

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

Thursday, November 16, 2023

Presiding: Stephen M. Duprey, Chairman
Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Steve Fournier; Margaret F. Lamson; Susan B. Parker, and Karen Conard
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; Tracy Shattuck, Chief Harbormaster representing the Division of Ports and Harbors ("DPH"); Scott DeVito, Pease Golf Course ("PGC") General Manager; Jared Sheehan, Environmental Compliance Manager; Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance; Chasen Congreves, Director of Operations, Greg Siegenthaler, IT Director; and Raeline A. O'Neil, Executive Administrative Assistant

BOARD OF DIRECTORS' MEETING

AGENDA

I. Call to Order:

Chairman Duprey ("Duprey") called the meeting to order; the meeting commenced at 8:31 a.m.

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of October 19, 2023

Director Lamson moved the motion and Director Fournier seconded to **approve the minutes of the Pease Development Authority Board of Directors' meeting dated October 19, 2023.**

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

III. Public Comment:

No Public Comment

IV. Consent Agenda Items:

A. Consent Agenda Approvals:

Director Fournier moved the motion and Director Parker seconded that **the Pease Development Authority Board of Directors hereby moves that item numbers 1-5 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.**

1. Legal Services
2. Diagnostic Scan Tool Package
3. 165 Arboretum LLC – 165 Arboretum Drive – Site Plan Approval Extension

4. **Executive Air Dock - 5, 7, 19 and 21 Hampton Street - Site Plan Approval Extension**
5. **Annual Leave Buy Back**

Discussion: Lamson spoke to the memorandum provided regarding 165 Arboretum LLC, the reference regarding the fuel line running through the property at 165 Arboretum Drive which was installed by the Air Force when the base was operational and the reason for the discussions with Department of Defense.

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

V. Finance:

A. Executive Summary

B. Reports:

1. **FY2024 Financial Report for the Two Month Period Ending September 30, 2023**
2. **Cash Flow Projections for the Nine Month Period Ending July 31, 2024**

Suzu Anzalone (“Anzalone”) Director of Finance spoke to the two reports stating currently PDA is slightly under budget in revenue projections by 0.3% and its operating expenses being under budget year-to-date (YTD) by 11.3%.

Anzalone spoke to the various business units reminding the Board regarding the airport on a YTD basis expenses are favorable but operating income is at a loss. With this she indicated the Tradeport and the Golf Course ultimately help to support airport operations. Skyhaven is slightly under budget on a YTD basis as it has had some additional expenses associated with various projects and a lightning strike. However, she stated the anticipated receipt of insurance coverage on expenses incurred due to the lightning strike will be posted once received.

Further, Anzalone spoke to capital expenditures being \$1.9 million. Most of the capital expenditures being for the BUILD grant project at the Division of Ports and Harbors - Main Terminal and expects the Arrivals Hall project expenses will begin to increase in the next few months.

Anzalone informed the Board of the various cash in-flows / out-flows with respect to the various capital projects, grant and non-grant related; and how that will affect PDA’s unrestricted cash levels.

Ferrini asked with the projected cash flow levels if there were an anticipation on what PDA’s goals and objectives may be and if this is a level PDA wants to stay at.

At 8:38 a.m., the Board was advised by Deputy Director / General Counsel Anthony I. Blenkinsop (“Blenkinsop”) that the audio was not working on the Town Hall video stream service utilized by PDA for Board meetings. Therefore, the meeting was briefly paused while PDA’s backup was implemented to record the meeting for posting; the meeting resumed at 8:46 a.m.

Anzalone indicated there had been a review of the capital budget and over the next couple of years there will be some larger projects, it is during those periods there is anticipation that cash will be reduced. Ferrini asked if there may be an anticipation of bonding needs; Anzalone indicated not at this time. Rather, it may be necessary to do some short-term borrowing from the line of credit, but nothing long term.

Brean stated the capital improvement plan is set up in a three-phase approach, based on safety and security. Further, what is projected in the cash flow model would be if all projects were active.

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

A. Report:

- 1. City of Portsmouth – Right of Entry – 255 Corporate Drive**
- 2. Jalbert Leasing, Inc. dba C&J Bus Lines – Right of Entry - 42 Durham Street; 47 Durham Street, Hampton Street & 14 Aviation Avenue for Valet Parking**

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

1. Name: City of Portsmouth
License: Right of Entry
Location: 255 Corporate Drive
Purpose: Site inspection purposes
Term: September 27, 2023 through November 30, 2023
2. Name: Jalbert Leasing, Inc. d/b/a C&J Bus Lines
License: Right of Entry
Location: 42 Durham Street; 47 Durham Street, Hampton Street & 14 Aviation Avenue
Purpose: Parking C&J customer vehicles on a valet basis only
Term: 42 Durham Street; 47 Durham Street; and Hampton Street lot, commencing November 1, 2023 through April 28, 2024 and 14 Aviation Avenue commencing December 1, 2023 through April 28, 2024

Director Fournier was consulted and granted his consent regarding these Rights of Entry.

VII. Leases:

A. Report:

- 1. Sublease between 222 International, LP and Bridge Appliances, Inc. – 195 New Hampshire Avenue (Suite #100)**
- 2. Sublease between Aviation Avenue Group LLC and Fidelitone Freight Forwarding Services, LLC**

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

1. Tenant: Bridge Appliances, Inc.
 Space: 195 New Hampshire Avenue (Suite #100)
 Use: Research and Development, Light Manufacturing and General Office use which must confirm to the uses authorized by the Pease Development Authority
 Term: Two (2) Years

2. Tenant: Fidelitone Freight Forwarding Services, LLC
 Space: 100 New Hampshire Avenue
 Use: Warehouse and General Office use which must confirm to the uses authorized by the Pease Development Authority
 Term: Four (4) Years

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.

Duprey asked if it were known when the Fidelitone project would be completed; Brean stated the estimated timeframe was one year; they broke ground yesterday (November 15th).

VIII. Contracts:

A. Report:

1. Granite State Glass – Window Replacement – 55 International Drive

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

1. Project Name: Granite State Glass
 Board Authority: Director Ferrini
 Summary: Replacement of specified windows at PDA offices at 55 International Drive
 Cost: \$8,173.50

IX. Executive Director:

A. Reports:

1. Golf Course Operations

Scott DeVito (“DeVito”), Pease Golf Course (“PGC”) General Manager, spoke to the tee sheet through the weekend being fully booked.

DeVito stated PGC staff are being trained on the new point of sale system and working towards sending out renewals for season passes holders. However, PGC is holding off sending out the new applications until early December. Currently there are 55 individuals on the waitlist and additional applications continued to be received for the waitlist. Therefore, it is anticipated all 250 passes will be assumed for next season. Staff has shut down the irrigation system; with the good weather in October, staff have utilized the new seeder and put down approximately 600 pounds of seed for germination.

DeVito indicated as of today, PGC has had 73,165 rounds of golf played for the calendar year.

On November 15, 2023, the Asst. Professional Mike Jerram attended the Portsmouth Chamber for a business function, where PGC was named the Best Small Business for the month of October.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean spoke to the enplanement numbers including the month of September and that with current numbers, PSM is tracking around 2022 numbers. There has been a little downtick in scheduled enplanement as Allegiant has reduced its capacity, but there has been an uptick in the civil reserve air enplanements.

Brean further spoke to strong revenue in parking in fuel flowage this time of year. There has been an uptick in fuel flowage due to the “air bridge” which utilizes PSM as a geotechnical stop for overseas, heavy military transport planes.

Allegiant has advised PSM of its schedule for next summer and it is anticipated Nashville will not be returning as a scheduled flight option. Anticipated this is as a result in the uptick of Nashville flights from Logan. Brean stated the PSM schedule of the Nashville flights departed late on Friday evening with a return early morning on Sunday. However, there has been an uptick in the load capacity for the Tampa / St. Pete flights.

Ferrini asked if Nashville flights [from PSM] were finished for the year; Brean affirmed.

Duprey asked why the flights were down; Brean indicated flights will ramp up when the market comes back up. Brean spoke of “loads” being full, but number of flights slightly modified at this time; they will continue to be modified depending on the market.

Conard asked if there were any additional locations which may replace the Nashville flight; Brean stated not at this time. Further he indicated that Ultra Low Cost Carriers (“ULCC”) are starting to go into the larger airports (i.e.; Orlando International Airport). PSM has three destinations served year-round. The reduction in flights is not seen in just ULCC, but due to macro economics there has been a reduction in capacity

b) Skyhaven Airport (DAW)

c) Noise Line Report

i) October 2023

Duprey indicated the noise report contains nothing of significance. Brean stated there were three (3) noise inquiries for the month of October.

Lamson spoke of the many compliments received regarding the PSM terminal.

X. Division of Ports and Harbors:

Tanya Coppeta, Human Relations Manager introduced Miles Greenway (“Greenway”) who, after a long recruitment process, is the new Assistant Director for Ports and Harbors. Coppeta spoke to Greenway’s qualifications (a twenty-year US Coast Guard veteran and having a BS in Marine Transportation from Mass Maritime with an extensive background in maritime operations, security and sustainable construction).

A. Reports:

1. Diesel Direct, LLC – Right of Entry

Tracy Shattuck (“Shattuck”), DPH Chief Harbormaster, indicated Diesel Direct’s desire to obtain a Right of Entry (“ROE”) and as a means to be expeditious, it has been drafted for 6 months; it is anticipated there may be a future request for a longer ROE.

Shattuck indicated the proper caption should be Hampton Harbor “Marine Facility” not Marina as stated on the agenda. The SUP Amendment #3 is at the request of Parks and Rec and mainly regarding the use of electricity resulting in an additional charge of \$20/day. Shattuck spoke to stone being stored at the park and two barges on the water side and a crane on the land side to support the project.

The BUILD grant project at the Main Terminal on Market Street is nearing completion and anticipates completion by the end of the month.

Parker asked of the rocks being stored and once the construction is finished will they stay there; Shattuck indicated hard pack refers to supporting the weight of the rock. The hard pack is a gravel material used to make the ground harder in support of the crane and the rock.

Shattuck spoke to Simplex Shoal which needs to be dredged every five years; Parker asked if this were the same as boiling rock. Shattuck indicated it was above that and further stated boiling rock is located on the Eliot side.

Levesque asked about the recent article regarding cruise ships and the location of where the ships would be coming in, what the fees will be, how will security be affected, and can it be supported by DPH; Shattuck indicated it is not a full-size cruise ship. Duprey indicated the new pier and deck which is close to completion will not be turned into a passenger terminal. Brean indicated there have been very loose considerations and at this time this is very early in the discussions. Brean will work with DPH Director Geno Marconi to have a memo prepared to update the Board at the next meeting.

Conard indicated this is not a normal cruise ship and stated it is a coastal cruise vessel which is only about double the length of the Thomas Loughton.

Parker stated American Cruise Lines has been around for a very long time and its reputation is very good. The individual who works for American Cruise Lines who identified Portsmouth as a potential location for a land stop was a Coast Guard individual stationed in Portsmouth.

B. Approval:

1. Hampton Harbor Marina – Addendum #3 to Special Use Permit to Facilitate the 2023 Hampton Beach Jetty Repair

Director Conard moved the motion and Director Levesque seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into Addendum #3 regarding the previously approved Special Use Permit (“SUP”), as amended from the Department of Natural and Cultural Resources, Division of Parks and Recreation (“Division”), regarding access to Division property by the US Army Corps of Engineers (“ACOE”) in connection with the 2023 Hampton Beach Jetty Repair; substantially in accordance with the memorandum from Geno J. Marconi, Division Director dated October 31, 2023 and the draft Addendum #3.

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

2. Final Adoption of the Pda 600 Rules

Director Levesque moved the motion and Director Fournier seconded that in accordance with the provisions of RSA 12-G:42, X (d), the Pease Development Authority Board of Directors hereby authorizes the Director of the Division of Ports and Harbors to file the Final Proposal Annotated text of the Pda 600 Rules with the Director of Legislative Services pursuant to RSA 541-A:12; all in accordance with the Memorandum of Geno J. Marconi, Director of Ports and Harbors, dated November 1, 2023.

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

XI. New Business:

A. Report:

1. 2024 Insurance Renewal – Presentation by Fred C. Church Insurance

Devin Gallagher (“Gallagher”) of Fred C. Church Insurance (“FCCI”) and David Hampson (“Hampson”) of Hampson Aviation spoke to the Board about the upcoming 2023/2024 Insurance Renewal in preparation of the December Board meeting. Gallagher indicated FCCI is still in negotiations regarding the upcoming insurance renewal. Gallagher stated FCCI commenced the renewal process earlier in the year in an effort to gain a clear understanding of PDA in an effort to provide best opportunities / results in the current “hard market”. Hanover Insurance, who provides liability insurance for PDA (anything outside the Airport fence) and the Golf Course, provided notice in September that it would not be providing coverage for the Golf Course this upcoming renewal period. FCCI is currently out in the market negotiating coverage for the Golf Course. Gallagher spoke to the various coverages FCCI has negotiated that will be brought to the Board in December for consideration. He further spoke of the various credits obtained as a result of the experience mod (i.e.; workers’ compensation) indicating PDA is moving in the right direction. Cyber Insurance over the last three or four years has been a hard

market. Gallagher stated with the implementation of the Multi-Factor Authentication (“MFA”) the network security at PDA has been improved and is anticipating either a flat renewal or a small cost savings as a result of MFA.

Hampson stated that aviation insurance has been challenged by a number of factors globally and domestically. On average, commercial aviation insurance has increased this year by approximately 10%, but anticipates PDA being significantly lower than the average this year. Further, Hampson spoke of this year’s air show and the need to make sure the air show host procured coverage listing PDA as an additional insured on a primary non-contributory basis with a waiver of subrogation. Hampson stated airport liability excludes air shows, meaning if there wasn’t proper coverage there would be a gap.

Duprey inquired if the air show provider listed PDA as an additional insured and provided the necessary language covering PDA on a primary non-contributory basis with a waiver of subrogation; Brean affirmed.

Gallagher stated that FCCI works closely with PDA staff to review the various Certificates of Insurance received to make sure proper coverage is provided.

Hampson also referenced that PDA is under the State of New Hampshire. PDA has governmental immunity, but there is an endorsement which allows waiver of governmental immunity.

Ferrini asked if sovereign immunity favorably affect rates for that coverage; Hampson indicated it doesn’t necessary affect rates for coverage.

Duprey spoke to the current information provided concerning the insurance renewal and the anticipation of keeping increases to a minimum is very much appreciated.

Parker asked Ferrini if sovereign immunity were state or federal; Ferrini indicated it can be both.

XII. Upcoming Meetings:

Golf Committee	December 18, 2023 @ 8:30 a.m.
Finance Committee	December 18, 2023 @ 9:00 a.m.
Board of Directors	December 21, 2023 @ 8:30 a.m.
Noise Committee	December 21, 2023 @ 6:30 p.m.

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

XIII. Directors’ Comments:

Brean thanked Ferrini, Blenkinsop, Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance and Chasen Congreves, Director of Operations, who have worked hard on the insurance renewal process. These individuals have worked with FCCI to coordinate all necessary information to move forward so PDA may obtain favorable insurance coverage / rates.

Duprey informed the Board that Director Ferrini has been reappointed to his position on the PDA Board. Ferrini stated he was thankful for the reappointment and being helpful in any way he can.

XIV. Adjournment:

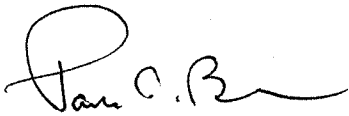
Director Levesque **moved** the **motion** and Director Lamson **seconded** to **adjourn the Board meeting. Meeting adjourned at 9:18 a.m.**

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

XV. Press Questions:

No questions from the press.

Respectfully submitted,



Paul E. Brean
Executive Director

