

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

Thursday, January 21, 2016

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

I. Call to Order

Chairman Bald called the meeting to order at 8:00 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

Due to the participation of Directors via speaker telephone, all votes will be taken by roll call.

II. Acceptance of Meeting Minutes: December 17, 2015

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the December 17, 2015 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

III. Public Comment

There were no comments from the public.

IV. Old Business

No old business was brought before the Board.

V. Finance

A. Financial Reports

1. Operating Results for the Five Month Period Ending November 30, 2015

Irv Canner, PDA Director of Finance, reported on the status of the PDA FY 2016 finances for the five month period ending November 30, 2015. Revenues are slightly above budget, while operating expenses are below budget. Expenses are expected to increase as the fiscal year progresses. Utilities are currently over budget. Variances in revenues include the fuel underruns at the Division of Ports and Harbors ("DPH") offset by fee revenues, including golf course membership fees. Staffing numbers continue to decrease due to changes in seasonal employees. Fringe benefits are currently under budget due to timing issues. Electricity costs, due to increased consumption, and Golf Course water expenses are over budget. PDA is exploring renegotiating its electrical power provider to take advantage of lower energy rates. PDA's net income cash position has decreased since June 30, 2015 due, in part, to repayment of the Provident Bank revolving line of credit, decreases in accounts receivable, and construction costs. In December, PDA drew down \$1 million from the line of credit for expenses and anticipates a short repayment period. The Balance Sheet shows that the unrestricted funds has a negative balance of approximately \$3.7 million due to the pension liability recently added to the balance sheet. PDA will set up a reserve fund to help offset the future pension liability which is also affected by changes in the Stock Market.

Business Units Analysis shows that Portsmouth International Airport at Pease (“PSM”) enplanements for 2015 of 43,300 are slightly below the total enplanements for the previous year. At Skyhaven Airport, fuel sales have increased due to lower fuel costs. Since its transfer to PDA in 2009, PDA has incurred a net operating loss of approximately \$1.3 million on behalf of Skyhaven. The Golf Course outdoor season is finished and use of the indoor simulators has increased. Rounds played in 2015 increased by approximately 16% from 2014. Bar and grill sales are approximately 6% ahead of the previous year. DPH is showing an overall net operating income of \$172,000. When broken out by units, the pension liabilities shows PDA’s share to be approximately \$2.9 million.

2. Nine Month Cash Flow Projections to September 30, 2016

Mr. Canner reviewed PDA cash flow projections for the nine month period ending September 30, 2016. PDA’s (excluding DPH) unrestricted cash balance to date is \$589,000. PDA anticipates that the balance will be approximately \$2.0 million by September 30, 2016. Grant funded projects, including the PSM Terminal bathrooms and the Identity Management System, are expected to cost approximately \$1.9 million; while non-grant funded projects, including the PSM Terminal roof and Golf Course equipment, are expected to cost approximately \$1.3 million. PDA debt is expected to be reduced to approximately \$465,000 by the end of the period. DPH’s unrestricted cash balance is approximately \$481,000. DPH’s future revenues include mooring permit fees and rent revenue from the Maine Department of Transportation.

VI. Licenses/Easements/Rights of Way/Options

A. Approvals

1. AMEC Foster Wheeler – 35 Airline Avenue

Director Allard moved and Director Loughlin seconded to **The Pease Development Authority Board of Directors hereby approves of and consents to the Right of Entry (“ROE”) with AMEC Foster Wheeler for the purpose of storing well testing equipment and associated materials at 35 Airline Avenue. The ROE is retroactively effective from November 2, 2015 through May 31, 2016; all on substantially the same terms and conditions as the draft Right of Entry dated December 18, 2015 attached hereto. Note: Roll Call Vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

VII. Leases

A. Reports

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

1. 200 International, LP

200 International LP entered into a sublease with Cousins Home Lending, Inc. for 2,053 square feet at 200 International Drive for a base term of 5 years. Director Lamson approved the sublease.

2. Two International Group, LLC

Two International Group, LLC entered into a sublease with Walker Winslow Group, LLC dba Paradigm Health Plans for 5,937 square feet at 2 International Drive for a base term of 5 years. Director Lamson approved the sublease.

VIII. Signs

A. Approvals

1. Wheelabrator Technologies, Inc.

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of the proposed sign for Wheelabrator Technologies, Inc. at 100 Arboretum Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated January 14, 2016 and attached hereto. Note: Roll Call Vote required.** Discussion: Director Lamson stated that she is very pleased with the development of the building at 100 Arboretum Drive. Maria Stowell, P.E. - Manager Engineering, reported that Wheelabrator will use the majority of the building space. Disposition: Resolved by unanimous roll call vote; motion carried.

IX. 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. Vanasse, Hangen & Brustlin, Inc. – Traffic Counts

PDA contracted with Vanasse, Hangen, & Brustlin, Inc., to perform traffic counts and prepare data analysis for the four-way intersection at New Hampshire Avenue, Pease Boulevard, Arboretum Drive and the Air National Guard entrance. The expenditure of \$3,000 was approved by Vice-Chairman Loughlin.

2. Northeast Hydraulics, Inc. – Hydraulic Sander

PDA contracted with Northeast Hydraulics, Inc. for the purchase of one 5.0 cubic yard hydraulic sander for use by the PDA Maintenance Department to assist in snow removal. The expenditure of \$7,722.00 was approved by Vice-Chairman Loughlin.

3. Donovan Equipment Co., Inc. – Steel Plow

PDA contracted with Donovan Equipment Co., Inc. for the purchase of one 11” steel plow for use by Maintenance Department to assist in snow removal. The expenditure of \$7,250.00 was approved by Vice-Chairman Loughlin.

4. Golf Course – Toro NSN Service Contract

PDA contracted with Toro NSN to enter into a 3 year service contract for a software program used by the Golf Course to troubleshoot turf and irrigation equipment on-line. The expenditure of \$5,220.00 is an approved budget item.

B. Approvals

1. IDMS – FAA Grant Acceptance/Contract Award

Director Bohenko moved and Director Torr seconded to **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:**

(1) accept on behalf of the PDA for the specification and procurement of an Identity Management System (“IDMS”), a Federal Aviation Administration (“FAA”) Grant Offer in AIP funding for FY 16, equal to 90% of the IDMS project costs, in the amount not to exceed \$354,792.60;

(2) accept from NHDOT Division of Aeronautics 5% of the IDMS project costs in an amount not to exceed \$19,710.70;

(3) expend PDA funds equal to 5% of the project costs in an amount not to exceed \$19,710.70;

(4) enter into a contract with Hoyle Tanner & Associates, Inc. for the IDMS project in the total amount of \$394,214; and

(5) execute such other documents and/or agreements as are necessary or appropriate, e.g. software licensing agreements, to implementation of the IDMS;

all in accordance with the memorandum from Maria J. Stowell, P.E., dated January 7, 2016 and attached hereto. **Note: Roll Call Vote required.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

2. Vanasse, Hangen & Brustlin, Inc. – Contract Extension

Director Lamson moved and Director Torr seconded to **The PDA Board of Directors hereby authorizes the Executive Director to complete negotiations and execute a Contract Extension with Vanasse Hangen, Brustlin, Inc. (“VHB”) for the provision of transportation consulting services. The contract is hereby extended for a period of two years effective May 1, 2015.**

Further, the Executive Director is authorized to expend an amount not to exceed \$30,000 for VHB’s provision of intersection and infrastructure improvement cost estimating work; all in accordance with the memorandum from Maria J. Stowell, P.E., dated January 13, 2016 attached hereto. Note: Roll Call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

3. USDA/WS Wildlife Control

Director Loughlin moved and Director Lamson seconded to **The Pease Development Authority Board of Directors authorizes the Executive Director to execute a contract with the United States Department of Agriculture Wildlife Service (USDA WS) from January 1, 2016 through December 31, 2016, in the amount of \$18,358.00 for the purpose of providing integrated turkey, other large bird, and animal control and monitoring services at the Airfield; all in accordance with the memorandum of Andrew B. Pomeroy, Airport Operations Supervisor, dated January 12, 2016, and attached hereto.**

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

1. PDA has a long standing relationship with USDA WS stemming back to the time PDA was formed. As a part of that ongoing relationship, the USDA WS has maintained ongoing wildlife surveys, with data dating back to its first arrival at Pease. PDA does not want to interrupt this data stream.

2. The USDA WS conducts training classes for PDA Airport Operations Personnel on Airport Wildlife Hazard Management, to meet FAR 139 requirements. USDA is the FAA recognized authority for such required training. **Note: This motion requires 5 affirmative votes.**

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

4. PSM Terminal Bathrooms

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

a. enter into a contract amendment with Greenman - Pedersen, Inc. in the amount of \$14,100 for production of the final design package for the Portsmouth International Airport at Pease (“PSM”) Terminal Restroom Improvements project; and

b. enter into a contract with Hoyle, Tanner & Associates, Inc., PDA’s airport consultant, for AIP grant administration tasks related to the restroom project;

all in accordance with the memorandum of Maria J. Stowell, P.E. Manager, Engineering, dated January 12, 2016 attached hereto. Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

5. Electricity Service Provider

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

a. terminate the current contract with Provider Power, LLC for the supply of electricity; and

b. renegotiate the terms of the contract and execute a new contract with Provider Power, LLC;

subject to PDA being offered a more favorable supply rate; all in accordance with the memorandum of Irv Canner, dated January 15, 2016 attached hereto. Note: Roll Call Vote required. Discussion: Director Bohenko asked if PDA has considered the use of solar panels. Mr. Mullen informed the Board that PDA is very interested in solar energy. Director Bohenko noted that PDA can send out an RFP for solar companies to provide costs for the provision of the solar energy infrastructure and electricity rates. Director Lamson reported that several homes in Newington and Greenland are using solar energy. Director Bohenko reported that the City has received a grant for installation of solar energy equipment for use by the City. Mr. Mullen reported that PDA looked into setting up solar panels on an 80 acre site near the runway, but there are issues with reflective glare The FAA would have to approve the installation of solar panels near the airport. PDA is also working on installing LED lighting. Disposition: Resolved by unanimous roll call vote; motion carried.

6. Liberty Chevrolet – Electrician’s Van

Director Loughlin moved and Director Lamson seconded to **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Liberty Chevrolet of Wakefield, MA in an amount not to exceed \$64,533.00 for the purchase of one electrician’s van; all in accordance with the memorandum from Joseph McPherson, Facilities Resource Manager, dated January 12, 2016 attached hereto. Note: Roll Call Vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

X. 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 membership drive resulted in 24 new memberships and two people have signed up for the Trial Pass. Membership has increased by approximately 10% from last year. Staff will continue to work on increasing membership. The Golf Course Maintenance is working on cleaning equipment and getting it ready for the summer season. PDA is working with Grill 28 and Seacoast Media Group for advertising to generate more business during the winter.

2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

a) Skyhaven Airport

Staff is working on preparing to redo the apron around the t-hangers. The Wings and Wheel fund raiser is scheduled to be held on June 4, 2016.

b) PSM

A Noise Compatibility Committee meeting will be held on January 21, 2016 at 6:30 p.m. Total enplanements for 2015 decreased due to the reduction in troop flights. Allegiant Airlines passenger numbers have increased. The Identity Management System will be used to consolidate several data bases including badging to make the process more efficient. The Terminal restrooms will be renovated to accommodate increased passenger traffic. The obstruction project and runway rehabilitation projects are ongoing. Director Lamson commended Sandy McDonough for her work with the Noise Compatibility Committee.

(1) FAA MOA – Navigational and Weather Aids

Director Torr moved and Director Lamson seconded to **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a Memorandum of Agreement with the Federal Aviation Administration (“FAA”) for the construction, operation, and maintenance of FAA owned navigation, communication and weather aid facilities at Skyhaven Airport on substantially the same terms and conditions set forth in the attached “No Cost Land on Airport Memorandum of Agreement”; and otherwise in accordance with the memorandum of Andrew B. Pomeroy, Airport Operations Supervisor, dated January 13, 2016 attached hereto. Note: Roll Call Vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

(2) Right of Entry – New England Aerobatic Club

Director Allard moved and Director Preston seconded to **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with IAC Chapter 35 - New England Aerobatic Club for airplane aerobatic practice at Skyhaven Airport; all on substantially similar terms and conditions set forth in the Right of Entry dated January 22, 2016, and attached hereto. Note: Roll Call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.**

c) Noise Line Report

Mr. Hopper reported that 29 inquiries were made to the Noise Line in December, 2015, including: 15 helicopter related inquiries; 9 inquiries related to non-based military KC-10s; three based military KC-135s; one non-based commercial DC-9; and one piston aircraft.

XI. Division of Ports and Harbors

A. Reports

1. Port Advisory Council

Geno Marconi, Division Director, reported that the Port Advisory Council met on January 20, 2016. The Council was updated on: the status of the 2016 mooring permit program; commercial fishing regulations and their effect on commercial fishing industry. Mr. Marconi reviewed the process to allow bulk diesel fuel delivery to boats from a fuel truck and the requirement to obtain a variance from the Fire Marshall to allow direct fueling. Notices regarding the fueling will be sent out to all pier use permit holders. Mr. Marconi reported that Assistant Mayor Splaine was appointed as the Mayor’s representative to the Advisory Council. Information regarding the Port’s operations is being put together for Asst. Mayor Splaine and a tour of the facilities will be conducted.

2. Commercial Mooring Transfers

Mr. Marconi reported that in accordance with the ADelegation 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>
Rye Harbor Transferor: Transferee:	No. 964 Blue Lobster, LLC Andrew Widen	Commercial Fishing	12/30/15
Isles of Shoals Transferor: Transferee:	No. 897 F/V Lady Martha, LLC Andrew Heaphy	Commercial Fishing	12/30/15

XII. Special Events Report

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

1. New Heights – Paddy’s Five Miler Road Race

On Sunday, April 3, 2016, New Heights - Adventures for Teens will host the St. Paddy’s 5 mile road race. Funds raised will be used to support New Heights’ programs.

XIII. New Business

No new business was brought before the Board

XIV. Upcoming Meetings

Chairman Bald reported on upcoming Committee and Board meetings:

Finance Committee	March 14, 2016	Cancelled
Board of Directors	March 17, 2016	Cancelled
Port Committee	March 17, 2016	555 Market St
Audit Committee	April 18, 2016	
Board of Directors	April 21, 2016	9 a.m.

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

XV. Directors' Comments

In response to Director Bohenko's inquiry regarding the status of installing web streaming equipment in Board room, Mr. Mullen reported that he signed a contract on January 20, 2016 for the web streaming system at a cost of \$1,200 per year. The system will be operational on April 1, 2016.

Mr. Mullen pointed out the changes to the Committees' and the Board's meeting dates. The FY 2013 Operations and Capital Budgets will be reviewed at the April 21 Board meeting.

XVI. Adjournment

Director Bohenko moved and Director Loughlin seconded to **adjourn the Board meeting.**
Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. Meeting adjourned at 8:50 a.m.

XVII. Press Questions

There were no members of the press at the meeting.

Respectfully submitted,

David R. Mullen
Executive Director/Secretary