

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

Thursday, September 21, 2017

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

I. Call to Order

Chairman Bald called the meeting to order at 8:08 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

II. Acceptance of Minutes: August 10, 2017

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the August 10, 2017 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comments

There were no public comments.

IV. Old Business

There was no old business.

V. Finance Committee Report

A. Financial Reports

1. Operating Results for Twelve Month Period Ending June 30, 2017

Irving Canner, PDA Director of Finance, reported on the status of PDA FY17 finances for the twelve month period ending June 30, 2017, including variances in revenues and operating costs. Mr. Canner reviewed the status of PDA staffing, utility costs and legal fees. Mr. Canner reported that the field audit is completed, that it went well and was clean. PDA will receive a certified audit report from the auditors. Mr. Canner reported on the changes in the Balance Sheet for the period and the effect of the pension liabilities on PDA's net position. *Note: Director Preston left the room at 8:18 a.m. and returned at 8:19 a.m.* Mr. Canner reviewed construction activities including grant funded and non-grant funded projects. The total for projects this fiscal year is \$3.1 million. A review of the business units for the period showed PSM enplanements are just below 71,000; Skyhaven Airport's capital expenditures are approximately \$1 million; and Golf Course operating revenues, simulator revenues, and bar and grill sales are ahead of the same period last year. Mr. Canner discussed the Revolving Line of Credit ("RLC") and reported that we have not had to use any funds from it this fiscal year. In response to Chairman Bald's question, Mr. Canner stated that the contract with the audit firm is three years fixed with two options. The cost to the audit firm is \$16,000 for the first three years.

2. Nine Month Cash Flow Projections to May 31, 2018

Mr. Canner reviewed PDA cash flow projections for the nine month period ending May 31, 2018 including sources of funds for grant funded and non-grant funded projects. The nongrant funds spent were \$619,000, with the bridge replacement on the Blue Course at the Golf Course at Pease totaling approximately \$190,000 of that amount. The credit with Provident Bank, which is a \$5 million facility, was extended to December 31, 2018. The cost of borrowing today would be 3.9% versus 3% a year ago.

VI. Licenses/Easements/Rights of Way/Options

A. Reports

1. Big Brothers Big Sisters – ROE

David R. Mullen, Executive Director reported on the Right of Entry issued to Big Brothers Big Sisters for an event being held on September 23, 2017.

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. 30 International Drive, LLC – Seacoast Ticket Agency, Inc.

30 International Drive, LLC entered into a sublease with Seacoast Ticket Agency, Inc. for 2,570 square feet at 30 International Drive for a base term of two years with one three-year option. Director Lamson approved the sublease.

2. 200 International, Limited Partnership – Optris Infrared Sensing, Inc.

200 International, Limited Partnership entered into a sublease with Optris Infrared Sensing, Inc. for 1,600 square feet at 200 International Drive for a base term of three years. Vice-Chairman Loughlin approved the sublease.

3. 222 International, Limited Partnership – Orbis Sibro, Inc.

222 International, Limited Partnership entered into a sublease with Orbis Sibro, Inc. for 5,656 square feet at 195 New Hampshire Avenue for a base term of five years with one five-year option. Vice-Chairman Loughlin approved the sublease.

B. Approvals

1. 127 Corporate Drive – Fire Dept. Concept Approval

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of the Concept Plan submitted by the City of Portsmouth for the premises located at Fire Station #3, 127 International Drive, Portsmouth, New Hampshire for the minor site and interior and exterior building improvements; all on terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated September 11, 2017 attached hereto and subject further to the Executive Director negotiation and entering into any required amendment to the License Agreement with the City made effective July 1, 1998 for the Fire Station for the purpose of documenting and facilitating the improvements contemplated.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

VIII. 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. PH Media (USA), Inc. – Service Agreement at Pease Golf Course

PDA contracted with PH Media (USA), Inc. for media rental at Pease Golf Course. The expenditure of \$6,480.00 was approved by Treasurer Allard. Funds are included in the Marketing Budget for Pease Golf Course.

2. RMS Media Group, Inc.

PDA contracted with RMS Media Group, Inc. for a ½ page ad in Northshore Magazine for Pease Golf Course. The expenditure of \$2,220.00 was approved by Treasurer Allard. Funds are included in the Marketing Budget for Pease Golf Course.

3. Summit Supply

PDA contracted with Summit Supply to purchase a glass washer for the bar area at Grill 28 at Pease Golf Course. The expenditure of \$3,800.00 was approved by Vice-Chairman Loughlin. Funds will be covered in the Operating Budget, line item equipment under \$5,000.

4. Granite State Glass

PDA contracted with Granite State Glass for the replacement of seven insulated window panes at 55 International Drive. The expenditure of \$3,075.00 was approved by Vice-Chairman Loughlin.

5. The H.L. Turner Group, Inc.

PDA contracted with The H.L. Turner Group, Inc. for evaluation and preparation of drawings of the catwalk near the tower elevation at the Portsmouth International Airport at Pease. The expenditure of \$6,000.00 was approved by Vice-Chairman Loughlin.

6. Portsmouth Sign Company

PDA contracted with Portsmouth Sign Company to purchase and install a new illuminated exterior sign for the Portsmouth International Airport at Pease. The expenditure of \$3,885.00 was approved by Vice-Chairman Loughlin.

B. Approvals

1. Enterprise Rent-A-Car of Boston, LLC – Concession Agreement

Director Lamson moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a Car Rental Concession Lease and Operating Agreement with Enterprise Rent-A-Car Company of Boston, LLC, for the purpose of providing rental car services at the Portsmouth International Airport at Pease; all in**

accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated September 12, 2017, attached hereto. Discussion: None. Disposition: Resolved by unanimous 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, reporting that there were record numbers the last two months, even with a delayed opening and that the price per round has increased. The mailer for the membership renewals has been mailed out.

2. Airport Operations

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

a) PSM

There were over 70,000 enplanements this month. The number of passengers are still split 50/50 between Allegiant and troop passengers. The number of people going through the terminal is double the number of enplanements, or approximately 140,000. There is a Noise Compatibility meeting tonight. In response to Director Preston's question, attendance is expected to be normal. Mark H. Gardner, Deputy General Counsel, will be attending.

Allegiant is phasing out equipment and going with Airbus models. The winter schedule should have more frequent flights to Punta Gorda and Sanford, Florida. There will be no winter service to Ft. Lauderdale this year. It is expected that Allegiant will have increased activity to St. Petersburg this winter during the spring break time period.

The triennial drill was conducted on Saturday, September 16, 2017. The community was well prepared and the capacity of the health care networks was tested. It was very successful.

b) Skyhaven Airport

Mr. Brean reported that the construction at Skyhaven Airport is done for the winter.

c) Noise Line Report

There were a total of 96 noise inquiries at PSM during the month of August. There were 60 inquiries regarding rotor activities; originating from three Portsmouth residences. One Portsmouth resident was responsible for 55 of the 60 rotor wing inquiries. There were 36 inquiries regarding fixed wing activities originating from Newmarket and Rye. The Newmarket resident was responsible for 35 calls and the Rye resident made one inquiry.

B. Approvals

1. Bills for Legal Services

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds up to \$31,307.49 for the following legal services rendered to the Pease Development Authority:**

1.	Kutak Rock LLP CLF/Through August 31, 2017	<u>\$11,925.49</u>	\$11,925.49
2.	Sheehan Phinney Bass + Green PA CLF/Through July 31, 2017	<u>\$19,382.00</u>	<u>\$19,382.00</u>
	Total		<u>\$31,307.49</u>

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

XI. Division of Ports and Harbors

Tracy Shattuck, Chief Harbormaster, reported on the Division activities and the approvals sought before the board represent the current business at the Port.

A. Reports

1. Port Advisory Council

Mr. Shattuck reported that the Port Advisory Council met on September 13, 2017. The contract with Morton Salt was discussed. The Council was advised about the Foreign Trade Zone project and the NH DOT Functional Replacement of the Barge Dock. Installation of the middle (draw) portion of the Sarah Long Bridge has been postponed to October 17-27, 2017.

2. Monadnock Security Systems, Inc. – DPH Surveillance System

The DPH contracted with Monadnock Security Systems, Inc. to purchase and install a new security camera at Rye Harbor Pier. The expenditure of \$4,088.00 was approved by Vice-Chairman Loughlin.

3. Yates Electric Service, Inc. – DPH Surveillance System

The DPH contracted with Yates Electric Service, Inc. to provide electric services for the installation of a new security camera at Rye Harbor Pier. The expenditure of \$3,680.00 was approved by Vice-Chairman Loughlin.

4. HDR Engineering, Inc.

The DPH contracted with HDR Engineering, Inc. for consultation services regarding visit to Port of Halifax. The expenditure of \$9,250.00 was approved by Vice-Chairman Loughlin.

B. Approvals

1. Granite State Whale Watch, Inc. – ROE

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 Granite State Whale Watch, Inc. of Rye, New Hampshire, for the use of a storage building at Rye Harbor Marine Facility in Rye, New Hampshire through June 30, 2020; all in accordance with the**

memorandum of Geno J. Marconi, Division Director, dated September 15, 2017 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

2. Foreign Trade Zone #81 (“FTZ”) – Alternative Site Framework Application

Director Torr moved and Director Preston seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute an application and any other documents necessary or likely to facilitate the application for the Alternative Site Framework Foreign Trade Zone #81 project with the US Dept. of Commerce Foreign Trade Zone Board; in accordance with the Memorandum of Geno J. Marconi, Division Director, dated September 11, 2017, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

Chairman Bald suggested that DPH do a mailing to companies of a certain size in order to try to inform them about the FTZ and what benefits it could be to them.

Director Preston stated he had a call from someone in Hampton who wanted new tee shirts.

XII. New Business

There was no new business.

XIII. Upcoming Meetings

Chairman Bald reported that the following meetings will be held:

Port Committee	October 5, 2017
Audit Committee	October 17, 2017
Board of Directors	October 19, 2017

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

XIV. Directors’ Comments

Director Torr had indicated that five entities came forward regarding the McEntyre Building project.

IX. Non-Public Session

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

- 1. NHRSA 91-A:3, Paragraph II(d) for the purpose of discussing the acquisition, sale or lease of property;**
- 2. 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**
- 3. NHRSA 91-A:3, Paragraph II(b) for the purpose of discussing the hiring of a public employee.**

Note: Roll Call Vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried. The Board entered into non-public session at 9:46 a.m. The Board returned to public session at 10:08 a.m.

XV. 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 and decisions reached in the non-public session of its September 21, 2017 meeting related to:**

1. **Leasing of property; and**
2. **Personnel matters;**

would, if disclosed publically, a) render the proposed actions ineffective; and b) affect adversely the reputation of any person other than a member of the public body itself; and agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Executive Committee the aforesaid circumstances no longer apply. **Note: This motion requires 5 Affirmative Votes.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

XVI. Adjournment

Director Allard moved and Director Preston seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried. Meeting adjourned at 10:14 a.m.

XVII. Press Questions

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director