

AGENDA

- I. **Call to Order:**
- II. **Non-public Session: (Anderson)**
- III. **Vote of Confidentiality: (Lamson)**
- IV. **Acceptance of Meeting Minutes: September 17, 2020 * (Levesque)**
- V. **Public Comment:**
- VI. **Old Business:**
 - A. Approval:
 - 1. Land Use Control Amendments – Final Approval * (Loughlin)
- VII. **Finance:**
 - A. Independent FY2020 External Audit (Berry Dunn via video conference)
 - 1. Auditor Communications Presentation *
 - 2. Required Communication Letter *
 - B. Approval:
 - 1. Certified Annual Financial Statements and the Uniform Guidance Audit of Federal Awards Update * (Loughlin)
 - 2. Additional Signatory for Pease Development Authority Banking Institutions * (Fournier)
 - C. Executive Summary *
 - D. Reports:
 - 1. FY 2021 Financial Report for the Two Month Period Ending August 31, 2020 *
 - 2. Nine Month Cash Flow Projections to June 30, 2021 *
- VIII. **Licenses/ROEs/Easements/Rights of Way:**
 - A. Approval:
 - 1. Lonza Biologics – Parking License for 55 International Drive * (Allard)
- IX. **Leases:**
 - A. Reports:
 - 1. Sublease between 222 International, Limited Partnership and Shaughnessy Seagull, Inc. d/b/a Allegra Marketing Print Mail *
 - B. Approval:
 - 1. Next Level Now, Inc. – Lease Amendment No. 1 * (Levesque)

X. Contracts/Agreements:

- A. Approval:
 - 1. SHI – Purchase of Plotter/Printer for Engineering * (Anderson)
 - 2. Horsley Witten – Work associated with Illicit Discharge Detection and Elimination (IDDE) * (Fournier)

XI. Executive Director:

- A. Reports:
 - 1. Golf Course Operations
 - 2. Airport Operations
 - a) Portsmouth International Airport at Pease (PSM)
 - b) Skyhaven Airport (DAW)
 - c) Noise Line Report
 - (i) September 2020*
- B. Approval:
 - 1. Bills for Legal Services * (Fournier)

XII. Division of Ports and Harbors:

- A. Reports:
 - 1. Commercial Mooring Transfer – Miller to Kastejna *
 - 2. Heidi and Elisabeth Fisheries LLC – Exercise of Option at the Portsmouth Fish Pier to December 31, 2021 *
 - 3. Purchase of Fuel Dispenser for Portsmouth Fish Pier *
- B. Approval:
 - 1. Snow Plow Bid/Contract – James Jones d/b/a Jones Snow Plowing Services * (Allard)

XIII. New Business:

XIV. Upcoming Meetings:


Golf Committee	November 16, 2020 @ 8:30 a.m.
Finance Committee	November 16, 2020 @ 9:00 a.m.
Board of Directors	November 19, 2020 @ 8:30 a.m.

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

XV. Directors' Comments:

XVI. Adjournment:

XVII. Press Questions:

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
-  Confidential Materials



RIGHT TO KNOW UPDATE: Effective January 1, 2018, RSA 91-A, the Right to Know Law was modified to include that "If a member of the public body believes that any discussion in a meeting of the body, including in a nonpublic session, violates this chapter, the member may object to the discussion. If the public body continues the discussion despite the objection, the objecting member may request that his or her objection be recorded in the minutes and may then continue to participate in the discussion without being subject to the penalties of RSA 92-A:8, IV or V. Upon such request, the public body shall record the member's objection in its minutes of the meeting. If the objection is to a discussion in nonpublic session, the objection shall also be recorded in the public minutes, but the notation in the public minutes shall include only the members name, a statement that he or she objected to the discussion in nonpublic session, and a reference to the provision of RSA 91-A:3, II, that was the basis for the discussion."

MOTION – II.

Director Anderson:

The Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing the Lease or Sale of Property [RSA 91-A:3, II (d)].

Note: Roll Call vote required.



MOTION – III.

Director Lamson:

Resolved, pursuant to NH RSA 91-A:3, Paragraph III, the Pease Development Authority (“PDA”) Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its October 15, 2020 meeting related to the Lease or Sale of Property would, if disclosed publically render the proposed actions ineffective and further agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

Note: Roll Call vote required; this motion requires 5 Affirmative Votes

MOTION – IV.

Director Levesque:

I make a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, September 17, 2020.

Note: Roll Call vote required.

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

Thursday, September 17, 2020

Presiding: Kevin H. Smith, Chairman
 Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Erik Anderson; Margaret F. Lamson; and Steve Fournier
 Telephonically: Neil Levesque and Lynn Marie Hinchee, General Counsel
 Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy General Counsel; PDA staff members; members of the public.

AGENDA

I. Call to Order:

Chairman Smith ("Smith") called the meeting to order at **8:41 a.m.** in the Large Classroom at PDA Offices. Seating was socially distanced and masks were required except when speaking.

Director Levesque ("Levesque") asked if PDA could look into holding video Zoom meetings as opposed to telephonic Zoom as telephonic is detached. Levesque indicated that each Board member could have a laptop and everyone could see each other which would facilitate for better conversations. Smith indicated that he would ask PDA to explore the request.

II. Acceptance of Meeting Minutes: August 20, 2020

Director Allard **moved** the motion and Director Anderson **seconded** a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, August 20, 2020.

Discussion: None. Disposition: Resolved by roll call (7-0) vote for; motion carried.

III. Public Comment:

There were no public comments.

IV. Committee:

A. Report:

1. Golf Committee

Director Anderson ("Anderson"), Chairman of the Golf Committee, provided a summary of the discussions at the Golf Committee meeting held Monday, September 14, 2020. Anderson stated that Scott DeVito ("DeVito"), General Manager of the Golf Course, provided answers to questions posed and the discussions brought to light the success of the Golf Course during the pandemic. Anderson indicated that DeVito also provided the Golf Committee with a projection of budgetary considerations for next year. Brean indicated the items discussed would be required to be brought back to the PDA Board for approval.

V. Finance:

Finance Director Irv Canner (Canner) indicated that the summary outlines the two reports contained in the agenda and stated that he is not asking for any approvals.

A. Executive Summary

Canner indicated that the month of July is the first operating month of the new fiscal year and while there are variances, they are too immaterial to indicate anything that may challenge the FY21 budget. Lamson spoke to the Eldorado bus purchase; Canner indicated that was a significant purchase utilized for parking at the airport that had been previously approved by the Board.

B. Reports:

1. FY 2021 Financial Report for the Period Ending July 31, 2020

PDA took in \$1.9 million in revenue and had \$1.1 million in operating expenses, and indicated due to the audit it is necessary to keep the books extended out through the middle to end of August in order to capture outstanding invoices related to FY20. The audit is running its course and field work has been completed, it was done virtually. The physical report for audit is under review by the senior partners at Berry Dunn and an Audit Committee meeting is scheduled for October 13, 2020. Canner indicated that at the end of July, PDA employed 144 individuals and there has been no change to staffing of fulltime benefited positions which is 64. A change in the cash balance resulted in the need to go into the Revolving Line of Credit (RLOC) in July and August (the draw down occurred in August and September) in the amount of \$4.5 million leaving an available balance of \$10.5 million.

Canner indicated that during the month of July enplanements were down to 26,000 versus 60,000 from last year (related to COVID); at the end of August enplanements were just under 29,000.

Canner spoke to the consistency of Skyhaven operations and grant money being received, revenues were up due to increase in fuel sales (2,400 gallons in 2020 versus 1,900 gallons in 2019).

Canner stated that the start of the new season for Golf was good and that public play is greater than the private membership play. Canner further stated that Grill 28 sales are down by approximately 4% (anticipate due to COVID) and approximately 30,000 rounds of golf played in 2020 versus 31,000 last year.

Division of Ports and Harbors (DPH) unrestricted funds show no change and remain positive.

Director Allard (“Allard”) asked Canner if he had the August numbers for Grill 28; Canner indicated he did not have specific numbers but thought it was just under \$200,000. Canner further indicated that Grill 28 provides information weekly regarding sales and from that PDA applies its commission and an invoice is prepared.

Anderson asked Canner to explain why PDA went into its RLOC; Canner stated due to the extensive construction projects at the terminal and runway (PDA funding is not sufficient to fund the entire project). Canner explained that the next nine (9) months, the outlay for projects will be \$24

million; grant funding will pay for \$19 million, leaving a difference of \$5 million. Canner indicated the need to start borrowing against the RLOC for funding of the projects commencing in July and August. Canner indicated that PDA operating income is not sufficient to maintain the current capital projects which resulted in the need to borrow from the RLOC.

2. **Nine Month Cash Flow Projections to May 31, 2021**

Canner indicated that the grant related projects are associated with a timing difference. Canner went on to state that when spending federal monies, it typically takes approximately forty-five (45) days for reimbursement; as the federal monies are reimbursed those funds pay down the RLOC obligation.

Director Lamson (“Lamson”) inquired whether or not any reimbursement has been received; Canner affirmed and further stated that CARES Act funds were allocated to PDA (PSM and DAW). That funds for DAW were received, the PSM funds have not yet been received. Canner indicated that the money submitted under the CARES Act were for operating expenses (labor, utilities etc.) that support the airport operations. Canner indicated that if the CARES Act money for PSM is not received in September, there may be an additional need to draw from the RLOC.

Canner went on to say over the next nine months, both grant related and non-grant related projects (such as the terminal, which is not all federally funded) PDA anticipates on spending \$6.4 million of PDA money for various projects. Canner indicated that anticipates going into the RLOC by the end of October in the amount of \$5 million, but in November there will be a payback to the RLOC upon to receipt from grant awards. Fournier asked if this was due to the beginning of the federal fiscal year; Canner indicated that it was more a timing issue of the reimbursements. Brean explained the work needs to be completed and a recap done by Maria Stowell (“Stowell”) Engineering Manager prior to government releasing the funds.

Canner indicated that interest rates are currently low making it a favorable time to borrow against the RLOC.

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

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

A. **Reports:**

1. **Advanced Excavation & Paving, Inc. – Right-of-Entry**

Brean indicated this was for a laydown area at the Tradeport in order to expedite the paving on International Drive and Corporate Drive in collaboration with the City of Portsmouth.

2. **Prescott Park Arts Festival (PPAF) – Right of Entry**

Brean stated the Right-of-Entry for PPAF is to host drive-in style entertainment (music etc.) afterhours at the former warehouse parcel on New Hampshire Avenue.

3. CHI Aerospace – Right-of-Entry

Brean indicated that this is a Portsmouth based flight school and they are utilizing the runway at Skyhaven while Portsmouth is closed to keep operations going.

Lamson spoke again of the potholes on Arboretum which is a highly utilized area at the Tradeport as it goes down to the Refuge. Lamson offered to take Anderson to the location so he could see what she was referring to as it is a safety issue.

B. Approvals:

1. Portsmouth Transportation Center – 185 Grafton Drive – Department of Transportation Subdivision

Director Loughlin moved the motion and Director Allard seconded that **in accordance with Pease Development Authority (“PDA”) Land Use Controls Section 503.01(c) the PDA Board of Directors approves the subdivision of 14.04 acres (the Pease Park and Ride) for the New Hampshire Department of Transportation (“NHDOT”), as set forth in the Memorandum of Maria J. Stowell, PE, Engineering Manager, dated September 3, 2020.**

Discussion: Stowell indicated that back in June the Board asked staff to take the necessary steps for a lease with Department of Transportation (DOT); the subdivision would be an exhibit to the lease. Stowell further indicated where DOT is a state agency it is exempt from PDA rules but thought the lease would be cleaner having the subdivision on file. Stowell indicated that this has been approved by the Portsmouth Planning Board.

Disposition: Resolved by roll call (7-0) vote for; motion carried.

VII. Leases:

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

A. Report:

1. Brookhaven Hospice of New Hampshire, LLC

Brean indicated that Brookhaven Hospice of New Hampshire, LLC has entered into a lease with One New Hampshire Avenue, LLC to occupy 1,859 square feet of Office and Related Use space at 1 New Hampshire Avenue for five (5) years commencing October 1, 2020 and that Director Lamson was consulted and granted her consent to this sublease.

B. Approvals:

1. Port City Air - Fuel Farm Concept Plan & Lease Amendment

Director Anderson moved the motion and Director Fournier seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to approve**

the concept plan for the North Fuel Farm at 14 Aviation Avenue, as submitted by Port City Air (“PCA”), and as shown on plans attached hereto and incorporated herein, and to proceed with and complete negotiations with PCA on any lease agreement amendments necessitated by the improvements to the North Fuel Farm as shown on the concept plan; all in accordance with the memoranda of Maria Stowell, P.E., Engineering Manager, dated September 9, 2020, and Paul E. Brean, Executive Director, dated September 10, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

2. T-Aviation, LLC – Skyhaven Airport Hangar 5

Director Fournier moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations and to execute a lease with T-Aviation, LLC for the premises known as Hangar 5, including certain surrounding apron area, located at Skyhaven Airport (DAW); substantially in accordance with the memorandum from Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated September 10, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

VIII. Contracts/Agreements:

In accordance with Article 3.9.1.1 of the PDA Bylaws, Executive Director Brean reported the following:

A. Reports:

1. Dan Fortnam – Exercise Option - Secure and Develop Scheduled Air Passenger Service through March 31, 2021
2. Eckhardt & Johnson – Exercise Option - HVAC services through June 30, 2021

IX. Signs:

A. Approval:

1. 2-Way Communications Service, Inc. – 19 Durham Street

Director Anderson moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of the proposed sign for 2-Way Communications Service, Inc. at its facility located at 19 Durham Street; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated September 9, 2020.

Discussion: Director Allard recused himself from the vote due to his relationship with the company. Brean indicated that he was provided a tour of the property at 19 Durham Street and indicated that 2-Way Communications has made an incredible investment in the building. Brean is impressed with the quality of design and build out of the premises and the sign will put the finishing touches on that area.

Disposition: Resolved by roll call vote (6-0) for, with one recusal (Allard); motion carried.

X. Executive Director:

A. Reports:

1. Golf Course Operations

Smith left the meeting at approximately 9:11 a.m. and returned to the meeting at approximately 9:14 a.m.

DeVito indicated that the golf course has stayed busy with just under 13,000 rounds played for the month of August and to date have more rounds played this season than last. DeVito also spoke to the annual Pay Now Play Now to draw season pass holders; approximately a dozen (12) have already signed up. DeVito spoke to updating membership applications and sending them out next month; also information concerning the twenty (20) day credit due to COVID would be relayed to those who had paid prior to March 31, 2020 as the credit can be utilized towards a 2021 membership.

DeVito indicated that this is the only month that there has been events; Friday (9/18/2020) the course will be holding its largest event this year - NH Auto Dealers Association at 166 (all tee times).

Anderson commended DeVito for his ability to field a lot of questions at the Golf Committee meeting and making it a very informative and productive meeting.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated that for the month of August there were just under 2,000 scheduled passengers on Allegiant and there were only 276 charter passengers, which was due to the runway reconstruction project and that the large Atlas Air that operate the troop flights could not operate with the reduced runway availability. Brean indicated that the enplanements of 2,200 brought PDA to just under 30,000 for the year (which is roughly where PSM was in 2015). Brean indicated that PSM is holding its own due to COVID and the runway project. Brean further stated that PSM surpassed the requirement of 10,000 enplanements in order to remain in the FAA/AIP program.

Brean stated that there were 288 Allegiant passengers who utilized revenue parking (less than previous Augusts).

Brean stated that approximately 400,000 gallons of fuel for the month of August were pumped and anticipated and increase with the return of the runway back to full capacity. Brean thanked the Board and its support of Port City Air's North Fuel Farm Rehab; its increased capacity is anticipated to attract the larger military squadrons.

Brean indicated that an FAA mandated exercise would be held on Saturday (9/19) for all airfield stakeholders. This is a practice event of an airfield emergency conducted with the ANG and various fire / police departments.

Brean stated that the runway reopening is scheduled for September 23rd and he is confident that

will hit that date or a little early. Brean commended aviation, engineering and the aviation stakeholders for the communication over the last two years regarding this project. During this time the various stakeholders took advantage of the scheduled runway closure to work on some maintenance work.

Brean informed the Board that the terminal expansion is weather tight (siding and roofing completed) and interior and heavy work is on scheduled and that he is optimistic to having an occupancy permit prior to the end of the year.

Brean also indicated receipt of the Allegiant schedule through April and PSM held capacity well into Punta Gorda Florida and Sanford Orlando.

Brean followed-up on the Eldorado bus referenced in the Finance report by stating it was purchased last year and is an ADA compliant bus for airport/parking use. Brean further stated as a result of COVID, the company that builds the buses was closed for a little while resulting in the delay.

b) Skyhaven Airport (DAW)

Brean spoke to trying new operating models to reduce expenses and working on a maintenance model to see reduction in expenses. Brean also informed the Board that fuel demand at Skyhaven has increased due to two (2) entities flying banners around the Seacoast weekly. Brean spoke to closing out negotiations with an aviation maintenance repair company to operate out of Hangar 5 at Skyhaven to perform maintenance/repairs on aircrafts there.

**c) Noise Line Report
(i) August 2020**

Brean indicated that there were no aircraft complaints during the month of August at Portsmouth or Skyhaven.

Levesque indicated that at the start of the pandemic there were expenditures (i.e.; lawnmower) which were pushed off and wondered if they would be brought forward in the Spring. Brean indicated that DeVito is willing to wait to take this expenditure up in late winter / Spring.

B. Approvals:

1. Bills for Legal Services:

Director Fournier moved the motion and Director Lamson seconded that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$16,704.00 for legal services rendered to the Pease Development Authority in support of MS4 and CLF settlement implementation to Sheehan Phinney Bass & Green and to reimburse Sheehan Phinney Bass & Green in the amount of \$31,676.11 for third party environmental services rendered to the Pease Development Authority associated with the MS4 permit implementation.**

Discussion: Allard pointed out a scribner's error in the total of the Sheehan Phinney bill which was a transposition of numbers.

Director Levesque ("Levesque") asked for a review of the monthly legal fees (2 in-house attorneys and 3 attorneys from Sheehan Phinney). Director Fournier ("Fournier") indicated that from his perspective (being the Town Manager for Newmarket) that [in-house] legal counsel provides the daily advice; these bills do not seem out of the ordinary as the billing received from Sheehan Phinney is for environmental issues. Fournier also indicated that attorneys, like doctors, specialize in specific areas of law. Smith affirmed Fournier's comments, being the Town Manager for Londonderry, he sees similar monthly billing for his Town. Anderson indicated that since December 2019, PDA has spent \$157,000 on legal fees and that he too would like to know what has been done up to now, where PDA is going and how much more may be projected to complete the process. Smith spoke of a Zoom meeting potentially being scheduled in October and that after the Zoom meeting, PDA's in-house attorneys can provide the Board (in public or non-public) for a more in-depth discussion on where things stand and why the monthly legal fees are where they are. Blenkinsop affirmed Anderson's inquiry at the last meeting and that Anderson had also reached out prior to today's meeting. Blenkinsop further stated that at the October meeting there could be discussions regarding legal fees, but that it also had been contemplated to hold a meeting with outside counsel, potentially in November, for a presentation / overview to update to the Board of the various matters they are working on. Blenkinsop indicated as the former City Attorney in Dover, it is necessary to have qualified environmental attorneys when working on environmental matters. Lamson spoke to her time as a Selectperson for the Town of Newington and the need for representation with an expertise in environmental matters.

Disposition: Resolved by roll call vote (7-0) for; motion carried.

2. Land Use Controls:

Director Lamson moved the motion and Director Anderson seconded that **in accordance with the procedures adopted by Pease Development Authority ("PDA") on May 20, 1991 for the adoption of Land Use Controls or amendments thereto, the PDA Board of Directors hereby approves of and authorizes the PDA to take all requisite steps towards adopting the proposed amendments to PDA's Land Use Controls (as set forth below and with the full text of each amendment attached hereto) and to schedule a public hearing to receive public comment on the proposed amendments and to accept written comments from the public or other state or local agencies prior to and until the close of the public hearing; all in accordance with PDA's procedures for the adoption of Land Use Controls or amendments thereto as referenced above and in the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated September 8, 2020.**

Attachment I

- A. Part 304-A.10(a) – Storm Water Management
- B. Part 305.05(a)(14) – Storm Drainage
- C. Part 407.02 – Site Review Agreement
- D. Part 403.01 – General Provisions
- E. Part 403.04 – Site Plan Submission Requirements

Attachment II

F. Part 302 - Definitions

G. Part 313-A – Illicit Discharge Detection and Elimination (IDDE)

Discussion: Stowell was available for questions, there were no questions from the Board.

Smith indicated that it was recommended that the public hearing could be held over Zoom either the week before the October 15th Board meeting or the week after. Smith asked Stowell if she had a preference; Stowell indicated she did not and further stated that the changes have been out there and discussed with both the City and the Town and there has been no response. Lamson indicated she wanted the Town's Planning Director to review the changes; Stowell indicated that the Town has had an opportunity to review the changes but she can follow-up. Anderson indicated that he hoped the City would have an opportunity to review the same materials as well. Blenkinsop indicated that both the City and the Town were forwarded the changes some time ago and the Town replied it did not have any comments. PDA did sit down with the City and discussed its questions and comments. Blenkinsop indicated that both the City and Town would be informed of the date of the public hearing.

The Board scheduled the **Public Hearing** on this matter for **Thursday, October 8, 2020 at 9:00 a.m.** over Zoom (phone or video).

Disposition: Resolved by roll call vote (7-0) for; motion carried.

XI. Division of Ports and Harbors:

A. Report:

1. Port Advisory Council – June 10, 2020 Minutes

Division of Ports and Harbors (DPH) Director, Geno Marconi ("Marconi"), reported that the Port Advisory held its meeting on October 2nd in the warehouse and everyone was socially distanced. At the meeting there was a discussion by the Council regarding the Route 1B Bridge by the Wentworth Hotel which ultimately resulted in a letter being drafted and sent to the US Coast Guard - Bridge Division in support of a bascule bridge. Anderson stated that he is a member of the Council and is in support of the bascule bridge and asked the Board to support the request of the Port Advisory Council.

Marconi spoke to the following:

1. DPH being the supply / staging area for the Cianbro project at Portsmouth Naval Shipyard for the super flood basin.
2. Salt Tenants – In the next couple of weeks will begin trucking out salt. Marconi stated due to COVID, a lot of sheds had not filled with salt at the end of the season and that activity will be ramping up at DPH; a traffic pattern has been implemented as the yard is very busy.
3. Portsmouth Fish Pier is progressing, demolition is being performed to the ice tower and the locations of the take out jibs are being fine-tuned. DOT needed some clarifications so have been working with Appledore Engineering to answer the questions. Marconi anticipates a meeting with DOT to clarify things.
4. Permission has been provided from the State to spend the funds that were left

over from the BUILD grant for design and engineering to spend those funds that had been placed on hold due to COVID. There have been geotechnical borings done along the shoreline so that things can get up and running.

5. Rye Harbor project is moving ahead and DPH has worked with Prock Marine previously; the permit has been received. Indicated that there are about 100 moorings in the harbor that need to be removed. Due to the dredging project and the timing of the tides, the floating docks need to be removed early. Granite State Whale Watch (GSWW) has been advised of the removal of the docks as they typically run until just after Columbus Day. GSWW will back in on the commercial side of the docks to pick up and discharge passengers. Marconi indicated that DPH has coordinated with Independent Boat Haulers regarding the activities at the harbor. Anderson asked Marconi if there were accommodations being made; Marconi indicated that a letter was sent out over a month ago advising users of the necessary activities and the need to make accommodations.

Levesque, with reference to Marconi's written material in the Board packet, indicated that he was surprised that the shoaling had already started in Hampton Harbor; Marconi indicated that it is due to the dynamics of the harbor and the transportation of sand with the tidal currents. Marconi indicated that shoaling commenced the day the contractor left; he also indicated that a couple of years ago he forwarded a letter to the Army Corps requesting initiation of a Section 107 Feasibility Study to look at a long term remedy for Hampton Harbor. Marconi was informed that two things would govern the Study: 1.) the completion of the dredging project; and 2.) the availability of funding. Marconi indicated that the request has been made and it is in the hands of the Army Corps at this time.

Anderson departed from the meeting at 9:49 a.m. and returned at 9:50 a.m.

B. Approvals:

1. Amendment to Right-of-Entry - Granite State Whale Watch

Director Loughlin **moved** the **motion** and Director Allard **seconded** that **the Pease Development Authority Board of Directors approves of, and authorizes the Executive Director to execute any necessary documents to effectuate, the subletting of the Granite State Whale Watch ticket office at the Rye Harbor Marine Facility to Prock Marine Company from October 1, 2020 to April 1, 2021; all in accordance with the memorandum of Geno Marconi Director of Ports and Harbor, dated September 2, 2020.**

Discussion: None. Disposition: Resolved by roll call vote (6-0) (Director Anderson was not present for the roll call vote) for; motion carried.

2. Portsmouth Fish Pier Seawall Replacement – Delegation to Division Director

Director Allard **moved** the **motion** and Director Fournier **seconded** that **WHEREAS, RSA ch. 12-G provides that the Board shall appoint an Executive Director, who shall be the chief executive and administrative officer of the Pease Development Authority (“Authority”) and who shall have**

general and active supervision and direction over the day-to-day business and affairs of the Authority, subject to the direction and control of the Board, and shall perform all such duties as from time to time may be assigned to him by the Board; and

WHEREAS, RSA ch. 12-G further establishes within the Authority a Division of Ports and Harbors (“Division”) and vests the oversight and control of the Division in the Pease Development Authority Board of Directors; and

WHEREAS, RSA ch. 12-G further provides that the Board shall appoint a Division Director who shall be the administrative officer of the Division and shall have general and active supervision and direction over the day-to-day business and affairs of the Division and its employees, subject, however, to the direction and control of the Board and the Executive Director; and

WHEREAS, the Authority has duly enacted By-Laws in accordance with the provisions of NH RSA 12-G:8, XIX; and

WHEREAS, the By-Laws provide that the Executive Director shall have all the authority of the Chairman with respect to the signing of contracts, leases, releases, bonds, notes and other instruments and documents approved by the Authority; and

WHEREAS, the Division is undertaking the repair/replacement of the Portsmouth Fish Pier Seawall in Portsmouth, New Hampshire, a project of vital importance to the commercial fishing industry and the New Hampshire seacoast region;

WHEREAS, the Authority deems it necessary for the timely management and regulation of the Portsmouth Fish Pier Seawall Replacement Project to delegate to the Division Director, subject to the prior approval of the Executive Director and the PDA Treasurer, the authority to consent to and approve of certain documents in connection with contract change orders pertaining to the project, conditioned upon the prior appropriation of State funds to cover any increase in project costs.

NOW, BE IT RESOLVED, that the Authority does hereby delegate to the Director of the Division of Ports and Harbors the authority to consent to, approve, and execute certain required documentation in accordance with the terms and conditions of the Limited Delegation to the Director of Ports and Harbors: Consent, Approval, and Execution of Contract Change Order Documents for the Portsmouth Fish Pier Seawall Replacement Project, attached hereto and incorporated herein by reference.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

3. **Rye Harbor Mooring Removal / Replacement - Pepperrell Cove Marine Services, Inc.**

Director Levesque moved the motion and Director Allard seconded that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to enter into an Agreement with Pepperrell Cove Marine Services, Inc. to perform mooring removal and re-installation work in Rye Harbor for the purpose of facilitating the dredging work in connection with the Rye Harbor dredge project, all in accordance with the memorandum of Geno J. Marconi, Division of Ports and Harbors Director, dated September 9, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

XII. New Business:

No new business.

XIII. Upcoming Meetings:

Audit Committee	October 13, 2020 @ 8:30 a.m.
Board of Directors	October 15, 2020 @ 8:30 a.m.

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

Smith indicated that there is a Public Hearing scheduled for October 8, 2020 at 9:00 a.m. over Zoom.

XIV. Directors' Comments:

Director Loughlin (Loughlin) reiterated Levesque's comments earlier if it is technically possible and fiscally prudent to hold meetings via Zoom in order to see those Board members who are unable to attend the meeting. Loughlin also mentioned discussions had by former Director Bohenko of entering the 21st century and having packets uploaded to an electronic tablet rather than having hard paper copies of the monthly Board packets. Smith indicated that this is something worth exploring and it could potentially be covered under COVID funding. Brean indicated that these items are something that PDA will look into and report back to the Board. Lamson expressed some apprehension of not having a physical packet.

XV. Press Questions:

Paul Briand ("Briand") of the Portsmouth Herald inquired as to the status of the runway project and asked when it may be reopened; Brean indicated that it is projected to be reopened by September 23rd, but that there is a possibility it may open sooner than that.

Briand also inquired about the reference to the Schiller Plant tour on the agenda; Smith indicated that representatives from Schiller had reached out to the Board and wanted to provide a tour of its current operations and its anticipated operations for the future. Smith indicated that the tour is estimated to last approximately an hour and the public is welcome to attend the tour.

At **10:02 a.m.** the **meeting recessed** so those attending the tour could load the bus for transportation to the Schiller facility.

XVI. Schiller Plant Tour: (recess for transportation)

Meeting reconvened at **10:30 a.m.** at the Schiller Station in Portsmouth, NH.

Present were all board members with the exception of Director Neil Levesque; also in attendance were Brean, Blenkinsop, Marconi and the City of Portsmouth liaison John Tabor

Present from Granite Shore Power (“GSP”) were Lynn Tillotson (“Tillotson”), Pete Leavitt, Alan Palmer, Johnathan Misner.

Tillotson spoke to the group about the next life of the Schiller Station as it shut down operations on June 1, 2020. Previously it had burned coal and more recently biomass. Any remaining coal will likely be transported to the Merrimack Station in Bow, NH. There is no more wood located on site. Market demands have changed the need for the operations at the station. GSP is looking into what can come next at the 85 acre waterfront industrial parcel. Looking at offshore wind energy, but that is a long-term project. What can be done in the short-term? Recognize the excellent redevelopment work that has been done at Pease and wanted to engage the PDA Board. GSO is open to discussing with anyone who may have ideas for redevelopment and/or alternate uses.

Tillotson then led the group on a brief walking tour of the facility – the waterfront dock area over to the roof top of building #5. General discussion ensued about the history of the plant and the uses of various buildings on site.

XVII. Adjournment:

Director Fournier moved the motion and Director Anderson seconded to adjourn the Board meeting. Meeting adjourned at **11:35 a.m.**

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

Respectfully submitted,



Paul E. Brean
Executive Director

MOTION – VI.A.

Director Loughlin:

WHEREAS, the Pease Development Authority (PDA) has duly enacted a Zoning Regulation in accordance with the requirements of RSA ch. 12-G and rules adopted by the Authority for the adoption or amendment of land use controls; and

WHEREAS, the Zoning Regulation may be amended at any time by the Board in accordance with its rules for the adoption and amendment of land use controls;

NOW, THEREFORE, the Authority does hereby resolve to amend its Zoning Regulations in effect at the Pease International Tradeport, on October 15, 2020, by adopting the language as written in Attachment I and Attachment II, which by reference are incorporated into this motion; all in accordance with the memorandum of Maria J. Stowell, dated October 8, 2020, attached hereto.

Note: Roll Call vote required – 5 Affirmative Votes Required.



MEMORANDUM

To: Paul E. Brean, Executive Director *PEB*
From: Maria J. Stowell, PE, Engineering Manager *Maria*
Date: October 8, 2020
Subject: Adoption of Proposed Revisions to the Land Use Controls

Having satisfied the requirements to effect an amendment to the PDA Land Use Controls, the Board may now hold its final vote on the proposed language. The steps that have been completed include:

- Board directing staff to draft the amendments;
- Board review of the draft language;
- Staff discussions with municipalities;
- Board accepting draft language and scheduling a Public Hearing;
- Public Hearing notice published and posted;
- Invitation to submit written comments issued in notice; and,
- Public Hearing held on October 8, 2020;

As no written comments were received, and no oral comments were presented at the public hearing, staff recommends that the Board adopt the language as noticed.

At next week's meeting, please seek Board approval to amend PDA's Land Use Controls by adopting language as proposed, noticed, and attached to this memo.

Attachment I

DRAFT PROPOSED LANGUAGE – Construction and Post Construction Amendments

The following changes should be made to Part 304-A.10(a):

All construction activities and uses of buildings, structures and land within wetlands and wetland buffers, including without limitation all temporary and permanent erosion and sediment controls, shall be carried out so as to minimize the volume and rate of storm water runoff, the amount of erosion, and the export of sediment from the site. All such activities shall be conducted in accordance with Best Management Practices for storm water, including, but not limited to, the following:

(1) New Hampshire Stormwater Manual Volume 2: Post-Construction Best Management Practices Selection and Design, NHDES, 2008 or as amended; and

(2) New Hampshire Stormwater Manual Volume 3: Erosion and Sediment Controls During Construction, NHDES, 2008 or as amended.

Part 305.05(a)(14) should be revised to read as follows:

(14) STORM DRAINAGE. Any grading, paving, or other construction activity, including without limitation, all temporary or permanent erosion and sediment controls, or the construction or operation of storm drainage systems shall not result in erosion or sedimentation of streams, or damage to adjoining properties and roads, and shall conform to, unless an alternative method or technology is specifically authorized by NHDES or PDA, the following:

- a) New Hampshire Stormwater Manual Volume 2: Post-Construction Best Management Practices Selection and Design, NHDES, 2008 or as amended; and
- b) New Hampshire Stormwater Manual Volume 3: Erosion and Sediment Controls During Construction, NHDES, 2008 or as amended.

The following text should be added to Chapter 407.02 Site Review Agreement by replacing (b) with the following:

Site review agreements shall include the following conditions:

(1) - All construction undertaken pursuant to this site plan approval shall be in compliance with federal and state laws.

(2) Applicants/Developers shall provide PDA with a digital copy of any annual reports submitted to a federal, state or local governmental authority pursuant to any federal or state law, including without limitation, the NH Alteration of Terrain Permit program, related to construction undertaken pursuant to this Site Review Agreement.

The following text should be included in **Part 403.01 General Provisions** by replacing paragraph (e):

(e) All Applicants/Developers shall obtain all permits and approvals required under applicable federal, state and local laws for construction and post-construction stormwater management.

The following text should be included in **Part 403.04 Site Plan Submission Requirements** as Section 403.04(7)h

(h) ... and a sheet showing proposed stormwater management and erosion control features.

Attachment II

DRAFT PROPOSED LANGUAGE – Illicit Discharge Detection and Elimination

IDDE Ordinance Language

Add the following definitions to **Part 302. DEFINITIONS**:

302.XX. “Environmental Protection Agency” means the Federal agency responsible for implementing the Federal Water Pollution Control Act, (3 U.S.C. § 1251 et seq.) also known as the “Clean Water Act”.

302.XX “Illicit connection” means an illicit, unauthorized or illegal connection that drains into or is connected to the Pease Development Authority Separate Storm Sewer System, and could include any of the following:

1. Any pipe, drain, open channel or other conveyances that have the potential to allow an illicit discharge to enter the Separate Storm Sewer System. Including, but not limited to any conveyances which allow any non-storm water discharge including sewage, process wastewater, and wash water to enter the storm drain system. This includes any connections to the Separate Storm Sewer System from indoor drains and sinks regardless of whether said drain or connection had been previously allowed, permitted, or approved by an authorized enforcement agency.

Or

2. Any pipe, drain, open channel or conveyance connected from a residential, commercial or industrial land use, to the storm drain system which has not been documented in plans, maps, or equivalent records and approved by an authorized federal, state or local enforcement agency.

302.XX “Illicit discharge” means any direct or indirect non-storm water discharge to the Pease Development Authority Separate Storm Sewer System, excepting discharges as identified in Section 3XX.03.

302.XX “Infiltration” means the act of conveying the surface water into the ground, to permit the groundwater to be recharged resulting in the reduction of stormwater runoff from a project site.

302.XX “Pease Development Authority Separate Storm Sewer System (System)” means owned and operated facilities by which storm water is collected including but not limited to roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels or storm drains, piped storm drains, pumping facility retention or detention basins, reservoir or other drainage structure that discharges to the waters of the United States. It does not include

any facility owned by another party, including facilities owned by the United States Government or the City of Portsmouth.

302.XX "National Pollutant Discharge Elimination System (NPDES) program" means the water quality program established as part of the Clean Water Act, implemented by the EPA, to authorize the discharge of pollutants into surface waters of the United States.

302.XX "Non-stormwater discharge" means a surface discharge to the PDA separate storm sewer system not composed entirely of stormwater.

302.XX "Pollutant" means dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal and agricultural waste discharged into water.

Add the following Part to the existing Regulations:

PART 313-A ILLICIT DISCHARGE DETECTION AND ELIMINATION (IDDE)

313-A.01 Purpose and Intent

The intent is to protect public health, safety and general welfare of the PDA Tenants and the environment by prohibiting illicit connections and discharges to PDA's separate storm sewer system.

313-A.02 Prohibition of Illicit Discharges

(a) No person shall discharge or cause to be discharged into the PDA System any materials, including but not limited to pollutants or waters containing any pollutants that cause or contribute to a violation of applicable water quality standards, other than stormwater

(b) The following items are not considered as Illicit Discharges:

- (1) Stormwater
- (2) Discharges allowed by NPDES permit NH0090000 or any subsequent NPDES permit issued to PDA for the Tradeport
- (3) Firefighting activities, including training
- (4) Water line flushing
- (5) Ground water infiltration
- (6) Discharges from potable water sources including landscape irrigation and lawn watering
- (7) Foundation & footing drains including crawl space pumps
- (8) Air conditioning condensation
- (9) Diverted/pumped stream flows, springs & riparian habitats and wetlands and rising groundwater
- (10) Dechlorinated swimming pool discharges
- (11) Discharge from street sweeping
- (12) Dye testing if PDA is made aware prior to the test

313-A.03 Prohibition of Illicit Connections

- (a) The construction, use, maintenance, or continued existence of illicit connections to the storm drain system is prohibited.
- (b) This prohibition expressly includes, without limitation, illicit connections made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.
- (c) A person is considered to be in violation of this ordinance if the person connects a line conveying sewage to the PDA System or allows such a connection to continue.

313-A.04 IDDE Responsibility for Administration

(a) Enforcement

(1) Within Airport Zone and Airport Industrial Zone

For sites and locations within the airport zone or the airport industrial zone, and in addition to any right or other power PDA may have pursuant to written agreements with lessees, developers or others, PDA may undertake such enforcement against lessees, developers and others as is authorized under and consistent with the provisions of RSA 12-G:13, VI.

(2) Outside Airport Zone and Airport Industrial Zone

- a) Outside of the airport zone and airport industrial zone, and subject to the provisions of RSA 12-G:13, V(c), any deviation or noncompliance with these land use controls shall be subject to the enforcement provisions and process of the municipality having jurisdiction over the site or location pursuant to RSA 12-G:13, V(b).
- b) For the area of the Tradeport outside of the airport zone and airport industrial zone within the geographical limits of the City of Portsmouth, and subject to the provisions of RSA 12-G:13, V(c) and solely for the purposes of enforcing these Land Use Controls, the PDA adopts by reference the city's enforcement provisions and penalties applicable to the enforcement of city ordinances.
- c) For the area of the Tradeport outside of the airport zone and airport industrial zone within the geographical limits of the Town of Newington, and subject to the provisions of RSA 12-G:13, V(c) and solely for the purposes of enforcing these Land Use Controls, the PDA adopts by reference the town's enforcement provisions and penalties applicable to the enforcement of town ordinances

|

* * * * *



Auditor Communications
October 15, 2020





1 REQUIRED AUDITOR COMMUNICATIONS

2 FINANCIAL STATEMENT AUDIT

3 FINANCIAL STATEMENT HIGHLIGHTS

4 YELLOW BOOK AND UNIFORM GUIDANCE AUDIT UPDATE

ACCOUNTING POLICIES

- No new accounting policies adopted and application of existing **policies was not** changed
- No transactions lacked authoritative guidance
- All significant transactions were recorded in the correct period

MANAGEMENT'S JUDGMENTS AND ESTIMATES

- Receivables in the Revolving Loan Fishing Fund are fully collectible
- Estimated useful lives of capital assets used in the calculation of depreciation expense
- Estimates used in the calculation of the net pension liability
- Estimates used in the calculation of the net OPEB liability
- Calculation of accounts receivable for CARES Act Funding through the FAA

SENSITIVE FINANCIAL STATEMENT DISCLOSURES

- Note 18 – Pension plan disclosures
- Notes 19 and 20 – Other post-employment benefits plans disclosures
- Note 21 – Disclosure of commitments and contingencies
- Note 22 – COVID-19 considerations



REQUIRED AUDITOR COMMUNICATIONS

DISAGREEMENTS AND DIFFICULTIES

- No disagreements with management or difficulties in performing the audit

MANAGEMENT'S REPRESENTATIONS

- We will obtain a signed letter from management attesting to certain representations

CONSULTATIONS AND OTHER MATTERS

- Not aware of management having consultations with other accountants.
- We communicate with management throughout the year on a variety of matters. Those discussions were in the ordinary course of business and not a condition of our retention

CORRECTED AND UNCORRECTED AUDIT ADJUSTMENTS

- No significant audit adjustments identified. Immaterial adjustments identified have been attached to the letter

REQUIRED AUDITOR COMMUNICATIONS

INTERNAL CONTROLS OVER FINANCIAL REPORTING

- We considered the internal controls over financial reporting in connection with designing our audit procedures
- We did not perform an audit of the internal controls over financial reporting, therefore, we do not express an opinion of the internal controls

INTERNAL CONTROL MATTERS

- We did not identify any control matters that we would consider to be material weaknesses
- However, material weaknesses may exist that have not been identified

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANT AGREEMENTS

- We performed certain tests of compliance with certain provisions of laws, regulations, contracts and agreements
- Focus on potential noncompliance that would be direct and material to the financial statements

RESULTS OF TESTING OF COMPLIANCE

- We did not note any instances of noncompliance or other matters that are required to be reported
- We did not perform an audit of compliance, therefore, we do not express an opinion on compliance

- Performed in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance
- Designed to obtain reasonable, not absolute assurance
- Performed on a test basis
- Evaluate accounting policies, reasonableness of estimates and overall financial statement presentation
- **UNMODIFIED OPINION** on the financial statements



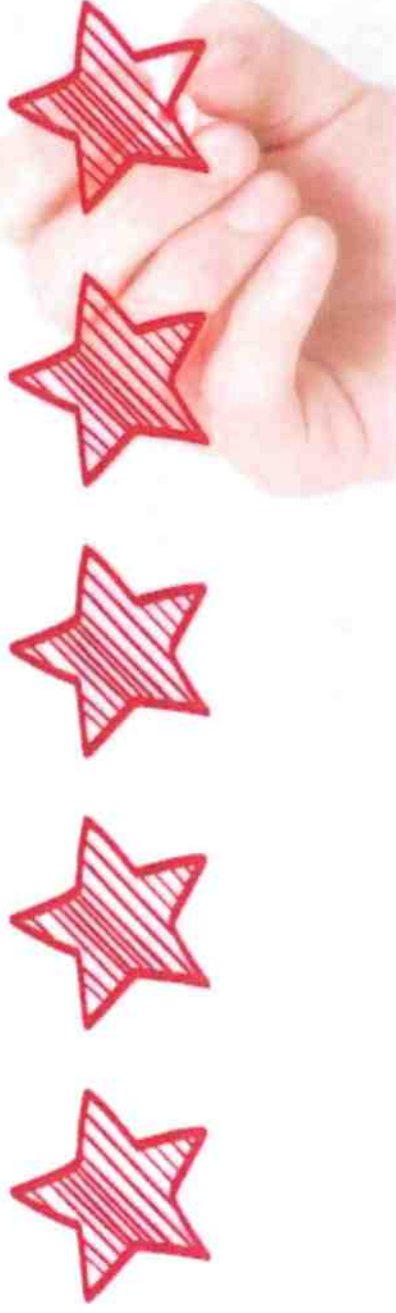
FINANCIAL STATEMENT AUDIT

- Due to COVID-19, both interim and year-end procedures were done remotely
 - Held daily check in calls with Finance
 - Utilized Zoom for each call for face-to-face interactions
- Inventory observations were also performed remotely through Zoom
- Focused on any changes to internal controls due to any disruptions at the Authority due to COVID-19



MANAGEMENT'S DISCUSSION & ANALYSIS

- Presented as a supplement to the basic financial statements as required by the Governmental Accounting Standards Board
- We have applied certain limited procedures to this required supplementary information in accordance with U.S. generally accepted auditing standards
- We do not express an opinion or provide assurance on the MD&A



BASIC FINANCIAL STATEMENTS

- Total assets increased \$16.2 million
- Total liabilities increased \$5.4 million
- Unrestricted net position increased by \$5.8 million
- Change in net position was an increase of \$9.6 million in 2020 vs. an increase of \$644 thousand in 2019
- Cash flows from operations increased \$932 thousand, to \$4.1 million



FINANCIAL STATEMENT FOOTNOTES

- Note 8 – Capital Assets
- Note 12 – Change in Long-term Liabilities
- Note 14 – Rental of Facilities
- Note 18 – Defined Benefit Pension Plan
- Note 19 – Other Post-Employment Benefits – NHRS
- Note 20 – Other Post-Employment Benefits – the State
- Note 21 – Commitments and Contingencies
- Note 22 – COVID-19 Considerations



- Authority expended an additional \$1.6M in FY20 in Federal CARES Act funding received from the Federal Aviation Administration and is subject to the federal compliance audit (Uniform Guidance)
- To date, Feds have not issued any guidance related to required testing; compliance audit cannot be completed until the Gov't issues such guidance
- Guidance is not expected to be issued before late October or early November
- Will be able to issue the stand-alone financial statements once approved by the Board in order to meet State deadlines.

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited the financial statements of Pease Development Authority (PDA) for the year ended June 30, 2020, and have issued our report thereon dated **REPORT DATE**. An audit does not relieve management, or those charged with governance, of their responsibilities.

As stated in our engagement letter dated April 15, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Professional standards require that we communicate to you our responsibilities under U.S. generally accepted auditing standards, *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our communication dated April 23, 2020. Professional standards also require that we communicate to you the following information related to our audit.

PART I – REQUIRED COMMUNICATIONS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PDA are described in Note 2 to the financial statements.

During the year ended June 30, 2020, no new accounting policies were adopted and the application of existing policies was not changed. We noted no transactions entered into by PDA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's conclusion that an allowance for doubtful accounts is not necessary for the Revolving Loan Fishery Fund receivables as of June 30, 2020 and 2019, which is based on the historical collection rates of these loans.
- The calculation of depreciation expense, which is based on the perceived life of the related capital assets.

- The estimates used in the calculation of the net pension liability, deferred inflows of resources and deferred outflows of resources related to the pension plan, which are based on actuarial information provided by the New Hampshire Retirement System and audited by KPMG.
- The estimates used in the calculation of the net (OPEB) liabilities, deferred inflows of resources and deferred outflows of resources related to the OPEB plans. The net OPEB liability and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the State of New Hampshire (the State) are based on information provided by Segal Consulting, the actuary engaged by the State. The net OPEB liabilities and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the New Hampshire Retirement System are based on actuarial information provided by the NHRS and audited by KPMG.
- The calculation of accounts receivable for CARES Act Funding through the Federal Aviation Administration are based on salaries and benefits of employees at the Tradeport and the Airport.

We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures of the cost-sharing multiple-employer defined benefit plan required by Governmental Accounting Standards Board (GASB) Statement No. 68 in Note 18.
- The disclosures of the cost-sharing multiple-employer other postemployment benefits plans required by GASB Statement No. 75 in Notes 19 and 20.
- The disclosure of commitments and contingencies in Note 21.
- The disclosure of the COVID-19 considerations in Note 22.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any significant audit adjustments as a result of our audit procedures.

The attached schedule summarizes the uncorrected misstatements to the financial statements. Management has determined that their effects are immaterial to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **REPORT DATE**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the business-type activities of PDA as of and for the year ended June 30, 2020, in accordance with U. S. generally accepted auditing standards , we considered PDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PDA's internal control. Accordingly, we do not express an opinion on the effectiveness of PDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Audit Committee, Board of Directors, management and others within PDA and is not intended to be, and should not be, used by anyone other than these specified parties.

Pease Development Authority

Year End: June 30, 2020

Passed Adjusting Journal Entries

Date: 7/1/2019 To 6/30/2020

142

Preparer KBB 9/23/2020	Reviewer RB 9/29/2020	PIC RB 9/29/2020
2nd Partner	Reviewed by	

Number	Date	Name	Account No	Reference	Debit	Credit	Proposed Amount Chg
		Net Income (Loss)					760,571.14
PAJE1	6/30/2020	Retained Earnings	00-000-3200	196		115,740.20	
PAJE1	6/30/2020	Contributed Capital	00-110-3140	196	115,740.20		
		To adjust for a duplicate recording of the retainage related to an FY18 fixed asset addition.			115,740.20	115,740.20	0.00
PAJE2	6/30/2020	Retained Earnings	00-000-3200	CLF. 1	100,020.00		
PAJE2	6/30/2020	Legal Services	00-010-7710	CLF. 1		100,020.00	
		To record an estimate of the cost to remove 5 acres of impervious surface as agreed in the CLF settlement.			100,020.00	100,020.00	100,020.00
					215,760.20	215,760.20	100,020.00



MOTION – VII. B.

Director Loughlin:

The Pease Development Authority (PDA) Board of Directors accepts receipt of the Certified Annual Financial Statements for the years ending June 30, 2019 and June 30, 2020; all as otherwise prepared and submitted by PDA's independent auditor Berry, Dunn, McNeill and Parker, LLC.

Whereas, the Board of Directors further authorizes the Executive Director to forward the Certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report.

Note: Roll Call vote required.

Pease Development Authority
(A Component Unit of the State of New Hampshire)
DRAFT OCTOBER 6, 2020

Financial Statements,
Management's Discussion and Analysis,
and Supplementary Information

*Years Ended June 30, 2020 and 2019
With Independent Auditor's Report*



PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

FINANCIAL STATEMENTS

Years Ended June 30, 2020 and 2019

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**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

BOARD OF DIRECTORS

Kevin H. Smith, Chairman
Appointed by the New Hampshire State Governor and Executive Council

Peter J. Loughlin, Vice Chairman
Appointed by the City of Portsmouth and Town of Newington

Robert A. Allard, Treasurer
Appointed by the New Hampshire Speaker of the House

Erik Anderson
Appointed by the City of Portsmouth

Margaret F. Lamson
Appointed by the Town of Newington

Neil Levesque
Appointed by the New Hampshire Senate President

Steve Fournier
Appointed by Strafford County Legislative Delegation

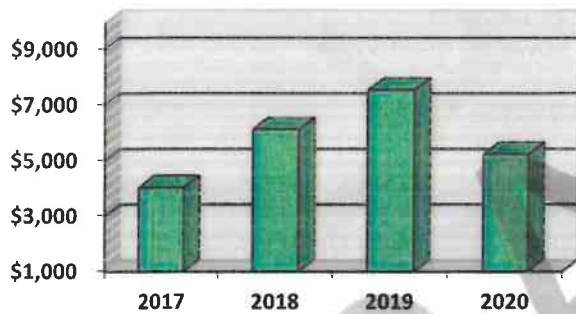
Paul E. Brean
Executive Director and Secretary
Hired by the Pease Development Authority Board of Directors



PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
FINANCIAL HIGHLIGHTS (UNAUDITED)
(\$ in Thousands)

	2016	2017	2018	2019	2020
Consolidated Revenues					
Tradeport	\$ 8,028	\$ 8,264	\$ 8,361	\$ 8,723	\$ 9,319
Ports and Harbors	2,474	2,495	2,702	2,869	3,360
Golf Course	2,420	2,472	2,693	2,672	2,492
Aviation	1,237	1,237	1,267	2,006	1,838
Total	\$ 14,159	\$ 14,468	\$ 15,023	\$ 16,270	\$ 17,009

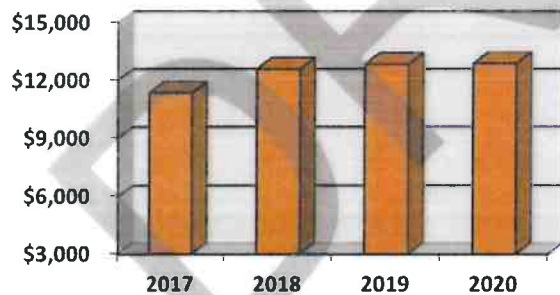
UNRESTRICTED CASH AND CASH EQUIVALENTS



- Debt outstanding has been significantly reduced, reflecting lower non-grant related capital expenditure requirements across all business units:

June 30	Amount
2016	\$ 465
2017	349
2018	233
2019	116
2020	-

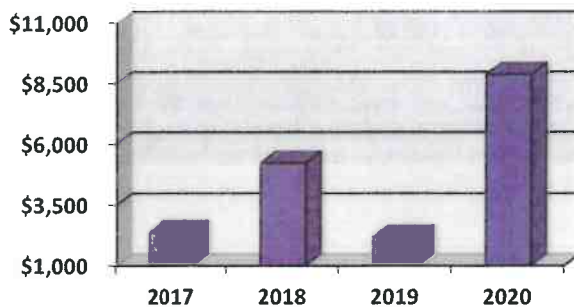
OPERATING EXPENSES (EXCLUDING DEPRECIATION)



- Capital assets excluding accumulated depreciation, primarily due to third party grant funding and renovations to the Portsmouth International Airport, Portsmouth Tradeport and Skyhaven Airport have continued to increase during the past several fiscal years:

June 30	Amount
2016	\$ 161,023
2017	164,071
2018	170,623
2019	173,770
2020	189,692

CONTRIBUTED CAPITAL



- Net cash provided by operating activities has stabilized during the past several fiscal years.

June 30	Amount
2016	\$ 4,221
2017	3,382
2018	3,189
2019	3,182
2020	4,113

INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of PDA as of June 30, 2020 and 2019, and the changes in its net position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis on pages 5 to 15 and the required supplementary information on pages 48 to 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements. The financial highlights section on page 2 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The financial highlights section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE on our consideration of PDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PDA's internal control over financial reporting and compliance.

Bangor, Maine
REPORT DATE

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)**

This report identifies the Pease Development Authority's ("PDA") financial position and describes PDA's financial activities over the past three fiscal years. This section of PDA's annual financial report is known as "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" ("MD&A") and presents our discussion and analysis of PDA's consolidated financial performance during the fiscal years ended June 30, 2020, 2019 and 2018.

The MD&A is an analysis of the financial condition and operating results of PDA and is intended to introduce the basic financial statements and notes to those statements. For governmental entities, an MD&A must be presented in every financial report that includes basic financial statements prepared in accordance with accounting principles generally accepted in the United States of America. It is intended to provide an objective and easily readable analysis of PDA's financial activities based on currently known facts, decisions, or conditions. This MD&A should be read in conjunction with PDA's financial statements and accompanying notes.

Overview of the Financial Statements

This annual report consists of three parts: a) Management's discussion and analysis; b) the basic audited financial statements which include notes explaining some of the information in the financial statements and provide detailed data; and c) required supplementary information.

PDA is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the accrual basis of accounting. The component unit financial statements offer short and long-term financial information about the activities and operations of PDA. These statements are presented in a manner similar to a private business.

The statements of net position show the financial position of PDA at the end of each fiscal year and include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The total net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, an increase in net position is one indicator of an institution's financial health.

The statements of revenues, expenses and changes in net position report total operating revenues, operating expenses, nonoperating income (expense), contributed capital and the change in net position for the years ended June 30, 2020 and 2019.

The statements of cash flows summarize transactions involving cash and cash equivalents during each fiscal year. The statements provide an additional tool to assess the financial health of the institution and its ability to generate future cash flows to meet its obligations.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Current Assets

Current assets are those assets that are expected to be used (sold or consumed) within a year, unlike non-current assets. Current assets are reflected on the statement of net position and are listed in order of decreasing liquidity. The current asset position of a company is important, both for assessing its financial strength and for gauging its operational efficiency.

Comparison of 2020 to 2019

Changes in Current Assets

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 5,238	\$ 7,549	\$ (2,311)	(30.6)
Accounts Receivable - Net	8,942	1,184	7,758	655.2
Other Current Assets	503	586	(84)	(14.3)
Total Current Assets	<u>\$ 14,683</u>	<u>\$ 9,319</u>	<u>\$ 5,363</u>	<u>57.5</u>

PDA's current assets increased by \$5.4 million, or 57.5%, primarily due to the increase in 1) accounts receivable associated with grant related construction activities at Portsmouth International Airport (PSM) including the terminal expansion and runway renovations and 2) relief funding under the Coronavirus Aid, Relief and Economic Security Act. Offsetting this increase in accounts receivable was a \$2.3 million decrease in cash which went to support capital construction projects at both PSM and non-grant related projects. Accounts receivable included an allowance for doubtful accounts of approximately 0.1% and 0.5% of total accounts receivable at June 30, 2020 and 2019, respectively.

Comparison of 2019 to 2018

Changes in Current Assets

(\$ in Thousands)				
	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 7,549	\$ 6,134	\$ 1,415	23.1
Accounts Receivable - Net	1,184	2,058	(874)	(42.5)
Other Current Assets	586	500	86	17.2
Total Current Assets	<u>\$ 9,319</u>	<u>\$ 8,692</u>	<u>\$ 627</u>	<u>7.2</u>

PDA's current assets increased by \$627 thousand, or 7.2%, primarily due to the increases in cash and cash equivalents, which were offset by a decrease in accounts receivable associated with grant related capital projects. The primary reason for the increase in cash and cash equivalents was associated with reduced non-grant related construction activities as well as an increase in accounts payable and accrued expenses at year-end. Receivables for grant related capital projects were reflective of fiscal year end construction activities primarily in support of the planned terminal expansion at Portsmouth International Airport (PSM). Accounts receivable included an allowance for doubtful accounts of approximately 0.5% and 0.2% of total accounts receivable at June 30, 2019 and 2018, respectively.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Restricted Assets

Restricted assets represent amounts that are subject to externally imposed restrictions on their use by creditors, grantors, laws, regulations, or through constitutional restrictions or enabling legislation.

Comparison of 2020 to 2019

Changes in Restricted Assets

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 447	\$ 579	\$ (132)	(22.8)
Revolving Loan Fishery Fund Receivable	1,011	1,012	(1)	(0.1)
Accounts Receivable Other - Net	4	5	(1)	(20.0)
Total Restricted Assets	\$ 1,462	\$ 1,596	\$ (134)	(8.4)

Total restricted assets decreased by approximately \$134 thousand or 8.4%, primarily due to use of authorized funding from the Capital Budget Overview Committee from the Harbor Dredging and Pier Maintenance Fund to support various repairs and renovations associated with the Division of Ports and Harbors (DPH) operations at the Hampton Harbor, Rye Harbor and the Portsmouth Fish Pier. Total assets associated with the Revolving Loan Fishery Fund had a composite valuation of approximately \$1.2 million at June 30, 2020 and 2019. There were 22 individual loans outstanding at June 30, 2020 and 2019.

Comparison of 2019 to 2018

Changes in Restricted Assets

(\$ in Thousands)				
	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 579	\$ 489	\$ 90	18.4
Revolving Loan Fishery Fund Receivable	1,012	1,151	(139)	(12.1)
Accounts Receivable Other - Net	5	2	3	150.0
Total Restricted Assets	\$ 1,596	\$ 1,642	\$ (46)	(2.8)

Total restricted assets decreased by approximately \$46 thousand, or 2.8%, primarily due to the decrease in loans receivable balances associated with the Revolving Loan Fishery Fund. Total assets associated with the Revolving Loan Fishery Fund had a composite valuation of approximately \$1.2 million at June 30, 2019 and 2018. There were 22 individual loans outstanding at June 30, 2019 and 26 individual loans outstanding at June 30, 2018. Offsetting this decrease was the authorized funding provided by the Harbor Dredging and Pier Maintenance Fund to support various repairs and renovations associated with the Division of Ports and Harbors (DPH) operations at the Hampton Harbor, Rye Harbor and the Portsmouth Fish Pier.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Capital Assets

PDA independently develops and maintains the Tradeport. Through the DPH, PDA maintains and develops New Hampshire's ports, harbors, and navigable tidal rivers. Capital expenditures typically extend the useful life of an asset and can be financed through internal funds, grant related funding or access to the capital markets.

Comparison of 2020 to 2019

Changes in Capital Assets

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Land	\$ 7,521	\$ 7,521	\$ -	-
Facilities Improvements	151,254	147,438	3,816	2.7
Equipment	15,450	15,491	(41)	(0.3)
Construction in Process	<u>15,467</u>	<u>3,320</u>	<u>12,147</u>	<u>365.9</u>
Gross Capital Assets	189,692	173,770	15,922	9.2
Accumulated Depreciation	<u>(114,160)</u>	<u>(109,203)</u>	<u>4,957</u>	<u>4.5</u>
Total Capital Assets	<u>\$ 75,552</u>	<u>\$ 64,567</u>	<u>\$ 10,965</u>	<u>17.0</u>

PDA's capital acquisitions totaled approximately \$16.1 million in 2020 primarily in support of either federal or state funded projects. The more significant capital projects included runway reconstruction and terminal expansion activities at PSM. Additional funds were expended in support of equipment needs and various infrastructure improvements at the DPH, including the functional replacement of the Barge Dock. Approximately \$10.0 million of the total capital expenditures were either grant funded or supported by the State for purposes of PDA-DPH.

PDA had commitments under construction contracts associated with federal grants totaling approximately \$23.6 million and \$32.8 million at June 30, 2020 and 2019, respectively. The more significant commitments under construction contracts at June 30, 2020 included \$16.9 million for the PSM Runway Reconstruction project, \$2.1 million for the PSM Terminal Expansion and \$3.7 million for the DPH Functional Replacement of the Barge Dock.

Comparison of 2019 to 2018

Changes in Capital Assets

(\$ in Thousands)				
	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Land	\$ 7,521	\$ 7,521	\$ -	-
Facilities Improvements	147,438	146,365	1,073	0.7
Equipment	15,491	14,710	781	5.3
Construction in Process	<u>3,320</u>	<u>2,027</u>	<u>1,293</u>	<u>63.8</u>
Gross Capital Assets	173,770	170,623	3,147	1.8
Accumulated Depreciation	<u>(109,203)</u>	<u>(103,567)</u>	<u>(5,636)</u>	<u>(5.4)</u>
Total Capital Assets	<u>\$ 64,567</u>	<u>\$ 67,056</u>	<u>\$ (2,489)</u>	<u>(3.7)</u>

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Capital Assets (concluded)

PDA's capital acquisitions totaled approximately \$3.1 million in 2019 primarily in support of either federal or state funded projects. The more significant capital projects included runway reconstruction and terminal expansion activities at PSM. Additional funds were expended in support of equipment needs and various infrastructure improvements at the DPH including the functional replacement of the Barge Dock. Approximately \$1.6 million of the total capital expenditures were either grant funded or supported by the State for purposes of PDA-DPH.

PDA had commitments under construction contracts associated with federal grants totaling approximately \$32.8 million and \$2.4 million at June 30, 2019 and 2018, respectively. The more significant commitments under construction contracts at June 30, 2019 included \$24.3 million for the PSM Runway Reconstruction project, \$4.1 million for the PSM Terminal Expansion and \$3.9 million for the DPH Functional Replacement of the Barge Dock.

Long-Term Liabilities

Comparison of 2020 to 2019

Changes in Long-Term Liabilities

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Other Postemployment Benefits	\$ 5,630	\$ 7,292	(1,662)	(22.8)
Net Pension Liability	4,198	4,384	(186)	(4.2)
Retiree Health Benefit Program	182	273	(91)	(33.3)
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences – Net	100	95	5	5.3
Total Long-Term Liabilities	\$ 10,362	\$ 12,296	\$ (1,934)	15.7

The PDA decreased its total noncurrent liabilities outstanding during the fiscal year by approximately \$1.9 million, or 15.7%. The more significant decreases were associated with the changes in the Net Other Postemployment Benefits and Net Pension Liability. The retirement system realized a 5.7% return on investments in the fiscal year ended June 30, 2019. The three-year, five-year and 10-year investment returns for the periods ended June 30, 2019 were 9.3%, 6.4% and 9.9%, respectively. The retirement system's assumed rate of investment return is 7.25%.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Long-Term Liabilities (concluded)

Comparison of 2019 to 2018

Changes in Long-Term Liabilities

(\$ in Thousands)				
	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Other Postemployment Benefits	\$ 7,292	\$ 8,239	\$ (947)	(11.5)
Net Pension Liability	4,384	4,986	(602)	(12.1)
Retiree Health Benefit Program	273	364	(91)	(25.0)
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences – Net	95	96	(1)	(1.0)
City of Portsmouth - Waste Water Treatment Facility	-	116	(116)	(100.0)
Total Long-Term Liabilities	\$ 12,296	\$ 14,053	\$ (1,757)	(12.5)

The PDA decreased its total noncurrent liabilities outstanding during the fiscal year by approximately \$1.8 million, or 12.5%. The more significant decreases were associated with the changes in the Net Pension Liability and Other Postemployment Benefits which was reflective of the overall 8.9% investment performance return on plan assets which was greater than the targeted performance benchmark of 7.25%. During the fiscal year, a total of \$116 thousand of total long-term debt was retired as associated with the PDA's outstanding obligation to the City of Portsmouth. At the end of the 2019 fiscal year, PDA's overall cost of capital was 4.5%.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt and adding back any unspent proceeds.

Comparison of 2020 to 2019

Statements of Net Position

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 14,683	\$ 9,319	\$ 5,364	57.6
Restricted Assets	1,462	1,596	(134)	(8.4)
Capital Assets	75,532	64,567	10,965	17.0
Total Assets	91,677	75,482	16,195	21.5
Deferred Outflows of Resources	1,250	1,564	(314)	(20.1)
Current Liabilities	10,612	3,309	7,305	220.7
Noncurrent Liabilities	10,362	12,296	(1,934)	(15.7)
Total Liabilities	20,974	15,605	5,369	34.4
Deferred Inflows of Resources	4,089	3,221	868	26.9
Net Investment in Capital Assets	67,847	63,931	3,916	6.1
Restricted Net Position	1,225	1,342	(136)	(10.1)
Unrestricted Net Position	(1,208)	(7,054)	5,864	83.1
Total Net Position	\$ 67,864	\$ 58,219	\$ 9,645	16.6

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Net Position (concluded)

PDA's total assets increased \$16.2 million, or 21.5%, primarily due to the increase in capital assets which reflects depreciation expense being less than additions to construction in process. Restricted assets are primarily represented by the Revolving Loan Fishery Fund, which had an approximate value of \$1.2 million at June 30, 2020 and 2019.

The \$5.4 million, or 34.4%, increase in total liabilities was primarily due to increases in payables associated with capital construction activities. Offsetting this increase were decreases in the Net Pension Liability and Other Postemployment Benefits. During the fiscal year, the Net Pension Liability was reduced by \$186 thousand while Other Postemployment Benefits were reduced by \$1.7 million, with both reductions associated with the investment returns of plan assets being in excess of targeted benchmarks and changes to assumptions.

Comparison of 2019 to 2018

Statements of Net Position

(\$ in Thousands)				
	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 9,319	\$ 8,692	\$ 627	7.2
Restricted Assets	1,596	1,642	(46)	(2.8)
Capital Assets	<u>64,567</u>	<u>67,056</u>	<u>(2,489)</u>	<u>(3.7)</u>
Total Assets	<u>75,482</u>	<u>77,390</u>	<u>(1,908)</u>	<u>(2.5)</u>
Deferred Outflows of Resources	<u>1,564</u>	<u>1,753</u>	<u>(189)</u>	<u>(10.8)</u>
Current Liabilities	3,309	4,904	(1,595)	(32.5)
Noncurrent Liabilities	<u>12,296</u>	<u>14,053</u>	<u>(1,757)</u>	<u>(12.5)</u>
Total Liabilities	<u>15,605</u>	<u>18,957</u>	<u>(3,352)</u>	<u>(17.7)</u>
Deferred Inflows of Resources	<u>3,221</u>	<u>2,612</u>	<u>609</u>	<u>23.3</u>
Net Investment in Capital Assets	63,931	64,400	(469)	(0.7)
Restricted Net Position	1,342	1,388	(46)	(3.3)
Unrestricted Net Position	<u>(7,054)</u>	<u>(8,213)</u>	<u>1,159</u>	<u>14.1</u>
Total Net Position	<u>\$ 58,219</u>	<u>\$ 57,575</u>	<u>\$ 644</u>	<u>1.1</u>

PDA's total assets decreased \$1.9 million, or 2.5%, primarily due to the decrease in capital assets which reflects depreciation expense being greater than additions to construction in process. Restricted assets are primarily represented by the Revolving Loan Fishery Fund, which had an approximate value of \$1.2 million at June 30, 2019 and 2018.

The \$3.4 million, or 17.7%, decrease in total liabilities was primarily due to decreases in the Net Pension Liability, Other Postemployment Benefits and Accounts Payable for Capital Assets. During the fiscal year, the Net Pension Liability was reduced by \$602 thousand while Other Postemployment Benefits were reduced by \$0.9 million, with both reductions associated with the investment returns of plan assets being in excess of targeted benchmarks and changes to assumptions.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Change in Net Position

PDA charges various types of fees for the rental or usage of its land and facilities.

Comparison of 2020 to 2019

Statements of Revenues, Expenses and Changes in Net Position

(\$ in Thousands)				
	June 30, 2020	June 30, 2019	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenue				
Rental of Facilities	\$ 10,535	\$ 9,792	\$ 743	7.6
Fee Revenues	4,299	4,261	38	0.9
Fuel Sales	423	879	(456)	(51.9)
Concession and Other Miscellaneous	<u>1,752</u>	<u>1,338</u>	<u>414</u>	<u>30.9</u>
Total Operating Revenues	<u>17,009</u>	<u>16,270</u>	<u>739</u>	<u>4.5</u>
Operating Expenses				
Personnel Services and Benefits	7,083	6,243	840	13.5
Depreciation	5,112	5,636	(524)	(9.3)
Building and Facilities Maintenance	2,738	1,660	1,078	65.0
Professional Services	600	1,658	(1,058)	(63.8)
Other	<u>2,375</u>	<u>2,669</u>	<u>(294)</u>	<u>(11.0)</u>
Total Operating Expenses	<u>17,908</u>	<u>17,866</u>	<u>42</u>	<u>0.2</u>
Operating Loss	(899)	(1,596)	697	43.7
Nonoperating Income (Expense)				
Coronavirus Aid, Relief and Economic Security Act	1,515	-	1,515	100.0
Gain on Disposition of Assets	79	-	79	100.0
Interest Expense	(3)	(8)	5	62.5
Interest Income	<u>69</u>	<u>57</u>	<u>12</u>	<u>21.1</u>
Net Nonoperating Income	<u>1,660</u>	<u>49</u>	<u>1,611</u>	<u>3,287.8</u>
Gain(Loss) Before Contributed Capital	761	(1,547)	2,308	149.2
Contributed Capital	<u>8,884</u>	<u>2,191</u>	<u>6,693</u>	<u>305.5</u>
Change in Net Position	9,645	644	9,001	1,397.7
Net Position at Beginning of Year	<u>58,219</u>	<u>57,575</u>	<u>644</u>	<u>1.1</u>
Net Position at End of Year	<u>\$ 67,864</u>	<u>\$ 58,219</u>	<u>\$ 9,645</u>	<u>16.6</u>

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Change in Net Position (continued)

Comparison of 2020 to 2019 (concluded)

Total operating revenues increased by \$739 thousand, or 4.5%. Although facilities rentals increased by 7.6%, those gains were offset due to lost fuel sales as a result of the construction repairs at Portsmouth Harbor. In addition, the impact of Coronavirus (COVID-19) reduced PSM fuel flowage fees and pay for parking revenues. To a lesser extent additional increases were associated with registrations and wharfage and dockage activities at DPH.

Total operating expenses increased by approximately \$42 thousand, or 0.2%. The net change in operating expenses was primarily comprised of two components. Building and facilities maintenance costs increased, primarily due to harbor dredging activities, which were offset by decreases in professional services associated with a litigation settlement with the Conservation Law Foundation that occurred in the prior fiscal year.

Net non-operating income increased by approximately \$1.6 million primarily due relief funding under the Coronavirus Aid, Relief and Economic Security Act. During the year, PDA did not have to secure any external borrowings to offset capital expenditures or the need for increased working capital levels. The ongoing reduction in interest expense is reflective of PDA's current ability to internally fund capital project related activities.

The increase in contributed capital of \$6.7 million, or 305.5%, reflects increased grant related construction projects at PSM and the DAW during the current fiscal year. During the year ended June 30, 2020, a total of \$16.1 million was spent on the purchase of capital assets of which approximately \$10.0 million were either grant funded or supported by the State for purposes of PDA-DPH.

Economic Outlook

Due to the COVID-19 global pandemic, certain fiscal year 2020 operating revenues and expenses associated with the PDA operations were negatively impacted. Lower revenue examples, particularly due to reduced airline traffic, include fuel flowage fees and pay for parking revenues. Expenses were impacted for the purchase of materials and supplies including cleaning disinfection, hand sanitizers, gloves, masks, disposal wipes and related PPG equipment. In total the overall financial impact to the PDA this fiscal year was relatively immaterial. However at present there is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications to our operations and or any additional governmental actions to mitigate them.

PEASE DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

Change in Net Position (continued)

Comparison of 2019 to 2018

Statements of Revenues, Expenses and Changes in Net Position

(\$ in Thousands)	June 30, 2019	June 30, 2018	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenue				
Rental of Facilities	\$ 9,792	\$ 9,468	\$ 324	3.4
Fee Revenues	4,261	3,327	934	28.1
Fuel Sales	879	838	41	4.9
Concession and Other Miscellaneous	<u>1,338</u>	<u>1,390</u>	<u>(52)</u>	<u>(3.7)</u>
Total Operating Revenues	<u>16,270</u>	<u>15,023</u>	<u>1,247</u>	<u>8.3</u>
Operating Expenses				
Personnel Services and Benefits	6,243	7,502	(1,259)	(16.8)
Depreciation	5,636	5,836	(200)	(3.4)
Building and Facilities Maintenance	1,660	1,623	37	2.3
Professional Services	1,658	834	824	99.0
Other	<u>2,669</u>	<u>2,617</u>	<u>52</u>	<u>1.9</u>
Total Operating Expenses	<u>17,866</u>	<u>18,412</u>	<u>(546)</u>	<u>(3.0)</u>
Operating Loss	(1,596)	(3,389)	1,793	52.9
Nonoperating Income (Expense)				
Loss on Disposition of Assets	-	(29)	29	100.0
Interest Expense	(8)	(13)	5	(38.5)
Interest Income	<u>57</u>	<u>23</u>	<u>34</u>	<u>147.8</u>
Net Non-operating Income (Expense)	<u>49</u>	<u>(19)</u>	<u>68</u>	<u>357.9</u>
Loss Before Contributed Capital	(1,547)	(3,408)	1,861	54.6
Contributed Capital	<u>2,191</u>	<u>5,244</u>	<u>(3,053)</u>	<u>(58.2)</u>
Change in Net Position	644	1,836	(1,192)	(64.9)
Net Position at Beginning of Year, as Previously stated	57,575	65,600	(8,025)	(12.2)
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(9,861)</u>	<u>9,861</u>	<u>100.0</u>
Net Position at the Beginning of the Year, as Restated	<u>57,575</u>	<u>55,739</u>	<u>1,836</u>	<u>3.3</u>
Net Position at End of Year	<u>\$ 58,219</u>	<u>\$ 57,575</u>	<u>\$ 644</u>	<u>1.1</u>

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (UNAUDITED) (CONCLUDED)

Change in Net Position (concluded)

Comparison of 2019 to 2018 (concluded)

Total operating revenues increased by \$1.2 million, or 8.3%, primarily due to the adoption of pay for parking and fuel flowage fees at PSM. Additional increases were associated with registrations and wharfage and dockage activities at DPH as well as facility rentals at the International Tradeport.

Total operating expenses decreased by approximately \$0.5 million, or 3.0%. The net change in operating expenses was primarily comprised of \$1.3 million in reduced personnel services and benefits due to lower pension and postemployment costs, which were offset by \$0.8 million in a litigation settlement with the Conservation Law Foundation.

Net non-operating expense decreased by approximately \$68 thousand due to interest income increases associated with increases in cash and cash equivalents. In addition, the PDA did not have to secure any external borrowings to offset capital expenditures or the need for increased working capital levels. The ongoing reduction in interest expenses is reflective of PDA's ability to internally fund capital project related activities.

The decrease in contributed capital of \$3.1 million, or 58.2%, reflects decreased grant related construction projects at PSM and the DAW during the fiscal year 2019. During the year ended June 30, 2019, a total of \$3.1 million was spent on the purchase of capital assets of which approximately \$1.6 million were either grant funded or supported by the State for purposes of PDA-DPH.

Contacting the PDA's Leadership Team

This financial report is designed to provide a general overview of PDA's finances and to demonstrate PDA's accountability for the grants that it receives. If you have questions about this report or need additional financial information, please contact Paul E. Brean, Executive Director, at 55 International Drive Portsmouth, NH 03801 via email at p.brean@peasedev.org or by telephone at 603.433.6088. Visit the PDA website at: www.peasedev.org.

Other members of the PDA's Leadership Team, effective July 1, 2020, include:

Lynn Hinchee
General Counsel

Captain Geno Marconi
Director- Division of Ports and Harbors

Anthony Blenkinsop
Deputy General Counsel

Greg Siegenthaler
Director of Information Technology

Irv Canner, C.P.A.
Director of Finance

Maria Stowell, P.E.
Engineering Manager

Tanya Coppeta
Employee Relations Manager

Scott DeVito
Golf Course General Manager

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 5,237,836	\$ 7,548,974
Accounts and Grants Receivable - Net	8,942,292	1,183,811
Other Current Assets	502,452	586,287
Total Current Assets	<u>14,682,580</u>	<u>9,319,072</u>
Restricted Assets:		
Cash and Cash Equivalents	446,969	579,004
Loans and Accounts Receivable - Net	1,015,030	1,016,689
Total Restricted Assets	<u>1,461,999</u>	<u>1,595,693</u>
Capital Assets	75,532,293	64,567,106
Total Assets	<u>91,676,872</u>	<u>75,481,871</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	558,601	677,926
Pension	691,375	885,913
Total Deferred Outflows of Resources	<u>1,249,976</u>	<u>1,563,839</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses	2,214,175	2,099,945
Accounts Payable for Capital Assets	7,684,817	519,725
Unearned Revenues	713,480	573,312
Current Portion of Noncurrent Liabilities	-	116,290
Total Current Liabilities	<u>10,612,472</u>	<u>3,309,272</u>
Noncurrent Liabilities:		
Other Postemployment Benefits	5,630,108	7,291,881
Net Pension Liability	4,197,804	4,384,392
Other Noncurrent Liabilities	533,610	619,865
Total Noncurrent Liabilities	<u>10,361,522</u>	<u>12,296,138</u>
Total Liabilities	<u>20,973,994</u>	<u>15,605,410</u>
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	3,484,546	2,593,514
Pension	604,714	627,495
Total Deferred Inflows of Resources	<u>4,089,260</u>	<u>3,221,009</u>
NET POSITION		
Net Investment in Capital Assets	67,847,476	63,931,091
Restricted For:		
Revolving Loan Fishery Fund	1,217,830	1,203,959
Harbor Dredging and Pier Maintenance	-	133,695
Foreign Trade Zone	6,768	4,307
Unrestricted	(1,208,480)	(7,053,761)
Total Net Position	<u>\$ 67,863,594</u>	<u>\$ 58,219,291</u>

See accompanying notes to financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Rental of Facilities	\$ 10,534,983	\$ 9,792,325
Fee Revenues:		
Golf Course Operations	1,968,036	2,056,393
Mooring, Dockage, Pier Usage and Boat Registrations	1,651,599	1,396,540
All Other	<u>679,004</u>	<u>807,666</u>
Total Fee Revenues	<u>4,298,639</u>	<u>4,260,599</u>
Fuel Sales	423,284	878,918
Concession and Other Miscellaneous	<u>1,752,318</u>	<u>1,338,341</u>
Total Operating Revenues	<u>17,009,224</u>	<u>16,270,183</u>
Operating Expenses		
Personnel Services and Benefits	7,083,369	6,243,243
Depreciation	5,112,337	5,635,999
Building and Facilities Maintenance	2,737,729	1,660,233
General and Administrative	895,526	785,076
Utilities	773,362	738,461
Professional Services	600,044	1,657,838
All Other	<u>706,054</u>	<u>1,145,335</u>
Total Operating Expenses	<u>17,908,421</u>	<u>17,866,185</u>
Operating Loss	<u>(899,197)</u>	<u>(1,596,002)</u>
Nonoperating Income (Expense)		
Coronavirus Aid, Relief, and Economic Security Act	\$ 1,514,684	-
Interest Income	68,654	57,587
Interest Expense	(2,830)	(8,021)
Gain on Disposition of Capital Assets	<u>79,260</u>	<u>-</u>
Net Nonoperating Income	<u>1,659,768</u>	<u>49,566</u>
Gain / (Loss) Before Contributed Capital	760,571	(1,546,436)
Contributed Capital	<u>8,883,732</u>	<u>2,190,991</u>
Change in Net Position	9,644,303	644,555
Net Position at Beginning of Year	<u>58,219,291</u>	<u>57,574,736</u>
Net Position at End of Year	<u>\$ 67,863,594</u>	<u>\$ 58,219,291</u>

See accompanying notes to financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 17,463,980	\$ 17,117,760
Cash Payments to Personnel for Services and Benefits	(7,749,616)	(6,807,861)
Cash Payments to Suppliers of Goods and Services	(5,600,905)	(7,128,379)
Net Cash Provided by Operating Activities	<u>4,113,459</u>	<u>3,181,520</u>
Cash Flows From Capital and Related Financing Activities		
Contributed Capital Received	2,327,006	3,440,678
Acquisition of Capital Assets	(8,938,064)	(5,050,399)
Proceeds from the Sale of Capital Assets	104,892	-
Interest Paid on Capital Debt	(2,830)	(8,021)
Repayment of Long-Term Liabilities	(116,290)	(116,290)
Net Cash Used by Capital and Related Financing Activities	<u>(6,625,286)</u>	<u>(1,734,032)</u>
Cash Flows From Investing Activities		
Interest Income Received	68,654	57,587
(Decrease) / Increase in Cash and Cash Equivalents	(2,443,173)	1,505,075
Cash and Cash Equivalents - Beginning of Year	<u>8,127,978</u>	<u>6,622,903</u>
Cash and Cash Equivalents - End of Year	<u>\$ 5,684,805</u>	<u>\$ 8,127,978</u>

See accompanying notes to financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
STATEMENTS OF CASH FLOWS (CONCLUDED)
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	\$ (899,197)	\$ (1,596,002)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	5,112,337	5,635,999
Compensated Absences - Net	4,669	(830)
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable	314,588	(238,848)
Other Assets	83,835	(86,355)
Deferred Outflows of Resources - OPEB	119,325	(80,612)
Deferred Outflows of Resources - Pension	194,538	269,832
Accounts Payable and Accrued Expenses	114,230	507,478
Unearned Revenues	140,168	(107,679)
Retiree Health Benefit Program	(90,924)	(181,847)
Other Postemployment Benefits (OPEB)	(1,661,773)	(946,836)
Net Pension Liability	(186,588)	(602,008)
Deferred Inflows of Resources - OPEB	891,032	279,054
Deferred Inflows of Resources - Pension	(22,781)	330,174
Net Cash Provided by Operating Activities	<u>\$ 4,113,459</u>	<u>\$ 3,181,520</u>
Reconciliation of Noncash Activity:		
Contributed Capital Income	\$ 8,883,732	\$ 2,190,991
Less: Grants Receivable as of End of Year	(6,810,455)	(253,729)
Add: Grants Receivable as of Prior Year End	253,729	1,503,416
Add: Accounts Receivable as of Prior Year End	<u>\$ 2,327,006</u>	<u>\$ 3,440,678</u>
Acquisition of Capital Assets	\$ 16,103,156	\$ 3,146,877
Less: Accounts Payable and Accrued Expenses as of End of Year	(7,684,817)	(519,725)
Add: Payments on Short-Term Trade Accounts to Finance Acquisitions of Capital Assets	519,725	2,423,247
Payments for the Acquisition of Capital Assets	<u>\$ 8,938,064</u>	<u>\$ 5,050,399</u>

See accompanying notes to financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

1. Reporting Entity

The Pease Development Authority ("PDA"), a component unit of the State of New Hampshire (the "State"), is the successor entity to the Pease Redevelopment Commission ("PRC"). The PRC was created on March 21, 1989 by an act of the General Court of the State. The mandate of the PRC was to prepare a comprehensive plan for the conversion and redevelopment of Pease Air Force Base. The guiding principles of the plan were job creation, fiscal viability, economic development, and environmental quality.

Effective June 1, 1990, the PRC was dissolved and PDA was established as its successor with the goals of converting and redeveloping the Pease International Tradeport ("Tradeport"). PDA is a component unit of the State and is discretely presented in the Comprehensive Annual Financial Report of the State.

PDA is a body corporate and politic with a governing body of seven members. The Governor and State legislative leadership appoint four members and the City of Portsmouth ("COP") and the Town of Newington appoint three members.

Pursuant to Chapter 290, Laws of 2001, the New Hampshire State Port Authority ("Port"), a former agency of the primary State government, was transferred to PDA effective July 1, 2001. In doing so, the State authorized the transfer of functions, powers and duties of the Port to PDA, acting through the Division of Ports and Harbors ("PDA-DPH"). The PDA-DPH is charged with the responsibility to: 1) plan for the maintenance and development of the ports, harbors and navigable tidal rivers of the State; 2) foster and stimulate commerce and the shipment of freight; 3) aid in the development of salt water fisheries and associated industries; 4) cooperate with any federal agencies or departments in planning the maintenance, development, and use of the State ports, harbors, and navigable tidal rivers; and 5) plan, develop, maintain, use and operate land transportation facilities within a 15 mile radius of the PDA-DPH headquarters in Portsmouth, New Hampshire.

As a result of the transfer of the Port to PDA, the Harbor Dredging and Pier Maintenance Fund was transferred to PDA. This fund was set up for the purposes of initiating and implementing harbor dredging projects and maintaining public piers. On July 1, 2001, also as a result of the transfer of the Port to the PDA, the Revolving Loan Fishery Fund was transferred to the PDA. The Revolving Loan Fishery Fund was established in July 1994 by the Port through a Federal Economic Development Administration grant in the amount of \$810,000. The grant funds and related interest earned thereon provide a revolving loan fund to offer direct assistance to the fishing industry and to aid in the creation of economic opportunities within the industry.

Pursuant to Chapter 356, Laws of 2008, House Bill 65 was enacted by the State Legislature on July 11, 2008. The bill: 1) provides that service of non-classified employees of PDA shall be credited as continuous State service for all purposes; 2) makes PDA fund a non-lapsing fund for the benefit of PDA-DPH; 3) requires a biennial report of the PDA-DPH; and 4) repeals provisions relative to coordination with the Department of Resources and Economic Development, reports on economic development programs and the Harbor Management Fund.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

1. Reporting Entity (concluded)

On May 12, 2008, the State, through House Bill 1168-FN-LOCAL, passed legislation that required the New Hampshire Department of Transportation ("NHDOT") to negotiate a lease, which became effective November 1, 2008, with PDA for the operation of Skyhaven Airport ("DAW") located in Rochester, New Hampshire. With the passage of Chapter 113, Laws of 2009, enacted on June 22, 2009, the NHDOT was directed to convey ownership of DAW to PDA. The law required that PDA accept ownership of, manage and operate DAW, and act as the official Airport owner, operator, and sponsor. PDA accepted this transfer of ownership, from and after July 1, 2009 with no liability relative to any regulatory matters or causes of action arising prior to November 1, 2008.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of PDA were prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and as prescribed by the Governmental Accounting Standards Board ("GASB"), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. PDA uses enterprise fund reporting, which uses the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents, for purposes of the Statements of Cash Flows, include cash which is either held in demand deposit or short-term money market accounts, and highly liquid savings deposits and investments with original maturities less than three months from the date acquired.

PDA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. PDA has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Loans and Accounts Receivable

Loans and accounts receivable are carried at cost, less an allowance for doubtful accounts. Receivable balances also include outstanding loans from the Revolving Loan Fishery Fund, including principal plus accrued interest. Management provides an allowance for doubtful accounts based on an analysis of accounts that are delinquent based on payment terms. Accounts are written off when deemed uncollectible.

Capital Assets

Land, equipment, and buildings and facilities improvements are stated at cost. Depreciation is computed using a straight-line method over the estimated useful lives of the assets, which is principally five to thirty-five years. Capital asset acquisitions that equal or exceed \$5,000 are capitalized. The cost of maintenance and repairs is charged against income as incurred, while significant renewals and betterments are capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset</u>	<u>Years</u>
Buildings	35
Facilities Improvements	20
Equipment	5

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is an estimated amount based on the amount accumulated at the balance sheet date that would be paid upon retirement. The liability for sick leave is reflected within noncurrent liabilities while vacation leave is included in accounts payable and accrued expenses. The calculation is based on the salary rates in effect as of the date of the statements of net position.

Unearned Revenues

Unearned revenues include advance greens fees for the golf course, which are based upon a percentage allocation of the total days the course expects to operate. In addition, unearned revenues are recorded for mooring permits for the harbors and tidal waters and are based on the expiration date of the permit. Rental income received in advance is also classified as unearned revenues.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System ("NHRS") and additions to/deductions from the NHRS's fiduciary net position has been determined on the same basis as it is reported by the NHRS.

Other Postemployment Benefits

For the purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits ("OPEB"), and OPEB expense, information about the fiduciary net position of the NHRS OPEB Plan and the State of New Hampshire OPEB Plan ("the State OPEB Plan") has been determined on the same basis as they are reported by NHRS and the State OPEB Plan.

Net Position

Net position is presented in the following categories:

- *Net investment in capital assets* represents capital assets, net of long- and short-term debt that relates to the purchase of those assets.
- *Restricted for specific purpose* represents amounts that are expendable but whose use is subject to an externally imposed restriction.
- *Unrestricted* represents the remaining balance of net position after the above net position categories have been determined.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. PDA's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (concluded)

Revenue Recognition

Income from rental of facilities is recognized over the term of the lease net of provisions for uncollectible accounts. Various other revenues are recorded when earned which is generally when the related services are performed.

Operating and Nonoperating Income and Expenses

PDA distinguishes between operating revenues and expenses from nonoperating items in the preparation of its financial statements. PDA's principal operating revenues result from charges to tenants for the lease or license of property, providing services, and delivering goods.

Operating expenses for PDA include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating income.

Contributed Capital and Grants

Federal grants, received on a reimbursement basis, are recorded as contributed capital when the related expenditures are capital related. Non-capital related grants consist of funds from the Coronavirus Aid, Relief, and Economic Security Act and are recognized as on the statements of revenues, expenses and changes in net position as other nonoperating income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, PDA's deposits may not be returned to it. Revised Statute Annotated (RSA) 12-G: 8 (XIII) empowers PDA to invest and reinvest its funds and take and hold property as security for the payment of funds so invested. PDA's investment policy is more restrictive than applicable New Hampshire law in that it restricts investments to the following: New Hampshire public deposit investment pool, federal agency securities, repurchase agreements, commercial paper, money market funds, and certificates of deposit. PDA's policy does not explicitly address custodial credit risk.

As of June 30, 2020 and 2019, substantially all of PDA's cash and equivalents were insured by the Federal Deposit Insurance Corporation and the Depositors Insurance Fund.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

4. Current Accounts and Grants Receivable - Net

Current accounts and grants receivable - net was represented by the following at June 30:

	2020	2019
Intergovernmental	\$ 8,325,139	\$ 253,729
Tenants and Other	623,653	936,582
Allowance for Doubtful Accounts	(6,500)	(6,500)
	\$ 8,942,292	\$ 1,183,811

5. Other Current Assets

Other current assets was represented by the following at June 30:

	2020	2019
Inventories	\$ 307,232	\$ 410,260
Prepaid Insurance	148,133	143,930
All Other	47,087	32,097
	\$ 502,452	\$ 586,287

6. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents was represented by the following at June 30:

	2020	2019
Harbor Dredging and Pier Maintenance	\$ 233,443	\$ 379,084
Revolving Loan Fishery Fund	206,758	195,613
Foreign Trade Zone	6,768	4,307
	\$ 446,969	\$ 579,004

7. Restricted Loans and Accounts Receivable

Restricted loans and accounts receivable was represented by the following at June 30:

	2020	2019
Revolving Loan Fishery Fund		
Due Within One Year	\$ 81,576	\$ 155,736
Due in More Than One Year	929,755	856,648
Tenants	3,699	4,305
	\$ 1,015,030	\$ 1,016,689

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

8. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Transfers	Balance June 30, 2020
Land	\$ 7,520,786	\$ -	\$ -	\$ -	\$ 7,520,786
Buildings and Facilities Improvements	147,437,778	-	-	3,932,114	151,254,152
Equipment	15,491,506	-	(296,799)	140,107	15,450,555
Construction in Process	<u>3,320,353</u>	<u>16,218,897</u>	<u>-</u>	<u>(4,072,221)</u>	<u>15,467,029</u>
	173,770,423	16,218,897	(296,799)	-	189,692,521
Less Accumulated Depreciation	(109,203,317)	(5,112,337)	155,426	-	(114,160,228)
	<u>\$ 64,567,106</u>	<u>\$ 11,106,560</u>	<u>\$ (141,373)</u>	<u>\$ -</u>	<u>\$ 75,532,293</u>

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Disposals	Transfers	Balance June 30, 2019
Land	\$ 7,520,786	\$ -	\$ -	\$ -	\$ 7,520,786
Buildings and Facilities Improvements	146,365,495	-	-	1,072,283	147,437,778
Equipment	14,710,627	-	-	780,879	15,491,506
Construction in Process	<u>2,026,638</u>	<u>3,146,877</u>	<u>-</u>	<u>(1,853,162)</u>	<u>3,320,353</u>
	170,623,546	3,146,877	-	-	173,770,423
Less Accumulated Depreciation	(103,567,318)	(5,635,999)	-	-	(109,203,317)
	<u>\$ 67,056,228</u>	<u>\$ (2,489,122)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,567,106</u>

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

9. Unearned Revenues

Unearned revenues (which are recognized when cash, receivables or other assets are recorded prior to their being earned) consisted of the following at June 30:

	2020	2019
Mooring Permits	\$ 309,205	\$ 257,935
Golf Course Membership Fees	277,033	235,794
All Other	127,242	79,583
	\$ 713,480	\$ 573,312

Mooring permits and golf course membership fees are collected primarily during the months of January through March and amortized ratably over the corresponding seasons.

10. Revolving Line of Credit Facility

PDA currently has a \$15,000,000 unsecured Revolving Line of Credit Facility ("RLOC") secured through The Provident Bank, which matures December 31, 2022. The terms of the RLOC provide that a) the loan shall bear interest at a per annum rate equal to the thirty (30) day Federal Home Loan Bank rate plus 250 basis points; and b) PDA shall maintain various covenants that are to be reported on an annual basis. The proceeds of any draw on the RLOC are to be used for general working capital purposes of PDA and cash flow needs for capital projects. There were no amounts outstanding on this RLOC as of June 30, 2020 and 2019.

11. Due to City of Portsmouth – Waste Water Treatment Facility

In December 2000, the State Water Pollution Control Revolving Fund program's debt outstanding of \$6,586,836 was assigned to COP. A supplemental loan agreement was entered into between the State Water Pollution Control Revolving Fund program and COP in order to finance the construction of the wastewater treatment plant upgrade. In conjunction with the assignment of the debt to COP, a similar portion of the leasehold improvement for the wastewater treatment facility was also transferred to COP. PDA agreed to pay an amount totaling \$2,457,002 to COP. Annual payments plus interest at 4.464% are payable through 2020. As of June 30, 2020, the liability has been paid in full. Amounts totaling \$116,290 were outstanding at June 30, 2019.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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12. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due in One Year
Other Postemployment Benefits	\$ 7,291,881	\$ -	\$ (1,661,773)	\$ 5,630,108	\$ -
Net Pension Liability	4,384,392	-	(186,588)	4,197,804	-
Retiree Health Benefit Program	272,772	-	(90,924)	181,848	-
State of New Hampshire Account Payable	252,250	-	-	252,250	-
City of Portsmouth - Waste Water Treatment Facility	116,290	-	(116,290)	-	-
Compensated Absences-Net	94,843	4,669	-	99,512	-
	\$ 12,412,428	\$ 4,669	\$ (2,055,575)	\$ 10,361,522	\$ -

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due in One Year
Other Postemployment Benefits	\$ 8,238,717	-	\$ (946,836)	\$ 7,291,881	\$ -
Net Pension Liability	4,986,400	-	(602,008)	4,384,392	-
Retiree Health Benefit Program	454,619	-	(181,847)	272,772	-
State of New Hampshire Account Payable	252,250	-	-	252,250	-
City of Portsmouth - Waste Water Treatment Facility	232,580	-	(116,290)	116,290	116,290
Compensated Absences-Net	95,673	-	(830)	94,843	-
	\$ 14,260,239	\$ -	\$ (1,847,811)	\$ 12,412,428	\$ 116,290

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June 30, 2020 and 2019

13. Other Noncurrent Liabilities

Other noncurrent liabilities were represented by the following at June 30:

	2020	2019
Retiree Health Benefit Program	\$ 181,848	\$ 272,772
State of New Hampshire – Account Payable	252,250	252,250
Compensated Absences – Net	99,512	94,843
	\$ 533,610	\$ 619,865

14. Rental of Facilities

PDA has leasing arrangements with various parties for the rental of land, buildings, and airplane hangars. Rentals are generally based upon set rental fees with additional payments based upon gallons of fuel sold or dispensed, ramp parking fees per aircraft, and concession fees based upon a stated percentage of car rentals. Lease arrangements are primarily for periods ranging from one to forty-two years. These leases meet the criteria for classification as operating leases. PDA-DPH has leases, licenses, and other arrangements with various parties for the use of land, warehouse, and storage facilities.

At June 30, 2020, the projected minimum future revenue from noncancelable rental agreements is approximately:

Year	Amount
2021	\$ 10,257,000
2022	9,141,000
2023	8,199,000
2024	7,695,000
2025	7,122,000
Thereafter	77,877,000
	\$ 120,291,000

15. Municipal Service Fees

Effective July 1, 1998, PDA entered into an amended municipal services agreement with COP and the Town of Newington to provide various municipal services, including police, fire, and public works at the Tradeport. This agreement specifies that PDA, through its tenant's payments, shall pay COP a fee for the cost of services equal to the amount that would have been paid annually as *ad valorem* taxes excluding any school tax component in respect to such property within the Airport District. COP is responsible for service costs owed to the Town of Newington. This agreement excludes, as part of the allocated area, the space occupied by PDA and any space for public use in the PSM Terminal. The agreement includes completed facilities other than PDA's golf course or airport terminals within the Airport District operated by PDA for public or other use. This agreement shall continue to be in force until one of the parties terminates the agreement in writing.

Any tenant located outside the Airport District, unless otherwise exempt from taxation, shall pay to COP a payment in lieu of taxes in accordance with the provisions of the New Hampshire law.

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16. Airport Joint Use Agreement

The Department of the Air Force and PDA are parties to an Airport Joint Use Agreement ("Agreement") regarding the required use of the airport facilities at the Tradeport by the New Hampshire Air National Guard as well as for other occasional government aircraft. Subject to the terms and conditions of the Agreement, the federal government has the use of the airport facilities in common with other users of the airport together with all necessary and conventional rights of ingress and egress to and from the related facilities located at the airport.

The federal government is responsible for the functions detailed in the Agreement, including, but not limited to, the following: air traffic control services, aircraft fire protection and crash rescue. PDA is responsible for certain services and functions, including, but not limited to, the following: maintenance of certain facilities, utilities, and other related services in connection with maintaining an airport facility in accordance with Federal Aviation Administration requirements. The current Agreement, which expired on September 30, 2018, is currently under review by both parties.

17. Risk Management

PDA is exposed to various risks of loss at the Tradeport and DAW related to torts; theft of, damage to and destruction of assets; and natural disaster for which the PDA carries insurance.

PDA has a comprehensive airport liability insurance policy that will provide coverage generally up to \$50,000,000 for each occurrence and in the aggregate in any one annual period of insurance. Other insurance coverage includes automotive, crime, employment practices, fire, general liability, pollution, theft, and workers' compensation. Settlements did not exceed coverage amounts during fiscal years 2020 and 2019.

In addition to purchasing insurance coverages, PDA maintains a risk transfer program. The PDA's agreements and leases include requirements to provide insurance coverage and coverage provisions, which include: 1) naming PDA as an additional insured; 2) naming PDA as loss payee on property coverage; 3) a waiver of subrogation; and 4) providing that such coverages be primary and non-contributing with respect to coverage PDA maintains.

18. Defined Benefit Pension Plan

Plan Description

PDA participates in the NHRS, which, as governed by RSA 100-A, is a cost-sharing multiple-employer contributory public employee defined benefit pension plan qualified under section 401(a) of the Internal Revenue Code ("Code") and funded through a trust, which is exempt from tax under Code section 501(a). NHRS is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. NHRS retired members receive a lifetime pension. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible to participate in NHRS. RSA 100-A specifies the benefit terms provided to the members of NHRS.

Although benefits are funded by member contributions, employer contributions and trust fund assets, NHRS computes benefits on the basis of members' Average Final Compensation ("AFC") and years of creditable service. Unlike a defined contribution plan, NHRS benefits provided to members are not dependent upon the amount of contributions paid into NHRS or the investment return on trust assets.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

18. Defined Benefit Pension Plan (continued)

To qualify for a normal service retirement, members must have attained the age of 60 years old. However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 65. The member may receive a reduced allowance after age 60 if the member has at least 30 years of creditable service. The allowance shall be reduced based on a formula, for each month by which the date on which benefits commence precedes the month after which the member attains 65 years of age, by $\frac{1}{4}$ of one percent.

For members retiring prior to the age of 65, the yearly pension amount is 1.67% of AFC, multiplied by years of creditable service. For members retiring at 65 or older, the yearly pension amount is 1.52% of AFC, multiplied by years of creditable service. For members vested prior to January 1, 2012, AFC is based on the highest three years of creditable service. For members not vested prior to January 1, 2012, or hired on or after July 1, 2011, AFC is based on a member's highest five years of creditable service. At age 65, the yearly pension amount is recalculated with an appropriate graduated reduction based on years and months of creditable service that the member has at the time of retirement.

Contributions Required and Made

The Retirement Plan is financed by contributions from the members, PDA, and investment earnings. Contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the Retirement Plan's actuary. By statute, the Board of Trustees of NHRS administers the plan and is responsible for the certification of employer and member contribution rates.

Commencing July 1, 2011, all Group I employees are responsible to accrue contributions at 7.00% while Group II (Police) employees accrue contributions at a rate of 11.55%. In terms of the employer share of contributions made to the Retirement Plan, the pension contribution rate for Group I employees was 11.08% for the two-year period ending June 30, 2019. Effective July 1, 2019, the employer share was decreased to 10.88% and will remain fixed through June 30, 2021. For Group II employees, effective July 1, 2017, the contribution rate was 25.33% and remained fixed through June 30, 2019. Effective July 1, 2019, the contribution rate decreased to 24.77% and will remain fixed through June 30, 2021.

For the years ended June 30, 2020 and 2019, contributions to NHRS were \$489,081 and \$439,882, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, PDA reported a liability of \$4,197,804 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2018 and a measurement date of June 30, 2019. The net pension liability was rolled forward from June 30, 2018 to June 30, 2019. PDA's proportion of the net pension liability was based on a projection of PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2019, PDA's proportion of the net pension liability was 0.0872%.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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18. Defined Benefit Pension Plan (continued)

At June 30, 2019, PDA reported a liability of \$4,384,392 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2017 and a measurement date of June 30, 2018. The net pension liability was rolled forward from June 30, 2017 to June 30, 2018. PDA's proportion of the net pension liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2018, PDA's proportion of the net pension liability was 0.0911%.

For the years ended June 30, 2020 and 2019, PDA recognized pension expense of \$474,250 and \$437,862, respectively.

At June 30, 2020, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment earnings on pension plan investments	\$ -	\$ 90,265
Changes in assumptions	150,616	-
Differences between expected and actual experience	23,210	34,290
Changes in proportion and differences between employer contributions and share of contributions	28,468	480,159
Contributions subsequent to the measurement date	489,081	-
	\$ 691,375	\$ 604,714

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

18. Defined Benefit Pension Plan (continued)

At June 30, 2019, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment earnings on pension plan investments	\$ -	\$ 101,459
Changes in assumptions	303,422	-
Differences between expected and actual experience	34,995	35,501
Changes in proportion and differences between employer contributions and share of contributions	107,614	490,535
Contributions subsequent to the measurement date	439,882	-
	\$ 885,913	\$ 627,495

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (concluded)

Amounts reported as deferred outflows related to pensions resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2021	\$ (27,206)
2022	(232,744)
2023	(122,682)
2024	(19,788)
	\$ (402,420)

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

18. Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The collective total pension liability at June 30, 2020 was determined by a roll forward of the actuarial valuation as of June 30, 2019, using the following actuarial assumptions, which apply to 2018 measurements:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Percentage-of-Payroll, Closed
Remaining amortization period	21 years beginning July 1, 2018 (30 years beginning July 1, 2009)
Asset Valuation Method	5 Year smoothed market for funding purposes; 20% corridor
Investment Rate of Return	7.25% net of investment expenses, including inflation
Salary Rate Increase	5.60% average, including inflation
Price Inflation	2.50%
Wage Inflation	3.25%

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 - June 30, 2015. The actuarial assumptions for contributions made in the year ending June 30, 2019 can be found in the June 30, 2017 actuarial valuation report.

Long-Term Rates of Return

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

18. Defined Benefit Pension Plan (continued)

Following is a table presenting target allocations and the geometric real rates of return for each asset class:

Asset Class	Target Allocation 2018	Target Allocation 2019	Weighted Average Long-Term Expected Real Rate of Return	
			2018	2019
Large Cap Equities	22.50%	22.50%	4.25%	4.25%
Small/Mid Cap Equities	<u>7.50</u>	<u>7.50</u>	4.50	4.50
Total Domestic Equity	<u>30.00</u>	<u>30.00</u>		
International Equities (Unhedged)	13.00	13.00	4.50	4.50
Emerging International Equities	<u>7.00</u>	<u>7.00</u>	6.00	6.00
Total International Equity	<u>20.00</u>	<u>20.00</u>		
Core Bonds	4.50	9.00	0.50	1.12
Short Duration	2.50	-	(0.25)	-
Global Multi-Sector Fixed Income	11.00	10.00	1.80	2.46
Absolute Return Fixed Income	<u>7.00</u>	<u>6.00</u>	1.14	1.50
Total Fixed Income	<u>25.00</u>	<u>25.00</u>		
Private Equity	5.00	10.00	6.25	7.90
Private Debt	5.00	5.00	4.25	4.86
Opportunistic	<u>5.00</u>	-	2.15	-
	<u>15.00</u>	<u>15.00</u>		
Real Estate	<u>10.00</u>	<u>10.00</u>	3.25%	3.00%
	<u>100.00%</u>	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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18. Defined Benefit Pension Plan (concluded)

Sensitivity Analysis

The following presents PDA's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what PDA's proportionate share of the pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PDA's Proportionate Share of the Net Pension Liability	\$ 5,621,033	\$ 4,197,804	\$ 3,021,517

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at <https://www.nhrs.org>.

The pension plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

Changes in Assumption for Purposes of Contribution Rates

On July 1, 2016, the Board of Trustees of NHRS announced a change to adopt revised actuarial assumptions based on the results of a five-year experience study conducted by the retirement systems consulting actuary. Included in these changes was the lowering of the assumed rate of return from 7.75% to 7.25%. This rate was used to set employer contribution rates for fiscal years 2019, 2020 and 2021. On June 9, 2020, the Board of Trustees voted to reduce the retirement system's investment assumptions, lowering the assumed rate of return from 7.25% to 6.75%. By statute, this valuation will determine employer contribution rates for fiscal years 2022 and 2023.

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19. Other Postemployment Benefits – New Hampshire Retirement System

Plan Description

In addition to providing pension benefits, NHRS administers a cost-sharing multiple-employer defined postemployment medical subsidy healthcare plan designated in statute (RSA 100-A:52, RSA 100-A:52a and RSA 100-A:52-b) by membership type. The membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. The NHRS OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. For qualified retirees not eligible for Medicare the subsidy amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan. For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan. There have been no increases in the monthly maximum subsidy amounts since July 1, 2007. The plan is closed to new entrants.

Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of State service in order to qualify for health coverage benefits. These and similar benefits for active employees are authorized by RSA 21-I: 30 and provided through the Employee and Retiree Benefit Risk Management Fund (the "Fund"), which is the State's self-insurance fund implemented in October 2003 for active State employees and retirees.

Contributions Required and Made

The State Legislature has indicated it plans to only partially fund (on a pay-as-you-go basis) the annual required contribution ("ARC"), an actuarially determined rate.

Plan members are not required to contribute to the OPEB Plans. PDA makes annual contributions to the OPEB Plans equal to the amount required by RSA 100-a: 52. For all Group I employees, effective July 1, 2017 the annual contribution rate was decreased from 1.64% to 1.07% and remained fixed through June 30, 2019. Effective July 1, 2019, the contribution rate decreased to 1.05% and will remain fixed through June 30, 2021. For Group II employees, effective July 1, 2017 the annual contribution rate was increased from 3.84% to 4.10% and remained fixed through June 30, 2019. Effective July 1, 2019, the contribution rate decreased to 3.66% and will remain fixed through June 30, 2021.

PDA's contributions to NHRS for the OPEB Plans for the years ended June 30, 2020 and 2019 were \$50,499 and \$45,758, respectively, which were equal to its ARC.

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19. Other Postemployment Benefits – New Hampshire Retirement System (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, PDA reported a liability of \$352,220 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2018 and a measurement date of June 30, 2019. The net OPEB liability was rolled forward from June 30, 2018 to June 30, 2019. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2019 PDA's proportion of the net OPEB liability was 0.0803%.

At June 30, 2019, PDA reported a liability of \$384,676 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2017 and a measurement date of June 30, 2018. The net OPEB liability was rolled forward from June 30, 2017 to June 30, 2018. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2018 PDA's proportion of the net OPEB liability was 0.0840%.

For the years ended June 30, 2020 and 2019, PDA recognized OPEB expense of \$6,802 and a credit of (\$870), respectively.

At June 30, 2020, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 396
Changes in proportion and differences between employer contributions and share of contributions	-	1,790
Differences between expected and actual experience	-	613
Contributions subsequent to the measurement date	50,499	-
	\$ 50,499	\$ 2,799

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19. Other Postemployment Benefits – New Hampshire Retirement System (continued)

At June 30, 2019, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between Projected and actual investment earnings on OPEB plan investments	\$ -	\$ 1,222
Changes in proportion and differences between employer contributions and share of contributions	-	10,334
Differences between expected and actual experience	2,258	\$ -
Contributions subsequent to the measurement date	45,758	-
	\$ 48,016	\$ 11,556

Amounts reported as deferred outflows related to pensions resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2020	\$ (2,665)
2021	(263)
2022	27
2023	102
	\$ (2,799)

Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2019, using the following actuarial assumptions, which apply to 2018 measurements:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Percentage-of-Payroll, Closed
Remaining amortization period	Not applicable, under satisfactory funding
Investment Rate of Return	7.25% net of investment expenses, including inflation
Salary Rate Increase	5.60% average, including inflation
Price Inflation	2.50% per year
Wage Inflation	3.25% per year
Healthcare cost trend rates	Not applicable, given the benefits are fixed stipends
Aging factors	Not applicable, given the benefits are fixed stipends

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19. Other Postemployment Benefits – New Hampshire Retirement System (continued)

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 – June 30, 2015. The actuarial assumptions for contributions made in the year ending June 30, 2019 can be found in the June 30, 2017 actuarial valuation report.

Long-Term Rates of Return

The long-term expected rate of return on OPEB plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

Following is a table presenting target allocations and the geometric real rates of return for each asset class:

Asset Class	Target Allocation 2018	Target Allocation 2019	Weighted Average Long-Term Expected Real Rate of Return	
			2018	2019
Large Cap Equities	22.50%	22.50%	4.25%	4.25%
Small/Mid Cap Equities	<u>7.50</u>	<u>7.50</u>	4.50	4.50
Total Domestic Equity	<u>30.00</u>	<u>30.00</u>		
International Equities (Unhedged)	13.00	13.00	4.50	4.50
Emerging International Equities	<u>7.00</u>	<u>7.00</u>	6.00	6.00
Total International Equity	<u>20.00</u>	<u>20.00</u>		
Core Bonds	4.50	9.00	0.50	1.12
Short Duration	2.50	-	(0.25)	-
Global Multi-Sector Fixed Income	11.00	10.00	1.80	2.46
Absolute Return Fixed Income	<u>7.00</u>	<u>6.00</u>	1.14	1.50
Total Fixed Income	<u>25.00</u>	<u>25.00</u>		
Private Equity	5.00	10.00	6.25	7.90
Private Debt	5.00	5.00	4.25	4.86
Opportunistic	<u>5.00</u>	-	2.15	-
	<u>15.00</u>	<u>15.00</u>		
Real Estate	<u>10.00</u>	<u>10.00</u>	3.25%	3.00%
	<u>100.00%</u>	<u>100.00%</u>		

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

19. Other Postemployment Benefits – New Hampshire Retirement System (concluded)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the current statute by RSA 100-A:16. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity Analysis

The following presents PDA's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what PDA's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PDA's Proportionate Share of the Net OPEB Liability	\$ 382,036	\$ 352,220	\$ 326,312

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at <https://www.nhrs.org>.

The OPEB plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

20. Other Postemployment Benefits – The State of New Hampshire

Plan Description

RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single-employer (primary government and component units) defined benefit plan. These benefits include group hospitalization, hospital medical care, surgical care, and other medical care. Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than in a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for retiree health benefits. During fiscal year 2011, legislation was passed that requires Group II employees to have 20 years of State service to qualify for retiree health benefits. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of State service and increasing Group I and II employees hired after July 1, 2011. These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund which is the State's self-insurance internal service fund. The state OPEB Plan funds the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees, and eligible spouses. An additional major source of funding for retiree benefits is from the NHRS medical subsidy payment described in Note 19. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State administers the plan. It does not issue a separate stand-alone financial report.

Contributions Required and Made

The State Legislature has indicated it currently plans to only fund the plan to cover benefit payments (on a pay-as-you-go basis). PDA's contributions to the State for the OPEB Plans for the years ended June 30, 2020 and 2019 were \$111,919 and \$115,910, respectively, which were equal to PDA's share of benefit payments.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, PDA reported a liability of \$5,277,888 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2018 (adjusted forward using standard actuarial techniques), and a measurement date of June 30, 2019. The OPEB liability was rolled forward from December 31, 2018 to June 30, 2019. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2019, PDA's proportion of the State OPEB Plan's liability was 0.2940%.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

20. Other Postemployment Benefits – The State of New Hampshire (continued)

At June 30, 2019, PDA reported a liability of \$6,907,205 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2016 and a measurement date of June 30, 2018. The OPEB liability was rolled forward from December 31, 2016 to June 30, 2018. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2018, PDA's proportion of the State OPEB Plan's liability was 0.3616%.

For the years ended June 30, 2020 and 2019, PDA recognized OPEB credits of \$(495,801) and \$(585,837), respectively.

At June 30, 2020, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 2,357,669
Differences between expected and actual experience	-	89,948
Changes in proportion and differences between employer contributions and share of contributions	396,183	1,034,130
Contributions subsequent to the measurement date	111,919	-
	\$ 508,102	\$ 3,481,747

At June 30, 2019, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 2,540,487
Differences between expected and actual experience	-	41,471
Changes in proportion and differences between employer contributions and share of contributions	514,000	-
Contributions subsequent to the measurement date	115,910	-
	\$ 629,910	\$ 2,581,958

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

20. Other Postemployment Benefits – The State of New Hampshire (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (concluded)

Amounts reported as deferred outflows related to OPEB resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2021	\$ (868,189)
2022	(868,189)
2023	(868,190)
2024	(480,996)
	\$ (3,085,564)

Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of December 31, 2018, using the following actuarial assumptions, which apply to 2019 measurements:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Investment Rate of Return	Not applicable as there are no invested assets
Salary Rate Increase – Group I	13.25% decreasing over 9 years to an ultimate level of 3.75%
Salary Rate Increase – Group II	25.5% decreasing over 8 years to an ultimate level of 4.25%
Discount rate	3.50% as of June 30, 2019 and 3.87% as of June 30, 2018
Price Inflation	3.25% per year
Wage Inflation	3.25% per year

Health care trend rates are based on the following:

- Medical
 - Non-Medicare: 6.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
 - Medicare- (12.2%) for one year then 4.5% per year.
- Prescription Drugs
 - Non-Medicare: 8.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
 - Medicare: 7.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

20. Other Postemployment Benefits – The State of New Hampshire (continued)

Actuarial Assumptions (continued):

- Contributions
 - Contributions are expected to increase with a blended medical and prescription drug trend. Because the January 1, 2019 Non-Medicare working rates were temporarily reduced to spend down reserves, an additional adjustment was applied in the first year to bring the rates back to the unsubsidized level.

Mortality rates were based on the following:

- Pre-retirement – Healthy: RP-2014 Employee Mortality Table projected generationally for males and females with Scale MP-2015
- Postretirement:
 - Healthy: RP-2014 Healthy Annuitant Mortality Table projected generationally for males and females with Scale MP-2015
 - Disabled: RP-2014 Disabled Annuitant Mortality Table projected generationally for males and females with Scale MP-2015
- The following scale factors for each member classification are applied to all mortality tables:

	Group I	Group II - Police	Group II – Fire
Scale – Male	116%	99%	100%
Scale – Female	124%	106%	101%

Effective January 1, 2019, the State implemented a Medicare Advantage plan which contributed to the reduction in the overall plan liability in the year of implementation.

Discount Rate

Because the State OPEB Plan is not funded, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index (3.87% as of June 30, 2018 and 3.50% as of June 30, 2019). This determination is in accordance with GASB Statement No. 75.

Changes in Assumptions

Per capita health costs and administrative expenses were recalculated based on more recent data. The health cost trends were updated to better reflect experience and future expectations. The projection of the excise tax on high cost health plans beginning in 2022 was revised. The discount rate used to measure the total OPEB liability was decreased from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019. The marriage assumption for future retirees was lowered from 75% to 70%.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

20. Other Postemployment Benefits – The State of New Hampshire (concluded)

Sensitivity Analysis

The following presents PDA’s proportionate share of the net OPEB liability at June 30, 2020 calculated using the discount rate of 3.50%, as well as what PDA’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
PDA’s Proportionate Share of the Net OPEB Liability	\$ 6,065,134	\$ 5,277,888	\$ 4,585,980

The following presents PDA’s proportionate share of the net OPEB liability calculated using the current trend rates, as well as what PDA’s proportionate share of the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Trend Rates	1% Increase
PDA’s Proportionate Share of the Net OPEB Liability	\$ 4,245,806	\$ 5,277,888	\$ 6,645,241

21. Commitments and Contingencies

Subsurface Investigation

During site subsurface investigations conducted at the Market Street Terminal (performed, in part, to support storm water system improvements), the PDA-DPH’s environmental consultant found several areas of subsurface soils contaminated with significant levels of the heavy metal mercury. Initial investigations reveal that this contamination is most likely associated with a commercial wood preservation process that was located on a portion of the site and probably operated on the site sometime after 1875 and terminated operations before the State acquired title to the property in the 1960’s and prior to July 1, 2001 when PDA-DPH operations were transferred from the State to the PDA. The completed study has been submitted to the New Hampshire Department of Environmental Services and management is awaiting its review and comment. As of June 30, 2020, no liability has been recorded for future pollution remediation obligations, as the amount of any such liability is not reasonably determinable.

Grant Administration

PDA receives federal grants, which are subject to review and audit by the grantor agencies. Although these audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements would not have a material effect on the financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

21. Commitments and Contingencies (continued)

Construction Contracts

PDA had commitments under construction contracts associated with federal grants totaling approximately \$23,666,000 and \$32,803,000 at June 30, 2020 and 2019, respectively. The more significant commitments under construction contracts at June 30, 2020 included \$16,991,000 for the PSM Runway Reconstruction project, \$3,733,000 for the DPH Functional Replacement of the Barge Dock and \$2,108,000 for the PSM Terminal Expansion.

Litigation

From time to time, PDA is involved in pending or threatened lawsuits encountered in the normal course of business. Management of PDA believes that the ultimate outcome of these matters, to the extent not covered by insurance, will not have a material impact on PDA's financial position or operations.

Settlement Agreement- Conservation Law Foundation

On November 10, 2016, in an action brought under the Citizen Suit provision of the Clean Water Act ("CWA"), the Conservation Law Foundation ("CLF") filed a complaint in the United States District Court for the District of New Hampshire (the "court") against PDA, its Executive Director, and Board Members, alleging certain violations of the CWA's permitting requirements. The matter is captioned Conservation Law Foundation, Inc. v. Pease Development Authority, et al., Civil Action No. 1:16-cv-00493-SM. In particular, the Complaint alleged PDA failed to obtain and comply with a Small Municipal Separate Storm Sewer System (Small MS4) permit and the associated permit requirements. CLF's Complaint sought injunctive relief and civil penalties.

On January 11, 2019, the Court issued a Joint Notice of Settlement. Elements of the Settlement, which became effective March 9, 2019 (the "Effective Date"), require that the PDA shall:

1. Design and implement various measures concerning the PDA small MS4 including:
 - Submit an application for and supplementary information related to a NPDES Permit, renewal, or modification, for coverage of discharges subject to the Small MS4 permitting program;
 - Design and implement:
 - A public education and outreach program;
 - An illicit discharge detection and elimination system;
 - A construction and post-construction runoff and control programs;
 - A pollution prevention and good housekeeping program; and
 - Provide annual reporting to the CLF.

As of June 30, 2020, the application and supplementary information noted above has been submitted to the EPA for review. The Authority has completed the public outreach program and all of the other systems and programs are in process at June 30, 2020.

2. Within five years of the Effective Date, remove a minimum of five acres of Impervious Surface, as defined. As of June 30, 2020, the five acres has been removed. They continue to monitor to ensure that adequate treatment has been provided and that the total area did not increase.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

3. Pay to CLF \$800,000 as full and complete satisfaction of CLF's claim for attorneys' fees and costs incurred or to be incurred, including any future attorneys' fees and costs related to the implementation or monitoring of compliance with the Settlement. As of June 30, 2020, the full \$800,000 had been paid.

22. COVID-19 Considerations

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

In April 2020, PDA was awarded \$1,637,474 of CARES Act funding through the Federal Aviation Administration (FAA). Under the terms of the FAA grant agreement, only expenses incurred or debt service payments made on or after January 20, 2020 are eligible for reimbursement. The CARES Act grant assurances for eligible expenses will remain in effect through May 25, 2024. At June 30, 2020, PDA had expended \$1,514,684 of the FAA CARES Act funding and this amount is in accounts and grants receivable at year end.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019**

REQUIRED SUPPLEMENTARY INFORMATION

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PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)

Schedule of Collective Net Pension Liability

The following information is as of June 30:

	2020	2019	2018	2017	2016	2015	2014
Employer Proportion of the Collective Net Pension Liability	0.0872%	0.0911%	0.1014%	0.1032%	0.1074%	0.0982%	0.0967%
Employer's Proportionate Share of the Collective Net Pension Liability	\$4,197,804	\$4,384,392	\$4,986,400	\$5,489,977	\$4,255,991	\$3,687,154	\$4,163,828
Employer's Covered-Employee Payroll	\$3,735,000	\$3,765,000	\$3,803,000	\$3,848,000	\$3,430,000	\$3,029,000	\$2,843,000
Employer's Proportionate Share of the Collective Net Pension Liability as a % of the Employer's Covered-Employee Payroll	112.39%	116.45%	131.12%	142.67%	124.08%	121.73%	146.45%
Plan Fiduciary Net Position as a % of the Total Pension Liability	65.59 %	64.73 %	62.266 %	58.30 %	65.47 %	66.32 %	59.81 %

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)**

Schedule of Employer Contributions

The following information is for the years ended June 30:

	2020	2019	2018	2017	2016	2015	2014
Required Employer Contribution	\$ 489,081	\$ 439,882	\$ 452,516	\$ 413,003	\$ 417,908	\$ 360,425	\$ 318,681
Actual Employer Contributions	\$ 489,081	\$ 439,882	\$ 452,516	\$ 413,003	\$ 417,908	\$ 360,425	\$ 318,681
Excess / (Deficiency) of Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$3,939,015	\$3,735,000	\$3,765,000	\$3,803,000	\$3,848,000	\$3,430,000	\$3,029,000
Employer Contribution as a % of the Employer's Covered-Employee Payroll	12.42 %	11.78 %	12.02 %	10.86 %	10.86 %	10.51 %	10.52 %

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the Authority's fiscal year for the respective reporting periods.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)

Notes to the Required Supplementary Information

- Notes:** The roll-forward of the total pension liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
- The roll-forward of the total pension liability from June 30, 2015 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments.
- Actuarial determined contribution rates for the 2012-2013 biennium were determined based on the June 30, 2009 actuarial valuation.
- Actuarial determined contribution rates for the 2014-2015 biennium were determined based on the June 30, 2011 actuarial valuation.
- Actuarial determined contribution rates for the 2016-2017 biennium were determined based on the June 30, 2013 actuarial valuation.
- Actuarial determined contribution rates for the 2018-2019 biennium were determined based on the June 30, 2015 actuarial valuation.
- Actuarial determined contribution rates for the 2019-2020 biennium were determined based on the June 30, 2018 actuarial valuation.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)**

**Schedule of Collective Net Other Postemployment Benefits (OPEB) Liability
(NHRS OPEB PLAN)**

The following information is as of June 30:

	2020	2019	2018	2017
Employer Proportion of the Collective Net OPEB Liability	0.0803%	0.0840%	0.0946%	0.0961%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$ 352,220	\$ 384,676	\$ 432,717	\$ 465,117
Employer's Covered-Employee Payroll	\$2,369,549	\$2,311,755	\$2,523,561	\$2,499,949
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered-Employee Payroll	14.86 %	16.64 %	17.15 %	18.61 %
Plan Fiduciary Net Position as a % of the Total OPEB Liability	7.75 %	7.53 %	7.91%	5.21%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

Schedule of Employer Contributions

The following information is for the years ended June 30:

	2020	2019	2018	2017
Required Employer Contribution	\$ 50,499	\$ 45,758	\$ 45,795	\$ 56,092
Actual Employer Contributions	\$ 50,499	\$ 45,758	\$ 45,795	\$ 56,092
Excess / (Deficiency) of Employer Contributions	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$2,498,980	\$2,369,549	\$2,311,755	\$ 2,523,561
Employer Contribution as a % of the Employer's Covered-Employee Payroll	2.02 %	1.93 %	1.98 %	2.22 %

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the Authority's fiscal year for the respective reporting periods.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)

Notes to the Required Supplementary Information

Notes: The roll-forward of the total OPEB liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

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**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (UNAUDITED)**

**Schedule of Collective Net Other Postemployment Benefits (OPEB) Liability
(STATE OPEB PLAN)**

The following information is as of June 30:

	2020	2019	2018	2017
Employer Proportion of the Collective Net OPEB Liability	0.2940%	0.3616%	0.3501%	0.3345%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$5,277,888	\$6,907,205	\$7,806,000	\$9,618,388
Employer's Covered-Employee Payroll	\$3,735,000	\$3,765,000	\$3,803,000	\$3,848,000
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered-Employee Payroll	141.31 %	183.46 %	205.26 %	249.96 %
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

Notes to the Required Supplementary Information

There are no assets accumulated in a trust that meets the criteria in GASB 75 paragraph 4 to pay related benefits.

Changes of assumptions: Changes in assumptions reflect trend assumption revisions to reflect current experience and future expectations. The discount rate decreased from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019. The discount rate increased from 2.85% as of June 30, 2017 to 3.87% as of June 30, 2018.

Notes: The roll-forward of the total OPEB liability from December 31, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements, and have issued our report thereon dated **REPORT DATE**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PDA's internal control. Accordingly, we do not express an opinion on the effectiveness of PDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards*.

Board of Directors of
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PDA’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PDA’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bangor, Maine
REPORT DATE

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MOTION – VII.B.2.

Director Fournier:

The Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Deputy General Counsel, Anthony I. Blenkinsop, to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers previously granted by this Board to the Treasurer, Executive Director, General Counsel, and Manager of Engineering of the PDA concerning PDA bank accounts, and consistent with bank resolutions previously adopted. The authority hereby conferred shall be and remain in full force and effect until written notice of the revocation is presented.

The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted:

Robert Allard	Treasurer
Paul E. Brean	Executive Director
Lynn Marie Hinchee	General Counsel
Anthony I. Blenkinsop	Deputy General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented; all in accordance with a memorandum from Irv Canner, Finance Director, dated October 8, 2020.



PEASE

INTERNATIONAL

DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

Date: October 8, 2020

To: Paul Brean, Executive Director

From: Irving Canner, Director of Finance


Paul Brean
Irving Canner

Subject: Additional Signatory- Bank Relationships

With the impending retirement of General Counsel Lynn Hinchee later this year, along with the current work environment specific to the Covid-19 pandemic, where personnel are working remotely in certain circumstances, I think it prudent to request that our Deputy General Counsel, Anthony Blenkinsop, be added as an authorized signatory to our banking relationships. This would be all inclusive specific to the Provident Bank, Cambridge Bank and Trust and Partners Bank and in doing so provide us an additional employee to endorse all checks, drafts, depository agreements and or other related bank documents.

Accordingly, in order to authorize this change, I ask that we obtain the approval from the Pease Development Authority Board of Directors during the October 15, 2020 meeting.

As always, please let me know if you have any questions or the need for supplemental information.

Date: October 6, 2020
To: Paul Brean, Executive Director
From: Irv Canner, Director of Finance 
Subject: Executive Summary- Financial Reports

In anticipation of the upcoming October 15th Pease Development Authority Board meeting, the following is an Executive Summary of the two financial reports for your review and comment:

Report #1- Financial Report for the Two-Month Period Ending August 31, 2020

As is the case in the first quarter of the new fiscal year, budget variances typically underrun primarily due to the extensive cut-off procedures associated with the prior year audit engagement. At this time, there are no meaningful trends that have been identified that would challenge the FY 2021 operating budget.

Actual operating revenues of \$3.5 million are above budget primarily due to the increase in fee revenues associated with wharfage and dockage, golf course related public play revenues and Grill 28 concession fees. Slightly offsetting these revenue gains were the decreased fuel revenues associated with the reconstruction of the Portsmouth Fish Pier wall as well as pay for parking revenues at PSM.

Actual operating expenses of \$2.1 million are below budget primarily due to expense under runs in marketing, utilities and the cost of fuel at the Portsmouth Fish Pier. Offsetting these underruns, budget overruns have been in employee benefits associated with the New Hampshire Retirement System.

The resulting Operating Income of \$1.4 million is \$896,000 greater than expected which directly contributed to our ability to address internal working capital requirements and somewhat minimize the the need to draw-down from the \$15,000,000 Revolving Line of Credit (RLOC) with the Provident Bank.

Business Unit Performance

Portsmouth Airport

Operating revenues total \$215,000 which is below budget by \$92,000. The primary reason is the budget under-run in pay for parking revenues and fuel flowage fees. Current enplanements are less than the prior year due, in part, to the Covid 19 pandemic.

Skyhaven Airport

Operating revenues total \$ 48,000 which is above budget by \$7,000. The primary reason for the favorable variance was primarily due to higher fuel sales of 5,098 gallons versus 4,169 gallons on a fiscal year to date basis. Cumulative net cash flow losses, since accepting the operational responsibilities for Skyhaven Airport during FY 2009, now total approximately \$1.7 million.

Report #1- Financial Report for the Two-Month Period Ending August 31, 2020 (continued)

Business Unit Performance (continued)

Tradeport

Operating revenues total \$1,701,000 which is above budget. The primary reason for the favorable variance is associated with rental of facilities.

Golf Course

Operating revenues total \$1,054,000 which is above budget. The primary reasons are associated with public play at the golf course. A total of 12,437 rounds were played this August versus 10,514 rounds the prior August. Gross revenues at the Grill 28 \$429,513 are somewhat less (8.9%) than the prior two-month period ending August 31.

Division of Ports and Harbors

Unrestricted operating revenues total \$441,000 which is slightly less than budgeted revenues of \$501,000. The lost fuel sales at the Portsmouth Fish Pier have been offset by incremental wharfage and dockage fee revenue.

Balance Sheet (Page #8)

Total current assets are \$13.1 million consisting primarily of \$4.4 million in unrestricted cash and \$8.3 million in accounts receivables. Net cash balances (PDA \$2.5 million and DPH \$1.9 million) have decreased by \$861,000 since June 30, 2020 due to the following activities:

Operating Income	\$ 1,437,000
RLOC Line of Credit Draw Down	4,500,000
Grant Funding	2,581,000
Accounts Payable	(3,726,000)
Capital Expenditures	(4,209,000)
Accounts Receivables	768,000
All Other- Net	<u>(490,000)</u>
Total	<u>\$ 861,000</u>

Report #1- Financial Report for the Two-Month Period Ending August 31, 2020 (continued)

Balance Sheet (Page #8)

The majority of the accounts receivable balances can be attributable to federal or state construction activities. Also included in the accounts receivable balance is \$1.6 million awarded to the PDA specific to the CARES Act funding through the Federal Aviation Administration.

Restricted assets total approximately \$1.5 million and consist primarily of the Revolving Loan Fund which has total assets of \$1.2 million. At present, there are 22 participant loans outstanding.

Capital assets have increased approximately \$3.3 million to \$78.9 million primarily due to the extensive capital improvements at PSM including the terminal expansion and runway reconstruction project. During the two-month period ending August 31, the more significant capital expenditures included:

• PSM Runway Reconstruction Project	\$ 2,835,000
• PSM Terminal Expansion	1,271,000
• PSM Eldorado Bus	72,000
• All Other	<u>31,000</u>
Total	\$ <u>4,209,000</u>

Total current assets are approximately \$9.1 million, representing a \$1.6 million decrease from June 30, 2020. Accounts payables represent \$6.2 million, reflecting a \$3.7 million decrease from June 30, 2020. In addition, during August we requested a \$2.5 million draw down from our RLOC at the Provident Bank to help offset the cash needs in supporting of the two primary capital projects at PSM.

Updated net pension and OPEB liability for the PDA at June 30, 2020 total \$9.8 million which is a \$1.9 million decrease from the prior year. The 16.2% reduction was associated with the investment returns of plan assets being in excess of targeted benchmarks and changes in assumptions.

As noted on page #5, the current PDA Organization Chart reflects 64 filled benefited positions and 2 open benefited positions.

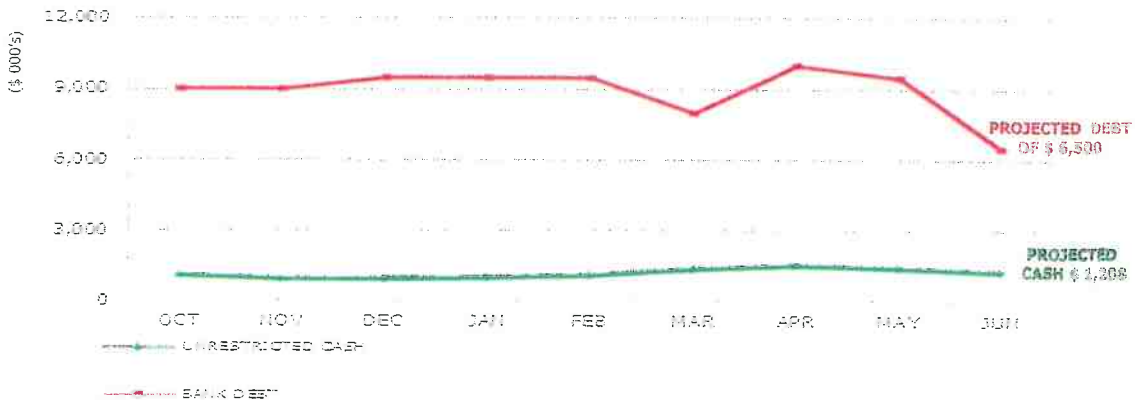
Report #2- Cash Flow Projections for the Nine Month Period Ending June 30, 2021

During the next nine-month period internal cash flow projections are dominated by approximately \$23.5 million in capital expenditures primarily in support of the PSM Runway Reconstruction Project and the PSM Terminal Expansion. Of these monies, \$15.1 million will be grant funded requiring the PDA to draw upwards of \$10.0 million through our \$15.0 million RLOC with the Provident Bank. Based on current expectations of actual grant reimbursements during this period, the net debt outstanding is projected at \$6.5 million at June 30, 2021.

Revenue projections have been modified due to the coronavirus environment as associated with the reopening of the golf course and Grill 28 operations. To a lesser extent PSM Pay for Parking revenues and fuel flowage fees are also anticipated to be less than budgeted.

Page # 3 provides the detailed monthly cash flow projections noting the minimum cash balances remain at approximately \$1.0 million to allow the PDA to address its ongoing working capital requirements. Again, a critical component in developing these cash flow projections is the timely reimbursement process associated with grant funded capital projects in the total amount of \$20.2 million. Included in these projections are \$1.6 million in monies allocated to PSM under the CARES Act Grant.

PROJECTED CASH AND DEBT BALANCES



Through September 30, 2020 the PDA has accessed \$4.5 million from the \$15.0 million RLOC with the Provident Bank at a rate of approximately 2.9%. Current available funds under the RLOC are \$10.5 million.

At your convenience, I would be pleased to address any questions or supplemental information you may need.



FY 2021 FINANCIAL REPORT FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020



**BOARD OF DIRECTORS MEETING
OCTOBER 15, 2020**



CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES 2

FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020

(\$ 000'S)

BUDGET VARIANCE ANALYSIS

- OPERATING REVENUES-
HIGHER BY 22.0 % ...
- TIMING DIFFERENCES ASSOCIATED WITH RENTAL OF FACILITIES; OFFSET BY INCREASES / DECREASES IN:
 - GOLF FEES- ESCALATION IN NONMEMBER ROUNDS PLAYED. COVID 19 IMPACT
 - CONCESSION REVENUES FROM GRILL 28 SALES- COVID 19 IMPACT
 - CONSUMER PRICE INDEX LESS THAN BUDGETED
 - RYE AND HAMPTON FUEL SALES OFFSET BY PPP FUEL DELIVERY LOSS
- OPERATING COSTS
LOWER BY 11.5 %...
- DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES AT PORTSMOUTH FISH PIER
- HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT
- DELAY IN RECEIVING FY 2021 VENDOR INVOICING
- COMPREHENSIVE FY 2020 YEAR END CUT-OFF PROCEDURES (JULY-AUGUST)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
OPERATING REVENUES <i>(PAGE #2)</i>	3,491	2,862	629	16,301
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS <i>(PAGE #4 AND #5)</i>	1,267	1,260	7	7,180
BUILDINGS AND FACILITIES MAINTENANCE	206	365	(159)	2,411
GENERAL AND ADMINISTRATIVE <i>(PAGE #6)</i>	237	215	22	1,321
UTILITIES <i>(PAGE #6)</i>	78	140	(62)	839
PROFESSIONAL SERVICES <i>(PAGE #6)</i>	50	87	(37)	524
MARKETING AND PROMOTION	9	67	(58)	400
ALL OTHER <i>(PAGE #6)</i>	207	187	20	1,124
OPERATING INCOME	1,437	541	896	2,502
NONOPERATING (INCOME) AND EXPENSE <i>(PAGE #7)</i>	(2)	58	(60)	351
DEPRECIATION	876	1,058	(182)	6,244
NET OPERATING INCOME	563	(575)	1,138	(4,193)

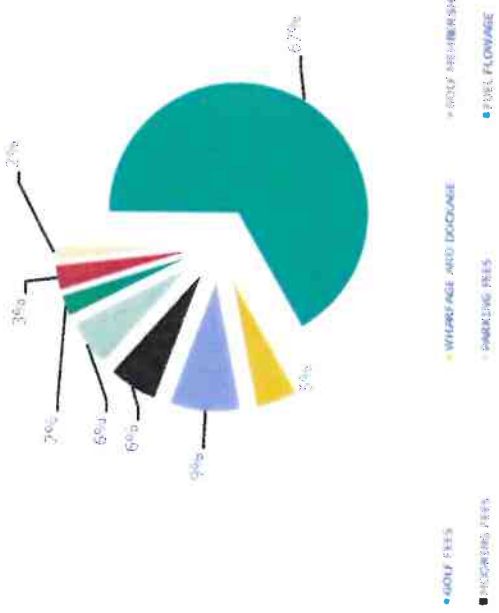
CONSOLIDATED OPERATING REVENUES FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020



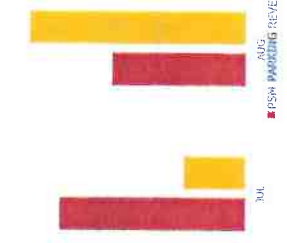
(\$ 000's)

	YEAR TO DATE		YEAR TO DATE		CURRENT YEAR		CURRENT YEAR	
	ACTUAL	BUDGET	DATE	BUDGET	VAR	BUDGET	BUDGET	
RENTAL OF FACILITIES	1,900	1,777	123	10,543				
FEE REVENUES (SEE PIE CHART)	1,157	621	536	4,040				
FUEL SALES (SEE TABLE BELOW)	163	262	(99)	764				
CONCESSION REVENUE	86	101	(15)	386				
GOLF MERCHANDISE	82	39	43	235				
ALL OTHER- NET	103	62	41	333				
	3,491	2,862	629	16,301				

FEE REVENUES YEAR TO DATE



	PSM YEAR TO DATE	ACTUAL	BUDGET
PARKING		31	81
FUEL FLOWAGE		27	58



FUEL SALES-	ACTUAL	BUDGET	BUDGET VARIANCE
PORTSMOUTH FISH PIER	58	58	(58)
RYE HARBOR	57	65	(8)
HAMPTON HARBOR	80	119	(39)
SKYHAVEN AIRPORT	26	20	6
	163	262	(99)

ACTUAL PSM FUEL FLOWAGE REVENUE

CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020

(\$ 000's)



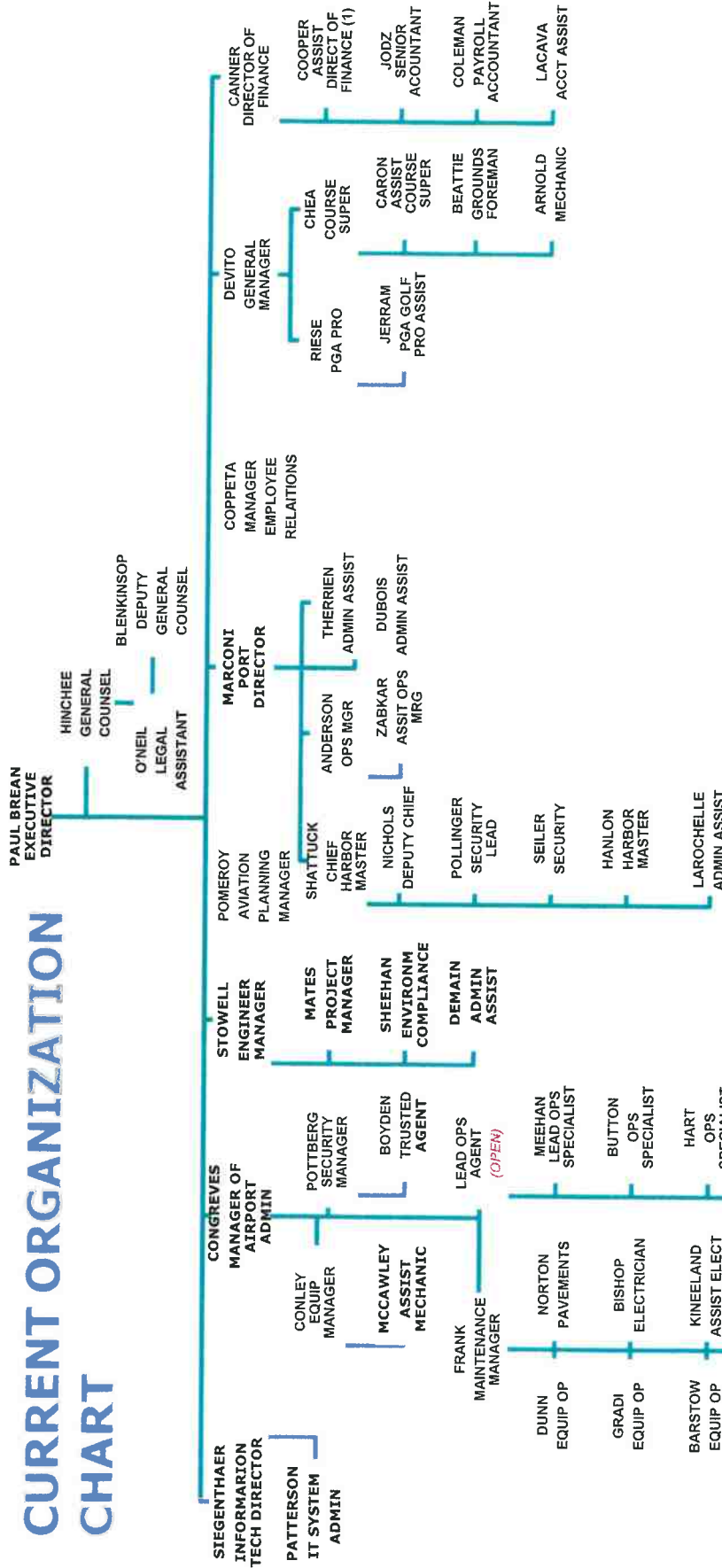
PERSONNEL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
	BENEFITED	226	678	48
NONBENEFITED	150	217	(67)	804
OVERTIME	30	33	(3)	235
ACCRUED VACATION/ SICK	-	-	-	-
CHARGE OUT	996	928	(22)	5,176
	(15)	-	15	-
	891	928	(37)	5,176
FRINGE BENEFITS				
HEALTH INSUR	215	199	16	1,198
RETIREMENT	140	116	24	708
DENTAL INSURANCE	13	12	1	70
LIFE INSURANCE	8	5	3	28
CHARGE OUT	376	332	44	2,004
	-	-	-	-
	376	332	44	2,004
TOTAL	1,267	1,260	7	7,180

STAFF ANALYSIS (FILLED POSITIONS) AS OF AUGUST 31, 2020	SAL/ BEN		HR/ BEN		HR/ NON		SE	TOTAL
MAINTENANCE	-	18	1	2	-	-	2	21
PSM AIRPORT	3	9	8	-	-	-	-	20
PORT AUTHORITY	1	10	4	15	-	-	-	30
GOLF COURSE	3	4	-	43	-	-	-	50
FINANCE	3	2	-	-	-	-	-	5
ENGINEERING	3	1	-	-	-	-	-	4
LEGAL	2	1	-	-	-	-	-	3
DAW AIRPORT	-	-	2	-	-	-	-	2
TECHNOLOGY	1	1	-	-	-	-	-	2
HUMAN RESOURCES	1	-	-	-	-	-	-	1
EXECUTIVE	1	-	-	-	-	-	-	1
TOTAL	18	46	15	60	-	-	-	139

FILLED BENEFITED POSITIONS



CURRENT ORGANIZATION CHART



TOTAL BENEFITED POSITIONS

FILLED	53
OPEN	2
PDA	11
DPH	1
TOTAL	64

NOTE: 1. REPRESENTS TRANSITIONAL POSITION.

CONSOLIDATED NONOPERATING (INCOME) EXPENSE FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	INTEREST EXPENSE YEAR TO DATE	FISCAL BUDGET
INTEREST EXPENSE	-	63	(63)	380	PROVIDENT BANK- RLOC	380
INTEREST INCOME AND OTHER	(2)	(5)	3	(29)		
	(2)	58	60	351		

SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF AUGUST 31, 2020

(\$ 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
PSM RUNWAY 16-34 DESIGN (AIP 58)	05-18-17	1,265	885	1,172	(78)	1,075	19	19
PSM RUNWAY 16-34 RECONSTRUCTION (AIP 64)	07-06-19	24,035	17,369	8,908	(445)	2,814	5,649	1,708
PSM OBSTRUCTION REMOVAL / CONSTRUCTION (AIP 60)	05-18-17	1,130	1,074	1,008	(50)	938	20	-
PSM ALPHA SOUTH HOLD BAY (AIP 67)	-	-	-	461	(23)	-	438	-
PSM AIR NATIONAL GUARD TAXIWAY PROJECT	-	2,500	2,500	2,386	-	2,386	-	-
PSM TERMINAL BUILDING EXPANSION (AIP 62)	11-01-18	1,730	1,644	203	(10)	82	111	-
PSM RECONSTRUCT RUNWAY 16-34 (AIP 66)	06-27-19	2,263	2,111	1,776	(169)	1,607	-	-
PSM RUNWAY 16-34 REIMBURSABLE SUPPORT (AIP 65)	05-01-19	144	137	144	(7)	123	14	-
PSM CARES ACT (AIP 69)	-	1,607	1,607	1,607	-	-	1,607	1,607
DAW TAXILANE PAVEMENT AND DRAINAGE CONSTRUCTION (SBG 07-2016)	09-22-16	1,830	1,738	1,783	(89)	1,694	-	-
DPH UPGRADE PORT SECURITY AND SOFTWARE	-	58	58	58	-	58	-	-
DPH RYE HARBOR DREDGING	-	-	586	586	-	585	1	1
DPH FUNCTIONAL REPLACEMENT- BARGE DOCK	-	5,000	-	1,267	-	1,267	-	-
DPH MAIN PIER REHABILITATION	-	5,003	-	82	-	74	8	8
DPH HAMPTON HARBOR DREDGING	-	118	-	95	-	95	-	-
DPH PEP REPAIR AND CONSTRUCTION	-	3,250	-	265	-	262	3	3
							7,870	3,346

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 08-31-20
PORTSMOUTH AIRPORT					
TERMINAL EXPANSION (NON-GRANT)	4,910	1,049	-	1,049	5,959
RUNWAY 16-34 DESIGN (AIP 58)	4	30	(34)	(4)	-
ELDORADO BUS	-	72	(72)	-	-
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	7,048	2,805	-	2,805	9,853
TERMINAL EXPANSION (AIP 66)	1,880	93	-	93	1,973
TERMINAL EXPANSION (AIP 62)	96	129	-	129	225
OBSTRUCTION REMOVAL (AIP 60)	-	9	(9)	-	-
ALPHA SOUTH HOLD BAY (AIP 67)	-	3	(3)	-	-
	13,938	4,190	(118)	4,072	18,010



SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED)

(\$ 000'S)

PROJECT NAME	BALANCE	CURRENT	TRANSFER TO	NET CURRENT	BALANCE
	AT 06-30-20	YEAR EXPENDITURES	PLANT IN SERVICE	YEAR CHANGE	AT 08-31-20
SKYHAVEN AIRPORT					
GOLF COURSE					
ADMINISTRATION					
MAINTENANCE					

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000'S)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 08-31-20
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT- BARGE DOCK	1,267	-	-	-	1,267
PFP BULKHEAD REPAIR AND CONSTRUCTION	262	3	-	3	265
HVAC SECURITY SHACK	-	8	(8)	-	-
MAIN PIER (BUILD GRANT)	-	8	-	8	8
	1,529	19	(8)	11	1,540
TOTAL	15,467	4,209	(126)	4,083	19,550

LONG TERM LIABILITIES AS OF AUGUST 31, 2020

(\$ 000's)

SCHEDULE OF LONG TERM LIABILITY REPAYMENT

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE
STATE OF NEW HAMPSHIRE POST RETIREE HEALTH CARE PROGRAM (1)	-	182	182
STATE OF NEW HAMPSHIRE	-	252	252
ACCRUED SICK LIABILITY	-	101	101
	-	<u>535</u>	<u>535</u>

FISCAL YEAR	STATE OF NEW HAMPSHIRE (1)
2021	-
2022	91
2023	91
	182
PAID IN FY 2021	-
	<u>182</u>

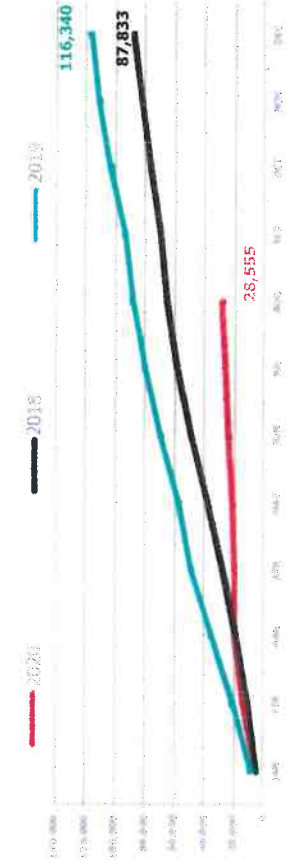
NOTE:
1. ALLOCATION OF ANNUAL PAYMENT IS \$63 CHARGED TO THE PDA AND \$28 TO THE DPH.

STATEMENT OF OPERATIONS FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020 PORTSMOUTH AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	215	307	(92)	1,739
FACILITIES RENTAL	146	161	(15)	844
PAY FOR PARKING	31	81	(50)	442
FUEL FLOWAGE	27	58	(31)	270
AVIATION FEES	-	-	-	90
CONCESSION REVENUES	3	5	(2)	71
ALL OTHER	8	2	6	22
	215	307	(92)	1,739
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	130	135	(5)	810
BUILDINGS AND FACILITIES MAINTENANCE	62	120	(58)	723
GENERAL AND ADMINISTRATIVE	51	54	(3)	325
UTILITIES	31	69	(38)	416
PROFESSIONAL SERVICES	6	4	2	24
MARKETING AND PROMOTION	7	23	(16)	139
ALL OTHER	-	-	-	-
	287	405	(118)	2,437
OPERATING INCOME	(72)	(98)	(26)	(698)
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	461	652	(191)	3,800
NET OPERATING INCOME	(533)	(750)	217	(4,498)

ENPLANEMENT DATA



STATEMENT OF OPERATIONS FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020 TRADEPORT

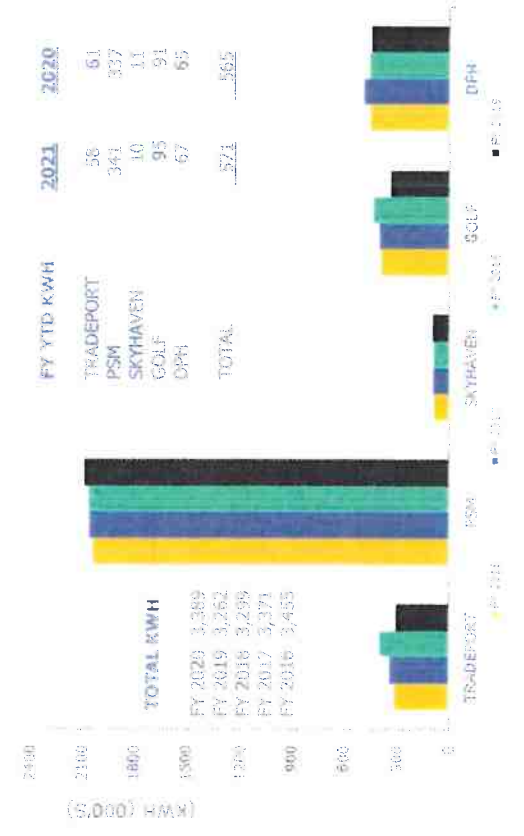


(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	1,701	1,544	157	9,264
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	17	69	(52)	417
GENERAL AND ADMINISTRATIVE	12	9	3	56
UTILITIES	12	17	(5)	102
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	1	-	1	-
ALL OTHER	-	20	(20)	120
OPERATING INCOME	1,659	1,429	230	8,569
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	125	126	(1)	750
NET OPERATING INCOME	1,534	1,303	231	7,819

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	1,701	1,544	157	9,264
RENTAL OF FACILITIES	1,657	1,524	133	9,144
ALL OTHER	44	20	24	120

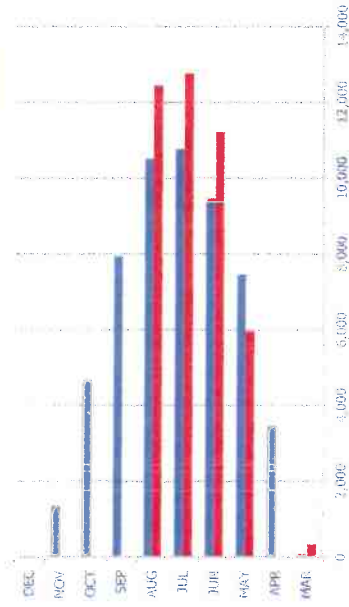
KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



KEY GOLF COURSE BENCHMARKING DATA



ROUNDS OF GOLF PLAYED (SEASON)



	2020 YTD	2019 YTD	2020 SEASON	2019 SEASON
ROUNDS PLAYED	42,913	41,363	55,321	55,321
RAIN DAYS	25	38	55	55

2020 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF SIMULATOR REVENUES

	FY 2021	FY 2020
JULY	\$ -	\$ 39
AUGUST	598	-
SEPTEMBER	-	78
OCTOBER	-	1,026
NOVEMBER	-	17,727
DECEMBER	-	24,723
JANUARY	-	27,767
FEBRUARY	-	29,976
MARCH	-	13,624
APRIL	-	-
MAY	-	-
JUNE	-	-
TOTAL	\$ 598	\$ 114,960

GRILL 28 GROSS SALES

	FY 2021	FY 2020
JULY	\$ 204,042	\$ 212,562
AUGUST	225,471	259,154
SEPTEMBER	-	199,822
OCTOBER	-	149,127
NOVEMBER	-	107,518
DECEMBER	-	137,993
JANUARY	-	126,165
FEBRUARY	-	107,490
MARCH	-	59,098
APRIL	-	1,083
MAY	-	55,292
JUNE	-	153,970
TOTAL	\$ 429,513	\$ 1,549,574

2020 ROUNDS- SEASON

MEMBER	9,975
NONMEMBER	32,938
TOTAL	42,913

2019 ROUNDS- SEASON

MEMBER	10,441
NONMEMBER	30,922
TOTAL	41,363

CLUB/ COURSE FUNCTIONS

	FY 2021 YTD	FY 2020 YTD
GROUPS 12-40	5,095	13,544
TOURNAMENT PLAY	34,242	51,147
LEAGUES	26,019	37,912
FOOD AND ROOM FEES	13,825	20,418

STATEMENT OF OPERATIONS FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020 PORT AUTHORITY OF NEW HAMPSHIRE (UNRESTRICTED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	441	501	(60)	2,429	73	70	3	419
FACILITY RENTALS								
CONCESSION REVENUE					3	-	3	-
FEE REVENUE								
MOORING FEES					69	61	8	365
PARKING					37	69	(32)	115
REGISTRATIONS					16	27	(11)	165
WHARF / DOCK					60	1	59	550
FUEL SALES					182	158	24	1,195
ALL OTHER					137	242	(105)	700
TOTAL	441	501	(60)	2,429	441	501	(60)	2,429
BUSINESS UNIT ANALYSIS								
RYE HARBOR					92	129	5	85
HAMPTON HARBOR					129	5	130	85
PORTSMOUTH FISH FIER					5	24	66	74
MARKET STREET					64	64	64	74
HARBOR MANAG					24	19	5	(74)
ADMIN					45	45	45	(74)
OPERATING REVENUES	46	83	(37)	(37)	46	83	(37)	(37)
NONOPERATING (INCOME) AND EXPENSE	(1)	-	(1)	(2)	(1)	-	(1)	(2)
DEPRECIATION	107	101	6	606	24	19	5	(74)
NET OP INCOME	(60)	(18)	(42)	(641)	(60)	(18)	(42)	(641)

**STATEMENT OF OPERATIONS FOR THE TWO MONTH
PERIOD ENDING AUGUST 31, 2020
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

(\$ 000's)

FOREIGN TRADE ZONE	YEAR TO	YEAR TO	YEAR TO	FISCAL	HARBOR DREDGING	YEAR TO	YEAR TO	FISCAL	
	DATE ACTUAL	DATE BUDGET	DATE VARIANCE	YEAR BUDGET		DATE ACTUAL	DATE BUDGET	YEAR BUDGET	
OPERATING REVENUES	2	2	-	12	OPERATING REVENUES	23	19	4	115
OPERATING EXPENSES					OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	BUILDINGS AND FACILITIES MAINTENANCE	-	2	(2)	15
GENERAL AND ADMINISTRATIVE	-	-	-	3	GENERAL AND ADMINISTRATIVE	-	1	(1)	7
UTILITIES	-	-	-	-	UTILITIES	-	-	-	1
PROFESSIONAL SERVICES	-	-	-	-	PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	-	2	(2)	9	MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-	ALL OTHER	-	-	-	-
OPERATING INCOME	2	2	(2)	12	OPERATING INCOME	23	16	7	92
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-	NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	-	-	-	-	DEPRECIATION	17	17	-	100
NET OPERATING INCOME	2	2	2	-	NET OPERATING INCOME	6	(1)	7	(8)

STATEMENT OF OPERATIONS FOR THE TWO MONTH PERIOD ENDING AUGUST 31, 2020 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	YEAR TO	YEAR TO	YEAR TO	FISCAL	
	DATE	DATE	DATE	YEAR	
	ACTUAL	BUDGET	VARIANCE	BUDGET	
REVOLVING LOAN FUND					
OPERATING REVENUES	1	2	(6)	41	
OPERATING EXPENSES					
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	210
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	-
GENERAL AND ADMINISTRATIVE UTILITIES	-	-	-	1	211
PROFESSIONAL SERVICES	1	5	(4)	27	175
MARKETING AND PROMOTION	-	-	-	-	838
ALL OTHER	-	-	-	-	1,013
OPERATING INCOME	-	2	(2)	13	<u>82.7</u>
NONOPERATING (INCOME) AND EXPENSE					
DEPRECIATION	-	-	-	-	-
NET OPERATING INCOME	-	2	(2)	13	<u>82.8</u>

REVOLVING LOAN FUND RECONCILIATION

BALANCE AT 08-31-2020	BALANCE AT 06-30-2020
-----------------------	-----------------------

CASH BALANCES

GENERAL FUNDS	211	210
SEQUESTERED FUNDS	-	-
TOTAL	<u>211</u>	<u>210</u>

LOANS OUTSTANDING

CURRENT	82	175
LONG TERM	928	838
TOTAL	<u>1,010</u>	<u>1,013</u>

BALANCE AT 08-31-2020	BALANCE AT 06-30-2020
-----------------------	-----------------------

BALANCE AT 08-31-2020	BALANCE AT 06-30-2020
<u>1,221</u>	<u>1,223</u>

CAPITAL UTILIZATION RATE - % (*)

(*) EXCLUDES SEQUESTERED FUNDS.

CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING JUNE 30, 2021



**BOARD OF DIRECTORS MEETING
OCTOBER 15, 2020**

PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW OCTOBER 1, 2020 TO JUNE 30, 2021

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	<u>AMOUNT</u>
(\$ 000's)	
OPENING FUND BALANCE	<u>1,325</u>
SOURCES OF FUNDS	
GRANT AWARDS (SEE PAGE #8)	20,221
TRADEPORT TENANTS	6,740
REVOLVING LINE OF CREDIT (PROVIDENT BANK)	2,000
GOLF COURSE FEE AND CONCESSION REVENUES	1,200
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	860
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	121
	<u>31,142</u>
USES OF FUNDS	
CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	15,130
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGES #5-#7)	8,411
OPERATING EXPENSES	7,575
MUNICIPAL SERVICE FEE (COP)- NET	75
STATE OF NH- POST RETIREMENT	68
	<u>31,259</u>

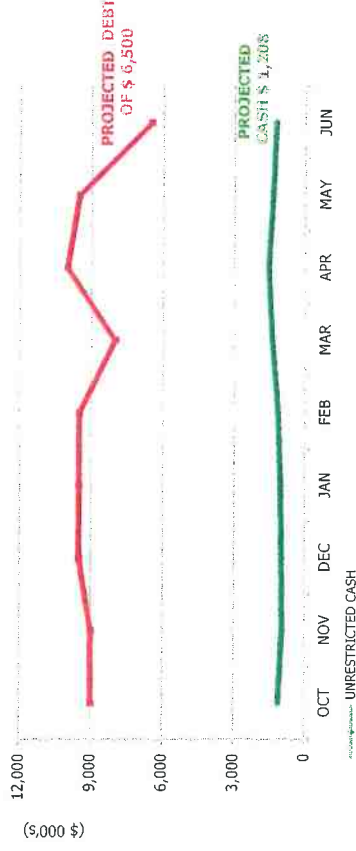
NET CASH FLOW	
CLOSING FUND BALANCE	<u>1,208</u>
	<u>(117)</u>

DISCUSSION

AT THIS TIME, THE PDA DOES ANTICIPATE THE NEED TO UTILIZE IT'S CREDIT FACILITIES WITH THE PROVIDENT BANK TO FINANCE PROJECTED NON-GRANT RELATED CAPITAL EXPENDITURES AND OR WORKING CAPITAL REQUIREMENTS.

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) RECEIPT OF FEDERAL / STATE GRANT AWARDS, INCLUSIVE OF THE PSM TERMINAL EXPANSION 2) ACCURACY OF THE CAPITAL EXPENDITURE AND REIMBURSEMENT FORECAST AND OR 3) ONGOING TRADEPORT AND GOLF COURSE REVENUE STREAMS.

PROJECTED CASH AND DEBT BALANCES



TOTAL FUND BALANCES	BALANCE AT 09-30-2020	BALANCE AT 06-30-2020
UNRESTRICTED	1,325	3,451
DESIGNATED	14	14
TOTAL	<u>1,339</u>	<u>3,465</u>

PEASE DEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOW (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(UNRESTRICTED FUNDS)

(\$ 000's)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	1,325	1,072	912	949	997	1,099	1,358	1,513	1,337	1,325
SOURCES OF FUNDS										
GRANT AWARDS <small>(SEE PAGE #8)</small>	3,488	4,292	4,719	1,700	194	1,916	122	-	3,790	20,221
TRADEPORT TENANTS	740	740	740	750	755	750	755	755	755	6,740
MUNICIPAL SERVICE FEE	250	375	250	250	375	250	250	375	250	2,625
GOLF COURSE	175	125	200	65	50	80	75	180	250	1,200
PORTSMOUTH AIRPORT- (PSM)	45	50	45	45	50	45	45	50	45	420
PSM PAY FOR PARKING	15	20	20	25	25	30	30	35	35	235
PSM FLOWAGE FEES	20	20	25	25	25	20	20	25	25	205
SKYHAVEN AIRPORT	15	13	13	13	13	13	13	14	14	121
EXTERNAL FINANCING- NET	4,500	-	500	-	-	(1,500)	2,000	(500)	(3,000)	2,000
	<u>9,248</u>	<u>5,635</u>	<u>6,512</u>	<u>2,873</u>	<u>1,487</u>	<u>1,604</u>	<u>3,310</u>	<u>934</u>	<u>2,164</u>	<u>33,767</u>
USE OF FUNDS										
CAPITAL- GRANT RELATED <small>(SEE PAGE #4)</small>	7,250	3,500	2,260	90	30	-	2,000	-	-	15,130
CAPITAL- NONGRANT <small>(SEE PAGES #5-#7)</small>	1,416	1,470	1,865	1,885	555	520	355	295	50	8,411
OPERATING EXPENSES	835	825	1,000	850	800	825	800	815	825	7,575
MUNICIPAL SERVICE FEE	-	-	1,350	-	-	-	-	-	1,350	2,700
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	68	68
	<u>9,501</u>	<u>5,795</u>	<u>6,475</u>	<u>2,825</u>	<u>1,385</u>	<u>1,345</u>	<u>3,155</u>	<u>1,110</u>	<u>2,293</u>	<u>33,884</u>
NET CASH FLOW	(253)	(160)	37	48	102	259	155	(176)	(129)	(117)
CLOSING FUND BALANCE	1,072	912	949	997	1,099	1,358	1,513	1,337	1,208	1,208

PEASE DEVELOPMENT AUTHORITY

CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000'S)

	OCI	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<u>GRANT REIMBURSEMENT PROJECTS</u>										
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	400	900	200	50	-	-	-	-	-	1,550
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	250	100	30	-	-	-	-	-	-	380
RUNWAY 16-34 DESIGN (AIP 58)	-	90	-	-	-	-	-	-	-	90
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	6,200	2,400	1,500	10	-	-	2,000	-	-	12,110
TW A SOUTH HOLD BAY (AIP 67)	400	10	10	10	10	-	-	-	-	440
PEASE BOULEVARD-ARBORETUM AVE	-	-	20	20	20	-	-	-	-	60
SNOW REMOVAL EQUIPMENT	-	-	500	-	-	-	-	-	-	500
	<u>7,250</u>	<u>3,500</u>	<u>2,260</u>	<u>90</u>	<u>30</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>15,130</u>
<u>SKYHAVEN AIRPORT</u>										
	-	-	-	-	-	-	-	-	-	-
TOTAL	7,250	3,500	2,260	90	30	-	2,000	-	-	15,130

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED):

(\$ 000's)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u>										
<u>SKYHAVEN AIRPORT</u>										
SRE DOORS **	-	-	15	-	-	-	-	-	-	15
REROOFING TERMINAL BUILDING **	-	-	-	-	-	-	-	-	25	25
	<u>15</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>40</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>40</u>
<u>ADMINISTRATION</u>										
COMPUTERS / PRINTERS / SOFTWARE / TELECOMMUNICATIONS **	10	-	-	10	-	-	10	-	-	30
TECHNOLOGY ENHANCEMENTS **	-	-	25	-	-	-	25	-	-	50
MAIN SERVER REPLACEMENT **	-	45	-	-	-	-	-	-	-	45
	<u>10</u>	<u>45</u>	<u>25</u>	<u>10</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>125</u>
<u>GOLF COURSE</u>										
FAIRWAY ROUGH MOWER **	-	-	-	-	-	-	70	-	-	70
UTILITY COSTS **	-	-	-	-	-	20	-	-	-	20
BATHROOM UPGRADES	-	-	-	40	40	-	-	-	-	80
	<u>10</u>	<u>45</u>	<u>25</u>	<u>40</u>	<u>40</u>	<u>20</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>170</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED):

(\$ 000's)

	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
<u>NONGRANT REIMBURSEMENT</u>										
<u>PROJECTS</u> (CONTINUED):										
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION	1,300	1,400	1,800	1,820	500	500	250	250	-	7,820
TERMINAL FLOORING- BAGGAGE CLAIM AREA **	-	-	-	-	-	-	-	-	25	25
CAMERA SECURITY UPGRADE**	15	-	-	-	-	-	-	-	-	15
	<u>1,315</u>	<u>1,400</u>	<u>1,800</u>	<u>1,820</u>	<u>500</u>	<u>500</u>	<u>250</u>	<u>250</u>	<u>25</u>	<u>7,860</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED) (\$ 000's)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u> (CONTINUED)										
<u>TRADEPORT</u>										
TRAFFIC MONITORING **	-	10	10	-	-	-	-	-	-	20
STORMWATER TREATMENT	15	15	15	15	15	-	-	-	-	75
	<u>15</u>	<u>25</u>	<u>25</u>	<u>15</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95</u>
<u>MAINTENANCE</u>										
VEHICLE FLEET REPLACEMENT **	76	-	-	-	-	-	-	45	-	121
	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>121</u>
TOTAL	<u>1,416</u>	<u>1,470</u>	<u>1,865</u>	<u>1,885</u>	<u>555</u>	<u>520</u>	<u>355</u>	<u>295</u>	<u>50</u>	<u>8,411</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY RECEIPT GRANT AWARDS (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	OCI	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	110	38	380	855	166	48	47	-	-	1,644
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	80	64	238	95	28	-	-	-	-	505
RUNWAY 16-34 DESIGN (AIP 58)	-	-	-	-	-	-	75	-	-	75
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	1,688	4,000	1,530	750	-	11	-	-	1,990	9,969
RUNWAY- AIR NATIONAL GUARD	-	-	2,096	-	-	1,800	-	-	1,800	5,696
CARES ACT	1,607	-	-	-	-	-	-	-	-	1,607
TW A SOUTH HOLD BAY	3	190	-	-	-	-	-	-	-	193
PEASE BOULEVARD- ARBORETUM AVE	-	-	-	-	-	57	-	-	-	57
SNOW REMOVAL EQUIPMENT	-	-	475	-	-	-	-	-	-	475
<u>SKYHAVEN AIRPORT</u>										
TERMINAL APRON DESIGN (SBG-7)	-	-	-	-	-	-	-	-	-	-
TOTAL	3,488	4,292	4,719	1,700	194	1,916	122	-	3,790	20,221

DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW OCTOBER 1, 2020 TO JUNE 30, 2021

(EXCLUDING RESTRICTED FUNDS)

(\$ 000's)

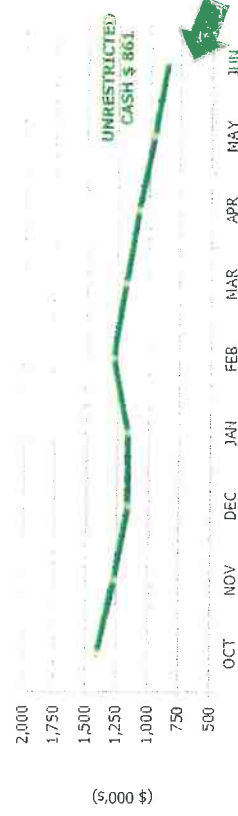
	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>1,483</u>
<u>SOURCES OF FUNDS</u>	
FUEL SALES	585
FACILITY RENTALS AND CONCESSIONS	554
REGISTRATIONS / WHARFAGE	375
MOORING FEES	365
PARKING FEES	95
	<u>1,974</u>
<u>USES OF FUNDS</u>	
PERSONNEL SERVICES AND BENEFITS	1,495
FUEL PROCUREMENT	556
OPERATING EXPENSES	397
CAPITAL EXPENDITURES AND OTHER	120
STATE OF NH- POST RETIREMENT	28
	<u>2,596</u>
NET CASH FLOW	<u>(622)</u>
CLOSING FUND BALANCE	<u>861</u>

DISCUSSION

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) ACCURACY OF CAPITAL EXPENDITURE FORECAST AND USE OF HARBOR DREDGING AND PIER MAINTENANCE FUNDS, 2) WORKERS COMPENSATION CLAIMS, 3) FUEL CONSUMPTION AND 4) CONTINUED CONTAINMENT OF EMPLOYEE OVERTIME.

\$ 252 LOAN AMORTIZATION PERIOD AND INTEREST RATE ASSOCIATED WITH HB 25-FN-A (PISCATAQUA RIVER TURNING BASIN), HAS YET TO BE DETERMINED. LONG TERM LIABILITY.

PROJECTED UNRESTRICTED CASH BALANCES



TOTAL FUND BALANCES	BALANCE AT <u>09-30-2020</u>	BALANCE AT <u>06-30-2021</u>
UNRESTRICTED FUNDS	1,483	1,621
DESINGATED FUNDS	153	152
RESTRICTED FUNDS:		
HARBOR DREDGING	245	233
REVOLVING LOAN FUND	323	207
FOREIGN TRADE ZONE	5	7
	<u>573</u>	<u>447</u>

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW

(UNRESTRICTED FUNDS)

(\$ 000's)

1,758	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	1,483	1,407	1,275	1,162	1,165	1,291	1,182	1,082	964	1,483
SOURCES OF FUNDS										
FACILITY RENTALS AND CONCESSIONS	60	60	60	62	62	62	62	63	63	554
FUEL SALES	60	65	60	60	60	65	65	75	75	585
MOORING FEES	-	-	-	100	265	-	-	-	-	365
PARKING FEES	20	10	-	-	-	-	10	20	35	95
REGISTRATIONS / WHARFAGE	-	-	125	-	-	125	-	-	125	375
	<u>140</u>	<u>135</u>	<u>245</u>	<u>222</u>	<u>387</u>	<u>252</u>	<u>137</u>	<u>158</u>	<u>298</u>	<u>1,974</u>
USE OF FUNDS										
PERSONNEL SERVICES AND BENEFITS	120	120	250	120	120	255	125	125	260	1,495
FUEL PROCUREMENT	57	62	57	57	57	62	62	71	71	556
UTILITIES	15	16	17	19	20	20	17	17	17	158
GENERAL AND ADMINISTRATIVE	14	14	14	13	14	14	13	13	13	122
BUILDINGS AND FACILITIES	10	15	10	10	10	10	10	10	12	97
PROFESSIONAL SERVICES	-	-	10	-	-	-	10	-	-	20
CAPITAL EXPENDITURES AND OTHER	-	40	-	-	40	-	-	40	-	120
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	28	28
	<u>216</u>	<u>267</u>	<u>358</u>	<u>219</u>	<u>261</u>	<u>361</u>	<u>237</u>	<u>276</u>	<u>401</u>	<u>2,596</u>
NET CASH FLOW	<u>(76)</u>	<u>(132)</u>	<u>(113)</u>	<u>3</u>	<u>126</u>	<u>(109)</u>	<u>(100)</u>	<u>(118)</u>	<u>(103)</u>	<u>(622)</u>
CLOSING FUND BALANCE	1,407	1,275	1,162	1,165	1,291	1,182	1,082	964	861	861

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW- HARBOR DREDGING FUND

(RESTRICTED FUNDS)

(\$ 000's)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	<u>245</u>	<u>248</u>	<u>258</u>	<u>261</u>	<u>211</u>	<u>224</u>	<u>224</u>	<u>227</u>	<u>187</u>	<u>245</u>
SOURCES OF FUNDS										
PIER USAGE FEES	-	10	-	-	10	-	-	10	-	30
REGISTRATIONS	-	2	-	-	2	-	-	2	-	6
FUEL FLOWAGE FEES	3	2	3	2	3	2	3	2	3	23
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
	3	14	3	2	15	2	3	14	3	59
USE OF FUNDS										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	2	-	2	-	2	-	2	-	8
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER- (CBOC)	-	-	-	50	-	-	-	50	-	100
	-	4	-	52	2	2	-	54	-	114
NET CASH FLOW	3	10	3	(50)	13	-	3	(40)	3	(55)
CLOSING FUND BALANCE	<u>248</u>	<u>258</u>	<u>261</u>	<u>211</u>	<u>224</u>	<u>224</u>	<u>227</u>	<u>187</u>	<u>190</u>	<u>190</u>

DIVISION OF PORTS AND HARBORS
STATEMENT OF CASH FLOW- REVOLVING LOAN FUND
(RESTRICTED FUNDS)

(\$ 000's)

	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
OPENING FUND BALANCE	323	321	202	314	323	335	346	356	367	323
<u>SOURCES OF FUNDS</u>										
LOAN REPAYMENTS	-	10	10	10	10	10	10	10	10	80
INTEREST INCOME-LOANS	-	1	2	1	2	1	2	1	2	12
INTEREST INCOME- FUND BALANCE	2	2	2	2	2	2	2	2	2	18
	2	13	14	13	14	13	14	13	14	110
<u>USE OF FUNDS</u>										
NEW LOANS PROJECTED	-	30	-	-	-	-	-	-	-	30
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	2	-	-	2	-	-	2	-	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	2	2	2	2	2	2	2	2	2	18
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	4	32	2	4	2	2	4	2	2	54
	(2)	(19)	12	9	12	11	10	11	12	56
NET CASH FLOW										
CLOSING FUND BALANCE	321	202	314	323	335	346	356	367	379	379

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW- FOREIGN TRADE ZONE FUND

(RESTRICTED FUNDS)

14

(\$ 000's)

	<u>OCI</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
OPENING FUND BALANCE	5	10	13	13	13	13	13	11	11	5
<u>SOURCES OF FUNDS</u>										
FACILITY RENTALS	5	5	-	-	-	-	-	-	-	10
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	5	5	-	-	-	-	-	-	-	10
<u>USE OF FUNDS</u>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	2	-	-	-	-	2	-	-	4
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	-	2	-	-	-	-	2	-	-	4
NET CASH FLOW	5	3	-	-	-	-	(2)	-	-	6
CLOSING FUND BALANCE	<u>10</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>

MOTION – VIII.A.

Director Allard:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and to execute Amendment No. 9 to the Parking License Agreement with Lonza Biologics, Inc. for parking spaces located at 55 International Drive. The License Amendment is extended from November 1, 2020 through October 31, 2021; all in accordance with License Agreement Amendment No. 9, attached hereto.

Note: Roll Call vote required.

License Agreement Amendment No. 9

Licensors: Pease Development Authority ("PDA" or "Licensor")
Licensee: Lonza Biologics, Inc. ("Lonza" or "Licensee")
Licensed Premises: Parking area adjacent to 55 International Drive, Portsmouth, NH
License Date: October 31, 2011

This License Agreement Amendment No. 9 made effective November 1, 2020, by and between PDA and Licensee:

WHEREAS, Licensee desires to extend its License, as amended, through October 31, 2021 for the continued use of the parking area adjacent to 55 International Drive, Portsmouth, NH (the "Premises");

WHEREAS, PDA has agreed to extend the term of the License through October 31, 2021;

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties agree to amend the License as follows:

1. The term of the License is extended for one (1) year from November 1, 2020 through October 31, 2021.
2. Licensee shall pay a License Fee of Nine Hundred Thirty and no/100 Dollars (\$930.00) per month.
3. All other terms and conditions of the License shall remain in full force and effect and continue to be binding upon the Parties.

Date: _____, 2020

Date: _____, 2020

Lonza Biologics, Inc.

Pease Development Authority

By: _____
Duly Authorized

Paul E. Brean
Executive Director

(Print Name)

Title: _____



PEASE
 INTERNATIONAL
 DEVELOPMENT
 AUTHORITY

55 International Drive, Portsmouth, NH 03801

MEMORANDUM

TO: Pease Development Authority Board of Directors *peb*
 FROM: Paul E. Brean, Executive Director
 RE: Lease Reports
 DATE: October 7, 2020

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

- A. Tenant: Shaughnessy Seagull, Inc. (d/b/a Allegra Marketing Print Mail)
- Space: 3,652 square feet
- Use: Office and Light Industrial Related Uses
- Term: Five Years Commencing November 1, 2020

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director *PEB*
Date: October 7, 2020
Re: Sublease between 222 International, Limited Partnership and Shaughnessy Seagull, Inc. (d/b/a Allegra Marketing Print Mail)

In accordance with the Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved of a sublease between 222 International, Limited Partnership ("222ILP") and Shaughnessy Seagull, Inc. (d/b/a Allegra Marketing Print Mail) ("Allegra") for 3,652 square feet at 222 New Hampshire Avenue for a period of five (5) years, effective November 1, 2020. Allegra will use the premises for office and light industrial uses which must conform to the light industrial/manufacturing uses authorized by the Pease Development Authority.

The Delegation to Executive Director: Consent, Approval of Subleases provides that:

"A Sublease Agreement subject to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The use of the Subleased Premises associated with the sublease is permitted under the original sublease;
2. The sublease is consistent with the terms and conditions of the original Lease;
3. The original Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. The proposed Sublessee is financially and operationally responsible."

Conditions one through three have been met. As to condition four, PDA relies on 222ILP's continued primary liability for payment of rent and other obligations pursuant to the PDA/200ILP Sublease.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to 222 INTERNATIONAL, LIMITED PARTNERSHIP ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

RECITALS

A. The Parties entered into a Lease for 222 International Drive at Pease International Tradeport on September 7, 1999 (the "Lease") and amended by Lease Amendment No. 1 effective April 1, 2000 to include 195 New Hampshire Avenue, Pease International Tradeport, Portsmouth, New Hampshire.

B. Section 19.3 of the Lease states that Lessor shall not unreasonably withhold its consent to sublease if:

1. the use of the subleased Premises associated with the Lease is permitted under the original Lease;
2. the sublease is consistent with the terms and conditions of the original Lease;
3. Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. the proposed sublessee is financially and operationally responsible.

C. Lessee has requested authorization to sublease approximately 3,652 square feet within the Leased Premises at 222 International Drive to **Shaughnessy Seagull, Inc. (d/b/a Allegra Marketing Print Mail)** ("Allegra"), is duly organized and existing under the laws of the State of New Hampshire, and is qualified to do business in the State of New Hampshire.

D. The proposed sublease to **Allegra** is for office and light industrial related uses which must conform to the light industrial/manufacturing uses authorized by the Pease Development Authority and for no other uses.

TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with **Allegra** for approximately 3,652 square feet within the Leased Premises.
2. Upon execution of the sublease with **Allegra**, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for **Allegra**.
3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).

4. Lessee hereby agrees and affirms that it shall remain primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease.

This Notice of Consent is executed, effective this 1st day of October, 2020 by the Pease Development Authority.

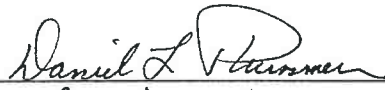
PEASE DEVELOPMENT AUTHORITY

By: 
Its: Executive Director

AGREED AND ACCEPTED

222 INTERNATIONAL, LIMITED PARTNERSHIP

10-1-20
Date

By: 
Its: Co-Manager

MOTION – IX.B.

Director Levesque:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and to execute Amendment No. 1 to the Lease with Next Level Now, Inc. for the premises located at 16 Pease Boulevard consistent with the terms and conditions outlined in the Lease Amendment No. 1; all in accordance with Lease Amendment No. 1 and the memorandum of Paul E. Brean, Executive Director, dated October 7, 2020, attached hereto.

Note: Roll Call vote required.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director *peb*
Date: October 7, 2020
Subject: Next Level Now, Inc. – 16 Pease Boulevard – Lease Amendment No. 1

Next Level Now, Inc. (“Next Level”), a company that provides outsourced accounting services, has leased the building at 16 Pease Boulevard (the small building on the right as you enter the Tradeport from Pease Boulevard) since August 1, 2016. The original lease was for a three year term, with two 1-year renewal options. Next Level exercised both options and the lease is set to expire on July 31, 2021. Earlier this summer, Next Level approached the PDA about entering a new lease under essentially the same business terms (3-years, with two 1-year renewal options). In lieu of entering into a new lease agreement, PDA suggested amending the current lease to add three additional options to the lease term (one 3-year option and two 1-year options), which would have the potential of extending the lease through July 31, 2026, if all options are exercised. The lease would also be amended to permit a small dumpster on the leased premises, which was allowed via a letter agreement in 2019. Next Level is in agreement with this lease amendment approach.

While the future may hold other possibilities for development of the parcel of land at 16 Pease Boulevard, PDA staff believes this lease amendment to be in the best interests of the Tradeport at this time and welcomes Next Level’s continued presence at Pease in this location.

With the foregoing in mind, I ask that at your October 15, 2020, Board meeting you approve Lease Amendment No. 1 between the PDA and Next Level Now, Inc., in order to grant a potential total of up five additional years under the lease term.

attachment

LEASE AMENDMENT NO. 1

Lessor: Pease Development Authority ("Lessor" or "PDA")
Lessee: Next Level Now, Inc. ("Lessee")
Premises: 16 Pease Boulevard - Pease International Tradeport Portsmouth, New Hampshire
Lease Date: August 1, 2016

This Lease Amendment No. 1 effective _____, 2020, by and between the above referenced Lessor and Lessee:

WHEREAS, Next Level Now, Inc. ("Next Level") as Lessee and Pease Development Authority, as Lessor entered into a certain Lease dated August 1, 2016 (the "Lease") for property located at 16 Pease Boulevard, Pease International Tradeport, consisting of 1,244 useable square feet, related parking and contiguous land area of 2.5 acres +/- (the "Property");

WHEREAS, Lessor and Lessee have agreed to modify the Lease to reflect permission to place a dumpster on the property and to provide additional extension options to the term.

WHEREAS, the Parties acknowledge that the Deeds impose certain requirements on Lessee with respect to the Lease which are hereby incorporated in the terms and conditions of this Amendment No. 1.

NOW, THEREFORE, Lessor and Lessee agree for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, that the Lease be amended as set forth below:

a.) Article 1, Premises, a new Section 1.4 is added to read as follows:

1.4. Dumpster. Lessee may contract with a waste removal company for the placement of a 2-Yard dumpster to be located in the parking lot located at 16 Pease Boulevard. In an effort to minimize the visibility of the dumpster, it shall be placed in the back left hand corner of the parking lot as you enter from Pease Boulevard. Consistent with the provisions of this Agreement, the dumpster must be maintained in a neat and orderly condition.

b.) Article 3, Term, a new Section 3.2.A is added to read as follows:

Should both Options provided for in Section 3.2 be exercised, Lessee shall be further granted one (1) 3-year Option to extend the lease, as well as two (2) additional consecutive one (1) year options, which could extend the lease, if all

options are exercised, to July 30, 2026. Notwithstanding the foregoing, Lessee may not exercise said Options if it is in default under the terms of the Lease at the time the Options must be exercised.

c.) Section 4.1 is deleted in its entirety and replaced with the following:

4.1 Lessee shall pay to Lessor building area rent ("Building Area Rent") at the following annual rates for the areas of the Leased Premises described in Section 1.1:

Annual Building Area Rent

Year 1: \$10.00 per square foot Modified NNN \$ 12,440.00

Years 2 & 3: An annual payment equal to the per square foot rate for the prior year plus an annual CPI adjustment.

Option Years

4 & 5, 6-8, 9 & 10: An annual payment equal to the per square foot rate for the prior year plus an annual CPI adjustment.

Building Area

Rent Credit: During the Base Term (Years 1 through 3) Lessee shall be entitled to a Building Area Rent Credit of 50% of its then current rent rate in months 1, 2, 13, 14, 25 and 26. The Building Area Rent Credit will not be available in any Option Year or during anytime that Lessee is in default under the terms of the Lease.

d.) All other terms and conditions of the Lease shall remain in full force and effect and shall continue to be binding upon Lessor and Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Amendment No. 1 made effective _____, 2020.

Lessee: **NEXT LEVEL NOW, INC.**

By: _____

Name: _____

Its: _____

Lessor: **PEASE DEVELOPMENT
AUTHORITY**

By: _____
Name: Paul E. Brean
Its: Executive Director

STATE OF NEW HAMPSHIRE
COUNTY OF _____, ss

On this _____ day of _____, 2020, before me, _____, a
Notary Public in and for said County and State, personally appeared
_____, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the _____ of **Next Level Now, Inc.** and on
oath stated that **he/she** was authorized to execute this instrument and acknowledged it to be
his/her free and voluntary act for the uses and purposes set forth herein.

Notary Public
Printed Name: _____
My commission expires: _____

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM, ss.

On this _____ day of _____, 2020, before me, _____,
a Notary Public in and for said County and State, personally appeared **Paul E. Brean**, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the **Executive
Director** of the **Pease Development Authority** and on oath stated that he was authorized to
execute this instrument and acknowledged it to be his free and voluntary act for the uses and
purposes set forth herein.

Notary Public
Printed Name: _____
My commission expires: _____

MOTION – X A.1.

Director Anderson:

The Pease Development Authority (PDA) Board of Directors hereby authorizes the Executive Director to enter into a contract with SHI International Corp. for the acquisition of the following:

1. Replacement of the Engineering plotter/printer with an HP Design Jet SD Pro MFP 44" Multifunction Printer – Color, at a cost not to exceed \$15,510.00; and
2. Extended Services Agreement – Advanced Parts Replacement – 5 years, at a cost not to exceed \$2,033.00;

all in accordance with the memorandum from Maria J. Stowell, Engineering Manager, dated October 7, 2020, attached hereto.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as SHI International Corp. is a State of New Hampshire approved vendor.

Note: Roll Call vote required.

N:\RESOLVES\2020\Engineering Plotter Printer 10-15-20.doc



MEMORANDUM

To: Paul E. Brean, Executive Director *PEB*
From: Maria J. Stowell, P.E., Engineering Manager *Maria*
Date: October 7, 2020
Subject: Engineering Printer Replacement

The large format printer used by engineering and other departments to print, copy and scan engineering plans is in need of replacement. The printer is over ten years old and parts are no longer available. A recent problem with print quality cannot be repaired, making replacement necessary.

The IT Department has reviewed options for replacement and recommends the purchase of an HP printer from SHI International Corp. (SHI) for a cost of \$17,543.00. (Quotation is attached.) Staff considered procuring the printer through a lease; however, after reviewing the options, determined that purchasing the equipment is a better investment.

Because SHI is a State approved vendor, selected through a competitive process, we are requesting that the Board waive the bid process and approve the purchase of the printer.

At next week's meeting, please ask the Board to waive bidding for the reason stated and approve the purchase of a 44-inch multifunction printer from SHI International Corp at a cost of \$17,534.00, in accordance with the attached quote from SHI International Corp.

N:\ENGINEER\Board Memos\2020\Printer replacement.docx



Pricing Proposal
 Quotation #: 19494354
 Created On: 10/1/2020
 Valid Until: 10/30/2020

NH PEASE DEVELOPMENT AUTHORITY

Inside Account Manager

Greg Siegenthaler
 601 SPAULDING TURNPIKE, STE 1
 ATTN: ACCOUNTS PAYABLE
 PORTSMOUTH, NH 03801
 United States
 Phone: 603-380-8330
 Fax:
 Email: G.Siegenthaler@peasedev.org

Josh Donnelly
 290 Davidson Ave
 Somerset, NJ 08873
 Phone: 800-527-6389 EXT 555-xxxx
 Fax:
 Email: josh_donnelly@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 HP DesignJet SD Pro MFP - 44" multifunction printer - color - ink-jet - Roll (111.8 cm) (original) - Roll (111.8 cm) (media) - up to 0.47 min/page (printing) - 2 rolls - Gigabit LAN, USB 3.0, USB 3.0 host HP, Inc. - Part#: 1GY94A#B1K Contract Name: SHI-Customer Contract Contract #: SHI-Customer Contract Note: In Stock	1	\$15,510.00	\$15,510.00
2 Electronic HP Care Pack Next Business Day Channel Remote and Parts Exchange Service - Extended service agreement - advance parts replacement - 5 years - shipment - response time: NBD - for DesignJet SD Pro MFP HP, Inc. - Part#: U7UN6E Contract Name: SHI-Customer Contract Contract #: SHI-Customer Contract	1	\$2,033.00	\$2,033.00
		Total	\$17,543.00

Additional Comments

Please Note: HP, Inc. has a zero returns policy on custom build PCs. Ink and toner are also considered non-returnable

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084. SHI International Corp. is 100% Minority Owned, Woman Owned Business. TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

The products offered under this proposal are Open Market and resold in accordance with the terms and conditions at [SHI Online Customer Resale Terms and Conditions](#).

MOTION – X.A.2.

Director Fournier:

The Pease Development Authority (PDA) Board of Directors approves of and authorizes the Executive Director to amend its existing contract with the Horsley Witten Group to provide assistance to the PDA with the dry weather outfall screening component of the Illicit Discharge Detection and Elimination (IDDE) program in a total amount not to exceed \$26,800 for work connected with the PDA/CLF Settlement Agreement; all in accordance with the memorandum of Maria J. Stowell, dated October 7, 2020, attached hereto.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of any applicable RFP or RFQ requirement based on the approved litigation settlement and the existing contract with the Horsley Witten Group.

Note: Roll Call vote required – this motion requires 5 affirmative votes.



PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

MEMORANDUM

55 International Drive Portsmouth, NH 03801

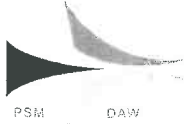
To: Paul E. Brean, Executive Director *P.E.B.*
From: Maria J. Stowell, PE, Engineering Manager *MJS*
Date: October 7, 2020
Subject: Horsley Witten Group Consulting Services

One of PDA's efforts toward meeting the commitments of the Settlement Agreement between Pease Development Authority and the Conservation Law Foundation, Inc. (the "Settlement") is the design and implementation of an Illicit Discharge Detection and Elimination (IDDE) program. The program has been designed and we have begun the implementation phase.

Horsley Witten Group ("HW"), the consultant who the PDA contracted with to assist with the drafting of the IDDE program documents, has submitted a proposal to amend the contract to assist PDA with the dry weather outfall screening component of the program. HW is proposing to complete the work on a time and material basis for an amount not to exceed \$26,800. This price includes inspection of 53 outfalls, sampling and testing of 10 outfalls, and provision of a report on the results.

I recommend seeking Board approval for this work and contract amendment. I understand that in approving the Settlement, the Board also approved any required work to meet its terms. However, out of an abundance of transparency and as the timing permits, please ask the Board to approve this contract amendment and resulting expenditure so the work can proceed this fall.

N:\ENGINEER\Board Memos\2020\HW IDDE.docx



PEASE
AIRPORT
MANAGEMENT

36 Airline Ave. Portsmouth, NH 03801

603.433.6536

Memorandum

To: Paul Brean, Airport Director *Ref*

From: Sandra McDonough, Airport Community Liaison *Sm*

Date: 10/5/2020

Subj: Noise Report for September, 2020

The Portsmouth International Airport at Pease did not receive any noise inquiries in September, 2020. Both the noise phone line and the website noise submission form were tested and found to be operational.

MOTION – XI. B.

Director Fournier:

The Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to:

1. Expend funds in the amount of **\$14,314.00** for legal services rendered to the Pease Development Authority:

Sheehan Phinney Bass & Green

August 1, 2020 – August 31, 2020 \$ 609.00
(for General Employment Matters)

August 1, 2020 – August 31, 2020 \$13,705.00
(in support of MS4 and CLF
settlement implementation)

Total **\$14,314.00**

Note: Roll Call vote required.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation

CLIENT/CASE NO. 14713-10167
BILLING ATTORNEY; Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$609.00
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$609.00

BALANCE DUE:	\$609.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " ClientPay " or contact our office directly.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation

CLIENT/CASE NO. 14713-19658
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$13,485.00
TOTAL EXPENSES:	\$220.00

TOTAL THIS BILL:	\$13,705.00

BALANCE DUE:	\$13,705.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " ClientPay " or contact our office directly.

-----TIME AND FEE SUMMARY-----			
-----TIMEKEEPER-----	RATE	HOURS	FEE
John Mark Turner	290.00	.20	58.00
Lynn J Preston	290.00	37.00	10730.00
Robert P Cheney	290.00	9.30	2697.00
TOTALS		46.50	13485.00



PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: Paul Brean, Executive Director, PDA *PAB*
FROM: Geno J. Marconi, Director, DPH *GJM*
DATE: September 14, 2020
RE: Commercial Mooring Transfer

The Pease Development Authority, Division of Ports and Harbors has received a request for the transfer of 2 commercial moorings, permit #952 and #6253, from Glenn Miller to Joseph Kasztejna.

I have reviewed the attached paperwork and concur with the local Harbormaster and Chief Harbormaster that the request meets all the requirements of the PDA-DPH Code of Administrative Rules regarding commercial mooring transfers. Therefore, I am requesting approval of the transfer.

If you have any questions or need further information, please let me know.

Division of Ports & Harbors
Memorandum

To: Capt. Geno J. Marconi
From: Chief H/M Tracy R. Shattuck *TRS*
Re: Commercial Transfer
Date: September 14, 2020

Glenn Miller and Joseph Kasztejna are requesting the transfer of 2 Mooring Permits (#952, #6253) in the Rye Harbor mooring field concurrent with the sale of Miller's boat and equipment. Permit #952 has been a commercial use permit and Miller requested #623, a nearshore mooring, be changed to commercial. Attached is documentation of Kasztejna's commercial enterprise in the form of his fishing license. Also attached is the transfer request and bill of sale from Miller. Joseph Kasztejna has asserted that he understands that the mooring must remain in commercial use.

I have reviewed this application and I believe that it is in compliance with the administrative rules.

I recommend that permits #952 and #6253 be transferred to:

Joseph Wickson
30 Bradley Lane
North Hampton, NH 03862



PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

2020-09-25 10:00 AM

September 25, 2020

Heidi & Elisabeth Fisheries
c/o Heidi Seafood Services
1 Pierce Island Rd.
Portsmouth, NH 03801

Re: Heidi & Elisabeth Fisheries, LLC-Exercise of Option to Right-of-Entry

Dear Mr. Bills & Mr. Hayward,

This letter serves to confirm that in accordance with the terms of the Right-of-Entry agreement for operations at the Portsmouth Commercial Fish Pier at Pierce Island, Heidi & Elisabeth Fisheries has exercised its last of two options to renew the agreement. The Agreement is hereby extended to December 31, 2021. This will also serve to confirm that the terms of the original agreement will remain the same.

Please let me know if you have any questions.

Sincerely,

Paul E. Brean
Executive Director

cc: Geno J. Marconi, PDA-DPH Director
Irv Canner, Finance Director

P:\PortAuthority\ROE-LOH2020\Heidi & Elisabeth Fisheries Final Extension of ROE Ltr.docx




PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

Date: October 8, 2020
To: Pease Development Authority ("PDA") Board of Directors
From: Geno Marconi, Port Director 
Subject: Portsmouth Fish Pier, Fuel Pump Dispensers

In accordance with Portsmouth Commercial Fish Pier, Bulkhead Rehabilitation ("PFP Project") contract documents the Division of Ports and Harbors (the "Division") is responsible providing the fuel dispensing equipment. The PFP Project involves the removal of the fuel lines, dispenser pad, and dispensers so that excavation **can** occur. The Division had expected to use the existing fuel dispensers (2) as they have been reliable, however, considering the system will be all new between the fuel storage tanks and the dispenser, and upon inspection by STANTAC, a sub-consultant to Appledore Marine Engineering, the engineers for PFP Project, a strong **recommendation** was made to replace the two (2) dispensers (gas and diesel) with a single, dual dispenser.

The existing dispensers are manufactured by Wayne Fueling Systems ("Wayne") and the existing credit card pedestal is compatible only with Wayne dispensers, therefore, the replacement dispenser needs to be a Wayne dispenser. Wildco PES of Manchester NH is the local distributor of Wayne dispensers.

By delegation of Authority for purchases under \$10,000.00, the Division requested and received approval from Executive Director Paul Brean, and PDA Treasurer, Bob Allard for the expenditure of \$9945.00 from the PFP Project appropriation to purchase the unit.



EXISTING FUEL DISPENSERS



DUAL FUEL DISPENSER EXAMPLE

MOTION -XII.B.


Director Allard:

The Pease Development Authority (PDA) Board of Directors hereby authorizes the Executive Director to execute a contract with James Jones, d/b/a Jones Snow Plowing Service of North Hampton, New Hampshire, for the purpose of plowing and salting at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbors for an initial period of three (3) years commencing on the first plowable event or November 1, 2020, whichever event occurs first; including three (3) one-year (1) options to renew exercisable at the sole discretion of the Executive Director, and subject to Jones Snow Plowing Service providing proof of certification from the New Hampshire Green SnoPro Certification by no later than November 1, 2020; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated October 6, 2020 attached hereto.

Note: Roll Call vote required.





Date: October 7, 2020
 To: Pease Development Authority ("PDA") Board of Directors
 From: Geno Marconi, Port Director 
 Subject: Snow Plow and Salting Bid

The Division of Ports and Harbors (the "Division") advertised a public bid for **Snow Plowing and Salting** at the Division's facilities at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbor.

Along with posting on the PDA website, an "Advertisement for Bids" was placed in a newspaper of general state circulation on Friday September 25th and Sunday September 27th. On October 5, 2020 mandatory pre-bid site visits were held at the three (3) facilities. Bids closed at noon on October 6th, below is the results of the bid process.

- Bid packages requested or picked up: 3
- Attendees at mandatory pre-bid site visit: 1
- Number of qualified bids received: 1

The only qualifying bid was submitted by Mr. James Jones, Jones Snow Plowing Service of North Hampton, NH. Mr. Jones presented an extensive list of snow handling equipment and spreaders. The Division reviewed Mr. Jones's qualification and experience which includes snow plowing for the Division of Ports and Harbors, and find him to be well qualified. The following are the prices quoted by Mr. Jones;

- 1 Ton pickup: \$75.00 per vehicle/per hour
- Salt: \$225.00 per ton

The Division has reviewed the bid prices and find them fair and consistent with previous snow plowing costs incurred by the Division.

Therefore, the Division of Ports and Harbors recommends that the PDA Board of Directors authorize the Executive Director to complete negotiations with Mr. James Jones and enter into a contract with Jones Snow Plowing Service for services to be performed at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbors.

*opened 10/9/2020
12/10 hrs HJK*

Pease Development Authority-Division of Ports and Harbors
Snow Plowing Services Contract Bid Package

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ADVERTISEMENT FOR BIDS

The Pease Development Authority ("PDA") Division of Ports and Harbors ("the Division") invites sealed bids for Snow Plowing and Salting Services at the Division's Marine Facilities in Hampton, Portsmouth, and Rye, New Hampshire ("marine facilities"). Bids will be received at the offices of the Division, by mail or in person at 555 Market St., Portsmouth, New Hampshire until **12:00 p.m. local time, October 6, 2020**, at which time they will be opened publicly and read aloud.

The mailing address is:

Pease Development Authority-Division of Ports and Harbors
Attn: Geno Marconi
555 Market St.
Portsmouth, NH 03801

Bids shall be enclosed in **two envelopes (inner and outer)**, both of which shall be sealed and clearly labeled, **"Bid for Snow Plowing Services Contract, Attn: Geno Marconi."**

In order to receive a bid package, all bidders are required to register with the Division in writing via e-mail to b.therrien@peasedev.org to express interest in the project and to receive any addendums. Bid documents will be available at the Market St. Terminal starting on **September 29, 2020**.

There is a mandatory pre-bid site visit on October 5, 2020, to view the marine facilities, beginning in Hampton at 1 Ocean Blvd., 10:00 AM; at Rye 1870 Ocean Blvd., 10:30 AM; and the Portsmouth Commercial Fish Pier, 1 Peirce Island Rd. at 11:00 AM. All potential bidders must attend and remain to the conclusion of the pre-bid site visits.

Disadvantaged Business Enterprises will be afforded full opportunity to submit bids in response to this advertisement. No contractor will be discriminated against on grounds of race, sex, religion, color or national origin.

INSTRUCTIONS FOR SUBMITTING BIDS

1. Receipt and Opening of Bids.

The Pease Development Authority Division of Ports and Harbors (herein called the "Division") or the "Owner"), invites bids on the form attached hereto, all blanks of which must be appropriately filled in. The Owner will receive bids at its offices located at 555 Market St., Portsmouth, New Hampshire, **until 12:00 p.m., October 6, 2020**, at which time they will be opened publicly and read aloud.

The mailing address is:

Pease Development Authority
Attn.: Geno Marconi
555 Market St.
Portsmouth, New Hampshire 03801

The bid shall be enclosed in **two envelopes (inner and outer)** to prevent premature opening. Both envelopes shall be sealed and clearly labeled, "**Bid for Snow Plowing Services - Attn: Geno Marconi.**"

The Owner may consider informal any bid not prepared and submitted in accordance with the provisions herein and may waive any informalities or reject any and all bids. Any bid may be withdrawn prior to the above scheduled time for opening or authorized postponement thereof. Any bid received after the time and date specified shall not be considered. No Contractor may withdraw a bid within 60 calendar days after the actual date of the opening thereof.

Bidders must quote on all items appearing on the bid form. All blank spaces must be correctly filled in. Failure to quote on all items may disqualify the bid.

Bid award will be based on the lowest priced, qualified bidder. Bidder may not submit unbalanced bids.

In order to be eligible to submit a bid, all Contractors must have attended the mandatory pre-bid meeting October 5, 2020, to view the marine facilities, beginning in Hampton at 1 Ocean Blvd., 10:00 AM; Rye, 1870 Ocean Blvd., 10:30 AM; and the Portsmouth Commercial Fish Pier, 1 Peirce Island Rd. at 11:00 AM. All potential bidders must attend and remain to the conclusion of the pre-bid site visits. All Contractors shall have examined the premises before submitting their bid for the work and have satisfied themselves as to the existing conditions under which they will be obligated to operate or that will in any way affect the work under this Contract. No allowance will be made subsequently in this regard for any error or negligence of the Contractor.

2. Description of Work.

This project consists of providing snow plowing and salting at the Portsmouth Commercial Fish Pier and the Rye and Hampton Harbor Marine Facilities.

3. Qualifications.

Each Contractor shall submit its qualifications to the Owner on the form provided hereinafter entitled "Statement of Qualifications." The form must be delivered to the Owner with the bid. The Owner reserves the right to reject the bid of any Contractor who has failed to submit its qualifications.

4. Certification.

The lowest qualified bidder will be **required to show proof** of successfully completing New Hampshire Green SnoPro Certification, specialized in reduced-salt winter maintenance as educated by the UNH Technology Transfer Center. Certification can be obtained no later than November 1, 2020.

5. Contract Term.

Subject to the approval of the PDA Board of Directors, the Contract will be for three (3) years with three (3) additional one-year options, each option subject to the approval by the PDA Executive Director. Snow Plowing Services will commence on the first plowable event or November 1, 2020 whichever occurs first, and extend through the snow season.

6. Contract Award.

The award will be based on both qualifications and costs. The Owner will award the Contract, at its sole discretion, to the lowest qualified bidder. Upon approval of the selected Contractor by the PDA Board of Directors, a Contract will be prepared by PDA and forwarded to the Contractor for execution.

7. Eligibility.

At the sole discretion of PDA or the Division, any Contractor that has previously submitted a bid to the PDA or Division or entered into an Agreement with the PDA or Division and has not complied with the required terms of the Agreement may not be eligible to submit a bid.

[remainder of page intentionally left blank. Scope of Work follows]

SCOPE OF WORK FOR SNOW PLOWING SERVICES

1. The successful bidder will provide snow plowing and salting at the Portsmouth Commercial Fish Pier, in Portsmouth, NH, and the Rye and Hampton Harbor Marine Facilities, in Rye and Hampton, NH respectively.
2. Subject to the approval of the PDA Board of Directors, the Contract will be for three (3) years with three (3) additional one-year options. Snow Plowing Services will commence when needed for the snow season. The contract period may be extended at the sole discretion of the PDA Executive Director for three (3) additional one (1) year options.
3. The Contractor must provide snow plowing services during snow and ice conditions and must be available on an emergency call basis. Snow shall be plowed to snow storage areas at each facility as dictated by the Division.
4. Salting shall be provided wherever icing results in unsafe conditions for vehicular and/or pedestrian traffic. Apply salt using mechanized equipment specifically designed for the intended use.
5. The Contractor shall keep the boat launch ramps at Rye and Hampton clear for the launching of emergency response equipment.
6. The Contractor shall keep manholes, drains, etc. free of snow and ice, allowing for sufficient water runoff at all times.
7. Snow plowing and other operations shall be conducted in a manner that will not damage pavements, curbs, hydrants, shoulders, turf or other structures, especially the wooden deck at the Portsmouth Commercial Fish Pier. The Contractor will be responsible for repairing any damage caused by snow Plowing operations at no additional cost to the Division.
8. The wooden deck at the Portsmouth Commercial Fish Pier shall be "back dragged" so as not to damage the fastenings on the wooden deck.
9. Snow clearing and salting shall be provided at the Facilities for fishermen and emergency responders for the duration of any storm. In the event the Division deems it necessary in its sole and reasonable discretion to plow snow at the Commercial piers due to lack of the contractor response, the contractor will reimburse the Division for its full cost of the operation, including but may not be limited to, personnel, material, equipment, or hiring a temporary contractor.
10. The Contractor shall be certified by the New Hampshire Department of Environmental Services as a Commercial Salt Applicator no later than November 1, 2020, and provide the Division with a copy of the certification. Certification includes successful completion of the Green SnoPro training. All personnel employed at the sites shall be familiar with salt reduction measures.
11. A sufficient number of personnel will be employed and equipment assigned to properly accomplish all work in accordance with these specifications.
12. The Contractor shall be available on a 24-hour on-call basis to respond to emergencies or to correct deficiencies in the Work. Operators and equipment will mobilize and be onsite at the facilities within two hours of notification.

13. The Contractor will complete any required repairs of damage caused by snow plowing operations promptly, but in no event later than by April 30th of the contract year.
14. At the option of the Division, the Contractor will be required to make vehicles and equipment available for inspection.
15. Proposals must be submitted as an hourly cost for labor and equipment and as a price per ton for salt.
16. A mandatory PRE-BID SITE VISIT is scheduled for October 5, 2020, attendance is required at all 3 facilities, as follows:
 - Hampton, 1 Ocean Blvd. 10:00 AM
 - Rye, 1870 Ocean Blvd. 10:30 AM
 - Portsmouth Commercial Fish Pier, 1 Peirce Island Rd. 11:00 AM

BID FORM

Snow Plowing and Salting

Bid of JONES SNOWPLOWING SERVICE
(hereinafter called "Bidder") a ~~corporation*~~, organized under the laws of the State of N.H.
limited ~~liability~~ company*, ~~partnership*~~, or an individual* doing business
JONES SNOWPLOWING SERVICE

*Strike out inapplicable terms.

To the Pease Development Authority-Division of Ports and Harbors (hereinafter called the "Owner"):
The Bidder, having examined the specifications and related documents and being familiar with all of the conditions surrounding the proposed project including the availability of the equipment, hereby proposes to furnish the required work in accordance with the Contract Documents, and at the prices stated below. These prices are to cover all expenses incurred in performing the work required under the Contract Documents, of which this bid is a part.

Bidder acknowledges receipt of the following addenda:

Addendum No. _____	_____ Signature	_____ Date
Addendum No. _____	_____ Signature	_____ Date
Addendum No. _____	_____ Signature	_____ Date

BID FORM - RATES

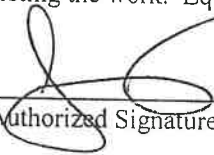
Snow Plowing and Salting

Description	Unit Cost	Estimated Quantity	Total Price
Plowing & salting	\$ <u>75</u> /vehicle/hr. <u>1-TON</u>	250 hours (Labor and equipment)	\$ <u>18750.00</u>
Salt	\$ <u>225</u> /per ton	100 tons	\$ <u>22500.00</u>
TOTAL BID			\$ <u>41,250.00</u>

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The Contract will be awarded to the Contractor with the lowest qualified bid for the Total Project Cost. The Owner reserves the right to delete any item of work in whole or in part, and to award the Contract to the Bidder deemed by the PDA as most qualified and most capable of completing the work. Equipment will be a consideration.

Name of Bidder: JAMES JONES

By: 
Authorized Signature

Printed Name/Title: JAMES JONES

Business Address: 207 ATLANTIC AVE
NORTH HAMPTON N.H. 03862

Telephone Number: 603-765-8481

(Seal if Bid is submitted by a Corporation)

STATEMENT OF QUALIFICATIONS

Attach this statement, fully completed, to the Bid Form and submit to the Owner on the date and time for opening of bids.

All questions must be answered and the data given must be clear and comprehensive. Where necessary, questions shall be answered on separate attached sheets. The Contractor may submit any additional information Contractor desires.

1. Name of Contractor: JAMES JONES DBA JONES SNOWPLANE SERVICE
 - 1.a Contractor is:
 - Limited Liability Company
 - Corporation
 - Partnership
 - Individual

2. Permanent main office address: 207 ATLANTIC AVE
NORTH HAMPTON N.H.
 - 2.a Treasury Number (Employer's Identification No.): _____

3. When organized: 1988

4. If a corporation, where incorporated: _____
 - 4.a If LLC, where formed: _____

5. How many years have you been engaged in the business under your present firm or trade name?
32

6. General character of work performed by your company: SNOW REMOVAL and ICE CONTROL

7. Have you ever failed to complete any work awarded to you? () Yes No
If yes, where and why? _____

8. Have you ever defaulted on a contract? () Yes No
If yes, where and why? _____

9. List of references (minimum of three).

Name: TOWN OF GREENLAND

Address: 575 PORTSMOUTH AVE GREENLAND

Contact Number/Email: _____

Relationship/Years Known: 2002 - Present CALL ROAD WINTER MAINT

Name: N.H PDA

Address: _____

Contact Number/Email: GENC MUMFORD

Relationship/Years Known: 2006 - Present

Name: STATE OF N.H DISTRICT 6

Address: _____

Contact Number/Email: KEVIN MATHIAS 234-2265

Relationship/Years Known: 1988 - Present

10: Has your organization successfully completed the New Hampshire Green SnoPro Certification?

10.a If so, when and list names of certified personnel: JAMES JONES

10.b If no, when will you be able to secure New Hampshire Green SnoPro Certification as required?
will be attending the next course

Attach proof of licensure and any other information that may assist the Owner in evaluating your bid.

Jones Snowplowing Service
207 Atlantic Avenue
North Hampton N.H. 03862

(603) 964 5767 Office
(603) 765-8481 Cell

Winter 2020-2021 Snow Removal Equipment List

Vehicles

(1-Tons)

01. 2015 1-Ton 4X4 w/9 Ft. Plow
02. 2008 1-Ton 4X4 w/9 Ft. Plow
03. 2008 1-Ton 4X4 w/9 Ft. Plow
04. 2008 1-Ton 4X4 w/9 Ft. Plow
05. 2007 1-Ton 4X4 w/9 Ft. Plow
06. 2007 1-Ton 4X4 w/9 Ft. Plow
07. 2007 1-Ton 4X4 w/9 Ft. Plow
08. 2007 1-Ton 4X4 w/9 Ft. Plow
09. 2007 1-Ton 4X4 w/9 Ft. Plow
10. 2007 1-Ton 4X4 w/9 Ft. Plow
11. 2006 1-Ton 4X4 w/9 Ft. Plow
12. 2006 1-Ton 4X4 w/9 Ft. Plow
13. 2006 1-Ton 4X4 w/9 Ft. Plow
14. 2006 1-Ton 4X4 w/9 Ft. Plow
15. 2006 1-Ton 4X4 w/9 Ft. Plow
16. 2004 1-Ton 4X4 w/9 Ft. Plow
17. 2004 1-Ton 4X4 w/9 Ft. Plow

18. 2004 1-Ton 4x4 w/9 Ft. Plow
19. 2004 1-Ton 4X4 w/9 Ft. Plow
20. 2003 1-Ton 4X4 w/9 Ft. Plow
21. 2002 1-Ton 4X4 w/9 Ft. Plow

Heavy Trucks

(Six Wheelers)

01. 2017 5-Ton Dump w/ Sander, Front and Wing Plows
02. 2013 5-Ton Dump w/ Sander, Front and Wing Plows
03. 2012 5-Ton Dump w/ Sander, Front and Wing Plows
04. 2011 5-Ton Dump w/ Sander, Front and Wing Plows
05. 2011 5-Ton Dump w/ Sander, Front and Wing Plows
06. 2010 5-Ton Dump w/ Sander, Front and Wing Plows
07. 2010 5-Ton Dump w/ Sander, Front and Wing Plows
08. 2009 5-Ton Dump w/ Sander, Front and Wing Plows
09. 2007 5-Ton Dump w/ Sander, Front and Wing Plows
10. 2007 5-Ton Dump w/ Sander, Front and Wing Plows
11. 2006 5-Ton Dump w/ Sander, Front and Wing Plows
12. 2006 5-Ton Dump w/ Sander. Front and Wing Plows
13. 2005 5-Ton Dump w/ Sander, Front and Wing Plows
14. 2004 5-Ton Dump w/Sander, Front and Wing Plows
15. Several 1997-1999 5-Ton Dumps w/ Sander, Front and Wing Plows

(Ten Wheelers)

01. 2012 10-Wheel Dump w/ Sander, Front and Wing Plows
02. 2010 10-Wheel Dump w/ Sander, Front and Wing Plows
03. 2010 10 Wheel Dump w/ Sander, Front and Wing Plows
04. 2006 10-Wheel Dump w/ Sander, Front and Wing Plows
05. 1999 10- Wheel Dump w/ sander, Front and Wing Plows
06. 2003 Mack Ten Wheel Dump
07. 1998 Peterbilt Ten Wheel Dump
08. 1998 Peterbilt Ten Wheel Dump
09. 1998 Mack Ten Wheel Dump
10. Peterbilt Tractor w/ Trailer Dump
11. International Tractor w/ Trailer Dump

Loaders

01. 1989 Case 580M 4X4 Backhoe w/ 1 ½ yd bucket
02. 2004 420D Caterpillar 4X4 Backhoe w/ 1 ½ yd bucket
03. 1999 980G Caterpillar Loader w/ 7yd Bucket
04. 1989 950E Caterpillar Loader w/ 5 yd Bucket
05. 1998 938G Caterpillar Loader w/4.5 yd Bucket
06. 1994 938F Caterpillar Loader w/4 yd Bucket
07. 1995 936F Caterpillar Loader w/ 3.5 yd Bucket
08. 2006 930G Caterpillar Loader w/ 3 yd Bucket
09. 2006 930G Caterpillar Loader w/ 3 yd Bucket
10. 2005 930G Caterpillar Loader w/ 3 yd Bucket
11. 1992 IT28B Caterpillar Loader w 3 yd Bucket
12. 2007 924G Caterpillar Loader w/ 3 yd Bucket

13. 2006 924G Caterpillar Loader w/ 3 yd Bucket
14. 2005 924G Caterpillar Loader w/ 3 yd Bucket
15. 2016 907M Caterpillar Loader w 1 ½ yd Bucket with snowblower attachment
16. 2013 906 H2 Caterpillar Loader w 1 ½ yd Bucket
17. 2009 906H Caterpillar Loader w/ 1 ½ yd Bucket
18. 2001 906G Caterpillar Loader w/ 1 ½ yd Bucket
19. 2006 L70ZV Kawasaki Loader w/ 3.5 yd Bucket
20. 2011 L60 Kawasaki Loader w/ 3 yd Bucket
21. L70F Volvo Loader w/ 4 yd Bucket
22. L70E Volvo Loader w/ 4 yd Bucket
23. 1995 L70C Volvo Loader w/4 yd Bucket
24. 2005 L60E Volvo Loader w/ 3 yd Bucket
25. 2001 760 Hyundai Loader w/ 5 yd Bucket
26. Bobcat Skidsteer with walkway bucket/Blade

Graders

1. 1984 120G Caterpillar Grader

Sanders

1. All Heavy Trucks with front Blades and wings Are equipped with Sanders
2. (17) All Season Spreader Bodies
3. (9) 7 yd spreaders for 5-Ton Trucks (Hopper Style) (Spares)
4. (3) 4 yd Hi-Way spreader-(Hopper style)
5. 3.5 yd Fontaine Spreader (Hopper Style)
6. (6) Tailgate Spreaders for 5-Ton Dump Trucks



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/08/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER John J. Flynn Ins Agy Inc 818 Central Avenue Dover NH 03820		CONTACT NAME: John Flynn PHONE (A/C, No, Ext): (603) 740-0140 FAX (A/C, No): (603) 743-3370 E-MAIL ADDRESS: John.Flynn@Flynninsurance.net	
INSURED James Jones, DBA: Jones Snow Plowing 207 Atlantic Ave N. Hampton NH 03862		INSURER(S) AFFORDING COVERAGE INSURER A: S&H Underwriters INSURER B: Hanover Insurance INSURER C: Phoenix Ins INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL18121349752 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	Y	Y	USA4238376-19	12/06/2019	12/06/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AHV5731948	11/21/2019	11/21/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB0K294074	01/25/2019	01/25/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Pease Dev Authority & State of NH are named as additional insured as required by written contract. A thirty (30) day notice of cancellation (with the exception of a ten (10) day notice for non-payment of premium). Liability coverage shall be primary and noncontributing with respect to any insurance carried by the PDA.

CERTIFICATE HOLDER

CANCELLATION

Pease Development Authority Division of Ports & harbors & State of NH 555 Market St Portsmouth NH 03801	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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