

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

Thursday, January 16, 2014

Presiding: Arthur H. Nickless, Jr., Chairman
Present: John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; 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

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

Director Bohenko introduced City Councilor Brad Lown. Mr. Lown will serve as the liaison between the City and the Pease Development Authority Board of Directors. Mr. Lown replaces Robert Lister, who was elected Mayor of Portsmouth. Chairman Nickless welcomed Mr. Lown.

Due to participation by Directors via telephone, all votes taken will be by roll call. Chairman Nickless called for attendance of the Directors. Directors Allard and Preston were available for participation via telephone; Chairman Nickless and Directors Bohenko, Lamson, Loughlin, and Torr were present in the Board Room.

II. Acceptance of Board Meeting Minutes: December 19, 2013

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the December 19, 2013 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

III. Public Comment

Tom Carroll, Nobles Island, Portsmouth, NH, made comments regarding: pollution at the Market Street Terminal; rust dust; scrap metal debris on Market Street; the Portsmouth redevelopment project; future maintenance of Market Street; proposed bicycle path on Market Street; bicyclists' use of Market Street; potential future businesses on Market Street; no planting of trees near Terminal; and preservation of water view. Director Lamson questioned why trees should not be planted. Mr. Carroll said he wants the water view preserved.

IV. Old Business

No old business was brought before the Board.

V. Finance Committee Report

Irving Canner, Director of Finance, reported that the PDA Finance Committee met on January 13, 2014, and reviewed proposed capital purchases (see Item V.B) and the status of PDA's finances.

A. Financial Reports

1. Operating Results for Five Month Period Ending November 30, 2013

Mr. Canner reported on the status of PDA FY 2014 finances for the five month period ending November

30, 2013. There are no significant variances in operating revenues and operating expenses at this time. Cash balances from June 30, 2014 have decreased by \$2.2 million dollars due, in part, to funding of capital improvement projects. PDA has spent approximately \$3.7 million on capital projects since June 30th including the Golf Course project and the demolition of 80 Rochester Avenue warehouse. Mr. Canner reviewed PDA's debt balance activity including the draw on the Provident Bank line of credit for \$1.7 million dollars (in support of capital improvement projects). Mr. Canner reviewed PDA's accounts receivable balance and the affect of the outstanding GSA rent on the accounts receivable balance. Fee revenues are below the projected budget amount due, in part, to the construction activity at the Golf Course. Fuel sales are expected to begin at Hampton Harbor during the first quarter of 2014. The number of staff has reduced since September, 2013 due to the reduction in seasonal employees. PDA currently employs 95 people.

Mr. Canner reported that PDA has realized a savings of approximately \$27,000 due to change in electricity suppliers. A review of the business units showed that enplanements as of November 30, 2013 were 19,809. Enplanements exceeded 22,000 at the end of December, 2013. Skyhaven Airport revenues are in line with budget projections. Fuel sales are expected to decrease due to the loss of the flight school. PDA has expended approximately \$930,000 for Skyhaven operations and capital expenditures since the transfer of Skyhaven to PDA. The proposed Skyhaven runway project is expected to cost PDA approximately \$300,000. The Golf Course revenues are under budget due, in part, to the ongoing construction projects. There were 32,728 rounds of golf played in 2013. Bar and grill sales are 10% ahead from the same period last year and simulator revenues have increased by 21%. PDA may need to seek release of the sequestered Revolving Loan Funds from the EDA as recent loans to commercial fishermen have reduced the available fund cash balance to less than \$50,000.

2. Nine Month Cash Flow Projections to September 30, 2014

Mr. Canner reviewed PDA cash flow projections for the nine month period ending September 30, 2014. PDA expects to draw an additional \$450,000 from the Provident Bank line of credit within the next nine months. Mr. Canner reviewed PDA's plan for borrowing and repayment of the line of credit. As of December 31, PDA's cash balance was \$2.2 million with \$593,000 in unrestricted funds. CIP grant funded projects will equal approximately \$7.4 million and non-grant funded projects will cost PDA approximately \$1.6 million dollars. In February, 2014 PDA expects to pay off the \$5 million loan that PDA took to repay \$10 million to the State.

3. Vacation Buy Back Program – 2013

Mr. Canner reported on the 2013 Vacation Buy Back Program. Twenty-five employees (equal to 56% of eligible employees) participated in the program with 20 employees taking the funds in December, 2013 and 5 taking funds in January, 2014.

B. Approvals

1. Golf Course Equipment Bid Opening – January 13, 2014

Director Loughlin moved and Director Lamson seconded that **The PDA Board of Directors hereby approves of and authorizes the Executive Director to:**

- 1. enter into a contract with Turf Products, Inc. of Enfield, CT, for the purchase of two (2) fairway mowers for use by the PDA Golf Maintenance Department in a total amount not to exceed \$111,566.70;**
- 2. enter into a contract with Turf Products, Inc. of Enfield, CT for the purchase of one (1) large utility cart for use by the PDA Golf Maintenance Department in a total amount not to exceed \$26,693.17; and**

3. **enter into a contract with Five Star Golf Cars of Laconia, NH, for the purchase of four (4) utility carts for use by the PDA Golf Maintenance Department in a total amount not to exceed \$31,940.00;**

all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated January 13, 2014 attached hereto. Note: Roll call vote required. Discussion: Director Bohenko confirmed that one old mower will be kept by the Golf Course Maintenance Department to be used during the growing in of the new courses. Scott DeVito, PGA General Manager, reported that the old mower will be used during the “growing in” period to reduce wear and tear on the new mowers. The old mower will be disposed of at the end of the season. The Golf Course Maintenance Department will maintain four mowers. **Disposition:** Resolved by unanimous roll call vote; motion carried.

2. Triplex Green Mower

Director Bohenko moved and Director Lamson seconded that **In accordance with the recommendation of the Pease Finance Committee, the PDA Board of Directors hereby authorizes the Executive Director to enter into a contract with Turf Products Corp. of Enfield, CT, to purchase one (1) Toro Greens Mower with Groomer for use by the PDA Golf Maintenance Department in a total amount not to exceed \$34,646.22; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated January 10, 2014 attached hereto.**

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

1. **The new mower matches Toro mowers currently used by the Golf Course;**
2. **The Pease Golf Course Maintenance Department is familiar with maintenance of the equipment and will be able to use replacement parts that are in stock at the Golf Course; and**
3. **Turf will sell the mower to PDA at the Government Services Administration (“GSA”) price, which will result in significant savings to PDA. Note: Roll call vote required.**

Discussion: Director Bohenko reported that at the January Finance Committee meeting, the Committee reviewed and recommended the purchase. Scott DeVito, PGA General Manager, reported that the equipment needs to be kept up to date and will replace old equipment. **Disposition:** Resolved by unanimous roll call vote; motion carried.

VI. Leases

A. Reports

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

1. 222 International Drive, LP

222 International, LP entered into a subleases with Alpha Analytical, Inc. for 1,231 square feet at 222 International Drive for a base term of five years effective January 1, 2014. Director Loughlin approved the sublease.

VII. 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 contract:

1. Desktop Computers

PDA contracted with Daystar Computer Services for the purchase of six (6) desktop computers for use in various departments. Chairman Nickless approved the expenditure of \$5,833.00.

VIII. 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. The Golf Course has signed up 292 members. 2013 members can renew up to January 31, 2014. Direct mail pieces for membership will be sent out beginning in February through April. Maintenance staff is working on maintaining the course through the winter. Chairman Nickless commended the Golf Course operations and staff.

2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

a) Skyhaven Airport ("DAW")

A new maintenance operation run by Glen Horne opened and was well received by tenants. A new flight school is expected to open soon. The runway construction project is ongoing. Public meetings will be held to discuss the project.

b) Portsmouth International Airport at Pease ("PSM")

The total enplanements for 2013 were 22,460. Since its start-up in November, Allegiant Airlines has had 2,278 enplanements. Allegiant will expand service to Punta Gorda, Florida in February. Outside construction projects have shut down for the winter.

c) Noise Line Report

Mr. Hopper reported that the Noise Compatibility Committee will meet on January 16, 2013. Work on the noise exposure map is ongoing. As part of the preparation of the noise exposure map, land use surveys are being conducted to verify property usage.

Mr. Hopper reported that PDA received three inquiries on the noise line in December. One call regarded helicopter operations and two calls regarded government aircraft operations.

Director Lamson complimented Sandy McDonough for her work with the Noise Compatibility Committee. Director Lamson confirmed that HMMH is working on the noise exposure map and the map is expected to be presented to the Board in the Spring.

Chairman Nickless felt that the noise line report has been very helpful to the Board. Director Lamson

concluded. Mr. Hopper reported that Seacoast Helicopter is working very hard to be a good neighbor. In response to Director Allard, Mr. Mullen confirmed that the Boy Scouts of America will not be holding an air show in 2014. Steve Wade of the Brain Injury Association of NH has met with PDA regarding holding a "plane pull", a mini air-show. Mr. Mullen will follow up with Mr. Wade.

IX. Division of Ports and Harbors

A. Division Director's Reports

1. Port Advisory Council

Geno Marconi, Division Director, reported that the Port Advisory Council did not meet in January, but are scheduled to meet in February.

Mr. Marconi reported that Bud Field, harbormaster for the Swamscott River area, retired. Mr. Marconi commended Mr. Field for his service and felt that Mr. Field was a good representative for the Division of Ports and Harbors in the Exeter area. A retirement luncheon and presentation was held at the Market Street Terminal office.

Mr. Marconi reported that on January 15th, the Division, in conjunction with the NH Fish and Game, set up a registration desk at the Dover office of the DMV to allow commercial fishermen to register boats, obtain fishing licenses, and get mooring permits at the same time. The program allowed fishermen to complete the boat registration process without having to travel to Concord. At the one day program held in December 48 commercial mooring permits and 57 commercial boat registrations were processed; 60 commercial boat registrations were completed at the January program. A day is tentatively scheduled for February.

Construction has begun on the south access bridge at the Terminal dock. The contract contains a 90 day clause so the job is expected to be finished soon. Two full time security personnel were hired to work at the Terminal. Chairman Nickless asked about the process to replace a harbormaster. Mr. Marconi reported that interviews for the position will be held.

B. Approvals

1. Bills for Legal Services

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$6,853.20 for legal services rendered to the Division of Ports and Harbors by:**

1. Sheehan Phinney Bass + Green		
Through November 30, 2013	\$ 823.25	
	6,029.95	
	Total	<u>\$6,853.20</u>

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

X. Special Events

Marie Aleksy, PDA Paralegal, reported on the following special events on the Tradeport:

1. On Saturday, April 26, 2014, the Southern Maine Regional Planning Commission in conjunction with the Maine - New Hampshire Traffic Incident Management Committee and NH DOT will hold an emergency incident exercise. The exercise will be held on Ashland Road in the Jones School area.
2. On Saturday, May 17, 2014, the Easter Seals of NH will host the "Pack & Boots" 5k road race. Funds raised will benefit the "Veterans Count" program to support military families in the local communities.
3. On Saturday May 17 and May 18, 2014, Breathe NH will hold a bicycle rally. Funds raised will be used to support Breathe NH programs

XI. New Business

No new business was brought before the Board.

XII. Upcoming Meetings

Chairman Nickless reported that the following meetings will be held:

Finance Committee	March 17, 2014 at <u>9 a.m.</u>
Board Meeting	March 20, 2014

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

XIII. Directors' Comments

Director Allard requested that the April Board meeting be held on April 24, 2014. Chairman Nickless asked staff to review the dates for any other meetings scheduled in April and let the Board know of the revised schedule.

XIV. Non-Public Session

Director Lamson moved and Director Loughlin seconded to **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;**
2. **NHRSA 91-A:3, Paragraph II(a) the dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted; Note: Roll call vote required Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.** The Board entered into non-public session at 8:48 a.m. The Board returned to public session at 10:15 a.m.

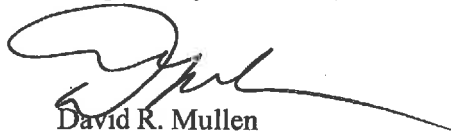
XV. Adjournment

Director Loughlin moved and Director Lamson seconded to **adjourn the Board meeting. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.** Meeting adjourned at 10:15 a.m.

XVI. Press Questions

No members of the press attended the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Mullen', with a long horizontal flourish extending to the right.

David R. Mullen
Executive Director/Secretary

