

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

Thursday, January 17, 2019

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; John P. Bohenko; Margaret F. Lamson; Neil Levesque, and Franklin G. Torr
Via Telephone: Robert A. Allard, Treasurer;
Absent:
Attending: David R. Mullen, Pease Development Authority (“PDA”) Executive Director; Lynn M. Hinchee, 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 at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire. Chairman Smith announced that Director Allard was participating by telephone. *Note: Due to Director’s Allard telephone participation, all votes would be taken by roll call.*

II. Acceptance of Minutes: December 20, 2018

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the December 20, 2018 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

III. Public Comments

Rick Becksted, City of Portsmouth Councilor and Liaison, made comments regarding the addition crosswalks in the Grafton Drive area on the Tradeport to provide pedestrian/bicyclist accessibility to the Grafton Drive multi-use path. David Mullen, PDA Executive Director, confirmed that the crosswalks are PDA’s responsibility and will be considered when traffic lights are installed on Grafton Drive in about two years.

IV. Old Business

A. Approvals

1. Newington Tree Planting

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority (“PDA”) Board of Directors hereby authorizes:**

- (1) the expenditure up to \$27,000 to engage Piscataqua Landscaping & Tree Service (PDA’s on-call landscaping services provider) to plant trees and shrubs on PDA’s Little Bay Road lot; provided, however, that The Town of Newington (“TON”) agrees to maintain the plantings; and
- (2) the Executive Director to enter into a Right of Entry with the TON for the provision by TON at TON’s sole expense all maintenance of the trees and shrubs planted on PDA’s Little Bay Road lot;

all in accordance with the memorandum of Maria J. Stowell, PDA Engineering Manager, dated January 4, 2019 and attached hereto Note: Roll call vote required. Discussion: Director Loughlin

commended the PDA staff and Director Lamson for their efforts on the project. Director Lamson commended Maria Stowell, PDA Engineer, for her work on the landscaping. Ms. Stowell noted that Jared Sheehan, PDA environmental engineer, oversaw the landscaping plantings. Disposition: Resolved by unanimous roll call vote for; motion carried.

V. Finance Report

A. Financial Reports

1. Operating Results for 5 Month Period Ending November 30, 2018

Irv Canner, PDA Director of Finance, reported on the status of the PDA FY 2019 finances for the five month period ending November 30, 2018. PDA operating revenues include “pay for parking” fees at the Pease International Airport at Portsmouth (“PSM”) Terminal and fuel sales. Variations in operating expenses were due in part to lower snow removal costs, utility costs, labor costs, and legal fees. PDA currently has 59 benefitted employees and 40 seasonal employees. Mr. Canner provided an in-depth review of electricity costs, legal fees, and fuel expenses. PDA does not anticipate at this time borrowing from the \$15 million revolving line of credit with Provident Bank.

Mr. Canner reviewed the financial status of PDA business units including pay for parking fees, fuel flowage, car rental concessions, and enplanements at the Airport; hangar and tie-down revenues at Skyhaven Airport (“DAW”); Golf Course revenues including rounds played, Grill 28 concession fees and simulator revenues. A review of the Division of Ports and Harbors revenues showed that tonnage fees increased from 2017 to 2018.

In response to Chairman Smith’s question regarding car rental operations at PSM, Mr. Canner and Mr. Mullen reviewed the Enterprise Rental Car operations at PSM.

2. Nine Month Cash Flow Projections to September 30, 2019

Mr. Canner reviewed PDA cash flow projections for the nine month period ending September 30, 2019, including: funds’ balance; the projected expenses for the PSM Terminal expansion and parking rates PDA’s revolving line of credit and borrowing costs; PDA’s debt repayment to the City of Portsmouth; and the status of the Division of Ports and Harbors’ cash funds and its upcoming capital improvement projects. In response to Chairman Smith, Mr. Canner reviewed the sources of revenue including grant funds for the upcoming PSM Terminal expansion project.

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

A. Approvals

1. Skyhaven Flying Club – Flight Simulator Right of Entry

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with the Skyhaven Flying Club, Inc. for the purposes of operating a flight simulator; all in accordance with the Right of Entry retroactively effective October 1, 2018, and the memorandum of Paul E. Brean, Airport Director, dated January 10, 2019, all attached hereto. Note: Roll Call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

2. Port City Air, Inc. – License Amendment No. 2 – 1978 Hough

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 the License**

Agreement Amendment No. 2 retroactively effective October 15, 2018 for use of the Hough T-500 Aircraft Tug between the Pease Development Authority and Port City Air, Inc. ("PCA") on substantially the same terms and conditions set forth in License Agreement Amendment No. 2 and the memorandum from Paul E. Brean, Airport Director, dated January 10, 2019 both attached hereto. **Note: Roll Call vote required.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

3. Port City Air, Inc. – License Amendment No. 3 – 3 Tow Tractors

Director Bohenko moved and Director Torr seconded that The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute License Agreement Amendment No. 4 retroactively effective September 25, 2018 for use of aircraft tow tractors including: a) 1978 International Hough tow tractor; b) 1980 American Coleman tow tractor; and c) 1982 Stewart Stevenson tow tractor with Port City Air, Inc. ("PCA") on substantially the same terms and conditions set forth in License Agreement Amendment No. 4 and the memorandum of Paul E. Brean, Airport Director, dated January 10, 2019, both attached hereto. **Note: Roll Call vote required.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

VII. 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 course is closed for winter. December gift certificate sales were above average Sale of 2019 season passes has begun. Seven out of 8 golf leagues will return for the 2019 season. Approximately 3,900 tournament rounds are pre-booked. On average, the golf simulators are being used 90% of the time for 4 out of 5 days a week. In response to Director Bohenko, Mr. DeVito reviewed the seasons pass program including rates and number of available passes.

2. Airport Operations

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

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

In December there were 5,300 enplanements (consisting of 90% commercial flight and 10% troop flights activities); the "pay for parking program" at the Airport Terminal began on January 1, 2019. Mr. Brean commended Michael Mates, PDA Engineer, for overseeing the implementation of the program. Corporate and commercial flights services are doing well. Mr. Brean reported that Allegiant Airlines will starts round trip flights 2 days per week to Savannah, Georgia beginning June 8, 2019.

b) Skyhaven Airport ("DAW")

PDA received FAA grant funding for and purchased a blower to be used at Skyhaven Airport.

c) Noise Line Report

There were no noise inquiries at PSM during the month of December, 2018. Director Lamson noted that the noise line can be reached by telephone and on line. Mr. Lachaw from the Town of Newington informed the Board that the noise line information is published in the Town's newsletter.

VIII. Division of Ports and Harbors

Geno J. Marconi, Division Director, reported on the Division of Ports and Harbors (DPH) activities.

A. Reports

1. Port Advisory Council

The Port Advisory Council held its annual meeting on January 9, 2019. Roger Groux was elected at the Council Chairman. The Council discussed DPH activities including dredging issues. Mr. Marconi informed the Board that there is current legislation regarding the creation of a fund for dredging the seacoast.

2. Commercial Mooring Permit Transfers

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>
Hampton Harbor Transferor: Transferee:	No. 7561 James R. Cummings, Jr. Joseph Armano	Commercial Fishing	1/8/19
Rye Harbor Transferor: Transferee:	No. 2445 James S. Bowles Savage Charters	Commercial Charters	1/8/19

3. Main Dock Project

Mr. Marconi reported that a meeting was held with the Maritime Administration to review the rehabilitation and modification of the main dock at the Market Street Terminal and grant funding for the project.

In response to Chairman Smith's question about the impact of the government shutdown on federal grant funding, Mr. Canner reported that rent for the Passport Center could be delayed. Mr. Marconi noted that federal highway funds will not be affected, but dock fund appropriations may be delayed.

B. Approvals

1. Carolina Skiff – Motor Purchase

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director:**

- a. to execute a contract with BRP US, Inc. for the purchase of one (1) 75 HP Evinrude ETEC motor and controls to replace the old motor on the Division of Ports and Harbors' Carolina skiff; and to expend \$7,218.24 for said purchase; and**
- b. to enter into a contract with Dover Marine in an amount not to exceed \$2,500 for services related to the installation of the new motor;**

for a total of expenditure of \$9, 218.24 from the Harbor Management account; all in accordance with

the Memorandum of Geno J. Marconi, Division Director, dated January 7, 2019, attached hereto. Note: Roll Call vote required. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

IX. New Business

There was no new business.

X. Upcoming Meetings

Chairman Smith reported that the following meetings will be held:

Residential Housing Committee	January 17, 2019 at 9:30 a.m.
Board of Directors	March 21, 2019

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

XI. Directors' Comments

Director Torr requested that PDA staff track the time spent working on the Residential Housing Committee.

Director Torr inquired about parking at the C & J Bus Terminal and PDA's obligations. PDA General Counsel Lynn Hinchee reviewed the history of the transfer of the parcel to NH DOT and DOT's control of the premises. Director Bohenko confirmed PDA's role in the transfer of the premises and questioned if NH DOT would be required to privatize the parking operations. Attorney Hinchee reported that PDA received a fair market value for the premises when it was transferred to NH DOT and that PDA cannot charge for parking because the premises belong to NH DOT.

Chairman Smith commended the Staff, and especially Attorney Hinchee, for their efforts in the settlement of the CLF litigation.

XII. Adjournment

Director Lamson moved and Director Torr seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried. Meeting adjourned at 8:57 a.m.

XIII. Press Questions

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director/Secretary