

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

**Thursday, April 21, 2016**

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

**I. Call to Order**

Chairman Bald called the meeting to order at 9:02 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire. Chairman Bald announced that for the first time the meeting will be recorded for viewing on the internet simultaneously or at a later time. The recording will enhance transparency and allow people to view the meeting from another location. Chairman Bald thanked Mr. Mullen for following through with the installation of the camera.

**II. Acceptance of Meeting Minutes: January 21, 2016 and March 10, 2016**

**1. January 21, 2016**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the January 21, 2016 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**2. March 10, 2016**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the March 10, 2016 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**III. Public Comment**

There were no comments from the public.

**IV. Old Business**

**A. Approvals**

**1. Release of Non-Public Minutes**

Director Preston moved and Director Lamson seconded that **Having determined that pursuant to NH RSA 91-A:3 the divulgence of the non-public minutes of February 5, 2015 will not: a) likely affect adversely the reputation of any person other than a member of the body or agency itself; or b) render the proposed action ineffective; or c) pertain to terrorism, the PDA Board of Directors hereby determines to release said minutes to the public.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**V. Licenses/Easements/Rights of Way/Options**

**A. Approvals**

**1. Altaeros Energies, Inc. – Right of Entry**

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority**

Board of Directors hereby approves of and consents to the Right of Entry (“ROE”) with Altaeros Energies, Inc. of Somerville, MA for the purpose of research and testing a tethered aerostat and the placement of an office trailer adjacent to Hangar 229. The ROE is retroactively effective from February 8, 2016 through December 31, 2016; all in accordance with the memorandum of Kim W. Hopper, Airport Manager, dated April 12, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**2. Cianbro Corporation – 14 Aviation Avenue**

Director Lamson moved and Director Loughlin seconded that The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a License with Cianbro Corporation, Inc. at 14 Aviation Avenue for the purpose of staging materials for the Sarah Long Bridge construction project beginning April 1, 2016 through December 31, 2017; all in accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated April 11, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**3. C & J Bus Lines – Parking Lot ROE Extension**

Director Torr moved and Director Preston seconded that Subject to FAA approval, the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute an extension to the Right of Entry with Jalbert Leasing, Inc. dba C & J Bus Lines for the premises located at 45 Exeter Street. The Right of Entry is extended for a period of one (1) year beginning May 15, 2016 through May 14, 2017; all in accordance with the memorandum of Kim W. Hopper, Airport Manager dated April 12, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; 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. 249 Corporate Drive, LLC**

249 Corporate Drive, LLC entered into a sublease with the General Services Administration for 4,984 square feet at 249 Corporate Drive for a base term of ten years. Director Lamson approved the sublease.

**2. Pioneer New Hampshire, LLC**

Pioneer New Hampshire, LLC entered into a sublease with Activmed Practices & Research, Inc. for 5,535 square feet at 110 Corporate Drive for a base term of five years. Director Lamson approved the sublease

**3. NH Avenue Retail Center, LLC**

NH Avenue Retail Center, LLC entered into a sublease with Seaside Associates Temporary and Permanent Placement, LLC for 948 square feet at 14 Manchester Square for a base term of five years. Director Lamson 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 contracts:

**1. a. GoPortsmouthNH. Com- Online Advertising**

PDA contracted with GoPortsmouthNH.com for the provision of online advertising for the Golf Course. Grill 28 will pay a portion of the expenditure. The expenditure of \$484.38 is an approved budget item.

**b. LFS Sport & Specialty Netting**

PDA contracted with LFS Sport & Specialty Netting for the replacement of the safety netting at the Golf Course driving range. The expenditure of \$2,259.00 is an approved budget item.

**c. Honeywell International, Inc. – Camera**

PDA contracted with Honeywell International, Inc. for the replacement of the power supply system for the US Customs video camera processing unit at the Portsmouth International Airport at Pease. The expenditure of \$3,975.00 is an approved budget item.

**2. Electricity Services Provider**

As previously approved by the Board of Directors and to reduce PDA's electricity costs, PDA renegotiated its current contract with Provider Power LLC dba ENH Power and entered into a new contract through April 28, 2017 for the provision of electricity to PDA facilities.

**B. Approvals**

**1. NH ANG – MCCA Taxiway Project**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a Military Construction Cooperative Agreement (“MCCA”) with the New Hampshire Air National Guard (NHANG) and the National Guard Bureau (NGB) for the purpose of facilitating improvements to Taxiways A and D in order to accommodate taxiing maneuvers onto and off of the Cantonment Area for the new KC-46A tankers subject, however, to the following:**

- 1. With the concurrence of General Counsel, complete negotiations with the NHANG and the NGB and finalize and execute the MCCA;**
- 2. Work with the NH ANG and its design engineer to produce 100% bid documents;**
- 3. Engage a consultant to assist with bidding and construction phase engineering services;**
- 4. Receive bids, select a qualified contractor and enter into a construction contract; and**
- 5. Authorize and approve such other action(s) and the execution of such other document(s) as the Executive Director and General Counsel deem necessary or advisable to facilitate the implementation of the MCCA all in accordance with the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated April 14, 2016 and attached hereto.**

Discussion: Director Lamson thanked Maria Stowell, P.E., Manager – Engineering for the comprehensive background memorandum that Ms. Stowell prepared. Disposition: Resolved by unanimous vote for; motion carried.

**2. PSM Terminal Restrooms – Grant Offer/Acceptance**

Director Preston moved and Director Loughlin seconded that **The Pease Development**

Authority Board of Directors hereby approves of and accepts the State Block Grant for restroom construction and security improvements at the Portsmouth International Airport at Pease (“PSM”) and authorizes the Executive Director:

- (1) to accept from the Federal Aviation Administration, on behalf of the PDA, an amount up to \$391,635.00;
- (2) to accept from NHDOT Division of Aeronautics, on behalf of PDA, an amount up to \$21,757.50;
- (3) to have PDA provide an amount up to \$150,000.00; and
- (4) to enter into a construction contract with Careno Construction Company, LLC in an amount not to exceed \$463,000 for the Terminal restroom construction and security improvements.

Further, the PDA Board authorizes the Executive Director to accept additional grant funding, should it become available. In that event, the PDA contribution will decrease; all in accordance with the memorandum from Maria J. Stowell, P.E., dated April 12, 2016 and attached hereto. Discussion: Director Lamson noted that the project is expensive. Ms. Stowell informed the Board that Bill Hopper, Airport Manager, is working on securing more FAA funds for the project which would reduce PDA’s costs. Disposition: Resolved by unanimous vote for; motion carried.

### 3. NH DOT- ARFF – Grant Offer/Acceptance

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and accepts on behalf of the New Hampshire Department of Transportation, Bureau of Aeronautics, an FAA Airport Improvement Project Grant of approximately \$800,000 for renovations to the NH Fire Academy Aircraft Rescue and Fire Fighting Facility (“ARFF”) in Concord, NH; all in accordance with the memorandum from Kim W. Hopper, Airport Manager, dated April 12, 2016 and attached hereto.** Discussion: Director Lamson asked if all New Hampshire fire departments will be able to use the facility. Mr. Hopper reported that New Hampshire fire departments currently use and will continue to use the ARFF facility for training. Disposition: Resolved by unanimous vote for; motion carried.

### 4. Hoyle Tanner & Associates – Runway Rehabilitation Design

Director Torr moved and Director Preston seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Hoyle, Tanner & Associates to provide preliminary design services for the Portsmouth International Airport at Pease Runway Rehabilitation project in a total amount of \$92,400; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated April 12, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

### 5. VHB, Inc. – Tradeport Intersection Analysis

Director Lamson moved and Director Loughlin seconded that **The PDA Board of Directors hereby authorizes the Executive Director to enter into a Contract with Vanasse Hangen, Brustlin, Inc. (“VHB”), PDA’s transportation consultant, in an amount not to exceed \$10,750 for Tradeport intersection analysis; all in accordance with the proposal from VHB and the memorandum from Maria J. Stowell, P.E., dated April 7, 2016 both attached hereto.** Discussion: Director Lamson stated she was very pleased with how PDA is dealing with transportation issues on the Tradeport. Disposition: Resolved by unanimous vote for; motion carried.

## 6. Pease Water Tower Logo

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into an agreement with the City of Portsmouth (“COP”) for the painting of two “Pease” logos on the water tower located on Hobbs Hill at International Drive; and to authorize PDA to reimburse COP for the project costs in a total amount of \$33,300; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated April 7, 2016 attached hereto.**

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

1. COP selected CB&I through a competitive low bid process;
2. CB&I is very familiar with the water tower construction and therefore has a clear understanding of the work required;
3. CB&I has experience painting water tower logos;
4. Using a different contractor raises concerns regarding possible damage to the tank and voiding the warranty; and
5. COP has been satisfied with the work by CB&I and it is expected CB&I will continue to perform well under this contract.

**Note: This motion requires 5 affirmative votes.** Discussion: Director Lamson asked if PDA would do anything to the water tower on Arboretum Drive. Mr. Mullen reported that that water tower is owned by the City of Portsmouth. Disposition: Resolved by unanimous roll call vote for; motion carried.

## 7. LED Lights – Taxiway

Director Preston moved and Director Lamson seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with ADB Airfield Solutions of Columbus, Ohio for the purchase of ETES LED lights on the Airport taxiway in a total amount of \$45,166.60; all in accordance with the memorandum of Joseph McPherson, Facilities Resource Manager, dated April 14, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

## 8. Comcast – Fiber Optic Services

Director Lamson moved and Director Preston seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Comcast and to pay a one-time activation fee of \$2,752 for the provision of fiber optic services at multiple PDA service locations in accordance with the memorandum of Irving Canner, Director of Finance, dated April 13, 2016 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. Statewide contracts are not available for these vendors because different vendors provide services in different regions.
2. PDA has determined that based on its service needs, the desire to deal with a single contractor at PDA owned and operated facilities and cost avoidance of upfront infrastructure improvements, Comcast would provide the most comprehensive and reasonably priced service.

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

**9. East Coast Heating & Air Conditioning, Inc. – 7 Lee Street**

Director Preston moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to enter into a contract with East Coast Heating and Air Conditioning, Inc., PDA's on-call heating, ventilation and air conditioning maintenance services provider, in a total amount not to exceed \$35,000 for the purpose of upgrading the HVAC system at PDA's Maintenance Department facility located at 7 Lee Street; all in accordance with the memorandum of Joseph McPherson, Facilities Resource Manager, dated April 12, 2016, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

**10. TNE Equipment - Fork Lift Purchase**

Director Loughlin moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with TNE Equipment of North Hampton, NH in an amount not to exceed \$27,917.00 for the purchase of a forklift; all in accordance with the memorandum from Joseph McPherson, Facilities Resource Manager, dated April 12, 2016 attached hereto. Discussion: Director Lamson noted that the new forklift will replace the forklift provided by Business Express when it was in operation at PDA in the 1990s. Disposition: Resolved by unanimous vote for; motion carried.**

**11. Skyhaven Airport – Grant Offer & Acceptance Taxiway Project**

Director Torr moved and Director Preston seconded that **Contingent upon the FAA AIP project funds being made available to PDA, the Pease Development Authority Board of Directors hereby authorizes the Executive Director:**

- (1) to accept on behalf of the PDA, a Federal Aviation Administration ("FAA") Grant Offer through the State Block Grant Program in the amount up to \$1,647,000.00 in AIP funding for the Taxiway project at Skyhaven Airport, Rochester, NH;
- (2) to accept 5.0 % of matching funds from NHDOT Division of Aeronautics in an estimated amount up to \$91,500.00;
- (3) to have PDA contribute an amount up to \$91,500.00, (equal to 5% of total eligible projects costs);
- (4) to enter into a contract with Alvin J. Coleman & Son, Inc., in an amount not to exceed \$1,624,194.75;
- (5) to enter into a contract with Jacobs Engineering in an amount not to exceed \$203,371.85; and
- (6) to take necessary steps to secure project permits including applicable wetlands permits.

The grants and contract amounts may decrease if the available funding decreases. In that case, PDA's share would be reduced proportionally; all in accordance with the memorandum from Maria J. Stowell, P.E. Manager - Engineering, dated April 14, 2016, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**12. Dan Fortnam – Consulting Contract**

Director Preston moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into Amendment No. 9 to extend the Consulting Agreement with Daniel Fortnam through September 30, 2016 with one (1) option to extend through March 31, 2017 exercisable at the Executive Director's sole discretion; all in accordance with the memorandum of Kim W. Hopper,**

**Airport Manager dated April 12, 2016 attached hereto.** Discussion: Director Lamson confirmed that the financial terms of the Contract will not change. Disposition: Resolved by unanimous vote for; motion carried.

## **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. All 27 holes will be open on April 21. The Golf Course will continue its promotional marketing with the Chamber of Commerce. Adult season passes has increased from 221 last year to 226 to date. The e-mail membership will continue to try to reach 250 adult season members. Fishnet Media, designer of the Golf Course web page, is on the final list for national recognition from MITX for the website design. Director Preston asked Mr. DeVito to report on the status of Grill 28. Mr. DeVito reported that since 2011 under the management of John Tinios, and with the services of an event coordinator and the updated website, the Grill 28 revenues have increased yearly. Director Preston noted that the restaurant is open to the public.

#### **2. Airport Operations**

Bill Hopper, Airport Manager, reported on aviation activities.

##### **a) Skyhaven Airport ("DAW")**

"Wings and Wheels", a fundraiser for Gerry Food Pantry in Rochester, New Hampshire, will be held at Skyhaven Airport on June 4, 2016.

##### **(1) GP Aviation Services**

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute Lease Amendment No. 1 with GP Aviation Services, LLC at Skyhaven Airport on substantially the same terms and conditions as contained in Lease Amendment No. 1; all in accordance with the memorandum of Kim W. Hopper, Airport Manager, dated April 12, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

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

Year to date, there have been approximately 12,000 enplanements. Allegiant Airlines services to Sanford and Punta Gorda, Florida are doing well. Punta Gorda flights are above Allegiant's expectations. Director Preston asked about Allegiant's operating schedules for the year. Mr. Hopper reported that Allegiant's Sanford flights will go on hiatus mid-August for six weeks and the Punta Gorda flights are seasonal and are expected to end in May, and may resume in November.

##### **c) Noise Line Report**

###### **(1) January, 2016**

Mr. Hopper reported that six inquiries were made to the Noise Line in January 2016, including: 3 inquiries regarding helicopters; and three inquiries regarding 2 KC135Rs, 2 F16s, and a C5.

###### **(2) February, 2016**

Mr. Hopper reported that 21 inquiries were made to the Noise Line in February 2016, including: 15 helicopter inquiries; 3 inquiries regarding KC135s and 1 inquiry regarding an Italian Air Force

operation. Mr. Hopper reported that the Italian Air Force crew was very impressed by the Pease Greeters' welcome.

**(3) March, 2016**

Mr. Hopper reported that 17 inquiries were made to the Noise Line in March 2016, including: 12 helicopter inquiries; and 5 inquiries regarding KC135 operations.

Director Preston would like the Board to formally recognize the Pease Greeters for the good will they have credit and their service in greeting the troops. Director Lamson also commended the Greeters' use of dogs to greet troops.

**B. Approvals**

**1. Four-Way Stop – Pease Blvd/Arboretum Drive/NH Avenue**

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby concurs with the recommendation of Vanasse, Hangen, Brustlin, Inc., PDA's transportation consultant, and approves of the implementation of a 4-way stop sign control at the Pease Boulevard/Arboretum Drive/New Hampshire Avenue intersection, subject to the consent of NH DOT; and all in accordance with the memorandum from Maria J. Stowell, P.E., Manager - Engineering, dated April 12, 2016 and attached hereto.** Discussion: Director Lamson noted that the stop signs are a great accomplishment and that the Town of Newington is very pleased with the stop signs. Disposition: Resolved by unanimous vote for; motion carried.

**2. Redhook Ale Brewery – Acceptance of Gift**

Director Loughlin moved and Director Lamson seconded that **Pursuant to RSA 12-G:8 IV, The Pease Development Authority Board of Directors hereby accepts the donation from Redhook Ale Brewery in observance of Earth Day of up to five trees to be planted on Grafton Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager- Engineering, dated April 7, 2016 attached hereto.** Discussion: Director Loughlin expressed his appreciation of the donation. Ms. Stowell reported that the trees will be planted on Friday, April 22 (Earth Day) on Grafton Drive near the Port City Air entrance. The new trees will replace some of the trees that were removed during the construction of the multi-use path. Volunteers and PDA employees will help plant the trees. Disposition: Resolved by unanimous vote for; motion carried.

**3. OpRock Portsmouth International TRS, LLC (fka Resport, LLC) – Patio 1 International Drive**

Director Preston moved and Director Torr seconded that **The Pease Development Authority Board of Directors approves of and authorizes OpRock Portsmouth International TRS, LLC ("OpRock") (assigned from Resport, LLC) to expand the existing patio area at 1 International Drive; subject to the stipulations set forth in the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated April 12, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**4. 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 \$9,112.00 for legal services rendered to the Pease Development Authority by:**

- 1. Anderson & Kreiger, LLP  
Through December 31, 2015                      \$            237.50**



2.	<b>Kutak Rock, LLP*</b>		
	Through November 30, 2015	\$	1,377.00
	January 31, 2016		827.50
3.	<b>Sheehan Phinney Bass + Green</b>		
	Through January 31, 2016	\$	<u>6,670.00</u>

**Total \$9,112.00**

**\*Note: The City of Portsmouth will pay the remaining balances. Discussion:** None. **Disposition:** Resolved by unanimous vote for; motion carried.

## IX. Port Committee Report

Director Loughlin reported that the Port Committee met on March 17, 2016. Geno Marconi, Division Director, presented an update on the TIGER VIII grant application. The Committee discussed the site visit by the NH DOT Commissioner Victoria Sheehan; and the Barker Wharf inspection. On behalf of Promote Our Port, Robert Hasshold presented suggestions to improve the sidewalk landscaping of the area from the Isles of Shoals Steamship Company ("ISSCO") to Granite State Minerals. Director Loughlin reported that the owners of ISSCO are working with DPH to visually improve the area.

## X. Division of Ports and Harbors

### A. Reports

#### 1. Port Advisory Council

Mr. Marconi reported that the Port Advisory Council met on March 16, 2016 to review Division of Ports and Harbors ("DPH") operations. The Council recommended that the Barker Wharf inspection be done and that the Appledore Marine contract be extended. The Council had a general discussion regarding the status of the 2016 mooring permit applications program.

#### 2. Commercial Mooring for Hire Mooring Permits

Mr. Marconi reported that in accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Commercial Mooring for Hire Permits", PDA approved of the following Commercial Moorings for Hire permits

<u>Applicant</u>	<u>Number of Permits</u>	<u>Business</u>	<u>Date of Approval</u>
Bayview Marina, LLC	4	Marina	3/11/16
Theresa Cote	1	Shorefront tenant	3/11/16
Esther's Marina, LLC	2	Marina	3/11/16
Charles Felch	1	Shorefront tenant	3/11/16
Great Bay Marina	73	Marina	3/11/16
Great Bay Yacht Club	11	Yacht Club	3/11/16
Hampton River Boat Club	2	Boat Club	3/11/16
Island Club New Castle, Inc.	1	Boat Club	3/11/16
Kittery Point Yacht Club	8	Yacht Club	3/11/16
Lamprey River Marina	6	Marina	3/11/16
Little Bay Marina	4	Marina	3/11/16
Matthew Metivier	1	Shorefront tenant	3/11/16
Mud Cove Boat Yard	1	Shorefront tenant	3/11/16
Dorothy Oliver	1	Shorefront tenant	3/11/16
Portsmouth Yacht Club	14	Yacht Club	3/11/16

Sagamore Landing Homeowners Assn	1	Shorefront Condo	3/11/16
Split Rock Cove Ltd	1	Shorefront tenant	3/11/16
Warpath Family Farm	1	Shorefront tenant	3/11/16
Wentworth by the Sea Dockside Condominium Association	1	Shorefront Condo	3/11/16
Wentworth By the Sea Marina (Pier People LLC)	2	Marina	3/11/16

### 3. Commercial Mooring Permit Transfers

Mr. Marconi reported that in accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers", commercial moorings were transferred for:

<u>Applicant</u>	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor Transferor: Transferee:	No. 7527 Patrick Dugan John Wasson	Commercial Fishing	1/20/16
Rye Harbor Transferor: Transferee:	No. 6914 Lee Schatvet John Heisey	Commercial Fishing	2/17/16
Rye Harbor Transferor: Transferee:	No. 7274 William Wagner Peter Aikens	Commercial Fishing	2/23/16
Seabrook Harbor Transferor: Transferee:	No. 3190 Joseph Jurek Aaron Diamond	Commercial Fishing	2/23/16
Rye Harbor Transferor: Transferee:	No. 379 Leonidas Easton Randell Collins	Commercial Fishing	4/11/16
Seabrook Harbor Transferor: Transferee:	No. 4960 Richard Bettcher Kurt Bettcher	Commercial Fishing	4/11/16

In response to Director Preston, Mr. Marconi reported that the list is only for businesses that are transferring their moorings to another commercial entity due to the sale of the business to the transferee. Moorings are important to commercial operations and business usually reapply for the commercial mooring each year.

### 4. Appledore Marine Engineering, LLC – TIGER Grant Application

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Marconi reported that PDA contracted with Appledore Marine Engineering, LLC to provide assistance to DPH in the preparation of the TIGER VIII grant application. The expenditure of \$8,800 was approved by Director Loughlin. Chairman Bald appreciated DPH's continuing efforts to obtain the grant.

**B. Approvals**

**1. Appledore Marine Engineering – Contract Extension**

Director Preston moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a Contract extension with Appledore Marine Engineering Services of Portsmouth, New Hampshire, from February 1, 2016 through January 31, 2018 for the purpose of providing on-call marine engineering services to the PDA-Division of Ports and Harbors; all in accordance with the Memorandum of Geno Marconi, Division Director, dated April 11, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

**2. Appledore Marine Engineering – Barker Wharf Inspection**

Director Torr moved and Director Preston seconded that **The Pease Development Board of Directors authorizes the Executive Director to enter into an agreement with Appledore Marine Engineering, Inc., PDA's marine engineering consultants, in an amount not to exceed \$19,500 for a routine inspection of the Barker Wharf at the Market Street Terminal; subject to the availability of funds and in accordance with the memorandum of Geno Marconi, Division Director, dated April 13, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

**3. Portsmouth Fish Pier – Ice Machine Grant Offer/Acceptance**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:**

- a. accept a Greater Atlantic Fisheries Disaster Bin 3 State Grant Offer in the total amount of \$12,500 on behalf of the PDA - Division of Ports and Harbors ("DPH"); and
- b. enter into an agreement with the Atlantic States Marine Fisheries Commission and use said funds to: a) purchase one take-out hoist; and b) purchase and install an ice machine for use at the Portsmouth Fish Pier;

**all in accordance with the memorandum of Geno J. Marconi, Division Director, dated April 8, 2016 attached hereto. Discussion: In response to Director Preston, Mr. Marconi reported that the Atlantic Fisheries provides funds to aid commercial fishing operations. Since DPH has supported the commercial fishing industry in the past, the NH Marine Fisheries recommended that funds be given to DPH for the purchase of the ice machine and the hoist. Disposition: Resolved by unanimous vote for; motion carried.**

**4. L. W. Morgridge & Sons, Inc., - ROE Extension**

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute an Extension of Right of Entry with L.W. Morgridge and Son, Inc. for a three year period effective January 1, 2016, to fill tankers with salt water at the Market Street Terminal; all in accordance with the memorandum from Geno J. Marconi, Division Director, dated March 11, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

**5. Lawrence Tank- Right of Entry Extension**

Director Preston moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute an Extension of Right of Entry with Lawrence Tank for a three year period effective January 1, 2016, to fill tankers with salt water at the Hampton Harbor Marine Facility; all in accordance with the memorandum from Geno**

J. Marconi, Division Director, dated March 11, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**6. Star Island Corporation – Burge Wharf Right of Entry**

Director Torr moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into Amendment No. 9 to the Right of Entry for Non-Exclusive Use of Parcel A-2 and Burge Wharf with Star Island Corporation effective April 1, 2016; and on substantially the same terms and conditions as contained in the memorandum from Geno Marconi, Division Director, dated March 11, 2016 attached hereto.** Discussion: Director Loughlin noted that Promote Our Port is interested in improving the aesthetics of the area in front of the Isles of Shoals Steamship Company (“ISSCO”) and that DPH is working with ISSCO to improve the area. Director Loughlin would like DPH to work with the Burge Wharf tenants to see if there are ways to improve the look of the Burge Wharf area. Disposition: Resolved by unanimous vote for; motion carried.

**7. Hampton Harbor Marine Facility – Concession Contract Assignment**

Director Preston moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the assignment of the Concession Contract issued to Richard Syphers dba Rico’s State Pier Lobster Pound to Todd Smith dba Smitty’s State Pier Lobster Pound; all in accordance with the memorandum of Geno Marconi, Division Director, dated April 11, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**8. Hampton Harbor Boat Works – Right of Entry**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a Right of Entry with Hampton Harbor Boat Works for the purposes of operating a boat hauling business at the Hampton Harbor Marine Facility, Hampton, NH; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Division Director dated April 11, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**9. Capt. Leland Stevens - Charter Boat Right of Entry**

Director Lamson 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 Captain Leland Stevens dba Coastal Landscaping for marine charter vessel operations located at the Hampton Harbor Marine facility; all in accordance with the terms and conditions set forth in the memo of Geno J. Marconi, Division Director, dated April 11, 2016, and attached hereto.** Discussion: In response to Director Lamson, Mr. Marconi reported that Captain Stevens, a commercial fisherman, also owns and operates Coastal Landscaping. The boat was purchased through the business to use for commercial fishing and the proposed charter operations. Disposition: Resolved by unanimous vote for; motion carried.

**XI. Special Events Report**

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

## **1. American Lung Association**

On Sunday, May 1, 2016 the American Lung Association will host the "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.

## **2. Runner's Alley/Redhook Ale Brewery Memorial 5 K**

On Sunday, May 29, 2016, 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.

## **XII. Audit Committee Report**

Director Loughlin, Audit Committee member, reported that the Audit Committee met on April 18, 2016 to meet with Mark LaPrade and Tyler Butler of Berry Dunn McNeil & Parker, PDA's external auditors, to review the FY 2016 audit engagement letter and plan for PDA's annual external audit.

## **XIII. Golf Committee Report**

Director Preston, Golf Committee member, reported that the Golf Committee met on April 18, 2016. The Committee discussed Golf Course personnel, rate increases, and equipment purchases.

### **B. Approvals**

#### **1. Golf Course Staffing Position**

Director Torr moved and Director Preston seconded that **In accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority and the recommendation of the Pease Golf Committee, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to create the position of Assistant Golf Course Superintendent and to immediately fill said position with an appropriately qualified candidate; all in accordance with the memorandum of David R. Mullen, Executive Director, dated April 6, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

#### **2. Golf Course Pro Shop – Temporary Position**

Director Lamson moved and Director Loughlin seconded that **In accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority and the recommendation of the Pease Golf Committee, the PDA Board of Directors hereby confirms and approves of the Executive Director's decision to create and fill the position of Temporary Golf Shop Manager; all in accordance with the memorandum of David R. Mullen, Executive Director, dated April 6, 2016 attached hereto. Discussion: Director Lamson thanked Director Mullen for the comprehensive memorandum. Disposition: Resolved by unanimous vote for; motion carried.**

#### **3. Golf Course Fee Rate Structure**

Director Preston moved and Director Loughlin seconded that **In accordance with the recommendation of the Pease Golf Committee, the Pease Development Authority Board of Directors hereby approves of and authorizes the Pease Golf Course to implement rate increases for:**

- a) **Annual Passes;**
- b) **Daily Fees; and**

**c) Golf Simulators;**

The rate increases will be made effective May 2, 2016; all in accordance with the memorandum from David R. Mullen, Executive Director, dated April 6, 2016 attached hereto. Discussion: Mr. DeVito informed the Board that to comply with the Affordable Care Act (“ACA”) requirements regarding part-time employees, PDA needs to hire more part-time employees to provide adequate staffing at the Golf Course. The rate increases are necessary to accommodate the increased staffing positions. Disposition: Resolved by unanimous vote for; motion carried.

**4. Golf Course – Tow Behind Turf AERA-Vator Acerator**

Director Loughlin moved and Director Lamson seconded that **In accordance with the recommendation of the Pease Golf Committee, the PDA Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Turf Products Corp., for the purchase of a 2016 tow behind turf aera-vator for use by the PDA Golf Maintenance Department in a total amount not to exceed \$16,706; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated April 12, 2016 attached hereto.** Discussion: In response to Director Lamson, Mr. DeVito explained how the aerator works. Disposition: Resolved by unanimous vote for; motion carried.

**5. Golf Course – Gas Utility Cart**

Director Torr moved and Director Loughlin seconded that **In accordance with the recommendation of the Pease Golf Committee, the PDA Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Five Star Golf Cars, LLC, for the purchase of a 2016 gas utility cart with safety cage for use by the Pease Golf Course in a total amount not to exceed \$10,885.00; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated April 12, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**XIV. Finance**

**A. Financial Reports**

**1. Operating Results for the Eight Month Period Ending February 29, 2016**

Irv Canner, PDA Director of Finance, reported on the status of the PDA FY 2016 finances for the eight month period ending February 29, 2016. Trends in revenues and expenses are beginning to form. Operating revenues are in line with the budget forecast, while operating expenses show an underrun of approximately 8.2%. Mr. Canner reviewed the budget variances including: wages and benefits; facilities’ costs and the effect of the winter season; and the underrun in fuel sales of approximately \$263,000. Personnel services are slightly over budget, while fringe benefits are under budget. Staff numbers have increased from 105 to 119 employees year-to-date due to hiring of summer seasonal employees. The Balance Sheet shows an increase in cash by approximately \$200,000 due, in part, to PDA’s reduction in debt. PDA had construction expenditures of approximately \$1.0 million for capital projects including the Golf Course clubhouse kitchen and Airport projects. The Business Units analysis shows that there were 12,071 passenger enplanements at PSM. PDA’s cumulative contribution to DAW operations is approximately \$1.4 million dollars. Director Lamson is very pleased with the utility savings due, in part, to the milder winter season and the renegotiation of the electricity service provider contract. Fuel sales at DAW year to date are higher than the same time last year. In response to Director Preston, Mr. Hopper reposed on the operations at DAW including approximately 6,000 flight operations per year. The number of aircraft based at DAW has reduced to 67 due to ongoing changes in the private aircraft industry.

The Golf Course had a net operating income of approximately \$267,000 for the period. Revenues including concession revenues and golf fee revenues have increased. Bar and grill gross sales are approximately \$1.1 million, an increase from the same period last year. Due to the mild weather, indoor

simulator play was reduced while 871 outside rounds of golf were played during March. DPH's unrestricted funds balance is approximately \$0.6 million with a net operating income of approximately \$163,000. Fuel sales have reduced from the same period last year. In the restricted funds, the Revolving Loan Fund balance has reduced due to the issuing of loans. The fund balance is less than \$100,000 and PDA may request the release of the previously sequestered funds. All outstanding RLF loans are current.

## 2. Nine Month Cash Flow Projections to December 31, 2016

Mr. Canner reviewed PDA cash flow projections for the nine month period ending December 31, 2016 and expect to end the calendar year with a cash balance of approximately \$3.0 million. PDA's only outstanding debt is the annual loan payment to the City of Portsmouth. Unrestricted funds will be affected by capital expenditures for grant related projects. PDA's revolving line of credit with Provident Bank for \$5.0 million will expire on December 31. Discussions will begin regarding the renewing the line of credit. Mr. Canner reviewed the variances in the cost of borrowing due to fluctuating interest rates. DPH's unrestricted cash balance as of December 31<sup>st</sup> is expected to be at \$257,000. Mr. Canner reviewed DPH's sources of funds including the ME DOT contract and mooring permit revenues. The Harbor Dredging fund has been used for repairs and maintenance to DPH facilities.

## 3. Capital Improvement Plan FY 16 – FY 22

Mr. Canner reviewed PDA's capital improvement plan for FY 2016 through FY 2022 that includes approximately \$45 million dollars in capital projects. Grant founded projects including the PSM runway project will cost approximately \$32.7 million. PDA funded projects including renovations to the PSM terminal and intersection improvements will cost approximately \$12,044. PDA has identified 97 projects. Director Lamson asked if the oil and water separators will be updated. Ms. Stowell reported that no costs have been determined yet, but work may need to be done in the future. Director Lamson asked if the ditch maintenance is for the McIntyre Brook. Ms. Stowell reported that the ditch maintenance would include mowing and cleaning out sediment. Mr. Canner reviewed how the unrestricted cash balances and PDA debt would be affected if all proposed projects came to fruition. PDA anticipates using the revolving line of credit to help finance construction activities.

### B. Approvals

#### 1. Operating & Maintenance Budget FY 17 – FY 20

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors approves of and accepts the proposed FY2017 Operations and Maintenance ("O&M") Budget and FY 2018 - FY 2020 O&M Forecast in substantially the same form as attached hereto.** Discussion: Mr. Canner provided an overview of the PDA's proposed FY 2017 operating budget. All departments provided input into the proposed budget. Budget uncertainties and challenges, such as inflation and CPI adjustments, reduced revenues and increased expenses, rising labor and health costs, and ACA requirements were reviewed. Director Lamson complimented the staff on the budget presentation.

The composite budget is based on PDA receiving approximately \$14.250 million in revenues and expenses of approximately \$11.5 million. The proposed FY 2017 shows operating revenues of \$14.250 million (an increase of 1.9%) and operating expenditures of \$11.565 million (an increase of 4.3%). Revenues are derived, in part, from facility rentals, the golf course including increases in bar and grill sales, and fuel sales. Operating expenditures include increased labor costs (including increase health care and merit raises), and marketing and promotions. Mr. Canner reviewed variances in both revenues and operating expenditures. Budget assumptions and sensitivities were reviewed, including:

- Grill 28 gross project revenues
- Contract revenues at the Division of Ports and Harbors
- Unfunded pension liabilities and
- PSM runway reconstruction cost sharing

In response to Chairman Bald, Mr. Canner confirmed that PDA is putting \$100,000 per year in an escrow account to be used to pay PDA's future obligation towards the State's unfunded pension liability. PDA's allocation will be based on its gross payroll. Mr. Canner reviewed the retirement and pension liability assumptions for PDA employees. Attorney Hinchee reported that PDA is designated as a Statutorily Authorized Group ("SAG"), and the State bills PDA and expects PDA to make payments to the State. Non-SAGs payments are taken from the State general funds. Discussion continued regarding employee retirement including: differences in PDA's and PDA employees' contributions to the retirement fund. In response to Director Preston, Mr. Canner reported that PDA reviewed the account annually and will adjust the reserve fund as needed. Chairman Bald felt that the reserve fund is a prudent as the State is reviewing its current and future pension liabilities. Mr. Canner reported on the key planning budget assumptions including:

Staffing:

- Impact of ACA on staffing positions for seasonal employees;
- Changes in the minimum hourly wages; and
- Overtime costs

PSM and DAW:

- No fee airport at PSM;
- Marketing costs to attract new airlines and retain current airlines;
- Law enforcement reimbursement costs;
- Enplanement numbers at PSM;
- Hangar occupancy at DAW;
- Fuel Sales at DAW; and
- Effect of runway projects on DAW operations and consideration of one month rental waivers

Director Loughlin questioned if PDA will reconsider its "no fee" program at PSM. Mr. Mullen reported that the program is working well now, but may need to be reconsidered in the future.

Tradeport:

- Utility consumption and electricity supply rates;
- Changes in revenue streams from current tenants; and
- Increase in annual funding to Coast Trolley

Golf Course:

- Effect of ACA on staffing;
- Increase in Golf Course fees;
- Increases in gross sales at Grill 28;
- Number of rounds of golf played by member and public

Division of Ports and Harbors:

- Contract revenues
- In house security operations
- Management of labor hours, reductions in overtime and seasonal personnel;
- Workers compensation costs
- Use of Harbor Dredging Funds; and
- Revolving Loan Fund

Mr. Canner briefly reviewed the makeup of the Composite Budget Projections, including:



- Operating revenues, expenses, and income;
- Facilities' rental revenues;
- Fee revenues;
- Fuel sales;
- Hangar rentals;
- Staffing Plans for all PDA operations

Mr. Canner reported on PDA's contributions to DAW and the effect of grant funded projects on DAW's net cash flow. Since the transfer of DAW to PDA in 2009, PDA has paid approximately \$1.4 million in support of DAW. Mr. Canner reported on the Golf Course and the projected net operating income. Director Lamson asked where the proposed pesticide sprayer would be used. Mr. DeVito confirmed that the sprayer would be used to spray the turf area. In response to Director Loughlin, Mr. DeVito reported that he does not expect a decline in the number of rounds played due to the location of the Golf Course. Mr. DeVito confirmed for Director Lamson that the Golf Course works with UNH to plan the Golf Course spraying and to test the soils for levels of pesticide. The Golf Course works with a business to control ticks and mosquitoes. Brush areas were also cut back over the winter to reduce ticks. Mr. Canner noted that the Golf Course continues to operate within its own cash flows.

DPH continues to manage its unrestricted cash funds and generate a positive cash flow. Revenues include rental of facilities, mooring fee revenues, fuel sales, and wharfage and dockage. Mr. Canner reviewed the variances to the unrestricted funds, including contract revenue replacement. Restricted funds include the Revolving Loan Fund and the Harbor Dredging Fund.

Mr. Canner reported that the work on the budget is ongoing and appreciated the efforts by the Staff to complete the budget. Director Torr and Director Lamson commended the Staff for their work on the budget.

Director Loughlin and Director Preston commended the Staff for all of the work in compiling the PDA Board package. Director Preston asked that the Executive Director present a report on what is happening at PDA, including the number of people who work on the Tradeport. Chairman Bald noted that a report was presented for last year's 25<sup>th</sup> anniversary and information is provided on the PDA website and the "Pease Quarterly". The public should be periodically reminded what a gem PDA is and the efforts of the PDA staff to make the Tradeport and all of the associated facilities what they are today. Chairman Bald also expressed his appreciation of the Board of Directors' efforts and commitment, past and present, to the Pease operations.

Chairman Bald called for a roll call vote. Disposition: Resolved by unanimous roll call vote for; motion carried.

## **XV. New Business**

No new business was brought before the Board.

## **XVI. Upcoming Meetings**

Chairman Bald announced the following meetings will be held and that all Meetings begin at 8 a.m. unless otherwise posted

Finance Committee	Monday, May 16, 2016
Board of Directors	Thursday, May 19, 2016

## **XVII. Directors' Comments**

Director Lamson thanked the staff all of the help they have given to her as a representative of the Town of Newington, particularly the financial information provided by Mr. Canner and the efforts by Ms. Stowell regarding the stop signs at the Pease Boulevard/Arboretum Drive intersection.

Director Torr commended Seacoast Helicopters and Great Bay Community College for their collaboration in establishing a helicopter aviation course.

Chairman Bald thanked Director Bohenko for his suggestion regarding recording the meetings and felt that the first effort was a great success. Mr. Mullen should be contacted if there any suggestions to improve the recording.

## **XVIII. Adjournment**

Director Preston moved and Director Loughlin seconded to **adjourn the Board meeting.**  
Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 11:15 a.m.

## **XIX. Press Questions**

No members of the Press attended the meeting.

Respectfully submitted,



David R. Mullen  
Executive Director/Secretary