

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

Thursday, December 15, 2022

Presiding: Stephen M. Duprey, Chairman
Present: Neil Levesque, Vice Chair Thomas G. Ferrini, Treasurer; Erik Anderson; Steve Fournier; Margaret F. Lamson; and Susan B. Parker
Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy Director / General Counsel; Michael R. Mates, Director of Engineering; Suzy Anzalone, Finance Director; Geno Marconi, Division of Ports and Harbors ("DPH") Director; Grant Nichols, Asst. Director of DPH; Scott DeVito, Pease Golf Course General Manager; Greg Siegenthaler, IT Director; Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance; Chasen Congreves, Director of Operations and Raeline A. O'Neil, Executive Administrative Assistant

I. Call to Order / Roll Call:

Chairman Duprey ("Duprey") stated all Board members were in attendance; the meeting commenced at **8:31 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of November 17, 2022:

Director Lamson **moved** the **motion** and Director Parker **seconded** to **approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, November 17, 2022.**

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

III. Public Comment:

Phil Winslow – Rye Selectboard Chair – Spoke to flights arriving / departing on Runway 34 which traverses over Rye. On the evening of December 3rd, while there was a gathering for the holiday festivities, a military flight flew over with a C17 drowning out carolers. His concern is that if air cargo of some sort were to be allowed at Pease, he believes there would be thousands of flights a year. Increased noise and flights is okay to protect the country, but not to profit businesses. Winslow asked PDA to consider the impact air cargo could have to surrounding communities.

IV. Old Business:

A. Report:

1. 165 Arboretum, LLC – 165 Arboretum Drive – Concept Approval Update

Executive Director Paul Brean ("Brean") indicated Director of Engineering Mike Mates ("Mates") was available to answer any questions of the Board, if necessary. When this project was initially presented to the Board, no wetland impacts were contemplated. However, it is now anticipated there will be wetland buffer impacts primarily for a sidewalk and utility run, as well as temporary disturbance during construction.

Duprey stated the developer found out about the impacts and are addressing it with the Board; the impacts are minor.

Director Lamson (“Lamson”) appreciated the aerial photo accompanying the memorandum as it provided an overview of the area for all to understand.

B. Approval:

1. Aviation Avenue Group, LLC – 100 New Hampshire Avenue – Option Agreement Extension and Letter of Intent

Director Levesque moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby:

1. Approves a six (6) month extension of the Option Agreement between the PDA and Aviation Avenue Group, LLC (“AAG”) regarding a potential development at 100 New Hampshire Avenue (the “Premises”);
2. Approves the terms of the Letter of Intent between the PDA and AAG, dated November 29, 2022, regarding a potential lease agreement concerning the Premises; and
3. Authorizes the Executive Director to complete negotiations with AAG and finalize and execute a Lease Agreement for the Premises on terms and conditions in general accordance to those set forth in said Letter of Intent as well as such other terms and conditions recommended by PDA General Counsel, following receipt of all required land use approvals for the potential development;

all in accordance with the memoranda of Paul E. Brean, Executive Director dated December 6, 2022, attached hereto.

Discussion: Duprey confirmed that this was an extension to allow the developers to continue with its due diligence; Brean affirmed. Further he stated the six month extension allowed the developer to continue work on its design and approval process. Brean indicated there is also a Letter of Intent which identifies the substance of potential lease negotiations.

Director Anderson (“Anderson”) asked with the approval if the developer would make payment for the option; Brean affirmed further stating this option period triggers a 30% value of the annual land use. Anderson asked if the funds received would be a credit to the developers; Brean indicated it would not.

Disposition: Resolved by unanimous vote for; motion carried.

2. Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) – 53 Exeter Street - Extension of Land Review Timeframes

Director Fournier moved the motion and Director Lamson seconded that the Pease Development Authority (PDA) Board of Directors hereby approves of extensions to certain timeframes for the review of the site and subdivision application pertaining to a proposed development at 53 Exeter Street by Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth), as follows:

- a 45 day extension for the completion of TRC review per 404.01(h) of the PDA Land Use Controls;
- an extension of the 30 day deadline for review of the site review application by the Board at a public hearing to 90 days;
- an extension of the 30 day deadline for review of the subdivision application by the Board at a public hearing to 90 days; and
- a 60 day extension for completion of the subdivision application process per 503.02(h).

All in accordance with the memorandum of Michael R. Mates, P.E., Director of Engineering, dated December 9, 2022.

Discussion: Brean stated PDA Land Use Controls are present to help foster the development of a project and to protect the applicant with a 45 day deadline from when developer/engineering firm requests a Technical Review Committee (“TRC”), committing PDA to schedule a meeting. PDA and the City of Portsmouth (“COP”) are doing its due diligence on the project and where there is no PDA Board meeting in February, PDA would like to extend the time to make sure both the developer and PDA can do their due diligence. The developer is aware and in agreement, this will allow PDA time for proper review.

Lamson asked why the developer is putting the development in this location as alternative sites are available.

Parker asked if the deadlines referenced above are minimum / general timeframes or hard and fast deadlines; Brean indicated they are a deadline. General Counsel Anthony Blenkinsop (“Blenkinsop”) indicated they are requirements that historically may not have been adhered to. They have been put into place to indicate to developers that a project will move forward in a timely manner. Parker spoke further to a planning guideline as all projects are not created equal and suggested PDA avail itself of time needed in order to answer questions, including unanticipated research. Blenkinsop affirmed Parker’s suggestion and stated staff has had these same discussions internally. The rules are constructed with set time periods which may not be conducive to all projects; the rules may need to be reviewed and amended to provide flexibility on a case-by-case basis.

Ferrini asked if PDA were within its rights to take additional considerations, taking into respect state timelines which too may be triggered. This would allow a clear understanding to what the state may be reviewing or if there is a need to wait for Land Use Controls. Ferrini asked if PDA would be in a position to move time out if it is determined additional time is needed; Blenkinsop affirmed and further stated on this

particular project it may be necessary to do just that. The state has issued permits for the project; however, one of the permits is under appeal; under state law it is a valid permit, while appeal is pending.

Ferrini asked if it were possible to have at some of the hearings someone from the state present to speak to questions about the permit; Blenkinsop indicated PDA could ask if desired.

Duprey stated that while this is one project, the role of the Board (after it goes through various reviews) is that of a Planning Board. Once all of the information is then received by the experts, part of the fair resolution is that input is heard. Not everyone is ever going to be happy with a decision, but acceptance of the decision is the feeling that all parties are fairly treated and heard.

Blenkinsop indicated the current application would go before Technical Review Committee (“TRC”) which include staff from City of Portsmouth. Once completed the wetland buffer impacts would go before the Land Planning Committee of the PDA at a public meeting for consideration. After this process and any adjustments / recommendations made, this would be brought before the PDA Board sitting as a Planning Board, allowing the public with an opportunity to speak on the application.

Parker asked of the Condition Use Permit (“CUP”) process; Mates stated this refers to review of wetland buffer impacts. The state reviews all wetland impacts and PDA reviews wetland buffer impacts through CUP which will be reviewed by the PDA Capital Improvement and Land Planning Committee in association with the project.

Duprey asked for confirmation that the state permit looks at wetlands impact and its permitting process doesn’t cover anything about buffers; Blenkinsop affirmed.

Anderson asked if the COP Planning Board would be getting a look at this also; Blenkinsop indicated this does not go to the COP Planning Board as it is in the airport zone. Brean stated there are staff from the COP that sit on the TRC.

Disposition: Resolved by unanimous vote for; motion carried.

V. Finance:

A. Executive Summary

Director of Finance, Suzy Anzalone (“Anzalone”), indicated revenues are trending just under 10% favorable to budget projections and operating expenses are trending 8.1% under budget. Anzalone indicated she had been watching wages the first couple of months as they had been trending over budget but has determined that was as a result of seasonal staff which has since balanced out. Reviewing the individual business units, there are no challenges to speak to as they are operating favorably. Anzalone did indicate that Skyhaven expenses are higher than budget as there have been some maintenance expenses incurred, but nothing of concern. Looking at the balance sheet there are no issues with receivables in collection and accounts payable are current.

Anzalone informed the Board that the December tax bill from the COP has been received and is due at the end of December. With respect to capital projects, funds have been expended regarding the DPH Main Street Wharf project as well as on smaller projects. Anzalone indicated over the next nine months the cash flow projections show non-grant expenditures with a significant portion being the Terminal Arrivals

Hall project. PDA is being conservative in the funding of this project by anticipating it being fully funded by PDA; do not anticipate needing to use PDA's Revolving Line of Credit ("RLOC") during the next nine months.

Anzalone stated the Cash Flow report has been modified so that it has consistent formatting with the other reports. Duprey spoke to the cash flow and the fact that PDA may not receive federal funding for the Arrivals Hall project; Anzalone spoke to the projection of the expenditure of funds over the next nine months shown in the detail. Brean clarified that PDA is self-funding the next phase of the terminal project and details are indicated in the cash flow. Duprey stated there may be small chance of federal funding for this project; Brean affirmed.

Duprey asked of the location of the offsetting expense line for the cost of fuel; Anzalone indicated it would be located under other operating expenses.

Anderson asked of the Arrivals Hall project and its funding; Anzalone affirmed that PDA has projected it will be internally funded and where the cash flow only goes out nine months, the full cost projection is not incorporated. However, she assured the Board that careful review has been given to the internal funding of this project. Anzalone indicated there may be a need to go into the RLOC temporary in order to cover significant expenditures; does not anticipate borrowing on the RLOC for any long term basis on this project.

B. Reports:

1. **FY2023 Financial Report for the Four Month Period Ending October 31, 2022**
2. **Cash Flow Projections for the Nine Month Period Ending August 31, 2023**

C. Approval:

1. **Revolving Line of Credit Renewal – Provident Bank**

Director Ferrini **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority (PDA) Board of Directors hereby approves of and authorizes the Executive Director to renew the PDA's Revolving Line of Credit with BankProv for a three (3) year term; all in accordance with the memorandum of Suzy Anzalone, Director of Finance, dated December 6, 2022.**

Discussion: Anzalone informed the Board of the terms of the RLOC. Further she indicated the total outstanding amount has been decreased and the bank has extended the current loan rate. Anzalone did state if at any time there were a need to increase the RLOC, it could be done quickly and easily. The RLOC would remain with PDA's current bank, BankProv, who also administers the fishing loans. Brean informed the Board he had discussions with senior leadership at BankProv and stated the bank is well diversified.

Anderson asked if there were any incentive provided to reduce the RLOC; Anzalone indicated the reduction was done in good faith. There were no discussions regarding rates aside from keeping them the same. Anzalone indicated the bank's Rate Committee may have charged a higher rate, had the RLOC not been reduced, but she did not inquire into what that rate may have been if the RLOC had remained the same.

Duprey stated by PDA reducing its RLOC liability, this allows the bank to lend to other entities rather than tying funds up that may never be used. Duprey asked if PDA had any accounts with BankProv over the

insured FDIC level; Anzalone stated BankProv has insurance over the FDIC level. Brean informed the Board a portion of PDA savings had been moved into a money market account with a different institution.

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

VI. Licenses/ROEs/Easements/Rights of Way:

A. Report:

1. **Portsmouth Christian Academy – Right of Entry - Loop area off 200 Grafton Drive**
2. **Eric C. Mitchell & Associates, Inc. – Right of Entry – Pease Golf Course**

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into the following Right-of-Entry:

1. Name: Portsmouth Christian Academy
License: Right of Entry
Location: Circular Transportation Area off 200 Grafton Drive
Purpose: For the purposes of facilitating a twice daily bus pick-up and drop off location for its students Monday through Friday
Term: October 31, 2022 through March 31, 2023

2. Name: Eric C. Mitchell & Associates
License: Right of Entry
Location: Pease International Tradeport
Purpose: For survey purposes on abutting property next to the Golf Course
Term: November 21, 2022 through December 30, 2022

VII. Leases:

A. Report:

1. **Sublease between Two International Group, L.L.C. and GreenPages, Inc. – 2 International Drive**

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements” PDA approved the following lease option with:

1. Tenant: GreenPages, Inc.
Space: 2 International Drive
Use: Office and related uses
Term: Four (4) years commencing November 1, 2022, expiring October 31, 2026

VIII. Contracts:

A. Approvals:

1. Portsmouth International Airport at Portsmouth – Terminal Arrival Hall Bid Approval

Director Parker moved the motion and Director Fournier seconded that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Portsmouth International Airport at Pease (“PSM”) Terminal Arrivals Hall expansion project, as follows:

1. Award a contract to the low bidder, Hutter Construction Corporation, in the amount of \$9,048,148.48 for the base bid plus allowances associated with the construction of the PSM Terminal Arrivals Hall expansion;
2. Amend PDA’s on-call contract with McFarland-Johnson, Inc. to add construction phase engineering services for the project in the amount of \$1,253,300;
3. Accept a grant, if offered, from the FAA in an amount of up to \$7,000,000.00;
4. Accept matching funds of up to \$184,210.00 from NH DOT Bureau of Aeronautics in conjunction with any FAA grant; and
5. Expend PDA funds up to the full amount of \$10,852,448.48 for the PSM Terminal Arrivals Hall expansion project, this amount to be reduced by any funding amount award from FAA and NHDOT;

all in accordance with the memorandum of Michael R. Mates, P.E., Director of Engineering, dated December 2, 2022.

Discussion: Duprey asked of the one bid received; Mates stated this also happened with the terminal expansion project (same contractor).

Brean asked how many showed up for the pre-construction bid; Mates stated there was at least two or three prime contractors as well as various subcontractors.

Ferrini asked of the reluctance to bid; Mates stated the current construction market is a difficult one. Mates indicated the bid requested a hold on pricing for a six month period and with the uncertainties such as steel, construction and labor market costs, this associated a big risk for a contractor to take.

Brean indicated additionally this has been bid out per FAA specs, in the event any funding is received.

Anderson indicated he was provided a tour of the terminal by Brean and was impressed with the facility. He expressed some angst where there was only one bidder and the potential for an additional amount of funding of add-on items for the project. He asked if this project had previously been submitted to FAA; Brean affirmed. He further stated the airport is in a certain “silo” for funding through the FAA with approximately \$4 billion in applications and only roughly \$1 billion in funding. FAA is looking for energy

efficiency in the potential projects and PSM is looking to replace the old Air Force electrical system with the expansion going to upgrade those. There are alt add items such as security enhancements, camera initiatives, hardscape and IT infrastructure (in an effort to secure the troop flight activity) and there could be a change in flooring (from carpeting to terrazzo) should funds be afforded for the project through savings / underfunds. If additional funding is received, Board will be informed.

Parker said as a public entity regarding spending transparency it should be noted that having a contractor hold its price for six months is a big deal. PDA is doing the best it can in a highly volatile situation.

Lamson spoke to the progress the terminal has made and commended staff for its work regarding the terminal expansion, previously performed and the continued proposed project for the Arrivals Hall.

Fournier and Board members spoke of entities bidding on projects in an effort to stay in the good graces for bidding on future projects as well. Hutter is a reputable firm that has integrity and provides a great product for its work.

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

2. Potassium Acetate – Runway Deicing Liquid

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Nachurs Alpine Solutions Industrial of Marion, Ohio, for the purpose of purchasing potassium acetate based runway deicing liquid at a price of \$6.76 per gallon for a three (3) year period, commencing January 1, 2023 through December 31, 2025; all in accordance with the memorandum of Sandra McDonough, Lead Airport Operations Specialist, dated December 1, 2022**

Discussion: Anderson asked what this represents in a dollar amount; Brean stated it equates to roughly \$3,000 to \$3,500 per application. Further, roughly a decade ago this product was between \$9 and \$12 per gallon and its cost has gone down significantly.

Duprey asked how many times in a season this product is utilized; Brean stated it is utilized for freezing rain rather than snow events and it depends on the season as to how frequently it is utilized.

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

3. Sodium Formate – Runway Deicing Solid

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Nachurs Alpine Solutions Industrial of Marion, Ohio, for the purpose of purchasing sodium formate based runway deicing solid at a price of \$1.052 per pound for a three (3) year period, commencing January 1, 2023, through December 31, 2025; all in accordance with the memorandum of Sandra McDonough, Lead Airport Operations Specialist, dated December 1, 2022.**

Discussion: Anderson asked of the annual anticipated expense; Brean indicated this is used when there is icing as it is a pelletized product used to break up existing ice. Brean stated PSM has inventory of this item on-hand; this is a procurement mechanism for the future.

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

Brean stated PDA's insurance representatives were present to provide the Board with an overview of the 2023 insurance coverages. Present were Jeff Olsen ("Olsen") (Sr. Vice President) and Devin Gallagher (Co-Client Executive) of Fred C. Church ("FCC") and David Hampson ("Hampson") of Hampson Aviation. Blenkinsop provided a handout containing a replacement motion and new premium summary as a few of the monetary amounts have been adjusted in an effort to provide PDA with the best rates available.

Olsen indicated a risk management review of PDA was performed and is ongoing; FCC staff have also toured the various PDA facilities and their operations. There are a couple of challenges in the market place such as aviation and lower coverages with increased pricing. Olsen spoke to property coverage and replacement values playing a role in the premiums. Further, he spoke to Workers' Compensation coverage and stated this past year there has been a 19% credit. Olsen indicated the new motion indicated a savings of approximately \$31,350 and stated an overall insurance increase of 7% for the upcoming policy year commencing 12/31/2022. Olsen spoke to the various factors considered in the commercial property coverage through Chubb providing a flat rate. With respect to Workers' Compensation, payroll increases were a factor, increased scheduled credits from 10 to 25% and stated rates went down for the different classifications.

Hampson spoke to the aviation aspect of insurance. He indicated AIG who provided a competitive bid, were motivated to insure PDA again. Spoke to the aviation liability class doing better than other aviation classes and provides better rates for airports who do not have exposure to liability, such as PDA. Further, Hampson indicate AIG offers a robust ancillary coverage package available in the market place.

Lastly, Olsen spoke to the importance of cyber insurance and stated companies are looking for multi-factor authentication systems, providing an extra layer of security which affects premiums and coverage amounts.

Ferrini asked Olsen if the agency, and PDA, would be privy to a matrix showing increase in premiums based on the amount of a deductible, changes in exclusions and other items which affects the premiums. Further he asked if staff would be able to be informed and PDA Board presented, on a year-to-year basis how the volatile markets change and the impacts received to coverage. Ferrini referred to the review of pricing and to how much coverage may be necessary. Olsen stated it is an ongoing process through review of coverages, payments, deductibles, age of inventory etc.

Ferrini asked of PDA's insurance coverage, not covered, dropped down or combined coverage with federal risks (i.e.; arrivals / departures of military flights). Hampson indicated if PDA was deemed liable for an incident, the airport liability policy would defend, but there is also some aspects of governmental immunity; the policy does provide the option to waive governmental immunity at the choice of the entity. Sometimes public entities do this to provide coverage to the injured party. Ferrini provided a scenario of an incident and stated if coverage were to be waived, then PDA would be paying for coverage it didn't think

would be waived. Asked how a claim could be paid if there isn't a waiver and if an entity decided it would like to waive, would there be a defense and indemnity money available to the entity from the carrier to pay or would PDA be taking that on as a self-insured risk. Hampson indicated it would be covered by the policy limit, but if outside the limit – the insurance company would not use the governmental defense if it is waived; part of the insurance company's risk is not utilizing the governmental waiver.

Parker indicated the aviation liability is a complex package and asked of a global pool (rate structure) and when they start to figure out the rates given to certain types of coverage there is a large pool; Hampson affirmed. Hampson further stated that both AIG and Starr are global companies.

Parker asked for Olsen to speak to Workers' Compensation (MEMIC) regarding its pool being domestic or broader. Olsen indicated MEMIC (Maine Employees Mutual Insurance Company) started in the early 1990s as the only insurance company in the State of Maine when everyone bailed out. The regulation of workers' compensation rates is done by states by gathering information from the NCCI (National Council of Compensation Insurance) which is funded by all workers' compensation companies and they determine the rates for different classifications for states. Olsen indicated in the State of NH, the state does a good job at gathering information from NCCI, doing hearings etc. and then determines a lost cost rate. Olsen spoke to Workers' Compensation pricing, premium and coverage and the percentage of an employee's wages and medical benefits.

Anderson asked where there was a reduction in the premium if the brokerage cost would be reduced; Olsen indicated it is on a fee basis now. Blenkinsop indicated back in September the Board approved an agreement with FCC with PDA moving from commission based to a fee based system.

Anderson stated he did not see any liability coverage for the Division of Ports and Harbors ("DPH"); Blenkinsop indicated DPH is covered under the State.

Anderson stated the motion and information is being received in December with the policy expiring the end of December putting the Board in a position to default the acceptance. Asked for a [Board] policy so items such as this go before the Board at least sixty (60) days (one or two meetings) prior to expiration of agreements / contracts so the Board has time to review, should it be necessary.

Duprey indicated everyone would like to have premiums earlier but getting premiums early is challenging in obtaining quotes and good premiums.

Ferrini asked what would preclude the Board by approving the coverage and then finding out there was a spike. As brokers, FCC could sell a new policy and cancel the other policy; Olsen affirmed. Olsen indicated it could be cancelled and further indicated there may be a cancellation penalty.

Olsen indicated it has been FCC's practice to bring the Worker's Compensation renewal to the November meeting. Olsen stated it starts its process five or six months out as it is his experience that the company would like to bring the renewals to clients at least a month ahead, which is aggressive; for cyber they do not go out 60 days. Going forward, November 2023, FCC will be having a discussion regarding commercial insurance. However, there may be times when the company cannot get the rates earlier to provide to the Board prior to November. Blenkinsop indicated this is the first time in the past four years the coverage by FCC has been brought before the Board in December. When the new agreement with FCC

was brought before the Board in September, the expectation with FCC was to get it onboard and go out to the market for renewals, then bringing rates back to the Board in December. Blenkinsop indicated staff would endeavor to provide insurance materials in November next year.

Duprey asked if PDA's excess liability is on top of the aviation liability; Hampson indicated it does not as it is two different coverages. Further, Hampson stated there is alt excess of auto liability when an auto is being operated on the airport and excess over employers' liability. Duprey further asked about the two commercial policies; Olsen indicated the Hanover program is general liability with the company adding in property insurance for a package rate.

Olsen spoke to the discussion concerning receipt of the information last minute; FCC will be looking at the potential of multi-year agreements in terms of rate commitments with a consideration of pros/cons.

4. Fred C. Church Insurance – PDA Insurance Coverages 2023

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to accept and bind insurance coverages for the PDA through Fred C. Church Insurance, as outlined in the attached Commercial Insurance Proposal, and to pay the projected total premium amount of \$424,843.28, for the for the stated policy periods, all in accordance with the memorandum of Anthony I. Blenkinsop, Deputy Director/General Counsel, dated December 12, 2022**

Director Levesque departed the meeting at 9:18 a.m. and returned at 9:19 a.m.

Director Fournier departed the meeting at 9:34 a.m. and returned at 9:36 a.m.

Discussion: Blenkinsop indicated that the number in Director Levesque's motion does not include the fee payable to FCC that the Board approved back in September. Blenkinsop explained to the Board by adding the fee amount of \$37,574.25 the total would be \$462,417.53 as stated in the summary. Hampson also indicated that the auto commission had been backed out which is why the fee was adjusted from \$41,000 to the \$37,574.25. Olsen affirmed and further stating the 15% commission could not be removed.

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

IX. Signs:

A. Approval:

1. **Penobscot Bay Medical Associates, Inc. - Portsmouth Physical Therapy - 161 Corporate Drive**

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves the signage requested by Portsmouth Physical Therapy, a subtenant of Penobscot Bay Medical Associates, Inc. for 161 Corporate Drive; all in accordance with the memorandum of Michael R. Mates, Director of Engineering dated December 2, 2022.**

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

X. Executive Director:

A. Reports:

1. 2023 Meeting Schedule

Brean indicated the schedule stays with the 3rd Thursday of the month for Board meetings along with a start time of 8:30 a.m. and the scheduled Committee meetings as well.

2023 MEETING SCHEDULE

Month	BOARD Meetings at 8:30 am		FINANCE Meetings at 9:00 am		GOLF Meetings at 8:30 am		AUDIT Meetings at 8:30 am		PORT Meetings at 8:00 am		Noise Compatibility Meetings at 6:30 pm	
	Day	Date	Day	Date	Day	Date	Day	Date	Day	Date	Day	Date
January	Thurs.	01/19/23							Thurs.	01/05/23		
February	None											
March	Thurs.	03/16/23	Mon.	03/13/23	Mon.	03/13/23						
April	Thurs.	04/20/23					Mon.	04/17/23	Thurs.	04/06/23		
May	Thurs.	05/18/23										
June	Thurs.	06/15/23	Mon.	06/12/23	Mon.	6/12/2023					Thurs.	06/15/23
July	None								Thurs.	07/06/23		
August	Thurs.	08/17/23										
September	Thurs.	09/21/23	Mon.	09/18/23	Mon.	09/18/23						
October	Thurs.	10/19/23					Mon.	10/16/23	Thurs.	10/05/23		
November	Thurs.	11/16/23										
December	Thurs.	12/21/23	Mon.	12/18/23	Mon.	12/18/23					Thurs.	12/21/2023
NOTE: ALL MEETINGS BEGIN AT 8:30 A.M. UNLESS OTHERWISE POSTED.												
Legend												
Board	3rd Thursday	No meetings Feb or July										
Finance	Quarterly - Monday before Board											
Golf	Quarterly - Monday before Board											
Audit	Semi-Annually-Monday before Board (April/Oct)											
Port	Quarterly - 1st Thursday											
Noise	Semi-Annually - 3rd Thursday (June and December)											
P:\Boardmtg\2022\2023 Proposed Mtgs												

P:\BOARDMTG\2022\2023 Proposed Mtgs & Holidays

Duprey asked the Board to review the meeting scheduled and advise him if there were any issues regarding the proposed schedule.

Fournier asked if the Board was still doing no meeting in February; Brean affirmed and also stated no meeting in July as well.

2. Elections (Vice-Chair and Treasurer)

Brean stated in accordance with Section 3.4 of the PDA By-Laws, our agenda today includes the election of officers. Pursuant to Section 3.6 of the PDA By-laws, the officers you need to elect are a Vice-Chairman and a Treasurer of the Board, both of whom will serve in such capacity for a term of one (1) year or until the next Annual Meeting, whichever first occurs.

Duprey asked for a motion for election of a **Vice-Chairman**;

Director Anderson **moved** the **motion** and Director Ferrini **seconded** that we elect **Director Levesque as Vice-Chairman of the Pease Development Authority**.

Discussion: None. Disposition: Resolved by **unanimous** vote (6 – 0 with Levesque abstaining) for; motion **carried**.

Duprey asked for a motion for election of a **Treasurer**;

Director Fournier **moved** the **motion** and Director Parker **seconded** that we elect **Director Ferrini as Treasurer of the Pease Development Authority**.

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

3. Committee Appointments

Duprey indicated the list provided indicated the current appointments and recommended keeping the Committee members as they are moving forward.

PDA COMMITTEE LISTING – EFFECTIVE December 15, 2022

Standing Committees

Executive Committee

Stephen M. Duprey, **Chair**
Neil Levesque, Vice Chairman
Thomas G. Ferrini, Treasurer
Staff Contact: Brean/Blenkinsop

Finance Committee

Thomas G. Ferrini, **Chair (Treasurer)**
Margaret Lamson
Neil Levesque
Staff Contact: Brean/Anzalone

Marketing and Economic Development Committee

Thomas G. Ferrini, **Chair**
Neil Levesque
Susan Parker
Staff Contact: Brean

Zoning Adjustment & Appeals Committee

Steve Fournier, **Chair**
Susan Parker
Stephen M. Duprey
Staff Contact: Blenkinsop/Mates

Airport Committee

Stephen M. Duprey, **Chair**
Steve Fournier
Margaret Lamson
Staff Contact: Brean/Mates

Ad Hoc Advisory Committees

Capital Improvement and Land Planning Committee

Steve Fournier, **Chair**
Thomas G. Ferrini
Neil Levesque
Staff Contact: Blenkinsop/Mates

Transportation Management Committee

Margaret Lamson, **Chair**
Erik Anderson
Susan Parker
Staff Contact: Mates

Golf Committee

Erik Anderson, **Chair**
Thomas G. Ferrini
Steve Fournier
Staff Contact: Brean/DeVito

Port Committee

Neil Levesque, **Chair**
Steve Fournier
Erik Anderson
Ex Officio: Chair DPH Advisory Council
Staff Contact: Brean/Marconi

Audit Committee

Thomas G. Ferrini, **Chair**
Stephen M. Duprey
Erik Anderson
Staff Contact: Anzalone

Legal Bill Review

Stephen M. Duprey, **Chair**
Thomas G. Ferrini
Erik Anderson
Staff Contact: Blenkinsop

Notes: Executive Committee must have Board Chairman as Executive Committee Chair and Board Vice-Chair as Executive Committee Vice-Chair. Finance Committee must have Board Treasurer as Chairman of Finance Committee. Other than that, each Committee must have a minimum of three Directors appointed to each Committee with a Chairman selected from such appointees; appointments to Committees are at sole discretion of Board Chairman.

4. PDA Holiday Schedule – 2023

New Year’s Day	Observed	Monday	1/2/2023
Martin Luther King/Civil Rights Day		Monday	1/16/2023
Presidents’ Day		Monday	2/20/2023
Memorial Day		Monday	5/29/2023
Independence Day		Tuesday	7/4/2023
Labor Day		Monday	9/4/2023
Columbus Day/Indigenous Peoples' Day		Monday	10/9/2023
Veterans’ Day	Observed	Friday	11/10/2023

Thanksgiving Day		Thursday	11/23/2023
Day after Thanksgiving		Friday	11/24/2023
Christmas Day		Monday	12/25/2023

Brean stated these are the holidays observed by PDA / DPH staff and there were no changes from last year.

Fournier asked if this is the federal holiday schedule, and whether Juneteenth should be included; Brean indicated PDA follows the state holiday schedule. Blenkinsop indicated the Board can make modifications to the schedule.

Director Ferrini **moved** the **motion** and Director Fournier **seconded** the **addition of the Juneteenth holiday to the PDA holiday scheduled.**

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

5. Golf Course Operations

Scott DeVito (“DeVito”), Pease Golf Course (“PGC”) General Manager, indicated the last day of the season was Wednesday, November 30th, closing out the year with 71,985 rounds of golf played. DeVito commended both Tim Riese (PGA Professional) and EJ Chea (“Chea”) (Head Supervisor) for the work they and their staff did at PGC this season; Chea and his staff put the course to bed the over last ten days. DeVito indicated there are only a couple of part-time employees remaining which will be done as of today. Staff will start to break down and rebuild equipment to get ready for next season.

DeVito indicated PGC has a bid out for a seasonal tent for a one year rental; anticipate bringing a bid to the Board at the January meeting.

Duprey asked the cost of the tent per season; DeVito indicated PGC had a five year agreement at \$8,000 per year which he anticipated would triple. DeVito indicated the previous company cannot find staff and will be closing. At this time there have been a number of referrals interested in the bid.

Anderson asked if DeVito still was waiting on any equipment; DeVito indicated there have been a few pieces of equipment that were approved and anticipated receipt in the March / May 2023 timeframe.

Brean recognize the fact at PDA was 10% favorable to budget regarding revenue and an 8% favorable to budget in expenses. Everything has increased in pricing and commended staff for being conscious. Additionally, Brean spoke to the insight received from Director Ferrini that put PDA on a smart path on procuring insurance, as well as the work Blenkinsop performed in order to have the insurance policies in place prior to expiration; IT Director Greg Siegenthaler had put initiatives in place causing PDA not to spike the cyber insurance; and finally to the unit managers and Safety Committee work towards minimizing worker / employee incidents.

6. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean stated the past couple of months are the slowest time of year for commercial activity with approximately 630,000 gallons of fuel sold. He brought to the Board's attention that 43% of the fuel sales were general aviation and stated there had been an uptick of corporate aircraft utilizing PSM.

Through November, enplanements were at 75,469 and anticipated ending year around 80,000. Brean stated he anticipated troop flights increasing after the start of the year.

Parking revenue is slightly above budget and anticipated a busy upcoming travel season.

Anderson asked whether the fuel flowage fee will hold; Brean indicated he anticipated bringing a request to the Board next fiscal year for an increase and will provide an analysis of surrounding airports. A component Brean does not anticipate implementing at this time would be landing fees. Brean indicated PSM's current fuel flowage fee is \$0.05/gallon and stated Manchester's fuel flowage fee may be between \$0.60 to \$1.00/gallon. Further, most small airports in the northeast the average pricing is around \$0.08/gallon along with landing fees. Where PSM also receives military troop flights, this allows PDA to have low fuel flowage fees while providing remarkable value to those who utilize PSM.

Brean spoke to receiving a new 5,000 ton per hour Oshkosh snow blower, fully funded by the FAA and NHDOT. This was as a result of a grant received during COVID where the local share was waived; the cost of the equipment was approximately \$600,000.00. Brean spoke to the mechanics of the vehicle and the longevity of the current equipment. Brean indicated that the maintenance staff are all qualified to drive on the runway and are diversified on the operation of all equipment.

b) Skyhaven Airport (DAW)

Brean spoke to some of the increases seen at DAW as being related to ADA updates to the 1940s Cape style home which serves as the airport terminal in an effort to bring it into compliance.

a) Noise Line Report (i) November, 2022

Brean indicated there was one noise inquiry involving a military C17 aircraft.

Chasen Congreves ("Congreves"), Director of Operations, spoke to terminal upgrades / enhancements and specifically the new checkpoint / equipment received through TSA. There are quarterly meetings between TSA and PSM and recently PSM was advised that clearance through the check point prescreen has been reduced from 15 to 20 minute wait time to 3.6 minutes. This is a significant reduction and a reason passengers come to PSM; being it is easier and quicker for passengers to make their way through security (screening an average of 229 passengers daily).

Anderson spoke to his recent tour of the terminal facility and of an additional room under construction; Congreves referenced a lactation room. Congreves further stated that for ADA compliance

PSM was able to include a Service Animal Relief Area (SARA) in its design. Brean stated this was all done in compliance with ADA to allow / accommodate service dogs as well as a room to allow mothers a private space to feed their child.

B. Approvals:

1. Bills for Legal Services

Director Ferrini **moved** the **motion** and Director Fournier **seconded** that the **Pease Development Authority Board of Directors approves of and authorizes the Executive Director to expend funds in a total amount of \$5,808.00 for payment of legal services to Sheehan Phinney Bass & Green and Anderson Kreiger; all in accordance with the memorandum from Anthony I. Blenkinsop, Deputy Director / General Counsel, dated December 6, 2022.**

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

XI. Division of Ports and Harbors:

A. Reports:

- 1. Port Advisory Council Meeting Minutes of September 14, 2022 (UPDATED)**
- 2. Port Advisory Council Meeting Minutes of October 12, 2022**

Geno Marconi (“Marconi”), Division of Ports and Harbors (“DPH”) Director, stated the Board had the minutes of the Port Advisory Council (“PAC”) meetings of September 14, 2022 (UPDATED) and October 12, 2022 as a means to keep the Board aware of the Council’s activity. Marconi indicated that the September 14, 2022 minutes were included because previously the end of the minutes had been cut off and at the last PAC meeting amended minutes were approved.

Brean departed the meeting at 10:15 a.m. and returned at 10:17 a.m.

3. L.W. Morgridge & Son, Inc. – Right of Entry - Exercise Last One Year Option

Marconi stated the exercise of the last one year option for this ROE, will allow the entry into Portsmouth Harbor for the collection of sea water to be delivered inland to closed system lobster pounds in the area.

4. DiTucci Petroleum Carriers, Inc. dba Lawrence Tank – Right of Entry - Exercise the First of Two One Year Options

Marconi stated the exercise of the first one year option for this ROE, will allow the entry into Hampton Harbor for the collection of sea water to be delivered inland to closed system lobster pounds in the area.

Marconi stated over the last few weeks the have had three ships in at the Main dock and another one is anticipated sometime soon.

B. Approvals:

1. On-Call Marine Engineering Services – Appledore Marine Engineering, LLC

Director Parker moved the motion and Director Lamson seconded that **the Pease Development Board of Directors hereby authorize the Executive Director to complete negotiations and execute a contract with Appledore Marine Engineering, LLC of Portsmouth, New Hampshire, for the purpose of On-Call Marine Engineering services for the Division of Ports and Harbors, for a one-year term with three (3) one-year options to extend; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated November 28, 2022.**

Discussion: Anderson asked how long Appledore had been the on-call engineer; Marconi responded for twenty years. Anderson stated the Board is tasked with approving Appledore as the on-call engineering firm from the recommendation of the “Ad Hoc Committee”. Anderson indicated he did not know the performance of Appledore over the past twenty years or the matrix utilized by the Committee in making the recommendation which compromises his ability to make an informed decision.

Mates indicated this was a Qualification Based Selection (“QBS”) process required by the rules of the State. PDA issued the Request for Qualification (“RFQ”) which was out for approximately four weeks and three companies submitted Statements of Qualifications (“SOQ”). In the RFQ it was indicated the SOQ would be evaluated on specific items, from this a matrix was prepared which had a point system for each category and from that the scores were added up for each firm. There were also interviews and internal discussions held which resulted in a recommendation.

Levesque asked of the Committee make-up; Marconi indicated the 4 DPH staff were Marconi, Asst. Director of DPH; DPH Operations Director; Chief Harbormaster; and from Engineering Department Mates; Chairman of PAC and PAC Member Donahue. Levesque stated the previous agreement was for three years and why was this only a year with options. Marconi indicated DPH has been doing that with a lot of its contracts recently. This provides DPH control over the contract so if something were to arise DPH would have the ability to make a change.

Anderson expressed a concern that this too was coming before the Board in December when the contract expires December 31st; suggested items such as this be presented to the Board 60 days in advance of expiration. Marconi reminded the Board that Appledore’s contract expired six months ago and the Board provided an extension of that contract as DPH has been overwhelmed with ongoing construction projects. Marconi spoke to the extensive process involved when doing an RFQ and preparation of a contract. Marconi stated that the projects that Appledore is currently associated with, do not expire until the project is completed. Anderson affirmed that even if another company were chosen, there were contracts with Appledore on other projects at this time where Appledore would see the project to the end.

Duprey indicated this would provide DPH with more flexibility than a longer contract would; Marconi affirmed.

Anderson restated his concerns when items are brought before the Board, not only from DPH but any aspect of PDA, where the Board may feel under time constraints to make a decision. Again suggested the time period of two months in advance of when an item should be provided to the Board to allow adequate time for review and consideration.

Duprey spoke to the concern raised about receiving contracts / approvals in advance of the expiration date and prior to a December meeting.

Fournier stated this goes back to previous discussions of having written Rules and Procedures (i.e.; the start and end time of meetings; time allowed for public to speak; receipt of agenda items; when items / agenda is provided to the Board; etc.)

Parker appreciated the work of all staff regarding items for consideration; the Board feels free to ask questions and where this is a public entity doing things a little differently to promote transparency. Also suggested the inclusion to explain what arms-length distance means when in a RFP process, this may eliminate the need to ask questions for both the public and the Board.

Duprey indicated he has served on a lot of state boards and the packet the PDA Board receives from staff makes it easy to understand if there is an issue, what the issue is and various points contained in backup memoranda. The information is thoroughly documented and the public has access to the information as well.

Duprey asked Brean and Blenkinsop to draft some Rules and Procedures that the Board could review for consideration.

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

2. **Hampton Harbor Marina to Facilitate the 2023 Hampton Beach Jetty Repair - SUP Addendum to the Special Use Permit from the Department of Natural and Cultural Resources, Division of Parks and Recreation and Right of Entry to the US Army Corps of Engineers**

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a Special Use Permit (“SUP”) and SUP Addendum from the Department of Natural and Cultural Resources, Division of Parks and Recreation (“Division”) regarding access to Division property, and approves of the issuance of a Right of Entry (“ROE”) to the US Army Corps of Engineers (“ACOE”) in connection with the 2023 Hampton Beach Jetty Repair; substantially in accordance with the memorandum from Geno J. Marconi, Division Director dated November 30, 2022 and the draft SUP and ROE.**

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

3. Final Proposed Amendment to the Schedule of Pilotage Fees and Pilotage Unit Rates

Director Levesque moved the motion and Director Lamson seconded that **the Pease Development Authority (PDA) Board of Directors hereby approves of and authorizes adoption of the Final Proposed Amendments to the Schedule of Pilotage Fees and Pilotage Unit Rates, pursuant to Pda 311.01 of Chapter Pda 300, “Port Captains, Pilots and Pilotage”, of the NH Code of Administrative Rules; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated December 7, 2022.**

Discussion: Levesque asked at the last meeting how the cost increase would alter the pricing of fuel oil being brought in to port; Brean stated Marconi ran some numbers utilizing a ship that goes into the Irving terminal (a tanker holding 38,000 metric tons of home heating oil) and estimated it would be a \$0.02 per 200 gallon increase. Marconi provided a handout and spoke to the Board outlining the breakdown.

Disposition: Resolved by unanimous vote for; motion carried.

XII. New Business:

XIII. Special Event:

A. Report:

1. Jingle all the Way 5K Road Race held on December 10, 2022

Levesque departed the meeting at 10:39 a.m. and returned at 10:40 a.m.

XIV. Employee Recognitions *:

Brean introduced Employee Relations Manager Tanya Coppeta (Coppeta”) who indicated there were six employees being recognized for their years of service with the Pease Development Authority and whose contributions have made the Tradeport the success it is today.

At 10 years PDA recognized Whit Anderson of the Division of Ports and Harbors who started at DPH in 2012 as part-time maintenance assistant and is now the fulltime Operations Manager (one of Geno’s right hands).

At 15 years PDA recognized Susan Coleman who started in 2007 as a receptionist and accounting clerk in the Finance Department. In 2017, she was promoted to payroll accountant to where she is today.

At 20 years PDA recognized Beth Demaine who started in 2002, as a secretary for the Division of Ports and Harbors, transitioned to an airport admin role and in 2017, as an engineering admin where she remains today.

Also at 20 years PDA recognized Liz LaCava who started in 2002, as an admin in the executive development department and assistant to the Executive Director for a period of time and in 2018, she joined Finance as receptionist / accountant. Liz is the smiling face of 55.

Lastly, there were two thirty year service awards.

Dane Kirkwood was hired in 1991, as an Airport Maintenance worker and over the years he has become PDA's facilities expert.

Robin Page was also hired in 1991, as a Secretary / Receptionist in the admin department and in 1999, went to the Airport Maintenance and has been its admin ever since. Robin has been described as the glue that holds the Airport Maintenance Department together.

Duprey stated an entity is a good employer when you see longevity of staff.

XV. Upcoming Meetings:

Port Committee	January 5, 2023 @ 8:00 a.m.
Board of Directors	January 19, 2023 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XVI. Directors' Comments:

No comments by Board members.

Brean thanked the Board members for their volunteerism and support they provide to PDA and staff; a small token of appreciation was provided to each Board member.

XVII. Adjournment:

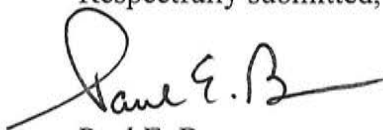
Director Levesque moved the motion and Director Fournier seconded to adjourn the Board meeting. Meeting adjourned at 10:47 a.m.

XVIII. Press Questions:

No comments from the press.

XIX. Consultation with Legal Counsel (NH RSA 91-A:2, I (b))

Respectfully submitted,



Paul E. Brean
Executive Director

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