

PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS' MEETING
MINUTES

Thursday, June 18, 2020

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Erik Anderson; Margaret F. Lamson; Neil Levesque and Franklin G. Torr
Attending: David R. Mullen, Pease Development Authority ("PDA") Executive Director; Paul E. Brean, PDA Deputy Director and Airport Director; Lynn Marie Hinchee, General Counsel; Anthony I. Blenkinsop, Deputy General Counsel; PDA staff members; members of the public.

AGENDA

I. Call to Order:

Chairman Smith ("Smith") called the meeting to order at 8:35 a.m. in the Simulator Room of the Golf Course Clubhouse.

II. Non-Public Session:

Director Levesque **moved** the **motion** and Director Allard **seconded** that **the Pease Development Authority Board of Directors will enter non-public session for the purpose of:**

1. NH RSA 91-A:3, Paragraph II (a) for discussion of personnel matters (dismissal, promotion or compensation of public employee); and
2. NH RSA 91-A:3, Paragraph II (d) for the purpose of discussing the acquisition, sale or lease of property.

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

The Board came out of non-public session at 8:54 a.m.

III. Vote of Confidentiality:

Director Loughlin **moved** the **motion** and Director Allard **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 at the non-public session of its June 18, 2020 meeting related to personnel matters (dismissal, promotion or compensation of public employee) and the acquisition, sale or lease of property may be released to the public.

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

IV. Acceptance of Meeting Minutes: May 21, 2020

Director Anderson **moved** the **motion** and Director Allard **seconded** to approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, May 21, 2020.

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

V. Public Comment:

There were no public comments.

VI. Old Business:

A. Approvals:

1. New Hampshire Department of Transportation - Park and Ride

Director Torr **moved** the **motion** and Director Loughlin **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director and General Counsel to complete negotiations to effect up to a 74 year lease of the Park and Ride Premises, and to submit a Request for Release of Airport Property to convey fee simple title of the Route 33 ROW, both to NH DOT. This authority includes requisite permission to execute any and all necessary or appropriate and related documents to the implementation of these transactions; all in accordance with the memorandum of Lynn Marie Hinchee, General Counsel, dated June 8, 2020.**

Discussion: Director Loughlin (“Loughlin”) confirmed that this is just for the present area used for parking. Engineering Manager Maria Stowell (“Stowell”) indicated that there are five areas (depicted on the map included in the packet), but that the area associated with the lease is the parking area. The exhibit also shows a drainage easement for a drainage ditch on the other side of the road; another area on the exhibit is the Right of Way for the road for travel in and out of the parking lot; there is a small 147’ sq. ft. area that contains a drainage structure - need to have a right to access; and the fifth area is a sliver of land (less than an acre) along the Route 33 right of way needed to make the exit onto Grafton Drive. Stowell confirmed that the lease being discussed is just for the parking area. Loughlin indicated that twenty (20) years ago there was a proposal for a maintenance facility for the busses associated with C & J. The proposal was on Pease but close to the Pannaway Manor neighborhood; Loughlin objected to the proposal at that time because of its proximity to Pannaway as he did not think it was appropriate to have 24 hour/day back-up horns sounding. Loughlin asked for confirmation that there was no opening for that to come back.

Director Lamson (“Lamson”) indicated that she could not follow why Loughlin objected the first time. Loughlin stated there had been talk about putting a maintenance facility for the busses near the back gate at Pease; it was eventually withdrawn. Lamson indicated she remembered as she was a Selectperson at that time.

General Counsel Lynn Marie Hinchee (“Hinchee”) clarified that as a tenant of PDA they could come back and request other uses but they will come back to PDA. NH DOT is exempt from the zoning as a state agency and pointed out that it is her belief that if they received the fee title as previously approved PDA would have less control. The lease affords PDA the maximum control to continue to comment on anything planned for the site. Hinchee further stated that the Park and Ride already has property owned by DOT and Pease has just the parking area. PDA has no control over other land of that area that was never part of PDA property.

Loughlin stated he is not worried about the State or Jalbert, he wants to make it clear that it is not expanding. Loughlin stated that his concern is getting any closer to Pannaway. Hinchee indicated that they are not proposing anything on that side.

Smith indicated that the memo indicated under future considerations that DOT through the P3 Partnership Program that has been created is looking at leasing that to a private party to take over the whole Park and Ride terminal. Smith further indicated that he has been appointed and sits on the P3 Committee.

Director Anderson (“Anderson”) asked for a point of clarity, by relinquishing this property to DOT, do they maintain the upkeep/maintenance for that property as a term of relinquishing it - whose responsibility does that fall on? Hinchee stated that it has been and will remain DOT’s responsibility.

Disposition: Resolved by unanimous vote for; motion carried.

VII. Finance:

A. Executive Summary:

Lamson thanked Canner for the executive summary as it is a helpful synopsis and the content gets to the points that can help each Board member.

Canner indicated that there are three reports, the final of which will focus on FY21 Operating Budget, while the first two are the standard financial reports.

B. Reports:

1. Operating Results for the Ten Month Period Ending April 30, 2020

Finance Director Irv Canner (“Canner”) indicated that the operating revenues were slightly above budget by approximately one percent which were heavily driven by increases in wharfage and dockage and pick-ups on the public play at the golf course and the Grill 28 concession fee.

Canner stated that the impact of COVID-19 can be seen when reviewing the golf course concession fee for April, given the late start for golfing, as well as the pay-for-parking at the airport which are effecting the financials. Canner further stated that the golf course is trying to mitigate some of its losses where it was not able to open until May.

Canner indicated that the operating expenses were 4% below budget due to marketing expenses and the cost of fuel at the Portsmouth Fish Pier (due to its closure). The difference between operating revenue less expenses has allowed PDA to stay out of its Revolving Line of Credit (RLOC) as PDA tries to keep pace with the capital expenditure program at the airport.

The balance sheet remains strong and the impact of PDA’s construction activities have caused a decrease in cash balances since last June by approximately \$1.5 million (\$6.6 million dollars spent in capital expenditures, being offset by grant funding received and the operating income). Capital expenditures at the airport is \$6.6 million dollars (terminal expansion approximately \$4.4 million dollars and the runway construction project \$1.5 million dollars). Lamson asked Canner regarding the runway project about the FAA portion as she did not see that; Canner indicated that would be addressed in detail in the cash flow to offset the funding for the total expenditures.

Canner indicated that the enplanements at PSM were down due to less flights; to date enplanements are at just over 21,000 which is slightly less than last year at this time.

Skyhaven Airport shows a cumulative loss since PDA took on the responsibility in FY17. Current revenues and budget is up by about \$14,000 primarily to recognize an unbudgeted fuel aviation fees / registration fees received; this also happened at the PSM airport. Overall expenses are on budget.

Canner reminded the Board that the information was reported on a fiscal year basis, not a golf season basis so strong numbers are seen coming out of the golf course through April, which does not reflect the new season yet. Canner indicated that the operating units at the golf course remain profitable but pointed out for the month of April the Grill 28 sales were at roughly \$1,000. PDA can see the impact started in March with the decrease in the operating sales around March 16th. Canner indicated that the golf course was able to open in late May.

Canner then spoke to the Division of Ports and Harbors (DPH) increase in wharfage and dockage fee activity shown on the chart.

Canner indicated that from a consolidated basis PDA remains in good condition and that the audit for FY20 has commenced beginning with interim fieldwork. Canner indicated that the audit is being done on a virtual basis, which will be different for PDA on how they are provided with documentation and how they will conduct the physical inventory on June 30th.

2. Nine Month Cash Flow Projections to February 28, 2021

Canner indicated the dominating factor being use of funds (capital expenditures of \$26 million dollars of grant related activity); circling back to Lamson's previous comment, this is being offset by \$21 million dollars in grant awards. Canner indicated that the difference of \$5 million dollars is why PDA will have to go into the RLOC; Canner indicated that it is anticipated in February PDA will have a debt level of \$9.2 million dollars. Canner said there may be a need to go into the RLOC by the end of this June as suggested by the cash flow projections. Canner further stated that it is anticipated that PDA will go in and out of the external financing over the next nine months with the pinnacle being in the fall with the terminal and runway projects; totaling \$34 million dollars in capital expenditures

Smith asked if Canner's projections take into account there being a second wave of COVID and potentially more restrictions again. Canner indicated that they do slightly and further stated that the fuel flowage fees are based on gallons consumed (typically a 12 million gallon consumption has been reduced to 9 million gallons). Canner indicated other areas have been tempered down slightly (gross sales for Grill 28).

C. Approvals:

1. FY 2021 Operating Budget and FY 2022-FY 2024 Forecast

Canner spoke to this report and stated there were numerous assumptions made that are reflected in the overall budget presented to the Board under the current environment. Canner stated that the FY21 Operating Budget presented has an operating revenue of \$16.3 million dollars with operating expenses of approximately \$14 million dollars (detail is provided on the sources of revenue). FY21 budget is actually a .4% decrease from the FY20 Operating Budget and outlined six major reasons depicted in the

budget. Canner also spoke to the increases in expenditures, stating further in the meeting there is a request for an increase of one cent to fuel flowage fees (revenue factor) and that staffing would remain at 65 permanently filled positions.

Director Allard **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority Board of Directors hereby accepts the proposed FY 2021 Operations and Maintenance (O&M) Budget and FY 2022 – FY 2024 Operating & Maintenance Forecast; all in accordance with the documentation submitted by Irving Canner, Finance Director.**

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

VIII. Licenses/ROEs/Easements/Rights of Way:

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

A. Reports:

1. Portsmouth School Department & Prescott Park Arts Festival – Right-of-Entry at 32 Exeter Street

Brean indicated that PDA supported Portsmouth School Department with a drive-in movie in the airport parking lot for its high school seniors so they could have a get together. It was well received, was a good community outreach program, and PDA received positive feedback.

2. Town of Newington – Right of Entry on the North Apron for EVO Training

Town of Newington Police Department requested to utilize a portion of the open North Apron for training adjacent to the NH ANG ramp for driver training. This allows them to do a safe training and exercise program and there will be no impact to operations.

3. Port City Air – Right of Entry – Portion of Hangar 227

Port City Air (PCA) is utilizing PDA’s largest hanger Hangar 227 and using the space for based tenant aircraft (corporate jets based at Pease); PCA is epoxying the floors in its hangars and use of 227 provides shade and shelter for the aircraft during this construction phase (no fee accessed – accommodating PDA base tenants).

IX. Leases:

A. Approvals:

1. Exercise of First of Three (3) One (1) Year Options of Lease Agreement with B&H Airpower, L.L.C. for Hangar 5 at Skyhaven Airport

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to have B&H Airpower, L.L.C. exercise its one year option through to June 30, 2021 and to amend the termination notice provision of the lease from six (6) months to thirty (30) days, all in accordance with the memo from Andrew Pomeroy, C.M. Airport Operations Manager, dated June 4, 2020.**

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

2. Extension of the Food and Beverage Service Concession Agreement with Galley Hatch Catering Services, Inc.

Director Lamson moved the motion and Director Allard seconded that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to enter into an amendment of the Food and Beverage Service Concession Agreement with Galley Hatch Catering Services, Inc., to extend the term of the agreement to October 31, 2021, all in accordance with the memo from David Mullen, Executive Director dated June 10, 2020.

Discussion: Loughlin indicated that in the memorandum from Mullen it indicated a long-term lease. Loughlin stated he was not under the impression PDA was under any commitment to a long-term lease. Loughlin knows that the tenant indicated an interest in a long-term lease and there had been discussions about it, but PDA has not been on record to that; so it will need to come back to the Board and be discussed.

Disposition: Resolved by unanimous vote for; motion carried.

3. Granite State College – Lease Termination

Director Allard moved the motion and Director Lamson seconded that the Pease Development Authority (PDA) Board of Directors hereby authorizes the Executive Director, in accordance with the request of the University System of New Hampshire, by and through Granite State College (GSC), to terminate the Lease Agreement between the PDA and GSC dated September 1, 2008, regarding 3,114 square feet of office space at 51 International Drive, and to release GSC from its obligations under said Lease Agreement, not including any provisions that survive termination per the terms of the Lease Agreement, effective end of day June 30, 2020.

Further, the PDA Board of Directors authorizes the Executive Director to accept on behalf of the PDA, and in consideration of the termination and release set forth above, all office equipment and furniture from GSC within the leased office space, and to negotiate, prepare, and execute any necessary documentation to effectuate the termination, release, and acceptance set forth herein; all in accordance with the memorandum of Paul E. Brean, Deputy Executive Director, dated June 15, 2020.

Discussion: Anderson asked what PDA’s investment would be to make this a workable area; Brean indicated zero as the space is in like new condition.

Disposition: Resolved by unanimous vote for; motion carried.

X. Contracts/Agreements:

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported as follows:

A. Reports:

1. Addendum to Contract or Agreement with Country Club Enterprise, LLC for 40 additional Golf Carts

Brean indicated that due to COVID and social distancing on the Golf Course, General Manager

Scott DeVito (DeVito) requested an additional forty (40) golf carts to meet the requirements for course play. Brean indicated that DeVito would like to extend the use of the additional carts through the end of the season in order to continue to offer a single cart per player.

Anderson asked with regard to the additional golf carts if DeVito anticipated recovering the costs for the additional carts. DeVito indicated that the way the lease is set up is that it is \$5/day per cart and whatever PDA needs to do as far as fueling the carts. DeVito indicated that the rates have been increased to offset the costs and it is now mandatory to utilize a cart on the blue course so across the board fees have been increased. Anderson asked if DeVito had every expectation to cover the cost of the rental; DeVito affirmed and further indicated that at this time the golf course is on target to recover all costs.

Smith asked if there was a chance that any of these expenditures, as a result of COVID, could be recouped through state or federal monies. Canner indicated that PDA has been awarded a CARES allocation for the airport and expenses in the amount of roughly \$1.6 million dollars and another \$30,000 for Skyhaven. Canner indicated that PDA is looking at those expenses to be recorded. Smith asked if there were monies that could be applied for to cover those costs; Canner was unaware of any funds available for the golf course. Brean indicated, specific to the airport TSA has set up grant funding for disinfecting the passenger terminal area so PSM is submitting a reimbursement for those COVID expenses at the airport. Director Levesque (Levesque) asked what that number may be; Brean stated that it is still being tallied. It is anticipated to be between \$30,000 to \$50,000; the added expenses are of more routine disinfecting and infrastructure that needed to be implemented specifically at the passenger and baggage security screening areas. With respect to DPH, Smith indicated that the Town of Londonderry has put items in for reimbursement expenses such as materials, disinfectant services, remote technology from monies allocated from the state. Smith further asked if the Tradeport would be able to put in for reimbursement of these types of expense. Brean indicated that all operating units are allocating a cost code to expenses related to COVID; regarding FAA, Brean believes there will be reimbursement. Brean further indicated that the golf course has procured through EOC orders, so some of that has been compensated through the state. Smith indicated the worse they can say is no; Brean stated that it is being treated as FEMA reimbursement with coding and invoicing.

2. Agreement for Web Design Services for Skyhaven Airport – Diana Ries Designs Inc.

Brean indicated that this contract is for revamping the Skyhaven website supported by PDA. PDA's IT Director Greg Siegenthaler and Airport Operations Manager Andrew Pomeroy are working with a small firm who is providing the services for a reasonable amount of money and will be going live with a new and updated website.

3. Allegiant Promotion / Trade Agreement – Travel Vouchers

Brean indicated that this was an in-trade agreement with Allegiant Airlines to kick off its Myrtle Beach service this summer. Allegiant provided PDA with two travel vouchers to raffle off on its first flight to Myrtle Beach (there was no cash value).

XI. Executive Director:

A. Reports:

1. Golf Course Operations:

DeVito stated that this was the first week that there was league play on the golf course; there were five (5) of the seven (7) leagues that returned. Two of the leagues indicated they did not feel comfortable coming back under the current conditions. Tournament play was pushed out during the months of May and June; of the fifteen (15) scheduled tournaments, eight (8) decided to move tournament date to later in the season while seven (7) of them opted to move the tournament to next season. The first tournament is scheduled for July 25th. Previously, tournaments were set up as a shotgun event where everyone went out at the same time, we are not there yet and not sure if will get there this season which is another reason for the golf carts. DeVito indicated that players are able to pair up for use of the golf carts of they choose to. DeVito indicated in previous years course staff would pair players up for use of carts but under the circumstances staff does not feel comfortable going to that norm again; which was another reason to extend the term for the extra golf carts.

Lamson asked DeVito what the cost is to rent a cart; DeVito indicated \$13 for nine holes.

DeVito indicated that his understanding is that as of July 1st retail sales would go back to normal operations so the course will start taking cash at that point; currently there are customers requesting to pay with cash. DeVito stated in follow-up to a conversation he had with Anderson recently regarding credit card processing fee, DeVito informed Anderson incorrectly by stating that the rate was 1.5% when 2.5% is charged as a processing fee for credit card use.

2. Airport Operations:
a) Portsmouth International Airport at Pease (PSM)

PDA Deputy Director / PSM Airport Director Paul Brean (Brean) advised the Board what PDA's business units have been able to provide support, implementation of new processes, providing a safe product for customers, the golf course completely transformed its program and the fiscal responsibility of all units during COVID. The business units are being mindful of expenses and have worked with vendors to obtain better pricing as a means to offset the expenses incurred. DPH has been a gateway, specifically, Tracy Shattuck and Grant Nichols; Brean has observed the support they provide from the State in terms of the EOC and support they provide in trying times such as this. There has been an overall collaboration by staff in making the product for those returning to use PDA facilities safe and comfortable; whether it is a round of golf or flight on Allegiant etc.

Brean indicated a strong uptick in passenger activity, 1,200 enplanements (3,000 passengers utilized the airport) and seeing more passengers coming off than going out. There has been a stronger uptick in June as far as South Carolina and Florida as things are opening up. PSM is seeing half to full capacity of flights; Brean indicated that PSM is roughly observing enplanements as it did in 2016. Brean indicated that while PSM has not slipped much, it is necessary to identify the fact that the troop charters are not currently running due to the runway reconstruction project which is affecting the drop in enplanements. All enplanements at this time are from Allegiant activity. Brean indicated that troop flight activity is not anticipated to return until December or January because its type of aircraft cannot utilize the restricted runway at the moment.

Brean indicated he believes PSM is positioned well for the future even with the potential for a second wave of COVID. Brean spoke to Air Cargo business out there for ad hoc PPE shipment. Brean further stated that PSM has a tenant that has five (5) wide body aircraft coming from China to support PPE delivery into the region. However, unfortunately, due to the runway project they have to go into JFK. Brean indicated that the ad hoc cargo that PSM is so well suited for may create a demand once the

runway is fully operational. Additionally, PSM is seeing an extreme uptick in corporate activity as large companies are feeling comfortable flying staff around in private aircraft and seeing PSM as being that strong performance for the technical stop for west coast firms going over to Europe and vice versa. This is much like the military transient flights that have found that PSM is a good spot to clear customs and cater / fuel up prior to travel overseas.

Brean stated that PSM's FBO has had good conversations with its charter activity operators, pre-COVID and pre-runway construction, and it sounds as though they are ready to return to PSM at the start of the year once the runway is complete.

Brean indicated that under the circumstances PSM did pump a reasonable amount of fuel for the month of May - 300,000 gallons that amount was not forecasted due to the runway closure so that was a good surprise. Brean indicated that PCA went out to get some C-17 business which is an incredible plane with a large payload that can use a small runway.

For the month of May, there were 300 transactions for revenue pay-for-parking which is light (would like to see approximately 1,000 transactions). To date, PSM is at approximately \$180,000 in parking revenue (not where PSM would like but anticipated due to the impact on commercial travel).

Allegiant has been gaining some positive traction during COVID; they were one of only two airlines to make a profit last quarter and are trending well. Allegiant is at 60% capacity pre-COVID while most other airlines are only at 18%. Brean indicated that PSM is excited about the opening of Disney on July 11th and Universal being open (so much of that leads to Allegiant travel).

Lamson spoke to Brean's reference to 2016 and the reconstruction of the runway. Lamson asked Stowell if the reconstruction project was nearing Short Street (closer to the Newington side); Stowell affirmed. Lamson applauded the staff for all of the work being done on the runway project; Brean indicated that Stowell has a good crew working on a very big project.

Brean stated that there is a motion in the packet to increase the fuel flowage fee to three (3) cents which is a very realistic number. Brean does not feel as though this increase will frighten off PSM operators. Brean pointed to the justification outlined in the memo and further stated that most airports in the region, if they are not pumping their own fuel and making a wholesale profit, charge a fuel flowage fee of eight (8) to twenty (20) cents. The other factor that Brean referenced is that PSM does not charge landing fees that other airports do and that this increase should not frighten anyone off. Brean indicated that expenses continue to grow and there is a need to generate aviation revenue.

Phase I of the runway project is going well, the south side has been completed and moving to the north side (closer to Newington). The schedule has been achieved and communication has been good.

With respect to the terminal project the glass mullion wall is going up, it is getting weatherized and anticipate we will stay on schedule; it is turning into quite a facility down there.

b) Skyhaven Airport (DAW)

Brean stated that they are trying to address expenses at Skyhaven and dialing in new ways to do business up there. Brean indicated that there is an entity looking to locate in Rochester and Brean is hopeful to be able to provide the Board with additional information at the August meeting.

c) Noise Line Report
(i) May 2020

Brean indicated in May that there had been one noise inquiry regarding a privately owned, Pilatus PC12, which tried to come in on a different approach (it was more of a low attitude inquiry versus a noise inquiry) from a resident of Newmarket, NH. The different approach was needed in the pattern and the ATC directed the pilot to do that.

Anderson asked in advance of the [fuel flowage] motion if the one cent extended to Skyhaven or was it just at PSM. Brean indicated that a flowage fee is not charged at Skyhaven as PDA sells the fuel so a profit is made from the wholesale price to what is sold at retail.

Director Allard (Allard) asked the number of aircraft received by NH ANG; Brean indicated he believed that eight out of the twelve have been received.

B. Approvals:

1. Bills for Legal Services:

Director Loughlin moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$32,277.00 for legal services rendered to the Pease Development Authority by Sheehan, Phinney, Bass & Green.**

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

2. Fuel Flowage Fee:

Director Allard moved the motion and Director Torr seconded that **the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to take all such action as may be required or appropriate to facilitate the increase of the current aviation fuel flowage fee rate by one cent to \$.03 per gallon on 100 low lead fuel and Jet A fuel, commencing July 1, 2020; all in accordance with the memorandum of Paul E. Brean, Airport Director, dated June 8, 2020.**

Discussion: Smith indicated that the chart provided indicates that PSM is still much lower than Manchester or any of the surrounding areas, even with this increase. Anderson indicated that there had been discussion to the fuel flowage fee that he wondered what the one cent equates to and he had been informed approximately \$100,000. Brean affirmed that when the runway returns to full length it would be forecasted at approximately \$100,000. Anderson asked at this time; Brean stated that currently it is forecasted at \$55,000 under the current runway restrictions (PSM won't see the heavy troop flight activity until runway complete and also if there is a spike in COVID). However, under normal conditions it would be forecasted on 12 million gallons, equating to \$100,000.

Disposition: Resolved by unanimous vote for; motion carried.

3. Annual Season Pass Compensation:

Director Lamson **moved** the **motion** and Director Allard **seconded** that the Pease Development Authority Board of Directors (PDA) approves of and authorizes the Executive Director to extend a twenty (20) day credit to those 2020 Pease Golf Course season pass holders who paid for their membership prior to March 31, 2020 due to the inability to open the course as anticipated prior to May 11, 2020 as a result of COVID-19; all in accordance with the memorandum of Scott DeVito, PGA General Manager, dated June 4, 2020.

Discussion: Anderson spoke to the last paragraph referenced in DeVito’s memo which indicated, “some season passholders might request a cash refund...” Anderson asked if this motion reflects that a cash refund could be given because if so, he recommended that an amendment be made to reflect that, “any refund would be limited to future membership for the following year and there be no cash refund”. Anderson asked DeVito what the motion means in reflection to the memo; DeVito indicated that over a third of the membership have requested credit for the lost time. DeVito further indicated that those individuals that the golf course staff spoke to have requested something for next year. DeVito did state that he anticipates upon informing passholders, that there may be requests for cash refunds. Anderson asked what DeVito would do if someone requested a cash refund; DeVito indicated that would be a Board decision on whether or not it would allow a cash refund. Smith asked if that would come up as an agenda item if someone requested a cash refund, when referencing it is being left to the Board’s purview. DeVito indicated he requested in his memo that it be a credit – for next season. DeVito stated in discussion with staff, the question came up of how to handle a request for a cash refund. DeVito’s plan is not to do a cash refund. Anderson asked for an amendment to the motion to restrict any credit to the membership; Smith indicated an amendment could be made to the motion.

Director Anderson **moved** to **amend** the **motion** and Director Loughlin **seconded** the amendment to reflect that, “any credit requested is to future membership and not a cash refund”.

Smith asked if there were any further questions; Allard requested clarification of the amendment to indicate that a cash refund would not be provided to anyone; Smith affirmed.

Disposition on the *amendment*: Resolved by unanimous vote for; motion carried.

Disposition on the original motion *as amended*: Resolved by unanimous vote for; motion carried.

XII. Division of Ports and Harbors:

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

A. Reports:

1. Port Advisory Council (PAC) Meeting Minutes of February 12, 2020

Marconi indicated that the minutes are included in the packet for review and that PAC did not meet during COVID; however, this month PAC did hold a Zoom meeting. In June, PAC adjourns for the summer unless there are any issues which require action.

2. Right of Entry - Northeast Fishery Sectors – Office Rental - Portsmouth Commercial Fish Pier

3. Exercise of Option for On-call Marine Engineering Services - Appledore

Marine Engineering, Inc. DPH

DPH has a lot of projects currently with Appledore so there is a need to exercise the option.

4. Right of Entry - Rye Harbor Adventures -Charter Fishing

Marconi updated the Board to indicate that the dredging at Hampton Harbor was completed in February/March and [the dredging of] Rye Harbor will commence in November. All of the paperwork is being signed with Corps of Engineers and going out to bid. DPH has gone out to bid on replacing the bulkhead wall at the Portsmouth Fish Pier (PFP) and the bids are due on June 26th; there is a motion contained in the packet regarding the PFP. DPH has been busy with Cianbro Corp. who has been contracted for the flood basin work at the Shipyard. The first phase of the project was completed a couple of weeks ago which included dredging of material out of the proposed flood basin and then it was trucked up to Turnkey in Rochester which calculated out to approximately 31,000 tons of material that went across the dock in about five (5) weeks. Cianbro is gearing up for the actual construction phase of the project and looking for about 40,000 cubic yards of concrete material (aggregate, sand, cement, fly ash, etc.) to come across the facility. They will be assembling a barging plant that will be brought over on and then there will be a series of barges going back and forth bringing materials to the site.

Marconi affirmed that DPH staff have taken a lot of steps to make sure they are safe; all are showing up and doing their jobs. Marconi indicated that a few have been doing their jobs remotely (the administrative aspects of it). A few individuals that need to be at DPH have been working regularly, doing their jobs exemplary while maintaining their safety and the safety of other members at DPH.

Anderson asked how many vendors showed up for the PFP pre-bid meeting; Marconi stated he believed that there were nine (9) contractors. Marconi indicated that DPH has a mandatory pre-bid conference and that those contractors who attend the pre-bid meeting have to register with DPH the intention to submit a bid. Marconi indicated that there is a list of nine (9) reputable marine construction contractors on the list; some of the contractors have done business before with DPH

Director Levesque (“Levesque”) asked if the bids are due on the 26th, when will the contractor be chosen. Marconi indicated that there will be a public opening of the bids down at DPH and then once the apparent low bidder and bid documents are reviewed (by PDA Legal and Engineering departments) then a notice to proceed will probably be issued somewhere around the middle of July.

Levesque asked Marconi why Rye Harbor Adventures is required to have a Right of Entry (ROE); Marconi indicated the desire to carry passengers for hire. Levesque further asked if there were any commerce (i.e.; if you were a commercial fisherman you wouldn’t need a ROE you would only need a regular pass). Marconi indicated that to conduct commercial activities at DPH facilities a Pier Use Permit is required, in accordance with the Administrative Rules. If someone is going to attract the public to come down in order to carry passengers for hire, there is a higher standard of insurance required, as well as other requirements, contained in the ROE. This is to protect the public, DPH and the State of New Hampshire. So anyone who carries passengers is required to have an additional contract; there is no fee for the contract but they agree to the terms and conditions within the ROE in order for them to carry passengers.

B. Approvals:

1. Jocelyn Marine – Boat Hauling:

Director Levesque moved the motion and Director Torr seconded that the Pease Development Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Jocelyn Marine Services, Inc. of Salisbury, Massachusetts, to provide boat hauling and launching services at the Hampton Harbor Marine Facility through June 30, 2023; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated May 22, 2020.

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

2. Portsmouth Commercial Fish Pier – Seawall Replacement:

Director Anderson moved the motion and Director Allard seconded that the Pease Development Board of Directors (PDA) hereby authorizes the Executive Director to complete negotiations and to execute a construction contract with the lowest responsible qualified bidder for the replacement of the seawall and supporting infrastructure at the Portsmouth Commercial Fish Pier located at 1 Pierce Island Road, Portsmouth, NH; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated June 4, 2020.

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

XIII. New Business:

A. Approvals:

1. Appointment of Executive Director:

Director Torr moved the motion and Director Anderson seconded that in accordance with the NH RSA 12-G:4, VI and the By-Laws of the Authority, the Pease Development Authority (PDA) Board of Directors hereby appoints Paul E. Brean, PDA Deputy Director / Airport Director, as Executive Director of the PDA effective July 1, 2020 and confers with such appointment all of the authority, duties, and obligations for active supervision of and management over the day-to-day business and operations of the Authority.

Further, be it resolved that as of July 1, 2020, Paul E. Brean, as Executive Director, is authorized to endorse all checks, drafts, depository agreements, loans, credits, security agreements, and/or other related bank documents in accordance with the powers previously granted by this Board to the Treasurer, Executive Director, General Counsel, and Manager of Engineering of the PDA concerning PDA bank accounts. The authority hereby conferred shall be and remain in full force and effect until written notice of the revocation is presented.

Discussion: Smith indicated that Brean is up to the task and would be a great successor to Mullen and will serve PDA very well.

Disposition: Resolved by unanimous vote for; motion carried.

Lamson thanked Mullen for all of the direction that he provided to the Board,

XIV. Upcoming Meetings:

Board of Directors

August 20, 2020 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XV. Directors' Comments:

Lamson announced that on June 10, 2020, the Citizen Planner of the year was announced by the NH Planning Association and it was presented to PDA Board member Franklin Torr.

Lamson spoke to Stowell regarding a communication she had received regarding Arboretum Drive from the Administrator for the Town of Newington ("TON"). Lamson stated that the City of Portsmouth ("COP") does the roads and filled in [road] like bandaid surgery. Lamson understands that Stowell cannot do anything but she wanted it known that the TON has a communication with the COP about the road; Stowell affirmed that was her recommendation. Lamson stated to Mr. Latchaw, a Selectman from the Town of Newington, in attendance at the meeting that the discussion was concerning a letter from Administrator Roy to the COP stating something needed to be done about Arboretum as it is part of the Municipal Services Agreement ("MSA"). Portsmouth City Councilor / PDA Liaison John Tabor, who was in attendance, asked Lamson which part of Arboretum; Lamson indicated it is not part of the Refuge, it is part of the municipal services. Lamson indicated that it goes down Short Street and that she would be happy to give Tabor a tour and provide photos. Tabor indicated that COP Public Works Director Peter Rice ("Rice") tracks the updates / road maintenance and that Pease is behind in its maintenance (some of which is due to the soil hazardous waste issue but he doesn't believe it applies to this location). Tabor indicated he would speak to Rice about the area being discussed. Lamson indicated that it has become a heavily traveled road especially with people (biking and walking) going to the Refuge. Latchaw indicated the TON will definitely contact COP; and suggested the PDA Board endorse the request of TON to COP. Smith indicated the PDA Board would take it under consideration.

Levesque was amazed how good PDA's finances are considering the current circumstances. Levesque indicated that there is going to be a lot of transition here and it was good that the Board was able to hold the meeting in person. Levesque further stated that the whole operation is so strong from the work of a lot of people under Executive Director Mullen's leadership, which is a testament that we are not through the tough part of the pandemic. Levesque was surprised when he reviewed the numbers provided by Canner and thanked him, and everyone, for all the work that has been done, it isn't easy (i.e.; hospitals, colleges etc.).

Anderson congratulated Mullen on his retirement and for what he has brought forth to the Board over the years; he commended Mullen with a standing ovation.

Mullen indicated that it has been a great run and a lot of people have worked to make him look good and have succeeded. Mullen also thanked the staff and everything they have done to support him over the years; he will miss it, but it is time. Mullen further stated that the perfect solution to his departure; Brean was a find and will do a great job.

Smith thanked Mullen for all his service, as well as Anderson for the recognition of Mullen. Smith indicated that this may also be the last time that Torr will be on the Board in person as well as Strafford County is looking to make a new appointment with Torr's resignation. Smith thanked Torr for his years of service to PDA.

Former Director Bohenko told Mullen if Mullen enjoys retirement like he does, Mullen will be a happy man.

XVI. Adjournment:

Director Lamson moved the motion and Director Allard seconded to adjourn the Board meeting. Meeting adjourned at 10:11 a.m.

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


XVII. Press Questions:

No members of the press were known to attend the meeting.

Respectfully submitted,



Paul E. Brean
Executive Director/Secretary

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
-  Confidential Materials

