

**PEASE DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MEETING  
MINUTES**

**Monday, September 13, 2021**

Presiding: Thomas G. Ferrini, Committee Chair  
Present: Committee Member Neil Levesque and Committee Member Margaret Lamson  
Attending: Paul E. Brean, PDA Executive Director; Anthony I. Blenkinsop, Deputy Director / General Counsel; Suzy Anzalone, Finance Director; and PDA Staff

**I. Call to Order**

Director Ferrini, Committee Chair, called the meeting to order at **9:00 a.m.** in the Board conference room, at the Pease International Tradeport, 55 International Drive, Portsmouth, New Hampshire.

**II. Acceptance of Minutes – November 18, 2019**

Director Lamson **moved** the **motion** and Director Levesque **seconded** that **the Pease Development Authority (“PDA”) Finance Committee accept the Minutes of the November 18, 2019 Finance Committee meeting.**

Discussion: Chairman Ferrini (“Ferrini”) indicated that neither he nor Director Levesque (“Levesque”) were committee members, nor present for the Finance Committee meeting of November 18, 2019.

Director Lamson (“Lamson”) indicated she was on the Committee at the time and there has not been a Finance meeting since November 18, 2019 due to COVID. Lamson recommended accepting the minutes as presented by David Mullen, Executive Director at that time who is now retired.

Disposition: Resolved by unanimous vote; **motion carried.**

**III. Public Comment**

There were no public comments.

**IV. Reports:**

Finance Director Suzy Anzalone (“Anzalone”) indicated she would briefly go through the reports in an effort to allow time for the review of a new reporting format for consideration.

**1. Operating Results for the One Month Period Ending July 31, 2021 \***

The operating revenue was slightly over budget by 1.7% which was mainly driven by golf; the expenses are under budget by 10.5% which is normal this early in the fiscal year. Because it is so early in the fiscal year there are no meaningful trends. Anzalone did mention it is anticipated that when insurance renewals come in they could be higher than budgeted as well as Employer Pension expense. The

Employer Pension expense is what is contributed by PDA and the contribution rates are only updated every other year, PDA received the rate after the budget was developed and anticipate the impact to be approximately \$110,000.

Lamson suggested that abbreviations (i.e.; RLOC) be spelled out so individuals reviewing the information online know that RLOC refers to “Revolving Line of Credit”.

Brean asked when the State updates PDA regarding the pension rate; Anzalone indicated the information is provided to PDA every other year. Anzalone indicated that the letter from the State indicating the rate was received late May / early June and at that time the budget was already put together; however, in past years the increases have been very slight.

Ferrini asked if the number under personnel services, which is a business aggregate number, is not consolidated personnel services benefits and asked if she were referring to the line referencing retirement. Anzalone indicated the line item where the employer contributions are located is personnel services and benefits; the impact has not been seen yet but as the year goes on the impact will be indicated. Ferrini asked where Employer Contribution is referenced; Anzalone stated because of the consolidation is located under personnel services and benefits but under the new format it will be easily identifiable.

Lamson asked Anzalone of the fuel sale referenced under Rye Harbor was “to date”; Anzalone affirmed. Anzalone indicated the way they forecast sales of this nature is to look at the previous year and seasonalize the amount so it may fluctuate.

Lamson also asked of the fuel sales at Skyhaven; Brean indicated that due to the windy / rainy weekends there hasn’t been a lot of flying generated.

Levesque spoke of there being a lot of boats on the water which would be an indicator of the increase in fuel sales regarding boating being up.

Anzalone indicated that the location of the fringe benefits as requested by Ferrini is located on page 4 showing PDA is over budget.

## **2.Nine Month Cash Flow Projections through May 31, 2022**

Anzalone stated in July there was \$4.7 million in cash and \$97,000 in capital expenditures which were operating equipment at the airport and at Portsmouth Fish Pier; she does not anticipate having to draw down on the RLOC over the next nine months.

Anzalone also spoke to the potential of another COVID related grant of approximately \$2 million that PDA may be eligible for, staff will start that process. Ferrini asked if we knew of the potential amount regarding the Airport Rescue Act monies; Anzalone indicated it is anticipated to be approximately \$2 million for Portsmouth and \$30,000 for Skyhaven. Ferrini asked if there were a plan developed on the utilization of those funds; Anzalone indicated not at this time but potentially it would be used towards capital expenses during the year. Brean indicated due to the CARES monies received in 2020 PDA did not have to go into the RLOC for the terminal expansion and runway reconstruction project. Ferrini indicated if it is a discrete amount, and its use would be for capital expenditures the RLOC would have been used for, could that be something that could be tracked separately, if not already. This way the

Board would have an understanding of its use. Brean indicated it could be treated as though it is PDA's own RLOC and documented accordingly. Brean further stated that PDA is eager to do some additional capital improvements at the terminal and have some insight that there may be a lot of future grants available; hoping to get the feds to pay for some of the anticipated airport terminal infrastructure.

## V. Discussion – Financial Reporting Format

Anzalone provided each Board member with a handout of a new proposed reporting format for consideration. Anzalone reviewed the reporting format of the various municipalities in the area to get an idea on what they are reporting on. There is a lot of detail in the current report format and is considering having it laid out differently in an effort to streamline the information, but wanted to provide it to the Finance Committee first. Anzalone explained the layout of the proposed format and how it would be presented by providing a historical comparison to four (4) years to see the expenditures over each year. She explained the ability to detail some of the variances that might occur throughout the year from the internal financial statement. This information can be exported from the financial software in an effort to provide more detail on revenue and expenses with categories being viewed. The organizational charts would remain, as well as the consolidated balance sheets and the summaries of intergovernmental receivables and construction work in process. Currently there is a lot of documentation so Anzalone has reworked the set up for each business unit, to include work in progress. Anzalone indicated the new format would still include a Profit and Loss and the respective detail of each business unit as previously provided; she indicated that a lot of the charts would be removed, allowing for each business unit to speak to the Board directly.

Lamson likes the layout as you are able to view the amounts of the various projects in progress; she spoke of how the format has been modified over the years but appreciates the consolidation of information in the new format presented.

Brean indicated the proposed new format is a direct result of discussions among senior staff of ways to address the length of the Board meetings to provide information in a concise and time efficient manner. Brean assured the Committee that he did not believe that the Directors would receive less information, but it would reported directly from each business unit manager so any questions could be addressed at that time.

Ferrini stated where many members of the Board of Directors are new and looking at the current format, he can see the good intent of the current format being graphically informative as possible, if it were a yearly presentation. However, by seeing the information and knowing what the variances are, it is easier and quicker to understand the information and appreciates the effort.

Ferrini asked the Committee if there were any additional comments regarding the new format; with none heard, he looked forward to moving this forward to the entire Board for its review and consideration. Ferrini asked of the auditors' yearly letter when the Board finds out if there are any findings or not and the frequency of receiving a balance sheet in the financial reporting package; Anzalone affirmed the auditor's letter would be forthcoming and the Board would receive a detailed balance sheet every month. Ferrini indicated that the duty is on the Board members to review and understand the information being provided and presented.



Anzalone indicated she anticipated the new format would be utilized at the October meeting as she wanted to receive feedback from the Committee first.

**VI. Next Committee Meeting:**

Finance Committee

November 15, 2021 9:00 a.m.

**VI. Director's Comments:**

No additional comments.

**VII. Adjournment:**

Director Lamson moved the motion and Director Levesque seconded to adjourn the meeting.

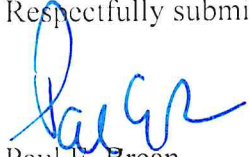
Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

Meeting adjourned at 9:26 a.m.

**VIII. Press Questions:**

No members of the press were in attendance.

Respectfully submitted,



Paul E. Brean  
Executive Director