

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

**Thursday, May 19, 2016**

Presiding: George M. Bald, Chairman  
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; and Robert F. Preston;  
Absent: Franklin G. Torr  
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 8:01 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

**II. Acceptance of Meeting Minutes: April 21, 2016**

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the April 21, 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**

No old business was presented to the Board.

**V. Finance Committee Report**

Irv Canner, PDA Director of Finance, reported that the Finance Committee met on May 16, 2016 to review the status of PDA finances.

**A. Financial Reports**

**1. Operating Results for the Nine Month Period Ending March 31, 2016**

Mr. Canner reported on the status of the PDA FY 2016 finances for the nine month period ending March 31, 2016 including operating revenues and expenses. Trends for the period remain consistent with operating revenues being on budget. Operating costs are lower by approximately 9.0% and will vary as winter snow operations costs and other accounts payables are submitted for payment. Mr. Canner reviewed the budget variances in the operating revenues including lower fuel sales at the Division of Ports and Harbors ("DPH") and higher fee revenues at the Golf Course. Budget variances in operating costs include higher utility costs. Electricity costs are equal to 60% of PDA's utility costs. Mr. Canner reviewed the organizational chart and the increase in the number of employees due to hiring of seasonal employees. Currently PDA employs a total of 131 people including 61 benefitted full-time positions.

Mr. Canner reviewed the makeup of the Balance Sheet which shows an unrestricted fund balance of approximately \$1.4 million. The current Provident Bank revolving line of credit that expires December 31, 2016, is paid in full. PDA is seeking a renewal of the line of credit. PDA has spent approximately

\$1.1 million dollars to date on construction work in process projects including the Golf Course Clubhouse kitchen renovations, street lights, and work at the Airport Terminal. PDA's only outstanding debt is with the City of Portsmouth related to the wastewater treatment project. Enplanements at the Portsmouth International Airport at Pease ("PSM") reached 24,340 as of April 30, which is approximately 50% ahead of the same period last year due to increased troop flights and the addition of Allegiant's flights to Fort Lauderdale. Fuel sales at Skyhaven Airport ("DAW") are equal to approximately 43% of DAW's total revenues and are ahead of sales for the same period last year. PDA's overall cash flow contribution to DAW since its transfer, including capital and operations, is approximately \$1.4 million.

The Golf Course opened the course in late March leading to increased fee revenues for the outside course and a decrease in the simulators' revenues for the same period as players moved to play outside. Outside rounds played to date are approximately 4,600 with approximately 60% of rounds played by members. Bar and grill sales are approximately 9% ahead of the same period last year. The Division of Ports and Harbors ("DPH") has derived \$130,000 in net operating income with revenues of approximately \$1.7 million. Mr. Canner reviewed the variances to DPH's revenues due to the conclusion of the mooring permit application period. There are no significant changes to DPH's restricted funds.

## **2. Nine Month Cash Flow Projections to January 31, 2017**

Mr. Canner reviewed PDA cash flow projections for the nine month period ending January 31, 2017, including sources of funds. PDA anticipates ending the period with \$3.6 million in cash. PDA's only debt is the payment due to the City of Portsmouth related to the wastewater plant. The balance due as of January 31 will be \$349,000. PDA makes an annual payment of \$116,000 towards the debt. Mr. Canner reviewed the anticipated use of funds and the makeup of the cash balance. Capital expenditures are expected to be approximately \$3.4 million in grant funded projects (such as PSM bathroom renovations, PSM identity system, and the NH ANG taxiway) and \$1.2 million in non-grant funded projects (such as the PSM Terminal roof). The Provident Bank revolving line of credit will expire on December 31, 2016. Mr. Canner reviewed PDA's costs of borrowing. PDA is renegotiating the renewal of the \$5 million line of credit. Mr. Canner reviewed the status of DPH funds and how timing differences of grant project reimbursements and expenditures affect the unrestricted fund's balance.

## **3. Revolving Loan Fund Semi-Annual Report – March 31, 2016**

Mr. Canner reported that as required by the Economic Development Administration ("EDA"), PDA prepared and filed its semi-annual report on the Revolving Loan Fund ("RLF") due on April 30, 2016. Since inception, 90 loans have been given out and 277 jobs were created or saved. PDA will seek the release of the previously sequestered funds as PDA will need the funds for three new loans. The total loan ratio is equal to approximately 84% of the total loan portfolio. To date, there are 27 loans outstanding, equal to \$939,000, and all are current.

### **B. Approvals**

#### **1. Investment Guidelines**

Director Lamson moved and Director Allard seconded that **In accordance with the recommendation of the Pease Development Authority Finance Committee, the PDA Board of Directors hereby adopts the Investment Guidelines as presented by Irving Canner, Director of Finance, dated May 1, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## 2. Airport Terminal Roof Repair/Weather Tower Demolition

Director Bohenko moved and Director Preston seconded that **In accordance with the recommendation of the Pease Development Authority (APDA) Finance Committee, the PDA Board of Directors hereby approves of and authorizes the Executive Director to enter into a construction contract with Careno Construction Company, LLC of Portsmouth, NH, in a total amount of \$341,500 for replacement of the Terminal roof at 40 Airline Avenue and the demolition of the old Air Traffic Control Tower.**

**Further, the Board authorizes a contingency fund of \$25,000 for unforeseen conditions that may arise during construction; all in accordance with the memorandum from Maria J. Stowell, P.E., Manager – Engineering, dated May 10, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

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

### A. Approvals

#### 1. Great Circle Catering, LLC

Director Loughlin moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Second Extension to the Right of Entry with Great Circle Catering to extend the term for a period of six (6) months beginning April 1, 2016 and to include one (1) six (6) month option to extend the term through March 31, 2017 exercisable at the Executive Director's sole discretion; all on the same terms and conditions set forth in the Right of Entry dated September 16, 2014 and the memorandum of Kim W. Hopper, Airport Manager, dated May 11, 2016, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

## VII. 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. Pioneer Aviation, LLC

Pioneer Aviation, LLC entered into a sublease with Nicholas Mirabello dba URock Marketing, LLC for 1,900 square feet at 125 Aviation Avenue for a base term of one year. Director Lamson approved the sublease.

#### 2. 222 International, LP

222 International, LP entered into a sublease with Tekon-Technical, LLC for 3,363 square feet at 222 International Drive for a base term of three years. Director Lamson approved the sublease.

### B. Approvals

#### 1. Granite State College – Lease Extension

Director Allard moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into Lease Amendment No. 1**

with the University System of New Hampshire operating as Granite State College for the Premises located at 51 International Drive to extend the Lease for two years with one (1) two year option; upon substantially similar terms and conditions contained in the Lease Amendment No. 1 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## **VIII. Signs**

### **A. Reports**

In accordance with the ADelegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs@, Mr. Mullen reported that PDA approved of the modifications to signs as follows:

#### **1. BayRing Communications/Oxford Networks**

BayRing Communications (formerly Freedom Ring Communications) will revise the existing signs at 359 Corporate Drive and 11 Manchester Square to change the company name to Oxford Networks. Director Loughlin approved the sign modifications.

#### **2. Newmarket International**

Newmarket International will revise the existing signs at 75 New Hampshire Avenue to change the company name to Amadeus. Director Loughlin approved the sign modifications.

## **IX. Contracts/Agreements**

### **A. Reports**

#### **1. Norris, Inc.**

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported that PDA entered into a contract with Norris, Inc., PDA's fire alarm maintenance provider, for the provision and installation of a fire alarm panel at premises at 75 Rochester Avenue. The expenditure of \$9,067 was approved by Vice-Chairman Loughlin.

#### **2. Daystar, Inc. – DPH Computer Server**

In accordance with the ADelegation to Executive Director: Consent, Approval and Execution of Documents and Expenditures for Emergency Repairs@, Mr. Mullen reported that PDA entered into a contract with Daystar, Inc. for the purchase and installation of the file/exchange computer server at the Market Street Terminal. The expenditure of \$16,999 was approved by Vice-Chairman Loughlin.

## **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. League play has been and the first full field event of the season with 180 players was held on May 7, 2016. Advertising of the Golf Course is ongoing including rack card flyers, e-mail blasts, and public promotions. Mr. DeVito confirmed for Director Bohenko that an assistant golf pro was hired recently.

## 2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

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

Upcoming projects at the PSM Terminal include roof replacement on the old portion of the Terminal; demolition of the old weather tower; and renovation of the bathrooms. Allegiant Airlines will resume the flights to Punta Gorda and Fort Lauderdale, Florida in the fall. The Pease Greeters are planning to celebrate the one thousandth troop flight in late July or early August. A Noise meeting meeting will be held on May 19, 2016.

### b) Skyhaven Airport

The Wings and Wheels event will be held on June 4, 2016. Work is expected to take place on the taxilane and drainage system.

#### (1) Skyhaven Flying Club – ROE

Director Preston moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to exercise the option to extend the Right of Entry with Skyhaven Flying Club, Inc. (“SFC”) for the premises located at Skyhaven Airport. The Right of Entry is extended for a period of six months beginning April 1, 2016 through September 30, 2016 on the same terms and conditions contained in the SFC Right of Entry dated October 1, 2015 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

### c) Noise Line Report

Mr. Hopper reported that 35 inquiries were made to the PSM Airport Community Liaison regarding noise during the month of March, 2016. Five inquiries were related to helicopter activity; 29 inquiries were related to fixed-wing and military aircraft operations; and one inquiry was related to the number of aircraft flying out of PSM.

## B. Approvals

### 1. Bills for Legal Services

Director Preston moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$6,960.00 for legal services rendered to the Pease Development Authority by:**

#### 1. Sheehan Phinney Bass + Green Through March 31, 2016

\$ 6,960.00

**Total** **\$6,960.00**

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

**XI. Division of Ports and Harbors**

**A. Reports**

**1. Port Advisory Council**

Geno Marconi, Division Director, reported that the Port Advisory Council met on May 18, 2016. The Council decided to move its regular meetings to the second Wednesday of the month to give Mr. Marconi time to compile information from the Council meeting to be presented to the following Board meeting. The Council reviewed the 2016 mooring permit program statistics. Mr. Marconi reported that a dredging task force meeting was held and areas of dredging concerns in Seabrook Harbor, Hampton Harbor, Rye Harbor, and Sagamore Creek was discussed. A contract for a survey of the Piscataqua River turning basin was awarded; and the US Senate approved funding for the Army Corps of Engineers' harbor maintenance projects. In response to Director Bohenko, Mr. Marconi reviewed the definition of a vessel. The Board and Mr. Marconi discussed ongoing mooring issues including the status of mooring waits lists and how mooring permits are issued to wait list applicants.

**2. Commercial Mooring Permit Transfer**

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>
Isles of Shoals Harbor	No. 4902	Commercial Fishing	5/10/16
Transferor:	William Roach		
Transferee:	Peter Aikens, Jr.		

**B. Approvals**

**1. Pda 300, Pda 500, and Pda 600 – Final Proposals**

Director Bohenko moved and Director Allard seconded **to table the motion to allow additional work to be done on the final proposals.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

**2. Miles Marine Transportation – Right of Entry**

Director Preston 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 Miles Marine Transportation, LLC of Gilford, NH, for the purposes of operating a boat hauling business at the Hampton Harbor Marine Facility, Hampton, NH and the Rye Harbor Marine Facilities, Rye, NH; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Division Director, dated May 10, 2016 attached hereto.** Discussion:. Disposition: Resolved by unanimous vote; motion carried.

**3. Vintage Fish Company**

Director Preston 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**

Captain Adam Baker dba Vintage Fish Company of New Castle, NH, for marine charter vessel operations located at the Rye Harbor Marine facility; all in accordance with the terms and conditions set forth in the memo of Geno J. Marconi, Division Director, dated May 11, 2016, attached hereto. Discussion:. Disposition: Resolved by unanimous vote; motion carried.

## XII. New Business

No new business was presented to the Board.

## XIII. Upcoming Meetings

Chairman Bald reported on the upcoming PDA meeting. All Meetings begin at 8 a.m. unless otherwise posted.

Board Meeting                      June 16, 2016

## XIV. Directors' Comments

Director Preston asked about the possibility of pre-payment of the debt to the City of Portsmouth to take advantage of lower interest rates. Mr. Canner and Attorney Hinchee explained that due to the terms of the loan, PDA would still be liable for the entire interest payment whether the loan was paid off early or in accordance with the payment schedule.

## XV. Non-Public Session

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors will enter into non-public session pursuant to:**

1. **NHRSA 91-A:3, Paragraph II(a) the dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted; and**
2. **NHRSA 91-A:3, Paragraph II(b) for the purpose of discussing the hiring of a public employee;**

**Roll Call Vote.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. The Board entered into non-public session at 8:50 a.m. The Board returned to public session at 9:56 a.m. *Note: Director Bohenko left the meeting at 9: 53 a.m.*

## XVI. Vote of Confidentiality

Director Allard moved and Director Preston 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 May 19, 2016 meeting would likely affect adversely the reputation of a person other than the PDA Board of Directors and agrees that the minutes and decisions reached in said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply. Note: This motion requires 5 Affirmative Votes.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

## **XVII. Adjournment**

Director Allard moved and Director Lamson seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 9:58 a.m.

## **XVIII. Press Questions**

No members of the press attended the meeting.

Respectfully submitted,

David R. Mullen  
Executive Director/Secretary