

QUONSET DEVELOPMENT CORPORATION STRATEGIC PLANNING COMMITTEE MEETING

May 7, 2009

A meeting of the Strategic Planning Committee of the Quonset Development Corporation (the "Corporation") was held at 4:00pm on Thursday, May 7, 2009, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Strategic Planning Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The Following members constituting a quorum were present and participated throughout the meeting as indicated: John Simpson, Sav Rebecchi, and Robert Breslin. The following employees of the corporation were also present: Steven King, Managing Director; Kevin Barry, Finance Director; Katherine Trapani, Planning Manager; Christine Andrews, Administrative Assistant. Also present were Bob Bromley of the Senate Finance Committee and Jon Reiner of Town of North Kingstown participated as indicated:

1. CALL TO ORDER:

The meeting was called to order at 4:08 pm by Chairperson John Simpson.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Rebecchi and seconded by Mr. Breslin.

VOTED: To approve the minutes of the meeting of March 16, 2009 as submitted to the Strategic Planning Committee.

Voting in favor were: John Simpson, Sav Rebecchi and Robert Breslin.

Voting against were: none.

Unanimously approved.

3. REVIEW OUTLINE OF THE OPERATING PLAN:

Jack Simpson started the meeting by stating that the purpose of this meeting is to achieve two things; first is to review the outline of the operating plan so we can finalize it and share it with the Board on Monday, May 11th; second is to finalize the operating goals.

The Committee discussed the outline of the operating plan:

Mr. Simpson asks for any comments on the outline of the operating Plan:

Mr. Breslin stated that for the introduction we can simply utilize portions of the Master Land Use and Development Plan.

Mr. Simpson stated that it would be good to repeat and reinforce the purpose of the operating plan. What I suggest is the introduction should re-enforce the purpose of the Master Land Use and Development Plan and in turn the purpose of an operating plan and why it's a separate document and what the intent and purpose of the operating plan is. That way people understand why we have two plans and what the purpose of the operating plan is. Bob's suggestion is good to reinforce the Mission Statement and I think we should add the critical success factors. Mr. Simpson added that the Audit Finance Committee would like to be included in the Strategic Planning meetings relating to the operating plan. The Finance Committee feels that the operating plan can not meet its objectives without the Finance Committees input; the plan needs to sustain itself from a financial standpoint as well. The only new member would be Keith Stokes.

Committee members agreed:

Mr. Breslin asked what the critical success factors are.

Mr. Simpson stated that we will need to list them. An example would be people if you do not have people you don't have process and you need both.

Mr. Rebecchi stated that one could also be legislation which gives authority.

Mr. Simpson stated that we are not going to go into them today, but that is a good thought, another one would be do we need additional bonds. Critical success factors are what the Finance Committee discussed on Monday, that if we do not generate enough money for Capital Improvements that will have a tremendous impact, so we need a Capital Plan and be able to take what some people call surplus that really isn't and its actual money that is needed to make Capital Improvements. So I think those things need to be in place. I also think we need a continuation of the Board of Directors/advisor is also important.

Mr. Rebecchi added that going back to the Mission Statement or vision statement we need to identify our responsibility to the existing and future tenants of the park. What our responsibilities are so that the park is run successfully and it takes in their future needs.

Mr. Simpson agreed that a Critical Success Factor is legislative support going forward; another would be an agreed upon pilot agreement and other agreements with the Town of North Kingstown. I hope that helps everyone start to develop your

thoughts on what is meant by Critical Success Factors. Remember that QDC and the Town can not run independent of each other and we need some kind of mutual agreement, community services, and pilot agreement whatever we feel is appropriate, which will sustain the park. What is important in today's meeting is that we cover anything in the outline of the Operating Plan, because going forward we are going to complete the context of each section.

Committee members discussed the outline section by section:

Organization:

- Organization implies resources
- Some subheadings don't imply resources; they could be infrastructure
- Maybe section V should say Organization and Infrastructure
- Then can talk about the Capital Infrastructure
- That is equally important as resources
- Resources defines how to organize the park and what staff resources are needed to support the park
- Should Organization and Infrastructure be two different items

Committee looks at what is under Organization:

Assets Management:

- Does not fit under organization - better under infrastructure
- Finance/Administration, Construction Services, Technical Services, Planning/Development these are the major organizations that are necessary
- The subsets of QDC are; Public Works, Water, Wastewater, Port Operations, and LADD Water
- Subsets could stand alone
- Should the heading Asset Management be changed to General Management
- Each department could stand on their own, they each have cost and profit centers
- There is a Superintendent for each department
- The Superintendents handle all the needs of the department
 - there is some inter-relationship however, they could stand alone looking at the profit side
- The Water and Wastewater departments have revenue generating sides, they have customers, the others fall under the revenue side of land leases and general up keep of the park, Public Works has no revenue generating side just a cost side, but generally that could be stand alone operation
- Need a heading that clearly identifies each of the individual units or a group consisting of them and then the support team that supports each group
- The Organization heading is misleading
- The Management team as part of the organization or the organizations different departments that they manage or are responsible for should be identified as a subset of the management responsibility, then we can identify the subsets that can stand alone

- Could title it Organization and Management, and eliminate Asset Management, then take Finance/Administration, Construction Services, Technical Services, Planning/Development and they can be a separate category, then have Public Works, Water, Wastewater, Port Operations, and Ladd Water

Mr. Barry explained how they came up with the outline

Mr. King stated maybe we need to call it Property Management and pull out the Senior Management.

Mr. Simpson added maybe we should take Organization and call that Operating Units; take Assets Management and call that Business Park Management. Then list Finance/Administration, Construction Services, Technical Services, Planning/Development and leave Public Works, Water, Wastewater Port Operations and Ladd water as is.

Committee agrees to take Organization and call that Operating Units, take Assets Management and call that Business Park Management, then list Finance/Administration, Construction Services, Technical Services, and Planning/Development and leave Public Works, Water, Wastewater Port Operations and Ladd Water under that as stated in the outline.

Mr. Simpson asked do we want Ladd Water to be part of that.

Mr. Barry explained why it needs to be there, it is separate from the park, it is separate from our water operations it's a separate entity. We may not be happy with the way it's going, but we will deal with that as we go, and talk about that in our goals.

Mr. King added that we could make it a subset of the Water Department.

Mr. Simpson stated that Ladd Water is not needed to sustain the park, Ladd Water is not a Critical Success Factor, I think Ladd Water should stand out with its own separate heading.

Mr. King added that Ladd Water is an asset owned by the RIEDC and QDC has no management agreement.

Mr. Simpson stated that we should make that section VI and call it External Assets and put Ladd Water under it.

Mr. Simpson asked if there were any comments for Operating Unit Goals (new number VII) the Committee has established what an Operating Unit is, now we have to have goals for each unit. Of the five operating units each need a section for each operating unit that identifies their goals, their plans and finances.

Mr. King gave a brief explanation of what is meant by each item under section VII. (action, required resources, key performance indicators, timing, and responsible manager)

The Committee discussed how each section should be set up.

Katherine asked what to do with the longer term goals and where the departments overlap. Would the long term goals be different than the three year goals.

Mr. King explained that it would have to be a goal of the department and when you look into it more of the required resources maybe the Managing Director and other departments need to be involved and they need to be identified, but it would still be a goal of the department. How to achieve that is part of the sustainable goal for long and short term maintenance.

Mr. Simpson asked Mr. Rebecchi where he thought infrastructure should be, should it be its own section, should it be part of the Operating Unit Goals?

Mr. Rebecchi replied, I think we identified the park itself, and it's Critical Assets or responsibility, that may be part of what we just talked about, part of each department identifying that each department's responsibility is infrastructure.

Mr. Barry added that it goes back to the main goals of maintaining the roads, grounds and the entire infrastructure and all the vehicles to support these goals.

Mr. King also added that the Capital Plan and the Infrastructure Improvement Plan is part of what we are calling Park Management. Under the goals the number one goal would be complete the infrastructure and prepare the property for use. There needs to be a long description to show what the Capital Plan is, how it is funded and who is responsible for it. Do we have the resources that are needed to fund it, etc.....

Mr. Simpson asked if there were any comments on section VIII Land Assets:

The committee discussed Land Assets:

- Inventory of the park
- Reinforce how we manage the assets not just the inventory
- Consistently reinforce the Master Land Use and Development Plan
- Identifying the current assets
- The Operating Plan will be updated every three years with the park inventory
- What to bring forward - different types of land, different uses, and the different ways to manage them
- The Operating Plan needs to have a sections reinforcing the need to have the diversity to manage these resources and skill sets
- Would want to identify in the Plan the variety of responsibilities, our assets and the variety of needs needed to sustain those resources
- Park has different land uses and different skills to maintain them

- Plan should say what is needed at a minimum to run the park
- QDC is in different lines of business
- Park Management - part of that is land development
- Need to know what assets we have to develop
- Need to know inventory, and everything about that property
- Sustainable question is about money
- How is QDC going to operate the facility, we need a money stream to do that
- Last question is about the assets, what we own, what we lease, and what we sell
- Need to flag the inventory, where we are today, what we need to maintain, what we have left and what land is not for sale
- Leasing land is our revenue stream
- Only section that would talk about leasing land
- In the introduction - sustainably model indicates what is needed to make it successful, upfront, rest of bullets are facts that keep supporting back, here are the problems and changes, here is what needs to be done and how to do it
- Section IV would be a good place for that leasing strategy
- Need a leasing strategy on an ongoing basis for short and long term to manage the park, where there is not a Park Management Section, it will go further to tie in the Operating Goals that we talked about then can put the land assets there and call it Land Assets Management
- This Organization has successfully operated the park since 1974

Mr. Simpson commented - back to Organization what about marketing? How is the park going to be marketed?

Mr. King replied that it will be part of the goals and will use an outside resource.

Mr. Simpson - asked could we put this park further on the map if we had wireless. People are going to think of ideas as new technology comes out, so this needs to be a living document.

Mr. King replied it goes back to two things that may become so important it becomes one of the Critical Success Factors or it may become a goal of the park's management group to achieve that.

Mr. Simpson stated that when we put the purpose in the front we should say it's a living document.

Ms. Trapani asked why a three year plan?

Mr. King replied that three years is a long time on a day to day basis and this plan is the implementation tool to implement the management of the park so there will be some longer term goals in the plan that really enforce the plan as to what we are doing today and what we are doing tomorrow, next year and the year after. Remember in 2012 we will update the plan and then this becomes 2012 to 2015 plan.

Mr. Rebecchi added so we have this document that we are trying to create called a Sustainable Operating Plan, and within that plan we have our 2009 - 2012 our short term goals and then it would be appropriate to follow up with long term goals. So the document has two sections.

Mr. Simpson added the plan should be looked at annually along with the budget so you have an Operating Plan that is parallel with the budget, and then you roll it over each year so it's a continuous three year period.

Mr. Rebecchi stated that the full complete document is a Sustainable Operating Plan and then within that plan it's broken up into short and long term goals.

Mr. King added each department will have a set of goals and some goals will remain as goals from year to year and some will be completed.

Mr. Rebecchi stated that each department has goals and then there are the overall goals for the Sustainable Operating Plan, for the park and those goals need to be identified. So long as everything we do from then on short and long term is supporting that major goal we are justified in doing it. If someone comes forward with a project that does not support the over all main goal, then we should not go forward without a lot of discussion.

Committee agreed with the revised outline:

Committee discusses the Operating goals:

- Today's handout different from one with minutes
- New list reflects all the discussion
- Goals on list are over all ongoing goals
- Most of the goals are really the Critical Success Factors
- Committee agreed that section IV (of outline) should be Critical Success Factors (over all)
- Section VII (of outline) should be Operating Unit Goals and should have their own Critical Success Factors
- To make park work we need 1 thru 8 of the outline to work
- Need to talk about how to make 1 thru 8 work
- Instead of putting together Operating goals we put together the Critical Success Factors for the entire plan
- Maybe a few others that need to be added like legislation, bonding
- Now committee looks at the 8 goals as Critical Success Factors

Committee discusses the 8 goals (now the Critical Success Factors) and revises them as listed below:

1: Ensure sufficient revenue in each year to appropriately service all common areas within the park.

- 2: Agree with the Town of North Kingstown on the most cost effective means to maintain public properties and services.
- 3: Port, Wastewater and Water units must each continue to break even by establishing a rate structure that includes funding for operating cost and future infrastructure improvements.
- 4: The full cost of Park Public Works must be funded by other operating unit charges.
- 5: To ensure ongoing operating capabilities, the corporation must increase and maintain occupancy of existing warehouse space at 75% or greater, and maintain a leased minimum of 300 non-port acres at all times.
- 6: Maintain sufficient acreage dedicated port usage to support viable port operations.
- 7: Maintain all roads, grounds and public infrastructure to sustain the appeal of the park.
- 8: Responsibility for the LADD Water system should be cost neutral to QDC.

Committee would like to add to the list of Critical Success Factors the following:

People, process, capital, legislation, board, bond support

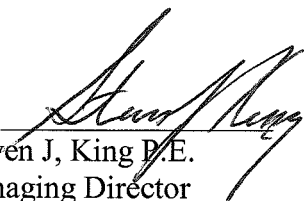
Next steps:

Committee to build from outline and report to the board at May's meeting that Strategic Planning Committee has completed the outline and list of Critical Success Factors. Will send to Strategic Planning Committee members via email for final comments and approve. Then for the June Board meeting committee will distribute copies to board members.

The next Strategic Planning Committee meeting will be after the June meeting and will include the Audit Finance Committee.

There being no further business to come before the committee, upon motion duly made by Mr. Rebecchi and seconded by Mr. Breslin the meeting is adjourned at 5:22 pm.

Respectively submitted

By: 
Steven J, King P.E.
Managing Director