

**PEASE DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MEETING  
MINUTES**

**Monday, April 17, 2023**

Presiding: Thomas G. Ferrini, Committee Chair  
Present: Neil Levesque, Committee Member and Margaret Lamson, Committee Member  
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, 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 14, 2022**

Director Lamson **moved** the **motion** and Director Levesque **seconded** that the Pease Development Authority (“PDA”) Finance Committee accept the minutes of the November 14, 2022 Finance Committee meeting.

Discussion: None. Disposition: Resolved by **unanimous** roll call; motion carried/failed.

**III. Public Comment**

There were no public comments.

**IV. Reports:**

Finance Director Suzy Anzalone (“Anzalone”) spoke to the reports in the Committee’s packet.

- 1. Operating Results for the Eight Month Period Ending February 28, 2023**
- 2. Nine Month Cash Flow Projections through December 31, 2023**

Anzalone stated the above two reports were provided for the Committee’s review and indicated the consolidated revenues are favorable to budget by 7.2% on a year-to-date (“YTD”) basis, with expenses being favorable by 4.6% YTD.

Anzalone indicated a concern at this time would be the electricity supply expense, but PDA is working to see if it can get into a contract with a supplier.

Regarding cash flow, Anzalone stated once the capital improvement projects commence there will be a decrease in the cash flow, but does not anticipate the need to utilize the Revolving Line of Credit (RLOC).

Lamson spoke to the fuel flowage variance; Anzalone indicated fuel flowage fees are currently higher than budgeted on a year-to-date basis. Further, Anzalone indicated the \$0.04 fuel charge budgeted is due to higher volume than anticipated.

Ferrini indicated there is a 19% variance; Anzalone stated just for February PDA is under budget, but on a YTD basis PDA is favorable by almost 37%.

Levesque asked too of the variance; Anzalone indicated the budget is projected on anticipated monthly revenue, but YTD PDA's actual revenue is over budget. Executive Director Paul Brean ("Brean") noted inclement weather during the month of February which can divert military flights.

### **3. Disbursement – January 1, through March 31, 2023**

Information on disbursements from January through March was provided to the Committee.

### **4. FY2023 – FY2029 Capital Improvement Plan**

Anzalone indicated the prior year's Capital Improvement Plan ("CIP") budget is utilized as a starting point to build the current projections for the CIP. Conversations are held with the management team, priorities are determined from the projects and categorized as well as a determination of cash flow is assessed too. After a further review with Brean and management team Anzalone prepares the CIP for consideration. Over the next six and a half years, capital projects have been identified which amount to approximately \$65 million (\$38 million in grant and \$27 million in internally funded projects). Projects are broken down into infrastructure, expansion, equipment, safety and regulatory. There are some sensitivities that are considered when projecting the timing of projects. For example, a strong net operating income will drive PDA's ability to take on various internally funded CIP projects. Should there be a need to utilize the RLOC, the cash margin is utilized to pay down the principal; it is not anticipated there will be a need to utilize the RLOC for any extended period of time.

Anzalone stated that 93 projects have been identified and 78% of the CIP projects would benefit of the airports.

Lamson asked of the project regarding the taxiway to the south that has been identified; Brean indicated as part of the pavement improvement plan it is anticipated that will be completed this summer as FAA funding is available.

Ferrini asked of those projects partially grant funded, PDA doesn't need to worry about debt ratios and bonding of projects; Anzalone affirmed by further stating PDA is maintaining a strong cash margin.

Ferrini asked of the breakdown of Airport and Tradeport; Anzalone stated any project that is not Airport is considered Tradeport, as Airport is kept separate due to necessary reporting.

Anzalone reminded the Committee that all of the CIP excludes the Division of Ports and Harbors.

Anzalone spoke to the operating account and what it is maintained at. Additionally, due to the timing of grant reimbursement on projects, it may be necessary to draw on the RLOC in the short term as a means to cover daily operating needs.

Lastly, Anzalone spoke to the projects being broken down into prioritization categories as a means to prioritize them in deciding on whether all or just certain projects would be completed. Further, she spoke to the cooperation received from the management team and its understanding of where projects were placed. All projects would be brought before the Board for approval and the CIP is a realistic and fair representation of proposed projects.

Lamson spoke to the organizational chart and the loss of airport ops agents; Brean indicated it is a competitive environment with larger surrounding airports. PSM does a very good job of training people up, but have seen the return of some former employees as well.

Ferrini spoke of PDA's cash flow, he wondered if PDA would have the ability to fund an Enterprise Fund to be used as a revolving loan program to PDA for less than the market rate. If PDA had a big project assumed instead of utilizing the RLOC it would get a bond for a lower rate. Anzalone indicated the RLOC would be used to cover short term and that PDA reduced the amount of the RLOC. Anzalone spoke to the cash margin being reinvested into the Airport and the Tradeport for needed capital projects.

Anzalone indicated it is not necessary for a vote on the CIP by the Finance Committee as each project would go before the Board for approval and that this presentation was more for informational purposes.

## **V. Discussion – Business Banking Accounts Review**

Anzalone spoke to most of PDA's accounts being with BankProv who is now offering a prestige money market account; currently most of PDA's accounts are business money market accounts. The prestige money market account is currently earning between 3.75% and 4.5%; if PDA were to change the type of account from business money market to prestige money market, we could earn interest on PDA accounts through BankProv.

Levesque asked of the amount of funds PDA has available; Anzalone indicated funds are located in BankProv and Service Credit Union ("SCU"). Anzalone stated PDA funds were

deposited into SCU as it offered a higher money market rate at one time. Further, she spoke to what each banking entity provides for insurance on deposits. Anzalone stated if PDA were authorized to change the BankProv account to a prestige money market account, PDA would also move the funds from SCU and deposit into the BankProv account which provides additional insurance above the DFIC limits.

Ferrini asked if this would be presented to the Board at the upcoming meeting on April 20<sup>th</sup>; Anzalone affirmed.

Levesque indicated the big item would be the insurance coverage. At a recent Board meeting it was discussed on spreading risk; Anzalone affirmed and further stated that with the higher rate and additional insurance offered by BankProv believes it is the right move to make.

**VI. Next Committee Meeting:**

The next Finance Committee meeting is scheduled for June 12, 2023.

**VII. Director's Comments:**

Lamson thanked Anzalone for the report and indicated despite the economy, PDA is doing well.

**VIII. Adjournment:**

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

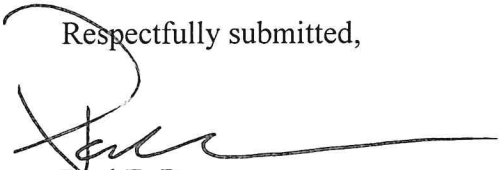
Discussion: None. Disposition: Resolved by unanimous vote; motion carried/failed.

Meeting adjourned at **9:21 a.m.**

**IX. Press Questions:**

There were no questions from the press.

Respectfully submitted,



Paul E. Brean  
Executive Director