

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

Thursday, May 18, 2023

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

I. Call to Order:

Chairman Duprey ("Duprey") stated Director Parker was not in attendance, but all other Board members were present; the meeting commenced at **8:32 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of April 20, 2023

Director Conard **moved** the **motion** and Director Lamson **seconded** to **approve the minutes of the Pease Development Authority Board of Directors' meeting dated Thursday April 20, 2023.**

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

III. Public Comment:

David Delorey ("Delorey") – commented on Rye Harbor Lobster Pound ("RHLP") at the request of Nate Hanscom. He spoke to what was not on the agenda, RHLP's renewal for next year. The reason it is not on agenda is there are two new items contained in the renewal. Delorey first spoke to the parking issue and stated he felt parking had not been resolved and the second would be the increase to the concession fee to be paid. RHLP has not signed its renewal set to expire June 30th. Delorey asked management sit down with RHLP again and requested the matter be brought before the Board at its June 15th meeting with a fair and just proposal which would also address the parking problem.

Duprey stated it wasn't customary for the Board to respond during public comment. However, last year when a waiver was provided to RHLP and since then, a lot of time has been spent on Rye Harbor. Duprey has come to learn that up until COVID all of the shack merchants had a direct tie to some use at the Harbor. While there had been some relaxation at Rye Harbor to help during COVID, waivers were granted for a couple years to RHLP. Since that time staff has reviewed the future of the harbor in order to support those businesses (i.e.; fishing, charter, and sightseeing/whale watch) as well as that of the recreational users and tourists. Improvements have been made to the facility and staff does its best regarding parking. Duprey spoke to the need for concession fees, which are paid by those entities who operate concessions at PDA and state facilities. Concession fees help offset costs of roads, bathrooms, trash disposal and improvements made at the facilities so that everyone is treated equal.

Jacob Marvelley (Attorney at Hoefle, Phoenix, Gormely & Roberts – Counsel to PCA) (“Marvelley”) provided an update on PCA’s appeal of Million Air’s wetlands permit. Marvelley spoke to various issues of the opposition being wetlands, water resources and daily operations of a FBO. Million Air moved to dismiss the appeal of PCA which was granted by the Wetlands Council hearing officer on the basis of standing. Marvelley feels as though this decision violates a tenants’ due process rights; therefore, PCA has appealed the Wetlands Council decision to the NH Supreme Court as of Friday (5/12/2023). If the appeal succeeds, the Wetlands Council would be required to have a hearing on the merits and PCA would present a case to deny the permit. Marvelley indicated he would keep the Board informed as the appeal process continues.

IV. Consent Agenda Items:

A. Consent Agenda Approvals:

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1 through 5 and 7 through 9 from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.**

Discussion: Director Ferrini (“Ferrini”) indicated the need to abstain from voting on item 6.

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

1. Legal Services
2. Pease Golf Course - Tow Behind Seeder with Hydraulic Lift Kit
3. WSP USA Environment & Infrastructure Inc. (fka Wood Environment & Infrastructure Solutions, Inc.) – Right of Entry Extension
4. Pease Golf Course - Grill 28 Extension
5. Life, Accidental Death & Dismemberment, Long Term Disability, and Short Term Disability Insurance
7. Pease Aviation Partners (dba Million Air) – Conditional Use Permit Application Extension
8. Franklin Painting Co. Inc. - Airfield Painting – Products, Equipment Parts and Equipment Service
9. Compass Facility Services, Inc. – Exercise of last option and Rate Increase

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

6. Martineau Electric – On-Call Electrical Maintenance Services

Director Levesque **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors authorizes the Executive Director to complete negotiations and to execute a contract with Martineau Electric for a period of three years with two one-year options to extend at the sole discretion of the Executive Director; in general accordance with terms and conditions set forth in the memorandum of Chasen Congreves, Director of Operations, dated May 4, 2023.**

Discussion: Ferrini abstained from the vote. Disposition: Resolved by **unanimous** vote for; motion **carried**.

V. Committees:

VI. Old Business:

VII. Finance:

A. Executive Summary:

Suzy Anzalone (“Anzalone”) Director of Finance spoke to the first nine months of the year with overall revenue being 7% favorable to budget and consolidated operating expenses being 3% under budget. Anzalone spoke to operating / non-operating income and expenses. She informed the Board that while electricity is trending higher than budget it is anticipated to start to come down; the supplier charge is half what it was a couple months ago. Anzalone indicated that PDA is working with the state’s consultant in an effort to get back into a contract regarding electricity rates. She also indicated where the rates have come down, she hopes May electricity is closer to budget.

Capital expenditures year-to-date are \$5.4 million, with \$4.5 million being grant funded capital improvement projects between PDA and Division of Ports and Harbors (“DPH”).

It is anticipated that \$19 million will be coming in over the next nine months with \$22.7 million in cash outflows, of this half of that amount represents capital expenditures. This will reduce the cash flow over the next nine months but does not anticipate drawing on the Revolving Line of Credit (“RLOC”).

B. Reports:

1. **FY2023 Financial Report for the Nine Month Period Ending March 31, 2023**
2. **Cash Flow Projections for the Nine Month Period Ending January 31, 2024**
3. **FY23 - Berry Dunn Engagement Letter and Pre-Audit Presentation**

Anzalone stated the Engagement Letter with Berry Dunn has been provided for review. Robert Smalley (“Smalley”) and Katie Balukas (“Balukas”) of Berry Dunn were in attendance to speak to the Board regarding a pre-audit presentation.

Smalley expressed Berry Dunn’s (“BD”) appreciation of being reengaged for auditing services. He indicated the presentation provided usually goes before the Audit Committee, but he and Balukas will briefly walk through the information. Smalley spoke to the responsibilities of management regarding a fair presentation of financial statements and the design, implementation and operation of internal controls; BD is not part of the internal control process. Rather, its responsibilities are to opine on whether the financial statements are reasonably stated or not; the work performed by BD is not meant to relieve PDA from its responsibilities. Smalley indicated a risk assessment is done at the beginning and BD performs a robust evaluation on impairment (twice a year). Audit is performed on federal funds received called the Uniform Guidance Audit and the requirements associated with the funds are tested.

Balukas spoke to BD's knowledge and understanding of Pease and the areas it has determined to be most significant; spoke to where most of its time will be spent. She also indicated that each year time is spent performing a surprise procedure on something that has come up during discussions with management, Board, Audit Committee or industry trends. Balukas stated last year BD performed a review of the COVID funds received to affirm funds were properly accounted for. Annual audit procedures will commence the week of June 12th, inventory performed on the 30th, and year end field work is scheduled for August 28th and September 4th which is when the end of year reconciliation will be performed to review the financial statements. BD plans on issuing draft reports to management no later than October 1st and provide information to Audit Committee in October also. The required communications letter contains information should anything have come up in the audit, new accounting policies adopted, audit adjustments etc. At the end of the audit, management will provide BD with certain representations so audit can be issued and management will take responsibility for the numbers. Every year the governmental accounting standards comes up with new pronouncements and spoke to a couple which could impact the financial statements and if they do there will be disclosures regarding the same.

Duprey asked of subscription based / information technology based arrangements; Smalley stated it used to be software which is now rented through a separate entity utilizing another server. There had been disparity on its accounting, now if receiving a benefit it is placed on the books. Balukas stated it is similar to the lease standard so a new asset and liability would be indicated. There will be an inventory of software utilized by contracts to see if anything significant enough, for it to be reported under the standard. Duprey asked if there were a threshold; Balukas indicated it is a percentage of assets or revenue. Further, if the amount is over, it could hinder ability to make a sound business decision.

Anzalone stated PDA has been obtaining more on information on technology based arrangements and she is reviewing subscriptions with IT Director Greg Siegenthaler. Further she stated PDA is looking at new software next year which may be subscription based.

Balukas spoke to Pease being a governmental entity in the NH Retirement System, as an alternative have a 457B plan; BD will work with Anzalone to determine if there are any specific requirements which need to be met. Lastly, Balukas indicated should any of the Board members have any questions or concerns they can contact BD directly or Anzalone.

VIII. Licenses/Rights of Entry/Easements/Rights of Way:

A. Report:

1. NH Air National Guard – Major Accident Response Exercise

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

1. Name: New Hampshire Air National Guard
- License: Right of Entry
- Location: Pease Development Authority (PDA) owned parking lot located at 119 Arboretum Drive
- Purpose: For a Disaster Response Exercise
- Term: Friday, June 9, 2023 and Tuesday, June 13, 2023

Director Fournier was consulted and granted his consent regarding this Right of Entry.

Brean stated this is a major disaster response drill; Chasen Congreves (“Congreves”), Director of Operations added this is an annual drill and NHANG will perform another drill just prior to the Air Show.

IX. Leases:

A. Report:

1. **Sublease between 100 International, LLC and UBEO, LLC – 100 International Drive (Suite #352)**
2. **Sublease between Spyglass Development LLC and Aclara Meters LLC – 30 New Hampshire Avenue**
3. **Address Change – 80 Rochester Avenue to 100 New Hampshire Avenue**

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

1. Tenant: UBEO, LLC
Space: 100 International Drive (Suite #352)
Use: Office and Related Use
Term: Three (3) Years
2. Tenant: Aclara Meters LLC
Space: 30 New Hampshire Avenue
Use: General Office Use, Research and Development, Laboratory and such ancillary uses as permitted
Term: One Hundred Twenty-Three (123) months, with two (2) additional terms of five (5) years each.
3. Entity: Pease Development Authority
Summary: Change of Address from 80 Rochester Avenue to 100 New Hampshire Avenue

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.

X. Contracts:

A. Approval:

1. **Pease Golf Course - DAS Fire Protection – Design and Installation of Sprinkler System (Canopy Area)**

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 enter into a contract with DAS Fire Protection of Rowley, MA for the design and installation of a sprinkler system in the canopied covered patio area at Pease Golf Course in an amount not to exceed \$10,110.00; and to expend additional funds in an amount not to exceed \$2,500.00 for costs associated**

with this installation; all in accordance with the memorandum of Scott DeVito, General Manager – Pease Golf Course, dated May 10, 2023.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as the design and installation are considered a life safety issue and time is of the essence given the start of the golf season and the number of scheduled events that utilize the canopy space.

Discussion: None Disposition: Resolved by unanimous roll call vote (6 - 0) for; motion carried.

XI. Signs:

A. Report:

1. **Mass General Brigham (Wentworth Douglass Hospital) – Corporate Drive**
2. **Optima Dermatology - 111 New Hampshire Avenue**

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs” PDA reports as follows:

1. Entity: Mass General Brigham (Wentworth Douglass Hospital)
Location: Corporate Drive
Summary: Modify the existing signage to reflect updated logo.
2. Entity: Optima Dermatology
Location: 111 New Hampshire Avenue
Summary: Update the existing sign to reflect new tenancy.

The Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs also requires the consent of one member of the PDA Board of Directors. In this instance, Director Fournier was consulted regarding the sign changes.

XII. Executive Director:

A. Reports:

1. **Golf Course Operations**

Scott DeVito, PGC General Manager, spoke to golf rounds being up 1,500 year-to-date; if the weather holds out, PGC is on pace to beat total rounds for last year.

Grill 28 saw its biggest week in May with Mother’s Day; have many inquiries for functions this year.

Working with Jared Sheehan (“Sheehan”) PDA Environmental Compliance Manager, and the City of Portsmouth regarding a tie in for the water filling station.

Duprey asked for confirmation that Grill 28 has the same type of concession agreement as those at PDA, Rye and Hampton; Brean affirmed but indicated that concession fee is 17%. Duprey stated that Grill 28’s concession fee is higher and have the same review and requirements; Brean affirmed similar language.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated April was a strong month with passenger enplanements due to Spring Break. Brean indicated the passengers that passed through the terminal was very similar to last April even though this year there were 15 less flights from Allegiant. This means Allegiant's capacity load has increased. Brean stated last month Congreves attended the Allegiant conference and learned the Portsmouth / Punta Gorda itinerary is in the top tier of strongest routes. Congreves indicated PSM is the second best airport out of 125 airports in the US.

Lamson asked of the Savannah route; Brean stated the Savannah route did not return. He further indicated the route wasn't resonating as a summer route; while there was some reverse traffic it just wasn't a strong route.

Brean spoke to the volume of fuel sold in April with 70% being DOD and civil air fleet and the price for JetA currently \$5.65/gal. Brean informed the Board of and displayed an article regarding an upcoming NATO exercise that will take place in Germany. This will be the largest NATO exercise; there will be 220 aircraft; 10,000 military participants; 24 nations and 46 US ANG units. Brean anticipates about 5 to 7 squadrons bedding down in Portsmouth both going to and from the exercise. Personnel from the Defense Logistics Agency will be arriving; PDA staff will work closely with PCA to make sure Pease has the ability to handle the exercise. Brean stated notification will be provided to the communities to let them know the exercise is occurring and the NH ANG will be supporting the bridge over the Atlantic frequently for the operation. Brean stated while PSM has seen NATO missions before, this one is very sizable.

b) Skyhaven Airport (DAW)

c) Noise Line Report

(i) April 2023

Brean spoke to twenty (20) inquiries during the month of April which was an uptick. However, primarily the inquiries were for roto-craft activity (2 National Guard recruiting events at Dover and Rochester high schools), or were related to military activity and some med-flights.

Lamson asked of the military activity / Black Hawks. Brean indicated the Community Liaison Sandra McDonough investigated the roto-craft activity and several days there were recruiting events where the Army National Guard flew helicopter in to local high schools as a recruitment tool.

Duprey indicated most of the inquiries were military related or life flights and while it looks like a lot of complaints it is the sound of freedom.

Brean stated there are also altitude inquires and when investigated, air traffic control indicated all are flying at appropriate altitudes; due to the size of some of the larger aircrafts, they appear lower.

XIII. Division of Ports and Harbors:

A. Reports:

1. **Marine Contractors and Consultants, LTD – Right of Entry – 555 Market Street Terminal**

Geno Marconi (“Marconi”), DPH Director stated the ROE was a result of a vessel’s need to onboard equipment / cable and completion of erecting the conveyor which puts the cable out; short projects.

2. **Commercial Mooring for Hire – Mud Cove Boat Yard**

Marconi stated a substitute memo provided to correct entity to Mud Cove Boat Yard not Kittery Point Yacht Club; Mud Cove is located in the Piscataqua Yacht Club near shore.

3. **Port Advisory Committee Meeting Minutes of February 8, 2023**

Marconi indicated the Board had in its packet the minutes of the Port Advisory Council meeting of April 13, 2022. The minutes have been provided so the Board is aware of the Council’s activity and welcomed any comments or questions from the Board.

4. **Piscataqua Maritime Commission - Right of Entry and Waiver of Fees - Hosting “Ernestina-Morrissey” and “NAO Trinidad” at Portsmouth Fish Pier**

Marconi spoke to Piscataqua Maritime’s request for Right of Entry at Portsmouth Fish Pier; the request consists of waiver of wharfage and dockage fee, which was approved through the Delegation of Authority.

5. **Right of Entry – Hampton Harbor Marine Facility – Hold Fast Charters, LLC**

Marconi stated there was a small boat company who sold its shack to Hold Fast Charters who will do boat charters.

Marconi spoke to pilots of the river and displayed a video recorded a year ago which showed the maneuvers the pilots perform on a daily basis; some vessels, due to size, have to go up river to turning basin so they can turn around.

B. Approval:

1. **Rights of Entry, Hampton Harbor Marine Facility**

Director Lamson moved the motion and Director Fournier seconded that **the Pease Development Authority Board of Directors authorizes the Executive Director and the Division of Ports and Harbors Director, in accordance with their respective powers and duties, to finalize and execute Rights of Entry for the Hampton Harbor Marine Facility with each commercial entity listed in the memorandum of Geno J. Marconi, Director of Ports and Harbors, dated May 9, 2023.**

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

2. Rights of Entry, Rye Harbor Marine Facility

Director Levesque moved the motion and Director Ferrini seconded that the Pease Development Authority Board of Directors authorizes the Executive Director and the Division of Ports and Harbors Director, in accordance with their respective powers and duties, to finalize and execute Rights of Entry for the Rye Harbor Marine Facility with each commercial entity listed in the memorandum of Geno J. Marconi, Director of the Division of Ports and Harbors, dated May 9, 2023.

Discussion: Levesque stated DPH employees will make sure parking is available for commercial users and customers.

Disposition: Resolved by unanimous vote for; motion carried.

3. Right of Entry with Concession Agreement, Rye Harbor Marine Facility, Granite State Whale Watch Inc., dba Rye Harborside

Director Ferrini moved the motion and Director Levesque seconded that the Pease Development Authority Board of Directors authorizes the Executive Director and the Division of Ports and Harbors Director, in accordance with their respective powers and duties, to finalize and execute: 1.) a Right of Entry; and 2.) a Concession Agreement, with Granite State Whale Watch Inc., dba Rye Harborside for the Rye Harbor Marine Facility; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Director of the Division of Ports and Harbors, dated May 11, 2023.

Discussion: Lamson indicated the whale watch is very popular for visitors and residents.

Disposition: Resolved by unanimous vote for; motion carried.

XIV. New Business:

Duprey stated at the last meeting strategic planning was discussed and there has been discussion regarding FBOs and whether Pease should consider, like Bangor, creating its own FBO. Brean stated Andrew Pomeroy, PDA Director of Aviation Planning & Regulatory Compliance, is working with PDA's consultant Stantec, to review fuel with additional scope (capacity, operational activity and various economic models) so a comprehensive review is performed.

Lamson spoke to the need to inform the community that the Tradeport is on an aquifer as are portions of Newington. She stated residents have concerns with building / construction and water / different water ways that have been damaged. Lamson assured the community that information is thoroughly reviewed and not just rubber stamped for approval. PDA staff evaluates projects and makes recommendations to the Board. The communities need to understand that staff provides information and the Board reviews.

Duprey spoke to an op ed recently in the Union Leader from a concerned citizen and believes the Board's role is fundamentally misunderstood. There is preliminary work that goes on in which some members of the Board sit on [committees]; once all of the preliminary work has been completed the

information is brought to the Board as a whole. The Board reviews information obtained from various Committee meetings held and each Director can agree or disagree; start with a blank slate.

Ferrini endorsed Duprey's statement and stated the Board is providing its best service when it repeatedly explains the procedural activities; what they mean and how they work. Misinformation and / or lack of understanding on procedures creates an inability for all to make good decisions.

Fournier stated as a Chair of a subcommittee it is important to realize the Committee is only reviewing a specific aspect, not the whole project. This was explained several times at the recent subcommittee meeting and stated it was not the time to argue the entire project.

Lamson indicated she attended the Capital Improvement & Land Planning Committee and the meeting was handled well by the Committee. Lamson stated Fournier indicated the purpose of the meeting and requested those in attendance to stick to the point.

Duprey stated when a project comes before the Board, everyone who wants to have input will be able to provide it and everything will be taken in.

Brean thanked Lamson for her comments because staff has been in this process for two and a half years and when the design, research, permits and data are available it will be brought back to the Board sitting as a Planning Board. Staff works hard, but when the correct narrative is not in the community it is challenging.

Levesque reiterated what has been discussed by the Chairman and in the strategic planning PDA needs to look at whether or not we will have an FBO.

Duprey agreed.

XV. Special Event:

XVI. Upcoming Meetings:

Golf Committee	June 12, 2023 @ 8:30 a.m.
Finance Committee	June 12, 2023 @ 9:00 a.m.
Board of Directors	June 15, 2023 @ 8:30 a.m.
Noise Compatibility Committee	June 15, 2023 @ 6:30 p.m.

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

XVII. Directors' Comments:

Brean spoke to staff dealing with challenging issues, being up against specifically regarding Rye Harbor parking and referenced to the various entities (commercial fishermen / crews; charter fishermen / passengers; recreational boaters / trailers; whale watch parking / buses; Star Island and Isles of Shoals / staff and guests; contractors / vendors; public safety / NH Fish & Game / State Police / Rye Police & Fire Departments / NOAA; UNH) that park at the harbor which makes parking a challenge. Taking all of these entities into consideration makes it disheartening when individuals represent that parking at Rye is

disorderly as staff does its best coordinating parking at the facility.

Duprey spoke to the popularity of Rye Harbor, the various users of the Harbor and management of parking is a challenging issue on which staff does the best it can.

Brean informed the Board that there will be an Air Show at Pease in September hosted by the NH ANG along with an open house. The Air Show is scheduled for September 8th as its practice day, with 9th and 10th as the main Air Show dates; PDA will have a chalet. Congreves spoke to the various aircrafts which that will be involved in the Air Show and indicated there will also be interesting aircraft on the ground that are not typically seen.

XVIII. Adjournment:

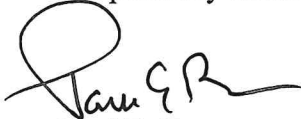
Director Lamson **moved** the **motion** and Director Levesque **seconded** to adjourn the Board meeting. Meeting adjourned at **9:35** a.m.

XIX. Press Questions:

No comments from the press.

XX. Consultation with Counsel (RSA 91-A:2, I(b))

Respectfully submitted,



Paul E. Brean
Executive Director