

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

OCTOBER 17, 2017

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Tuesday, October 17, 2017, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the By-Laws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Stefan Pryor, Gregory A. Mancini, Job Toll and Ellen Waxman. Absent were: Kerry P. McKay and Guillaume de Ramel. Also present were: Steven J. King, P.E., Managing Director; John R. Pariseault, Secretary and Corporation's staff and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 5:09 p.m. by Chairman Pryor.

2. **APPROVAL OF MINUTES:**

Upon motion duly made by Mr. Jones and seconded by Mr. Toll, the Board:

VOTED: To approve the Public Session and Executive Session Minutes of the September 19, 2017 meeting as presented.

Voting in favor were: Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

Mr. Asadorian joined the meeting at 5:10 p.m.

3. **STAFF REPORTS:**

Mr. King reviewed the staff report with the Board of Directors. Mr. King added the Corporation has filed for a US DOT TIGER Grant for \$24 million dollars to help fund the Route 403 ramps needed in West Davisville and Post Road. The Grant would also fund the

new railroad engine house, rail sidings, rail yard, and Pier 2 improvements. The grant has a 20% match.

4. **COMMITTEE REPORTS:**

The Executive Compensation Committee held a meeting on October 16, 2017. The Committee will provide a report during the FY2019 Budget approval discussion.

5. **APPROVALS:**

A. Approval of Lease Agreement with IAS Logistics DFW:

Mr. King advised the Board this transaction would be discussed in Executive Session and the public approval would be tabled.

B. Appointment of Officers of the Quonset Development Corporation in accordance with the Bylaws of the Corporation:

Upon motion duly made by Ms. DeBlasio and seconded by Mr. Jones the Board:

VOTED: That the following persons are hereby elected to the offices set forth opposite their names, to hold such offices until the time fixed in accordance with the By-Laws of the Corporation for the next annual meeting of the Board of Directors of the Corporation and thereafter until their successors shall have been duly elected and qualified:

<u>Name</u>	<u>Office</u>
Steven J. King	Managing Director
Guy Asadorian, Jr.	Vice-Chairperson
John R. Pariseault	Secretary
Ryan M. Gainor	Assistant Secretary
Kevin M. Barry	Finance Director

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

C. Acceptance of the 2018 Meeting Schedule:

Upon motion duly made by Mr. Asadorian and seconded by Mr. Jones, the Board:

VOTED: To adopt the meeting dates for 2018 Meeting Schedule as attached as Exhibit A.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

D. Approval of the FY2019 Operating Budget:

Mr. Asadorian, Audit Finance Committee Chair, stated the Committee met prior to the Board meeting and completed a line by line review of the FY2019 Operating Budget. The Committee would like to recommend for approval by the QDC Board of Directors the FY2019 Budget.

Mr. Barry, Finance Director, reviewed the FY2019 Budget with the Board and handed out "Assumptions" related to the budget (Exhibit B). Revenues from Rental Income, Pier Income, Water and Wastewater Sales, Airport Fund Allocation and the Town of North Kingstown Municipal Services Agreement are projected to be 5.1% favorable to the FY2018 budget.

Personnel Expenses are projected to increase 2.3% compared to the FY2018 budget. Fringe benefits, primarily healthcare, are projected to increase 6.7%.

Total Operating Expenses are projected to be 3.0% greater than FY2018 budget. Mr. Barry noted most expenses were adjusted by 3.5% based on the CPI average from the last two years or actual expenses for 2017 and the current budget. Mr. Barry pointed out several categories that were not adjusted by the 3.5% such as Legal Fees. Legal Fees are projected to increase 15% in FY2019; these fees are variable are best predicted based on recent activity in the Park. Also, Commissions are projected to decrease in FY2019 but any underestimate would be offset by new projects and tenants in the Park.

Mr. Barry explained the electricity expense shows a 46.7% increase in the FY2019 budget due to a recent solar roof project on the Corporation's two large warehouses in West Davisville. The Corporation has entered into a solar agreement that will provides all its electrical needs and has provided badly needed roof replacement on the two warehouses. The electrical rate includes the cost of the new roofs amortized over 20 years. Mr. King noted that when the project is complete, 100% of the Corporation's power usage will be green renewable energy.

Another FY2019 expense that is not adjusted by 3.5% is snow removal which involves a hiring a private vendor to remove snow in the port area during snow storms. The Corporation's maintenance department is dedicated to removing snow off the main areas for

the function of the park and the port area snow removal has often been delayed impacting port business so the Corporation has hired an outside vendor.

Finally, Mr. Barry reviewed the expenses falling under the “Other” category explaining the majority of the “Other” expense comes from the Intercompany Agreement with the RI Airport Corporation and that expense is offset by the Airport Revenue Funds.

Mr. Barry handed out the 2019 Operating Capital Budget (Exhibit C) and reviewed the line items with the Board. The total Capital Budget is projected to be \$3,396,500.00 in FY2019 and includes infrastructure improvements to water and waste water systems, Pier 2 rehab, building maintenance and site improvements. The funds for the projects will come primarily from Operating Funds of \$3,000,000.00 with the balance coming from cash funding and water/wastewater infrastructure funds.

The Board reviewed a handout (Exhibit D) outlining the Town of North Kingstown’s revenue derived from the business park taxes and the PILOT calculation (Exhibit E). The Corporation collects the PILOT (Payment in Lieu of Taxes) payments from tenants and then transfers the funds quarterly to the Town. These funds pass through the Corporation’s accounts but are not reflected on the budget.

Upon motion duly made by Mr. Jones and seconded by Ms. Waxman, the Board:

VOTED: To accept the FY2019 Operating Budget as presented to the Board.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Mancini and seconded by Ms. DeBlasio, the Board:

VOTED: To adjourn to Executive Session pursuant to: citing of business in Rhode Island, subsection (1) discussions of the job performance, character, or physical or mental health of a person or persons provided that such person or persons affected shall have been notified in advance in writing and advised that they may require that the discussion be held at an open meeting and subsection (2) sessions related to litigation and subsection (6) location of prospective businesses in Rhode Island and subsection (7) (A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest) of Rhode Island General Laws, Section 42-46-5(a), the Open Meeting Law.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:46 p.m. The meeting reconvened in Public Session at 6:16 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Ms. DeBlasio and seconded by Mr. Jones, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations or adversely affect the public interest:

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

8. VOTE TO GRANT AUTHORITY TO STEVEN S. KING, MANAGING DIRECTOR IN RELATION TO 1530 DAVISVILLE ROAD:

Mr. Pariseault announced in public session that a vote was made in Executive Session.

Upon motion duly made by Mr. Mancini and seconded by Mr. Justo, the Board:

VOTED: The Board unanimously voted in Executive Session to grant Steven J. King, Managing Director, authority to negotiate and enter into a lease agreement in respect to Parcel 5b which is located at 1530 Davisville Road, North Kingstown.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

9. **ADJOURNMENT:**

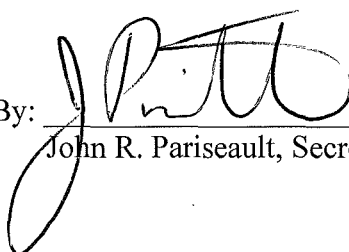
Upon motion duly made by Mr. Asadorian and seconded by Mr. Toll, the meeting adjourned at 6:17 p.m.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Ellen Waxman.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By: 
John R. Pariseault, Secretary