

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

Thursday, December 20, 2018

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Neil Levesque (late arrival) and Franklin G. Torr
Attending: David R. Mullen, Pease Development Authority ("PDA") Executive Director; Lynn M. Hinchee, PDA Deputy Executive Director and General Counsel; PDA staff members; members of the public.

I. Call to Order

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

II. Acceptance of Minutes: November 15, 2018

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accepts the minutes of the November 15, 2018 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

III. Employee Recognitions

Tanya Coppeta, PDA Employee Relations Manager, recognized the following PDA employees for their years of service:

10 Years:

Sandy McDonough, Airport Operations Specialist

Ms. Coppeta stated that Sandy is an absolute pleasure to work with and can always be counted on to volunteer and always has a big smile. Ms. Coppeta further stated that Sandy is one of PDA's most experienced Operations Agents. Sandy was awarded a clock. Director Lamson commented that Sandy is an amazing person who handles everything like clockwork and has extreme patience with John Q. Public.

15 Years:

Ryan Caron, Grounds Foreman

Tracy Shattuck, Chief Harbormaster

Ms. Coppeta stated that Ryan Caron's work ethic and attention to detail over the last 15 years has helped make Pease Golf Course the success it is today. Ms. Coppeta further stated that Ryan is always looking to learn new skills and further his education to make himself even more effective.

Ms. Coppeta stated that Tracy Shattuck has been in the maritime industry since the mid-1970s and started working the ferry to the Isle of Shoals then took a break to become a policeman along the way. Ms. Coppeta further stated that after 9-11, Tracy joined the Division of Ports and Harbors and has been contributing to the management and security of the State's waterways ever since. Ms. Coppeta commented that her favorite thing about Tracy is his excellent sense of humor.

Ryan and Tracy were not in attendance. Each were awarded a certificate of service and \$50.

20 Years:

Dave Mullen, Executive Director
Judy Dubois, Administrative Assistant

Ms. Coppeta stated that Judy Dubois started at DRED and began working for Geno at Rye Harbor. Ms. Coppeta further stated that Judy does too many things in her role to list and her work ethic and loyalty are legendary.

Ms. Coppeta stated that Dave Mullen is famous for his “walkabouts” during which he combs every inch of Pease making sure that every sign is in compliance, every space is clean and well-tended for the tenants and the public. Ms. Coppeta further stated that Dave started his state career at DRED, came to Pease in 1998 and became PDA’s fearless leader ever since and never lets the daily struggles that go with being the Executive Director get in the way of his sense of humor.

Lynn Hinchee, PDA General Counsel, stated how, when Mr. Mullen became the Deputy Director, Bill Bartlett, former PDA Board Chairman, invited her to his house to walk through his gardens and asked if she was going to behave. Her reply was as much as she can. Attorney Hinchee stated she believes Mr. Mullen should get two awards because he has to put up with her every day.

Each was awarded a certificate of service, \$100 and their names will be engraved on the PDA plaque for long term employees.

25 Years:

Maria Stowell, Engineering Manager
Dave Arnold, Mechanic

Ms. Coppeta stated that Maria Stowell leads her department quietly through a tremendous workload as anyone attending the staff meeting will tell you. Ms. Coppeta further stated that Maria’s hands are always cold but she always has a warm smile all the time.

Ms. Coppeta stated that over the last 25 years, Dave Arnold has stayed steady through equipment failures, irrigation issues and all manner of building maintenance issues. Ms. Coppeta further stated that many times over the last quarter of a century, obstacles have arisen and Dave keeps the Golf Course maintenance operation running through it all. Like most industries, a lot has changed in 25 years but Dave has kept current with his skills and remains steady. Dave was not in attendance.

Each was awarded a certificate of service and \$250

IV. Public Comments

There were no public comments.

V. Old Business

A. Farley White at Pease, LLC – 90 Arboretum

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of the extension of the ground rent commencement date to “not later than occupancy or January 1, 2020,” for Farley White Pease, LLC for the premises at 90 Arboretum Drive, Newington, NH; in accordance with the Memorandum of David R. Mullen, PDA Executive Director, dated December 13, 2018, attached hereto.** Discussion: Director Lamson stated she

was pleased with the explanation provided for this item. Disposition: Resolved by unanimous vote for; motion carried.

VI. Finance Committee Report

A. Financial Reports

1. Operating Results for Four Month Period Ending October 31, 2018

Irv Canner, PDA Director of Finance, reported on the status of PDA finances. Mr. Canner stated that the certified reports were signed off with no change in numbers and the reports were timely submitted to the State. Mr. Canner further reported that PDA has secured the financial credit facility in the amount of \$15 million revolving line of credit with Provident Bank, some of which will be used for the Terminal expansion project.

Mr. Canner further reported that the operating results for the first four months with operating revenues with about \$6 million and a variance of less than 1%. The operating expenses are lower by just under 3%. The overrun in the personnel services and benefits line come in at just over \$2 million with the primary driver being the OPEB health care related benefit rates coming in late in the budget cycle and that operating variance will continue through the end of the year as far as the net payroll numbers. Operating expenses are otherwise flat at this point. Mr. Canner stated that the overage in all other expenses of \$201,000 is related to the fuel sales in the operating revenues. Fuel sales are greater than budget by \$199,000 and the cost of that fuel is related to the expenses. The legal expenses are under budget by about \$100,000.

Staffing is at 121 positions filled including seasonal positions. There are currently no open positions. There are 50 PDA positions and 10 DPH positions.

Mr. Canner reviewed the Balance Sheet, discussing cash balances and the breakdown between restricted and unrestricted funds. Mr. Canner reported the cash balances at the end of October was just over \$7.6 million which is an increase of about \$1.5 million from the end of June. The primary driver is the profit and loss from the Income Statement and timing differences. Through October PDA spent just under \$600,000 in capital construction, primarily \$300,000 at the Division of Ports and Harbors (“DPH”) for the functional replacement project, \$100,000 on equipment purchases at the Golf Course and the design is getting underway for the terminal expansion project and the runway project. Mr. Canner discussed the Revolving Line of Credit (“RLOC”) and reported that we have not had to use any funds from it this fiscal year. In response to Director Bohenko’s question whether the increase in interest rates will affect the RLOC, Mr. Canner stated it will; the Feds increased the rates by 25 basis points, and the overall cost of money today is 5.1% which is an increase of close to 25% and Mr. Canner expects an increase in January of interest rates.

The debt payment to the City of Portsmouth is due in January and there is just over \$200,000 left on that obligation and two payments scheduled: one in January 2019 and the last payment on January 2020.

Mr. Canner discussed the individual business units. At the end of October, Portsmouth International Airport at Pease (“PSM”) had approximately 7,000 enplanements under last year. The revenues are under budget due to the deferral of pay for parking from July 2018 to January 2019.

The overall operating revenue and expenses for Skyhaven Airport (“DAW”) are tight in terms of budget and there are no significant fluctuations expected there. Fuel sales are ahead of last year. The cumulative net cash flow since taking on DAW is \$2.1 million subject to an FAA grant for snow removal equipment of just over \$500,000 so the revised cumulative net cash flow will be \$1.6 million.

The Tradeport continues to be the primary driver of PDA's operating income in the amount of \$2.9 million which helps offset administrative costs and other expenses.

The Golf Course had increased revenues by about 4.5%. The golf simulator revenues are ahead of last year at the end of November by about 27%. Grill 28 sales are starting to flatten out and are relatively even. The rounds of golf played were less than last year by about 3% due to an increase in the number of rain days.

The DPH operating revenues are higher than budget by about \$150,000 with the variances relating to fuel sales and wharfage and dockage fees.

2. Nine Month Cash Flow Projections to August 31, 2019

Mr. Canner reviewed PDA cash flow projections for the nine month period ending August 31, 2019 including sources of funds for grant funded and non-grant funded projects. The opening fund balance was close to \$6.8 million but will drop approximately 7% over the next nine months down to \$2 million. Mr. Canner stated the drivers for the reduction heavily related to capital expenditures, both grant and non-grant related. The terminal expansion project will require just over \$6 million, pay for parking construction costs will be \$200,000 and another \$400,000 for the runway construction project; all of which make up approximately 80% of the capital projects. In June, the cash flow will be under \$1 million and require use of the RLOC for projects.

The RLOC consists of a term loan of \$5 million with a fixed rate of interest and an expanded line of credit for \$10 million. The interest rates on the RLOC at approximately 5%.

The cash flows for the DPH are consistent with the opening fund balance of just over \$1 million and in the next nine months dropping down to just under \$600,000. Mooring permits will be collected in the January/February timeframe.

In response to Director Allard's question of the completion of the runway project, Ms. Stowell, PDA Engineering Manager, stated PDA expects to get a grant next year which will drive the project work with completion of the project in 2020. In response to Director Allard's question whether the airport will have to close during the project, Paul Brean, Airport Director, explained that the project will be done in four phases and during one phase the airport will have to close for a two-week period. Given the feedback from the tenants and airlines the preference is to have the airport closed for a two-week period than the alternative of closing at night only for a month-long period. The NHANG, tenants and airlines are in support of the closure and will be notified ahead of time when this will occur.

Director Levesque arrived at 8:25 a.m.

VII. Licenses/ROE/Easements/Rights of Way/Options

B. Approvals

1. UNH Professional Development & Training – Wetlands Classes

Director Bohenko 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 UNH Professional Development & Training from January 1, 2019 through December 31, 2019, for the purpose of conducting wetland education classes on various areas on the Tradeport; on substantially the same terms and conditions set forth in the draft Right of Entry dated December 11, 2018 and attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

2. Dept. of Defense Police Training – ROE

Director Allard moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Portsmouth Naval Shipyard – Department of Defense Police Training from January 1, 2019 through December 31, 2019, for the purpose of conducting, on a periodic basis, an emergency vehicle operator's training course on a portion of the North Apron; on substantially the same terms and conditions set forth in the Memorandum from Paul E. Brean, Airport Director, and the draft Right of Entry both dated December 11, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

VIII. Leases

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements,” Mr. Mullen reported on the following subleases:

A. Reports

1. NH Avenue Retail Center, LLC – Portsmouth Foot and Ankle, DPM, PLLC

Mr. Mullen reported that NH Avenue Retail Center, LLC entered into a sublease with Portsmouth Foot and Ankle, DPM, PLLC (“PFA”) for 1,087 square feet within the leased premises at 14 Manchester Square, for a period of five years, with three options to extend for three years each. PFA will use the premises for professional and related uses. Director Lamson approved the sublease.

2. 222 International, LP – Laboratory Billing Solutions, Inc.

Mr. Mullen reported that 222 International, LP entered into a sublease with Laboratory Billing Solutions, Inc. (“LBS”) for 6,928 square feet within the leased premises at 195 New Hampshire Avenue, for a period of two years, effective January 1, 2019. LBS will use the premises for office and related uses. Director Lamson approved the sublease.

IX. Contracts/Agreements

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” David Mullen, PDA Executive Director, reported the following:

A. Reports

1. Nortrax, Inc.

PDA contracted with Nortrax, Inc. for the purchase of John Deere snow plow attachments. The expenditure of \$4,412.00 was included in the CIP budget.

2. Wellspeak Dugas & Kane, LLC

PDA contracted with Wellspeak Dugas & Kane, LLC for an appraisal of the Golf Course at Pease. The expenditure of \$9,500.00 was approved by Chairman Smith.

3. Dell, Inc.

PDA contracted with Dell, Inc. for the purchase of replacement computers. The expenditure of \$8,146.36 was approved by Vice-Chairman Loughlin.

B. Approvals

1. Cross Insurance – PDA Insurance

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to accept and bind insurance coverages for the Pease Development Authority to be provided by Cross Insurance, Inc. as outlined on the schedule attached hereto, in the projected total premium amount of \$104,294.41 for the period of 12/31/18 through 12/31/19, in accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated December 12, 2018 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

2. USI – New England, Inc. – PDA Insurance

Director Levesque moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to accept and bind the property insurance coverage with USI – New England, Inc. as outlined on the schedule attached hereto, in the projected total premium amount of \$78,567.00 for the period of 12/31/18 through 12/31/19, in accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated December 12, 2018 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

3. Turf Products Corp. – Tractor Aerator

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to execute a contract with Turf Products Corp. (“Turf Products”) in an amount of \$27,217.26 for the purchase of a tractor mounted aerator; all in accordance with the memorandum from Scott D. DeVito, General Manager, dated December 12, 2018, 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:

- 1. The RFP was issued on November 30, 2018 for a response by December 10, 2018; no bids were received by the requested date and time.**
- 2. GTE and Turf Products requested bid documents, however, GTE does not offer a product meeting the requested specifications.**
- 3. PDA then requested quotes from Turf Products and Finch Services, Inc., a supplier of John Deere Equipment. Turf Products provided the lowest qualified price.**
- 4. PDA does not believe the cost of rebidding or additional time required will result in a better price.**

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

4. Teesnap, LLC – Point of Sale System

Director Bohenko moved and Director Lamson seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to execute a contract with Teesnap, Inc. at an annual cost of \$14,000.00 for the purchase of a Point of Sale (“POS”) system; all**

in accordance with the memorandum from Scott D. DeVito, General Manager, dated December 5, 2018, 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:

- (1) Teesnap is the only Cloud-based golf POS that does not need an onsite server;
- (2) Teesnap is the only Cloud-based provider that offers a Teesheet for player reservations;
- (3) Teesnap is the only POS platform that provides hardware when using their program; and
- (4) Teesnap is the only POS system that has the ability to store credit card information.

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

X. Executive Director's Reports/Approvals

A. Reports

1. Elections

Mr. Mullen informed the Board that in accordance with Article III, Section 3.4 of the PDA By-Laws, the Vice Chairman and Treasurer need to be elected for 2019:

A. Vice Chairman

Director Lamson moved the motion and Director Bohenko seconded that Peter Loughlin **be elected as Vice-Chairman of the Pease Development Authority**. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

B. Treasurer

Director Bohenko moved the motion and Director Torr seconded that Robert Allard **be elected as Treasurer of the Pease Development Authority**. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

2. Committee Appointments

Chairman Smith appointed Directors to the following Committees:

Standing Committees

Executive Committee

Kevin Smith, Chair
Peter Loughlin, Vice Chairman
Robert Allard, Treasurer
Staff Contact: Mullen/Hinchee

Finance Committee

Robert Allard, Chair
John Bohenko
Margaret Lamson
Staff Contact: Mullen/Canner

Airport Committee

Kevin Smith, Chair
Robert Allard
Margaret Lamson
Staff Contact: Brean/Stowell

Zoning Adjustment & Appeals Committee

Frank Torr, Chair
Peter Loughlin
Kevin Smith
Staff Contact: Hincee/Stowell

Marketing and Economic Development Committee

Peter Loughlin, Chair
Neil Levesque
Frank Torr
Staff Contact: Mullen

Ad Hoc Advisory Committees

Capital Improvement and Land Planning Committee

Peter Loughlin, Chair
Robert Allard
Frank Torr
Neil Levesque
Staff Contact: Hincee/Stowell

Transportation Management Committee

Margaret Lamson, Chair
John Bohenko
Frank Torr
Staff Contact: Stowell

Golf Committee

John Bohenko, Chair
Robert Allard
Neil Levesque
Staff Contact: Mullen/DeVito

Port Committee

Peter Loughlin, Chair
Frank Torr
John Bohenko
Ex Officio: Chair DPH Advisory Council
Staff Contact: Mullen/Marconi

Audit Committee

John Bohenko, Chair
Peter Loughlin
Neil Levesque
Staff Contact: Canner

Legal Bill Review

Kevin Smith, Chair
Peter Loughlin
Frank Torr
Staff Contact: Hincee

RESIDENTIAL HOUSING COMMITTEE

Member

Kevin Smith, Chair/Lynn Hincee, Designee
Councilor Rebecca Perkins
Attorney Michael Donahue
Elissa Margolin, Director, Housing Action NH

Juliet Walker, City of Portsmouth Planning Dept.
Michael Fischer, AVP of Economic & Workforce Development, Great Bay Community College
Aeronautical tenants at the Pease International Tradeport [OPEN]
Reserved

Appointed By

PDA Chairman
Mayor of the City of Portsmouth
Town of Newington Selectmen
Commissioner of the Dept. of Business and Economic Affairs
Portsmouth City Manager
PDA Chairman
PDA Chairman
PDA Chairman

Reserved
Suzanne Woodland, ex-officio
[OPEN], ex-officio
Maria J. Stowell, ex-officio
Mark H. Gardner, ex-officio

PDA Chairman
Portsmouth City Manager
Portsmouth City Manager
PDA Chairman
PDA Chairman

3. PDA Holiday Schedule – 2019

New Year's Day		Tuesday	01/01/19
Martin Luther King/Civil Rights Day		Monday	01/21/19
Presidents' Day		Monday	02/18/19
Memorial Day	Observed	Monday	05/27/19
Independence Day		Thursday	07/04/19
Labor Day		Monday	09/02/19
Columbus Day	Observed	Monday	10/14/19
Veteran's Day	Observed	Monday	11/11/19
Thanksgiving		Thursday	11/28/19
Day after Thanksgiving		Friday	11/29/19
Christmas Day		Wednesday	12/25/19

4. Golf Course Operations

Scott DeVito, General Manager, reported on the activities at the Golf Course with the last official play date being November 15, 2018. The course maintenance was done. Mr. DeVito stated that the golf season is based on 245 days and the average has been approximately 45 rain days during the year. In 2018 season, there were only 168 play days; the affect being 2,500 less rounds of golf played. Simulator play has increased and Mr. DeVito estimates that this could be the best year for simulator use.

5. Airport Operations

a. Portsmouth International Airport at Pease ("PSM")

Paul E. Brean, Airport Director, reported on aviation activities stating that November was a busy but fun month. Frontier Airlines ("Frontier") kicked off its inaugural service to Orlando International Airport and was a big success. Mr. Brean expressed his thanks for the support to the Board and the Mr. Mullen. The event in the terminal was well received by the travelling public. The first check in with Frontier was good news; that December has been good for return traffic with bookings for January through March looking very good. Mr. Brean stated he has a scheduled meeting in February with Frontier for more feedback.

The number of enplanements for November was 6,346 passenger which is approximately 1,000 more than November of last year. The number of passengers were split 50/50 between Allegiant and troop passengers. The decrease in enplanements in 2017 was due in part to Allegiant restructuring its fleet and cut some flight activity as well as ISIS campaign changes regarding troop charter activity. There were approximately 757,000 gallons of fuel sold in the month of November. This is keeping pace with the target of 10 million gallons of fuel sold for the year.

2. SAFE Contract Renewal

Director Allard moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorized the Executive Director to enter into a five-year contract with HID Global (fka Quantum Secure, Inc.) in a total amount not to exceed \$146,400.00 for the purpose of purchasing an upgrade to the SAFE For Aviation Airport Identity Management System; all in accordance with the memorandum of Ed F. Pottberg, Security Manager, dated December 10, 2018, 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:

- 1. HID Global was awarded the FAA Airport Improvement Project at Pease and, accordingly, is the sole system provider for operation and maintenance of the IDMS system.**
- 2. HID Global is the only company who can maintain and support IDMS at Pease.**

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

3. Nachurs Alpine Solutions Industrial – Sodium Formate

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Nachurs Alpine Solutions Industrial of Marion, OH, for the purpose of purchasing sodium formate based runway deicing solid at the price of \$0.735 per pound for a period of January 1, 2019 through December 31, 2019; all in accordance with the memorandum of Sandra McDonough, Airport Operations Specialist, dated December 11, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

4. Nachurs Alpine Solutions Industrial – Potassium Acetate

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Nachurs Alpine Solutions Industrial of Marion, OH, for the purpose of purchasing potassium acetate based runway deicing liquid at a price of \$4.49 per gallon for a period of January 1, 2019 through December 31, 2019; all in accordance with the memorandum of Sandra McDonough, Airport Operations Specialist, dated December 11, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

5. Holliston Sand Company, Inc. – Runway Sand

Director Levesque moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Holliston Sand Company, Inc., for the period of January 1, 2019 through December 31, 2019 for the purpose of providing FAA approved runway sand for the Airport runways at the price of \$102.68 per ton; in accordance with the memo from Sandra McDonough, Airport Operations Specialist, dated December 12, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

6. USDA/Wildlife Service – Cooperative Services Agreement

Director Bohenko moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorized the Executive Director to execute a contract with the United States Department of Agriculture Wildlife Service (USDA WS) from January 1, 2019 through December 31, 2019, in the amount of \$20,208.11 for the purpose of providing integrated turkey, other large bird, and animal control and monitoring services at the Airfield; all in accordance with the memorandum of Andrew B. Pomeroy, Airport Operations Manager, dated November 27, 2018, 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. PDA has a long-standing relationship with USDA WS stemming back to the time PDA was formed. As a part of that ongoing relationship, the USDA WS has maintained ongoing wildlife surveys, with data dating back to its first arrival at PDA. PDA does not want to interrupt this data stream;
2. The USDA WS conducts training classes for PDA Airport Operations Personnel on Airport Wildlife Hazard Management, to meet 14 CFR 139 requirements.
3. USDA is the FAA recognized authority for such required training.

Note: This motion requires 5 affirmative votes. Discussion: In response to Director Lamson's question whether this group is the same as the group for the vegetation, Ms. Stowell stated it was. In response to Director Allard's question why some motions require five affirmative votes where others do not, Ms. Hinchee stated that certain parts of PDA's statutes that require a super majority so when a vote is taken to waive the bidding requirement, for instance, then five affirmative votes are required which is done by roll call vote for the record. Disposition: Resolved by unanimous roll call vote for; motion carried.

XI. Division of Ports and Harbors

Geno J. Marconi, Division Director, reported on Division activities, and the approvals sought before the Board represent the current business at the Division of Ports and Harbors ("DPH").

A. Reports

1. Port Advisory Council

Mr. Marconi reported that the Port Advisory Council ("PAC") met on November 14, 2018 and December 11, 2018. The approved minutes of the two previous meetings are included for the Board's information.

Director Bohenko moved and Director Levesque seconded that **the Board suspend the rules of procedure to allow Roger Giroux, Vice-Chairman of the Port Advisory Council, to speak regarding the proposed increase in fees.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

Mr. Giroux stated that at its last meeting the PAC voted, albeit reluctantly, to increase the mooring fees from \$10 per foot to \$12.00 per foot. Mr. Giroux further stated that PAC took a second vote to come before the PDA Board to speak on this issue. A small group of voters, the mooring holders, are being held responsible for a large portion of the costs. When the regulations were originally made, there were also going to be slip fees included which would apply to all slips in addition to the moorings. The larger marina operators all protested the slip fees as being unfair. The boats tied up to the slips use the waterways and

the biggest use of the Harbor Maintenance fund is on the dredging projects. In response to Director Levesque's question where the slips are located, Mr. Giroux explained the slips lie in state tidal waters and are being taxed by the towns as an appurtenance to the property but the property rights end at the shoreline. Several towns assess slip fees to the vessel that uses it and not the slip. Whether a boat is tied up to the slip or the mooring, it is still in the harbor and benefitting from the dredging and navigational aids and other harbor maintenance benefits. Currently, the only people who are paying slip fees are the owners of the vessels tied up to the State piers but if the vessel is tied up to a private pier, nothing is paid. There are 500-600 vessels in the Great Bay Piscataqua Title Basin that are tied up to slips and paying nothing; the mooring holders are paying all the fees. There are three inequities going on simultaneously: (1) mooring owners are being asked to pay a lot of money; (2) in 2018 the State collected over \$5 million in boat registration fees; \$142,000 of the fees from "salt water" registrations went to DPH Harbor Maintenance fund and (3) DPH has not received the unused gas tax refund, as well as numerous revenue sources DPH is entitled to. Mr. Giroux stated that due to the shortage of money to maintain the mooring system and Harbor Maintenance fund, DPH is being forced to raise the mooring fees. Mr. Giroux stated his purpose in speaking to the Board is to make it aware of the issues, and ask its support going forward in the adjustment of State regulations. In response to Director Levesque's question whether DPH or Legislature can change the slip fee structure, Mr. Marconi stated it would be the Legislature. In response to Director Allard's question of the amount of slip fees, Mr. Giroux stated it is \$10.00 per foot for boats tied up to State piers. In response to Vice-Chairman Loughlin's question of the average cost for a 60' boat on a slip, Mr. Giroux stated his 42' boat at Wentworth costs him \$7,500 which includes power.

NOTE: Chairman Smith stepped out of the room at 9:04 a.m. and returned at 9:13 a.m.

2. Contracts

Mr. Marconi reported that in accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs," PDA entered into the following contract:

1. Tim J. Leonard Plumbing & Heating Co.

PDA contracted with Tim J. Leonard Plumbing & Heating Co. for the emergency furnace replacement at the Market Street Terminal. The expenditure of \$10,360.55 was approved by Vice-Chairman Loughlin.

2. BUILD Grant Update

Mr. Marconi reported that, after 12 applications to seek funding assistance to rehabilitate the existing wharf, DPH was awarded \$7.5 million. There is a \$5 million DPH match and, Mr. Marconi was negotiating with Federal Highway regarding the functional replacement on the Sarah Long Bridge project which approved up to \$18 million. The total would be up to \$30 million for work at the Port. In response to Director Allard's question about what will be done, Mr. Marconi stated that 140'-145' will be added to the north end and 60' on the south end of the main dock as the functional replacement due to the loss during the Sarah Long Bridge project; dredge; reslope and repave the short side of the footprint of the bridge which will pick up about two acres of additional cargo area and put fender system on the face of the dock. The BUILD grant is to rehabilitate and modify the existing pier which will include jacking up pilings, fix concrete, work on the steel bulkhead and resurface the existing facility. The modification will allow direct access from the vessel from the street. In response to Director Allard's question regarding the timeframe of this work, Mr. Marconi stated that work will begin after final acceptance of the grant which is progress, all of the work will be done in phases and should be completed in three years. In response to Director Lamson's question regarding the Irving explosion, Mr. Marconi explained it was an explosion at the

refinery in Canada. Vice-Chairman Loughlin commended Mr. Marconi for getting the grant and for all of his hard work at the Port.

Director Levesque stepped out of the room at 9:15 a.m. and returned at 9:17 a.m.

B. Approvals

1. Initial Proposed Fees

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of the Initial Proposed Schedule of Fees, Moorings and Waitlists, and authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated December 12, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

2. Heidi & Elisabeth Fisheries, LLC – ROE

Director Loughlin 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 Heidi & Elisabeth Fisheries, LLC for one year effective January 1, 2019 and includes two one-year options to extend subject to the approval of the PDA Executive Director, for the purpose of renting office space at the Portsmouth Commercial Fish Pier; all in accordance with the memorandum from Geno J. Marconi, Division Director, dated December 1, 2018 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

3. L.W. Morgridge and Sons, Inc. – ROE

Director Allard moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with L.W. Morgridge and Son, Inc. for a three-year period effective January 1, 2019 and includes two one-year options to extend, subject to the approval of the PDA Executive Director, for the purpose of filling tankers with salt water at the Market Street Terminal; all in accordance with the memorandum from Geno J. Marconi, Division Director, dated November 30, 2018 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

4. Chapter Pda 400 Rules – Final Adoption

Director Torr moved and Director Allard seconded that **In accordance with the provisions of 12-G:42 X (b), the PDA Board of Directors hereby approves of the Final Adoption of Administrative Rules Chapter Pda 400, as attached hereto, and authorizes the Division Director to take any necessary or recommended action in accordance with RSA 541-A:12, in furtherance of this matter; in accordance with the Memorandum of Geno J. Marconi, Division Director, dated November 20, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

5. Chapter Pda 300 Rules – Final Proposed

Director Levesque moved and Director Torr seconded that **The Pease Development Board of Directors hereby approves the final adoption to Administrative Rules Pda 300 PORT CAPTAINS, PILOTS AND PILOTAGE.**

Further, the Board authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated December 12, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

6. Appledore Marine Engineering, LLC – Amended Proposal for Rye Rip Rap Repair

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to enter into a contract with Appledore Marine Engineering, LLC (“AME”), in a total amount of \$27,300.00 for the purpose of obtaining the regulatory permits, development of construction sketches and limited consultation during construction of the Rye Harbor Riprap Repair Project; all in accordance with the memorandum of Geno J. Marconi, dated December 6, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

XII. New Business

Attorney Hinchee stated that there is a revision to the Housing Study Committee. Lorri Baddalotto, counsel to PlaneSense, has agreed to serve as the representative on behalf of the aeronautical tenants and Michael Fischer has agreed to serve as representative on behalf of the non-aeronautical tenants.

XIII. Upcoming Meetings

Chairman Smith presented the 2019 proposed meetings schedule and asked the Directors to let him know if any revisions need to be made. Director Allard stated that he will be in Florida during the January and March Board meetings in 2019 and will be calling into the meetings. Chairman Smith reported that the following meeting will be held:

Board of Directors January 17, 2018

All meetings begin at 8:00 a.m. unless otherwise posted.

XIV. Directors’ Comments

Chairman Smith suggested everyone look at the new PDA website and that it was well done.

Director Torr suggested that the Port Committee discuss the issues raised by Roger Giroux at their next meeting,

Director Levesque stated that, as the new person, he is so impressed by the amount of work done on the Board packages and recognized the hard work that goes into the preparation for the meetings. Ms. Hinchee stated that everyone at PDA pitches in, it is a time for PDA to show everyone what it has done.

XV. Non-Public Session

Director Allard moved and Director Torr 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 discussion the acquisition, sale or lease of property.

2. NHRSA 91-A:3, Paragraph II(e) for consideration or negotiation of pending claims or litigation which has been threatened in writing or filed against the body or agency or any subdivision thereof, or against any member thereof because of his or her membership in such body or agency, until the claim or litigation has been fully adjudicated or otherwise settled; and

Note: Roll Call Vote Required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. The Board entered into non-public session at 9:29 a.m. The Board returned to public session at 10:24 a.m.

XVI. Vote of Confidentiality

Director Loughlin moved and Director Lamson seconded that **Resolved, pursuant to NH RSA 91-A:3, Paragraph III, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its December 20, 2018 meeting related to:**

1. Leasing of property; and
2. Litigation;

would, if disclosed publically, a) render the proposed actions ineffective; and b) affect adversely the reputation of any person other than a member of the public body itself; and agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply. **Note: This motion requires 5 Affirmative Votes.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

XVII. Adjournment

Director Allard moved and Director Levesque seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried. Meeting adjourned at 10:25 a.m.

XVIII. Press Questions

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director