

**PEASE DEVELOPMENT AUTHORITY
PORT COMMITTEE MEETING
MINUTES**

Tuesday April 2, 2024

Presiding: Neil Levesque, Committee Chair

Present: Steve Fournier, Committee Member
Karen Conard, Committee Member

Attending: Geno J. Marconi, Division of Ports and Harbors Director;
Paul Brean, PDA Executive Director;
Anthony Blenkinsop, PDA General Counsel;
Suzy Anzalone, PDA Finance Director
Myles Greenway, Division of Ports and Harbors Deputy Director;
Brad Cook, Chair, Port Advisory Council- Ex officio member

I. Call to Order

Director Levesque, Committee Chair, called the meeting to order at **8:30 a.m.** in the boardroom of the Pease Development Authority at 55 International Dr. Portsmouth, NH.

II. Acceptance of Committee Meeting Minutes: October 16, 2023 & January 9, 2024

Director Levesque indicated he has a substitution for the October 16th minutes, that will be passed out and become part of the packet. Approval of minutes for both meetings is postponed until the next Port Committee meeting.

Discussion: None

III. Public Comment:

No public comment.

IV. Finance Directors Report:

A. S. Anzalone explained the details of the Port's Draft Capital Improvement Plan for FY 2024-FY 2030, which was included in the packet. The projects are broken down by State, Federal, and internally funded projects. Some of the projects in Rye will be submitted to FEMA for possible reimbursement. This is the same report that was provided in the Board package last month and will be going before the board for approval. Conard asked if ARPA funds are able to be obligated before the end of the calendar year, yes that is the plan. Director Brean mentioned that he spoke with Commissioner Caswell yesterday with regards to the use of the \$2 mil, and as soon as it's approved, we'll start working on it.

B. S. Anzalone handed out and explained a historical performance report for the Ports'

unrestricted account funds, so does not include the Revolving Loan Fund, Foreign Trade-Zone account, or the Harbor Dredging and Pier Maintenance Fund. The report shows 4 ½ years of Profit and Loss statements, which includes YTD for FY 2024. The question about when the last operational audit was done. Marconi replied that an annual audit is completed. The last time there was a Legislative audit was in 2000, prior to the administrative merge with Pease. Asst. Port Director Myles Greenway presented the current “Terminal Charges” to the Committee and described some fees that the Division is looking at for possible increases. Greenway presented scenarios on potential increase in revenue for Dockage & Wharfage by 1 cent and 5 cents. Greenway also passed out a sample of the ship log report that the Division uses to determine billing. Fournier asked question about how the Port fees here compare to other ports, a port comparison was done and the fees are close with the tonnage rate at 29 cents, and the dry bulk cargo, and there is room to go up on those, along with the heavy lift category. Follow up question, would an increase in fees impact a cargo company’s choice for using the Port? It would impact the salt companies the most, but doesn’t believe it would deter them from using this port, considering the road transportation costs by using other ports. The fees were last updated in 2017. Discussion on economy and fees, suggestion to have an automatic increase built in. Director Brean mentioned that the Division does have an annual CPI increase built into the agreements with the tenants at the Market St. Terminal. Discussion on condition of the main wharf condition, and that previously it was in disrepair. The rehabilitation has been done, and this is a good time to increase with the better product to offer, in the way of the new pier. Question, is a vote required to increase the fees? Marconi indicated that the Division reviews the fees each year and if decisions are made to change the fees, it would come before the PDA Board. Questions regarding competition, if we raise prices, does it automatically mean they will go somewhere else? No, it really has to do more with the location of the stockpiles. How is the laydown area compared to other ports, very limited, Granite State Minerals has 3 acres, and Morton Salt has 1 acre of the 11-acre terminal. The terminal is more of a throughput transportation facility. In the past, cargo owners have partnered with PDA for laydown there. Discussion and handout regarding the fuel flowage fee, and how it compares with other facilities. Discussion on increase in wharfage, is there a way to estimate how much the increase would be annually? Hard to know, as it depends on how many ships use the terminal annually. Question regarding the \$500 fee for Newburyport, is it a one-time \$500 fee and allows them take fuel over the dock, is that correct? Yes, it’s a one-time annual fee.

V. Directors Report:

- a. Star Island and Shoals Marine Lab, Rights of Entry-Director Marconi indicated that the Division will be asking for approval to enter into a 6-month agreement as their ROE’s expired on April 1st. The price per foot for the extension was adjusted so that both ROE’s have the same fee. The extension will also allow time for a deeper review to be done and put the renewal of the ROE’s at the end of the season, rather than at the beginning of the season.
- b. Commercial Mooring Transfer, McCune to Huff. Marconi explained the details of the

transfer request. Discussion on the PDA Conflict of Interest (COI) policy and it may pertain to this situation. Levesque indicated that the person that oversees the activities in the harbor should not be allowed to have a business in the harbor. Clarification on who John McCune is. Question on where the harbormasters come from; historically they are local residents, that know the harbors. Marconi described the Harbormasters in Seabrook, Rye, and Hampton. Segregation of duties was described as Huff being the shoreside harbormaster, that has nothing to do with moorings, its administrative and oversees the land side operations, with Leo Axtin being the water side harbormaster. Clarification on the process, the code of Administrative Rules says the PDA Board has to approve Commercial Mooring transfers and the PDA Board delegated that authority to the PDA Executive Director. Discussion of the transfer request process - the transfer request goes to the local Harbormaster, then the Deputy and Chief Harbormasters, then goes to the Port Director, then gets a once over by the Mooring administrator, then it goes to PDA Exec. Director for final approval and, if approved, is reported to the PDA Board. Levesque mentioned the HR Ethics procedure adopted last fall and feels it should be reviewed by the Attorney General's office for an opinion. Anytime, you are in charge of regulating state/tax payer property and also running a business it's different than having a recreational mooring situation because its commerce. Levesque noted the Committee would not be voting today. Fournier asked whether the AG would comment or not on the PDA COI policy? Blenkinsop noted that the AG is legal counsel to the PDA, and the question is would this scenario violate the PDA COI Policy. PDA legal will reach out to the AG's office - unsure whether they would opine or how long it would take for them to opine. Further discussion included other harbormasters that currently have commercial moorings, the process for investigations in that case, and shore based/administrative harbormaster duties vs. waterside harbormaster duties. As a point of clarification, local harbormasters are code enforcers, not law enforcement. If there is any dispute or controversy about a mooring issue it goes through a process. Because this one involved an employee, the Division is bringing it to the Committee's attention. Levesque had further discussion on duties of the harbormaster and looking at the public perception. Feels there must be a clear separation of duties. Concern is the State employee is going to be self-regulating. Brean explained the item was put in this Committee packet as a point of transparency, PDA will reach out to AG as requested by Levesque. Discussion on whether commercial moorings that were in place prior to the COI policy that became effective last fall are grandfathered. Further discussion indicated the COI policy being discussed is applicable to PDA employees only.

- c. Rye Harbor Ramp Repair, due to storm damage the ramp is unusable, prices are being gathered for repair. Underneath the original ramp are concrete slabs, but they're old and replacement has been on the Capital Improvement Plan.
- d. Hampton Harbor Electrical Repair to the fuel system, due to storm damage. PDA's on call electrical provider Martineau, provided a quote for repairs. The Division will be

asking for approval for the repair, it's about \$24,000. The Division will seek reimbursement from FEMA.

VI. New Business:

No new business.

VII. Old Business:

No old business.

VIII. Press Questions:

No Press present, however, Joe Watts from Star Island spoke on the operations at the Burge Dock, and mentioned there are 35,000 people who use the facility and they employ 200 people. The use of the Burge Dock is critical to their operations.

IX. Adjournment:

Director Fournier moved to adjourn, Director Conard seconded and the meeting adjourned at 9:23 AM.

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