

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

Thursday, August 16, 2018

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; John P. Bohenko;
Margaret F. Lamson; Neil Levesque and Franklin G. Torr
Attending: David R. Mullen, Pease Development Authority (“PDA”) Executive Director; Lynn M.
Hinchee, PDA Deputy Executive Director and General Counsel; PDA staff members;
members of the public.

I. Call to Order

Chairman Smith called the meeting to order at 8:03 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

II. Acceptance of Minutes: June 21, 2018

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accepts the minutes of the June 21, 2018 Board meeting.** Discussion: Director Torr requested that the minutes be amended in Section V. The representative from Service Credit Union was Michelle Saccoccia and asked that her last name be included. Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comments

A. Presentation by Councilor Rebecca Perkins

City of Portsmouth Councilor Rebecca Perkins provided a handout and discussed the need for work force housing on the Tradeport. Ms. Perkins reported that PDA’s success has added approximately 10,000 jobs to the region but there is a housing shortage which is driving up housing prices. Ms. Perkins requests the PDA Board of Directors to consider for the September 2018 Board Meeting the development of a task force to address issues pertaining to potentially allowing work force housing in select areas on the Tradeport.

Director Bohenko moved and Director Levesque seconded that the Board discuss the task force at its next meeting. Director Bohenko stated that work force housing has been looked at many times and recommends that seven people sit on the Task Force Committee including the Portsmouth City Planner, a Portsmouth City Council member, Executive Director Mullen, and two other PDA staff members. If the Task Force could come to a decision, the report would at least be on file for future reference. In response to Director Lamson’s question regarding the effect to the Town of Newington such as education and soil pollution, Ms. Perkins responded that these are the types of issues the Task Force should be charged with.

Chairman Smith stated that the Town of Londonderry was grappling with the same issue with three work force housing places in Town; that the work force housing rents are not as low as you would think; there are not many school-aged children but occupied by professionals and elderly residents.

B. General Comment

Rick Becksted, Portsmouth City Councilor, spoke in support of the development of a Task Force for workforce housing. Mr. Becksted asks that Mr. Mullen be on the Task Force and speak at the Council meetings. Mr. Becksted also stated that the Task Force should be for issues other than housing and not just the Tradeport, more regional, as other towns are involved or affected.

Doug Roberts, Portsmouth City Councilor, also spoke in support of the development of a Task Force for workforce housing. Mr. Roberts stated that people who currently work on the Tradeport come from surrounding towns and is not sustainable. Mr. Roberts further stated that people want to live closer to work. Mr. Roberts questioned where the 1,000 new employees of Lonza will live and suggests they will live in Portsmouth which will drive up housing costs.

Mark George, Major Account Representative of Waste Management, spoke in connection with a recent bid by PDA for non-hazardous solid waste removal services. At the bid opening held on August 2, 2018, Waste Management submitted what appeared to be the lowest bid. Upon further review by PDA, the bid by Waste Management was found to be unresponsive due to additional items with variable charges which affected the pricing. Mr. George provided a handout with more detail regarding the pricing and asserted that Waste Management would still be the lowest bidder.

IV. Old Business

A. Approvals

1. Two International Group – 100 New Hampshire Avenue Option Extension

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to extend to March 31, 2019, the Option for the premises located at 100 New Hampshire Avenue (the “Premises”) to Two International Group, LLC; as outlined in the letter from Lynn M. Hinchee, Deputy Executive Director and General Counsel, dated July 6, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

2. NH DOT – Extension of ROE in Contemplation of Transfer

Director Lamson moved and Director Levesque seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into an extension of the Right of Entry with the New Hampshire Department of Transportation (“NHDOT”) for the Portsmouth Transportation Center and associated parking facility located at Pease International Tradeport for a period of one (1) year in anticipation of the transfer of the Premises to NHDOT prior to that date; all in accordance with the Extension of Right of Entry, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

V. Finance Report

Irv Canner, PDA Director of Finance, reported on the status of PDA finances.

A. Financial Reports

1. Operating Results for 11 Month Period Ending May 31, 2018

Mr. Canner reported the audit on the physical inventory went well. There were no audit findings. The auditors will be back in September for the year end through June 30, 2018. PDA received a letter from the Dept. of Commerce regarding the Revolving Loan Fund (“RLF”) and received a risk rating of “A” which is the highest rating.

The financial picture is consistent from prior months with operating revenues higher by 3.2% and operating expenses lower by 4.8%. The cash balances are currently over \$5 million. The close out of FY 18 shows approximately \$15 million in operating revenues and \$12 million in operating expenses, although these amounts are not yet final. The operating trends for revenues at the end of May shows \$415,000 driven by fee revenues of \$304,000 above budget.

Currently, there is one open position for an Assistant Electrician in Maintenance Group. As of Tuesday's payroll, there are 148 people. In response to Director Lamson's question of how many summer seasonal employees PDA has, Mr. Canner responded approximately 80 employees. Labor costs are over budget are driven by overtime for wharfage and dockage activities as well as coming out of the snow season. The post retirement adjustment is not reflected in these figures.

Operating expenses include the legal services which has annual budget of \$500,000. PDA has invoices for legal services through the end of June which is not included in the figures. The budget gap of \$192,000 should get tighter but are not expected to be over \$500,000 for the fiscal year.

Mr. Canner discussed the individual business units. At the end of May, Portsmouth International Airport at Pease ("PSM") had approximately 76,000 enplanements by the end of June which is 40% greater than last year at this time. Skyhaven Airport ("DAW") shows a loss of \$122,000 for operations. The cumulative number for funds needed to support DAW is approximately \$1.6 million.

The Golf Course showed operating revenues up by 13%. Golf fees were \$144,000. The positive variance in the operating income number by \$141,000. The business units at the Golf Course are all positive from a profit stand point. Food and beverage accounts for approximately 15% of revenue and about 47% of the profit of the bottom line. Grill 28 sales are 8% higher than last year. The rounds of golf played are 7% ahead than where we were last year.

The unrestricted funds at the Division of Ports and Harbors ("DPH") are still positive. Operating revenues were \$83,000 higher than expected. The impact on operating income is \$37,000.

In response to Director Bohenko's question on whether the Grill 28 food sales amounts include the sales for tournaments, Mr. Canner responded the tournaments are included and PDA gets a percentage on that as well.

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

Mr. Canner reviewed PDA cash flow projections for the nine month period ending April 30, 2019 including sources of funds for grant funded and non-grant funded projects. This captures just over \$9 million in capital expenditures with \$6 million in non-grant related capital expenditures and over \$3 million in grant related capital expenditures. The biggest item is the terminal expansion which will start in terms of cash flow in the next calendar year. PDA will be borrowing under the revolving line of credit ("RLC") next year beginning in the first quarter and the impact on our unrestricted cash balances, which are currently over \$5 million, will taper down. Provident Bank has expressed a positive attitude in working with PDA and will partner with PDA needs to move further than the \$5 million. PDA will need to provide certified report before decisions are made.

DPH expected cash flow trends are consistent with the mooring permits in January and February.

Mr. Canner indicated that he will be reporting next month on the year-end audit.

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

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

A. Reports

1. Harvey Construction – ROE

Mr. Mullen reported that Harvey Construction was granted a ROE for the period of August 13, 2018 through December 31, 2018 for the storage of construction trailers at 119 Arboretum Drive.

2. International Association of Privacy Professionals – ROE

Mr. Mullen reported that International Association of Privacy Professionals was granted a ROE for additional parking at 14 Aviation Avenue on July 11, 2018 in connection with a company family picnic.

3. NH Dept. of Environmental Services – ROE

Mr. Mullen reported that the New Hampshire Department of Environmental Services was granted a ROE for the period of July 11, 2018 through July 18, 2018 to perform maintenance to their oil spill response equipment.

4. Wood Environment & Infrastructure Solutions, Inc. – ROE

Mr. Mullen reported that Wood Environment & Infrastructure Solutions, Inc. was granted a ROE for the period of July 12, 2018 through October 31, 2018 for the purpose of staging vehicles and materials surrounding 31 Exeter Street in connection with the construction on the AIMS facility.

5. KOALD Design – ROE

Mr. Mullen reported that KOALD Design was granted a ROE for the period of August 1, 2018 through September 30, 2018 for inspection purposes of the Premises located at 47 Durham Street.

VII. Leases

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

A. Reports

1. Two International Group, LLC – Alliance Funding Group

Mr. Mullen reported that Two International Group, LLC entered into a sublease with Alliance Funding Group (“Alliance”) for 4,413 square feet within the leased premises at 2 International Drive, for a period of five years effective after the issuance of a Certificate of Occupancy which is anticipated to be August 1, 2018, with one (1) five year option to extend. Alliance will use the premises for office and related uses. Director Lamson approved the sublease.

2. 200 International, Limited Partnership – Revision Military, LTD

Mr. Mullen reported that 200 International, Limited Partnership entered into a sublease with Revision Military, LTD (“Revision”) for 5,233 square feet within the leased premises at 200 International Drive, for a period of one year effective July 1, 2018. Revision will use the premises for general office use. Director Lamson approved the sublease.

VIII. Signs

A. Approvals

1. 85 NH LLC – Variance

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of the proposed signs for 75 NH LLC, at 85 New Hampshire Avenue subject to the approval of a variance by the City of Portsmouth Zoning Board of Adjustment; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated August 9, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

IX. Contracts/Agreements

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs,” Mr. Mullen reported the following:

A. Reports

1. Eckhardt & Johnson, LLC – HVAC Emergency Replacement

PDA contracted with Eckhardt & Johnson, LLC for the emergency replacement of the HVAC system at the Terminal building. The expenditure of \$30,999.45 was approved by Vice-Chairman Loughlin.

B. Approvals

1. Stanley Elevator Co., Inc. – Elevator Services

Director Bohenko moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Stanley Elevator Company, Inc. for the purpose of providing elevator inspection and maintenance service. The contract is for a period of three (3) years with two options to extend for one (1) year each, which options may be exercised at the discretion of the Executive Director; all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated August 7, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

2. Stormwater Compliance, LLC – Vacuum Sweeping

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Stormwater Compliance, LLC for the purpose of providing vacuum sweeping service. The contract is for a period of three (3) years with two options to extend for one (1) year each, which options may be exercised at the discretion of the Executive Director; all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated August 7, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

3. Pinard Waste Services Co., Inc. – Non-Hazardous Solid Waste Disposal

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Pinard Waste Services Co., Inc. for the purpose of providing non-hazardous solid waste disposal services. The contract is for a period of three (3) years with two options to extend for one (1) year each, which options may be exercised at the discretion of the Executive Director; all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated August 7, 2018, attached hereto.** Discussion: Ms. Stowell stated that the bid was for two years, not three as in the Motion. Ms. Stowell explained that on the Bid Form in the bid package listed the properties as well as frequencies for pick up for trash and

recyclables. At the bottom of the Bid Form there was line for the “Monthly Charge” which included a disclaimer that this wasn’t exactly the charge for the month because the figure could be skewed due to the DPH properties requiring different frequencies based on the season. During the bid process it was realized that some of the frequencies that were specified in the bid package were not what was PDA was currently receiving when invoices were reviewed. PDA considered providing an Addendum to the bid package but determined the frequencies outlined in the bid package would still provide equal criteria for contractors to bid.

Ms. Stowell further explained that, in her memo, that the expected monthly price from Pinard Waste Services Co., Inc. (“Pinard”) would be \$3,830 per month and in the memo from Waste Management (“WM”), it stated that Pinard’s bid was approximately \$5,800. PDA made adjustments for the seasonal services and frequency so PDA could see what the actual price would be. In the bid packages, PDA asked for a fixed firm price which included all fuel charges, environmental charges, transportation fees and anything else needed to be in that bottom line so the costs could be compared. WM bid had variable pricing in its submitted bid which included recycled materials and a CPI index. WM bid was considered non-responsive because WM did not provide a fixed bottom line figure.

In response to Director Bohenko’s question about whether Pinard’s bid included a fixed cost for recyclables even with a contaminated load, Ms. Stowell stated that it did and there were no disclaimers for the price being higher if there should be a contaminated load. In response to Director Allard’s question whether WM’s bid, including the add-ons, is still lower, Ms. Stowell stated that, if WM included the additional pricing information in their bid, PDA would have accepted it. In response to Director Allard’s question whether WM’s adjusted bid was lower than Pinard’s bid, Ms. Hinchee stated that PDA cannot make adjustments for the bid because WM did not put a cap on what the adjustments would be over the time period; there is no way for PDA staff to make that assessment. Mr. George indicated that the original proposal did include what those charges would be and was also on the cover page submitted.

Director Bohenko requested a roll call vote. Disposition: Resolved by 6 votes for; 1 against (Director Torr); motion carried.

4. Chadwick-BaRoss, Inc. – Holder Sidewalk Tractor Attachments

Director Levesque moved and Director Torr seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Chadwick-BaRoss, Inc. in a total amount not to exceed \$39,470.00 for the purchase of attachments for a Holder Sidewalk Tractor; all in accordance with the memorandum of Paul E. Brean, dated August 8, 2018, 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 reason:

- 1. Due to the proprietary nature of the hitch mount and PTO transmission on the tractor, attachments are limited to the use on the Holder Tractor and no other aftermarket attachments can be sourced.**

Note: This motion requires 5 affirmative votes. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

X. Executive Director's Reports/Approvals

A. Reports

1. Legal Bills (by Delegation)

In accordance with the "Delegation to Executive Director: Consent, Approval and Expenditure of Expenditure of Funds for Legal Services," Mr. Mullen reported that PDA paid an invoice from Anderson & Kreiger, LLP for legal services through May 31, 2018 in the amount of \$102.00.

2. Golf Course Operations

Scott DeVito, General Manager, reported on the activities at the Golf Course. Mr. DeVito expanded on the discussion regarding Golf Course revenue. Approximately \$85.00 per player is the price point target for each event and \$30.00 is for food and beverage. Of the 4,000 rounds the Golf Course did in FY18, the Golf Course received \$120,000 just for food. In response to Director Bohenko's question what was the percentage received by the Golf Course and what was the actual amount received, Mr. DeVito indicated the Golf Course gets 17% and that the Gold Course gets 17% of the \$120,000.

Mr. DeVito reported that the PDA Maintenance Department is working on the annual turf management, the coring and aerating the Blue Course today. The maintenance work is done now while PDA has more staff on hand and because September and October are heavy tournament months. In response to Director Bohenko's question about the drainage, Mr. DeVito stated the drainage is holding up, that there was only 1½ days where the lower holes had to be closed down and kept just the upper nine open.

In response to Director Lamson's questions regarding spraying for ticks and mosquitos, Mr. DeVito reported that there is a license for a separate company to do the spraying periodically and when the brush gets knocked back it is less of an issue. There was an issue with ticks over two years ago and the course was sprayed.

Mr. DeVito stated that the Pay Now, Play Later Program for FY19 will be advertised soon and starts on September 17.

3. Airport Operations

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

a. PSM

The number of enplanements the month was 8,928. The number of passengers are split 50/50 between Allegiant (with 4,200) and troop passengers (4,600). The fuel flowage fee ("FFF") was initiated July 1st with approximately 900,000 gallons sold in the month of July. The FBO has been targeting corporate business.

b. Skyhaven Airport

Mr. Brean reported that the Wings and Wheels event held earned approximately \$9,000 for the Rotary Club of Rochester. DAW did see some damage from a lightning storm. In response to Director Bohenko's question on the amount of PDA's deductible and how much damage there was, Mark Gardner, Deputy General Counsel, stated there is a \$5,000 deductible and the amount of damage is approximately \$15,000-\$20,000 but this is not a final figure.

Mr. Brean reported that the noise reporting line web site was hacked and the reports were garbled. The phone line was operational during this period. The web site was shut off. Mr. Brean stated that the new web site design will hopefully be completed by the next Board meeting.

c. Noise Line Report

There were a total of 28 noise inquiries at PSM during the month of June. There were 28 inquiries regarding rotor activities originating from two residences in Portsmouth and one residence in Newington. All inquiries pertained to Seacoast Helicopters. Director Lamson stated that she has been monitoring Seacoast Helicopters which has been very busy in that area. Mr. Brean stated that PSM will forward the noise report to the management of Seacoast Helicopter so they will know.

There were a total of 12 noise inquiries at PSM during the month of July. There were 12 inquiries regarding rotor activities with 11 calls originating from one residence in Portsmouth and one call from one residence in Newington. Both inquiries pertained to Seacoast Helicopters.

B. Approvals

1. Bills for Legal Services

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to expend funds up to \$60,063.00 for the following legal services rendered for the Pease Development Authority:**

1.	Anderson & Kreiger, LLP Federal Regulatory Advice Through June, 2018	<u>\$7,854.00</u>	\$7,854.00
2.	Kutak Rock LLP		
	3. CLF/Through June 30, 2018	\$738.00	
	General/Through June 30, 2018	<u>\$164.00*</u>	\$902.00
3.	Sheehan Phinney Bass + Green Tradeport-General Representation Through May 31, 2018	\$4,843.00	
	CLF/Through May 31, 2018	\$23,670.00	
	CLF/Through June 30, 2018	<u>\$22,794.00</u>	
			<u>\$51,307.00</u>
	Total		<u>\$60,063.00</u>

*The balance will be paid by the City of Portsmouth. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

2. Grant Acceptance – Airport Expansion

Director Bohenko moved and Director Allard seconded that **In connection with the Airport Terminal expansion project, the Pease Development Authority Board of Directors hereby authorizes the Executive Director to:**

- (1) subject to availability, accept on behalf of the PDA any and all Federal Aviation Administration (“FAA”) Supplemental or other AIP Grant Offers up to a projected amount of \$14,169,882.15 or more;
- (2) subject to availability, accept from NHDOT Bureau of Aeronautics any and all matching funds up to a projected amount of \$787,215.68, or more;
- (3) subject to receiving all FAA grant funding and all matching funds from NHDOT Bureau of Aeronautics, expend PDA funds up to a projected amount of \$2,340,841.40;
- (4) enter into a contract with Hutter Construction for the project in an amount not to exceed \$15,402,000.00, including allowances;
- (5) enter into a contract with McFarland-Johnson, Inc. for the project construction phase engineering services in an amount not to exceed \$2,053,000.00;
- (6) in the absence of full FAA funding or matching funds from the NHDOT Bureau of Aeronautics, authorize the PDA to borrow funds in a total amount of up to \$16,489,520.00 on the most favorable terms available;
- (7) in the event only partial FAA grant funds and NHDOT Bureau of Aeronautics matching funds are made available, authorize the PDA to expend the required amount of its own funds, or borrow as set out in (6) above, to make up the difference to cover the costs of the project; and
- (8) execute all grant offers and contracts or such other documents and/or agreements as are necessary or appropriate to implement all phases of the Airport Terminal expansion project.

all in accordance with the memorandum from Maria J. Stowell dated August 9, 2018, attached hereto.

Discussion: Ms. Stowell provided background regarding the project. The go ahead for the design work was approved by the Board last fall to take advantage of grant entitlement money available to PDA for this fiscal year and the memo in the package refers to that entitlement grant in the amount of approximately \$1.8 million. It was assumed at that time that PDA would have to use its own funds for the remainder of the project, which is now is up to \$19 million which includes all of the design and engineering work. In the meantime, a legislation appropriations bill was signed in June which made available and additional \$1 billion for airport development over the next three years. PDA is in a good position to get some of the \$1 billion which is for projects throughout the country. The PDA has a project that is ready to go and the fiscal year ends September 30. The first step was to submit a Letter of Interest with information pertaining to the project, why PDA needs the project and the costs which was submitted last week. PDA is waiting to hear from the FAA to see if any of the money is available. The best case would be that the grant would cover all but PDA’s portion of \$2 million, and the worst case would be that PDA will have to provide the entire \$16 million for the balance of the project. It is expected that the PDA will know by the end of August.

Ms. Stowell described the footprint of the project. The new part of the terminal of 12,000 s.f. will be added and will be two stories. A baggage handling modular area of 2,100 square feet will be added as well as a conveyor system from the TSA screening area to the baggage claim area. A dedicated area will be added for future airline offices. Some features were added to the existing building including a SAR area (service animal relief area) will be added which is now a requirement and a companion/family rest room. The length of the new building addition was governed by TSA screening requirements. Also included in the project is another passenger boarding bridge, escalator, furniture, security cameras and PA system with the ability to make TSA announcements.

Mr. Brean discussed the \$1 billion grant. The three characteristics for recipients of the grant are: (1) must be a rural airport; (2) money must be a project that provides community economic stimulus; and (3) “shovel” ready; ready to move forward with the project immediately. Mr. Brean stated that, of the \$1 billion,

the FAA wants to spend \$250 million by the end of their fiscal year (ends September 30). Mr. Brean indicated that the PDA is in good standing to get some of the grant money. The expansion project does not include any frills but only the necessities to meet the security and public safety needs now.

In response to Director Allard's questions of the timing of the completion of the expansion Ms. Stowell and Mr. Brean reported that the building should be complete around 18 months from November which would be March or April of 2020. In response to Director Allard's question regarding PDA's contribution if it does not receive any of the \$1 billion, Mr. Canner stated that PDA may use a combination of the RLF and PDA funds. PDA will look at all funding sources.

Other items discussed include:

- pay for parking which is initiating in October being self-funded at this time;
- whether the expansion would limit future development at PSM;
- the affordability of the project if no additional grant money is received;
- the cost of the project if Davis-Bacon wage rates were not applied due to using federal funds and by already using entitlement money, contaminates project to having to use Davis-Bacon wage rates;
- concerns that PSM may end up like Manchester Airport with its drop in flights and PSM out pacing other airports;
- suggestion to show plans to Senator Shaheen who would be interested in the expansion project;
- parking spaces at 30 NH

In response to Director Allard's questions regarding the lease at 30 NH, Mr. Mullen reported that the lease was just signed and it will run through 2022. Ms. Hinchee stated that Spyglass Development has a right to the portion that it constructed until 2032. As far as parking, PDA can take back approximately five acres out of the property. PDA is not constrained in our use of the parking area. Mr. Brean introduced Mr. Jessurum from Port City Air, the FBO, who reported that he runs Allegiant and charters for military and believes the terminal expansion is a great project, he supports the fuel flowage fees and believes the terminal could earn more revenue by doing the project. *Note: Director Bohenko left the room at 9:35 a.m. and returned at 9:38 a.m.* Disposition: Resolved by unanimous vote; motion carried.

3. Airport Liability Insurance

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to increase PDA's airport liability insurance coverage for Portsmouth International Airport at Pease and Skyhaven Airport from \$25,000,000 to \$50,000,000 with an initial annual premium in the amount of \$25,189.00; all in accordance with memorandum from Mark H. Gardner, Deputy General Counsel, dated August 8, 2018, attached hereto.** Discussion: In response to Director Bohenko's question if there were any exclusions on the policy, Mr. Gardner responded that it is broad based coverage excluding environmental and pollution but is a very comprehensive policy that has been in place for some time. Disposition: Resolved by unanimous vote; motion carried.

XI. Division of Ports and Harbors

Geno J. Marconi, Division Director, reported on Division activities, and the approvals sought before the Board represent the current business at the Division of Ports and Harbors ("DPH"). *Note: Chairman Smith left the room at 9:42 a.m. and returned at 9:44 a.m.*

A. Reports

1. Town of Rye – ROE

Mr. Marconi reported that the Town of Rye was granted a ROE at the Rye Harbor Marine Facility for the period of September 10, 2018 to November 19, 2018 to use a portion of State property adjacent to Harbor Road for contractor staging area for bridge repair work being done on Harbor Road.

2. Moorings

Mr. Marconi reported on the Harbor Management Crew (“HMC”) and what they do throughout the season. The HMC keeps close track of what goes on at the harbors in Hampton, Rye, Seabrook, Isles of Shoals and Great Bay in Newington but includes Little Harbor by the wetlands. Little Harbor is a very desirable location and is monitored closely. From 2015-2017, there have been 24 new moorings in that area which is a 20% turnover in that area. There are 119 moorings in Little Harbor. There are nine moorings in Little Harbor registered with boats of 10’ or less. Those boats of 10’ or less represent about 7.5% of the total moorings. In response to Director Bohenko’s question regarding Harbor Masters, Mr. Marconi responded there are two full-time and several part-time in Seabrook, Hampton and Rye, two cover the Portsmouth Harbor area below I-95 bridge and two covering Great Bay. The part-time Harbor Masters are labeled code enforcers and are not certified police officers, only the two full-time Harbor Masters are certified. Director Lamson stated that the Harbor Masters in the Great Bay/Little Bay area are very helpful.

In response to Director Allard’s question whether there is a limit on the size of boats, Mr. Marconi responded there is and it is determined by the size of the area and that downsizing is okay. Mr. Marconi responded to Director Allard’s question that there are a total of 1,500 moorings.

B. Approvals

1. XI and XII Northeast Fisheries Sectors – Extension of ROE

Director Levesque moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to extend the Right of Entry with the XI and XII Northeast Fishery Sectors (“the Sectors”) for two (2) years, retroactively effective July 1, 2018, with two (2) options of one (1) year each, for office space located at the Portsmouth Fish Pier on substantially the same terms and conditions set forth in the memorandum from Geno J. Marconi dated June 26, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

2. Vintage Fish Company – ROE

Director Allard moved and Director Loughlin seconded that **The Pease Development Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Vintage Fish Company through June 30, 2020, for the sale of tickets, bait and tackle supplies at the Rye Harbor Marine Facility; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated August 7, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

3. Concept Plan – Portsmouth Fish Pier

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to approve of and to execute a contract with Appledore Marine Engineering, LLC (“AME”) for the purpose of conducting a concept study of the Portsmouth Commercial Fish Pier (“PFP”) in an amount not to exceed \$29,950.00 to be paid from the**

Harbor Dredging and Pier Maintenance Fund, subject to the approval of the Capital Budget Overview Committee (“CBOC”); all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated August 7, 2018, and AME’s proposal, both of which are attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

4. Morton Salt, Inc. – License Amendment

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to amend the License and Operating Agreement with Morton Salt, Inc. effective June 1, 2015, for use of a portion of the Market Street Terminal, to add one (1) additional option of one year effective June 1, 2020, on terms and conditions substantially similar to those set forth in the memorandum from Geno J. Marconi, Division Director, dated August 7, attached hereto. Discussion: In response to Director Bohenko’s question if Morton Salt is utilizing all the areas for which it has contracted, Mr. Marconi reported it was. Disposition: Resolved by unanimous vote; motion carried.**

Note: Director Levesque left the room at 9:49 a.m. and returned at 9:55 a.m.

XII. Special Events

A. Reports

- 1. Sept. 3 – St. Charles Children’s Home 5k**
- 2. Sept. 8 – 2018 Fox Point Sunset Run**
- 3. Sept. 22 – 14th Annual Touch-A-Truck Fundraiser**
- 4. Sept. 22 – Great Bay Corvette Club – 5th Annual Car Show**
- 5. Sept. 23 – Bottomline Technologies Run For A Cause Race**

XIII. New Business

There was no new business.

XIV. Upcoming Meetings

Chairman Smith reported that the following meetings will be held:

Board of Directors September 20, 2018

All meetings begin at 8:00 a.m. unless otherwise posted.

XV. Directors’ Comments

Director Loughlin stated that, although it takes about two minutes to read the items the Board votes on in the package, he recognizes that each item represents hours of staff work and expressed his appreciation to the staff. Director Lamson acknowledged and thanked Paul and Maria for their work on the expansion project and Geno for his work on the ship that came in at the Port.

XVI. Non-Public Session

Director Loughlin moved and Director Torr 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 discussion the acquisition, sale or lease of property.**

2. **NHRSA 91-A:3, Paragraph II(e) for consideration or negotiation of pending claims or litigation which has been threatened in writing or filed against the body or agency or any subdivision thereof, or against any member thereof because of his or her membership in such body or agency, until the claim or litigation has been fully adjudicated or otherwise settled; and**

Discussion: None. Disposition: Resolved by unanimous vote; motion carried. The Board entered into non-public session at 9:57 a.m. *Note: Director Lamson left the room at 10:04 a.m. and returned at 10:05 a.m.* Director Allard moved and Director Bohenko seconded to come out of non-public session. The Board returned to public session at 10:13 a.m.

XVII. Vote of Confidentiality

Director Allard moved and Director Torr 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 August 16, 2018 meeting related to:**

1. **Litigation; and**
2. **Leasing of property;**

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 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 for; motion carried.

XVIII. Adjournment

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

XIX. Press Questions

No members of the press attended the meeting.

Respectfully submitted,

David R. Mullen
Executive Director