.

2. Airport Operations

Paul E. Brean, Airport Director, reported on aviation activities.

a) PSM

This month there were 13,000 passengers through the terminal which was split 50/50 with Allegiant Air and Troop flights. PSM will surpass FY 2016 numbers for total scheduled passengers by this June. The passenger parking numbers are less in the summer than during winter and Mr. Brean will gain more

information to see what drives those figures. Mr. Brean reported that the TSA audit is going very well and that the TSA was very impressed with the investment of capital made.

b) Skyhaven Airport

There is an Economic Coalition meeting with the Tri-City reps being held tonight to discuss plans for marketing the airport.

c) Noise Line Report

There were a total of 25 noise inquiries at PSM during the month of May. There were 21 inquiries regarding rotor activities; originating from three Portsmouth residents. There were three inquiries regarding fixed wing activities from one residence in Newmarket. There was one informational inquiry about the Noise Compatibility Committee meeting. Andrew Pomeroy, Airport Operations Manager, is working with Ed Fish of Air Traffic Control to create a specific helicopter route in and out of PSM. Mr. Mullen related that there was a recent report listing PSM as #7 out of 742 airports across the country in terms of air passenger service growth.

B. Approvals

1. Bills for Legal Services

Director Allard moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds up to \$48,364.00 for the following legal services rendered to the Pease Development Authority subject to review by the Executive Director and the Deputy Director and General Counsel:**

1. Kutak Rock LLP		
Through April 30, 2017	<u>\$ 5,512.00</u>	\$ 5,512.00
2. Sheehan Phinney Bass + Green		
Through April 30, 2017	<u>\$42,852.00</u>	<u>\$42,852.00</u>
Total		<u>\$48,364.00</u>

Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

XI. Division of Ports and Harbors

Tracy Shattuck, Chief Harbormaster, reported on the Division activities and the approvals sought before the board represent the current business at the Port.

A. Reports

1. Port Advisory Council

No report was given on the meeting of the Port Advisory Council.

2. James Brian Cater – Charter Boat ROE

A report was provided to the Board for the Right of Entry issued to James Brian McAteer in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Charter Boat Right of Entry,” adopted by the Board on April 20, 2017.

B. Approvals

1. Schedule of Pilotage Fees and Pilotage Unit Rates

Director Bohenko moved and Director Lamson seconded that **the Pease Development Authority Board of Directors hereby approves of and adopts the Schedule of Pilotage Fees and Pilotage Unit Rates, Portsmouth Harbor and Piscataqua River attached hereto in accordance with the Pda 311.01(d) of Chapter Pda 300, Port Captains, Pilots and Pilotage, NH Code of Administrative Rules. The rates are effective as of June 30, 2017. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

2. Lamey, LLC – ROE

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to execute a Right of Entry with Lamey, LLC of Northwood, New Hampshire, through May 31, 2018, for use of the launch and pier facilities at Hampton Harbor Marina in connection with its effluent disposal services it performs in behalf of NH Department of Environmental Services; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated June 7, 2017 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

3. Pete’s Sewer Service – ROE

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to execute a Right of Entry with Pete’s Sewer Service of Plaistow, New Hampshire, through May 31, 2018, for use of the launch and pier facilities at Hampton Harbor Marina in connection with its effluent disposal services it performs in behalf of NH Department of Environmental Services; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated June 7, 2017 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

4. Captain Bob’s LLC – ROE

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to execute a Right of Entry with Captain Bob’s, LLC of Hampton, New Hampshire, for the use of a concession building in Hampton, New Hampshire through June 30, 2020, and attached hereto; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated June 6, 2017 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

5. Appledore Marine Engineering, LLC – RFP

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorize the Executive Director to complete negotiations and execute a contract with Appledore Marine Engineering, LLC of Portsmouth, New Hampshire, for the purpose of On-Call Marine Engineering services for a three-year term with two one-year options; all in**

accordance with the memorandum of Geno J. Marconi, Division Director, dated June 8, 2017 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

XII. New Business

Mr. Bald read a letter of resignation from William S. Bartlett. Mr. Bartlett's resignation is effective June 20, 2017. Discussion: The Directors each expressed their experiences with and gratitude to Mr. Bartlett for his dedication and service on behalf of the PDA. Director Bohenko moved and Director Allard seconded the acceptance of Mr. Bartlett's resignation. Disposition: Resolved by unanimous vote; motion carried.

Recognition and appreciation was also given by the Board to Marie Aleksy, Paralegal for PDA, for her 19 years of service.

XIII. Upcoming Meetings

Chairman Bald reported that the following meetings will be held:

Golf Committee	August 7, 2017
Finance Committee	August 7, 2017 @ 8:30 a.m.
Board of Directors	August 10, 2017

All Meetings begin at 8 a.m. unless otherwise posted.

XIV. Directors' Comments

Director Torr commented on the lack of detour directions provided during the road race event held on Sunday, June 11, 2017 on the Tradeport and the bottleneck of traffic which resulted.

XV. Adjournment

Director Allard moved and Director Lamson seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 9:25 a.m.

XVI. Press Questions

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director