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55 International Drive Portsmouth, NH 03801

August 9, 2019

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu  
and the Executive Council  
State House  
Concord, NH 03301

**REQUESTED ACTION**

Pursuant to the provisions of Chapter 145, subparagraph I, (a), Laws of 2019, the Pease Development Authority / Division of Ports and Harbors (DPH) requests authorization to exceed the 3/12 limitation of said resolution, for the accounts listed below, in the total amount of \$28,600, to the extent shown as projected deficits, for the period of Fiscal Committee and Governor and Council approval through September 30, 2019. 100% Other Funds.

**OVERTIME - 100% Other Funds**

Accounting Unit	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-13-13-130510-38500000	DIV OF PORTS & HARBORS	018	875	17,475	(16,600)
03-13-13-130510-38570000	DIV OF PORTS & HARBORS	018	375	10,275	(9,900)
	Other Funds		1,250	27,750	(26,500)

**BENEFITS - 100% Other Funds**

Accounting Unit	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-13-13-130510-38500000	DIV OF PORTS & HARBORS	060	14,952	17,052	(2,100)
	Other Funds		14,952	17,052	(2,100)
<b>Total all Sources of Funds</b>			<b>16,202</b>	<b>44,802</b>	<b>(28,600)</b>

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### EXPLANATION

The Pease Development Authority / Division of Ports and Harbors respectfully requests that the above expenditure classes be increased for the amounts noted, in excess of the 3/12 limitation, established pursuant to Chapter 145, subparagraph I, (a), Laws of 2019.

The deficits projected through the end of the continuing resolution, September 30, 2019, are the result of employee overtime and corresponding benefit obligations, which will exceed the 25% level of funding for FY 2019, as reflected in the Pease Development Authority / Division of Ports and Harbors budget request for the FY 2020-2021 biennium.

The main cause of the budget variance in the overtime and benefit lines may be the lesser amount of overtime budgeted in FY 2019, which was used as the base of the 3-month Continuing Resolution for FY 2020. 25% of this smaller FY 2019 overtime figure does not appear to be adequate for our needs.

In addition, the Pease Development Authority / Division of Ports and Harbors has historically, incurred overtime in the summer. However, overtime is also required to support a) the annual mooring application processing during January-March as well as b) to support wharfage and dockage activities during the fiscal year be it for cargo or other purposes. **From a cash flow perspective however, the Pease Development Authority / Division of Ports and Harbors fully funds all budget variances quarterly in arrears with a final fiscal year end true-up no later than June 30<sup>th</sup>. As previously documented the Pease Development Authority / Division of Ports and Harbors is self-funded and receives no funding support from the State of New Hampshire relative to all operations and maintenance activities.**

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 9:16-a, "Transfers authorized", RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source", or RSA 124:15, "Positions Authorized", or both, and all emergency requests pursuant to " Chapter 145, subparagraph I, (a), Laws of 2019, making temporary appropriations for the expenses and encumbrances of the State of New Hampshire":

- 1. Is the action required of this request a result of the Continuing Resolution for FY 2020?** Yes, this request is a result of the Continuing Resolution; this action would not have been requested if the FY2020-2021 Operating Budget proposal had been approved. However, as noted on many occasions, the Pease Development Authority / Division of Ports and Harbors is a self-funded operating entity and has no financial impact to the State of New Hampshire.
- 2. If this request is retroactive what is the significance and importance of the action being effective from an earlier date?** This request is not retroactive.
- 3. Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.)** This request is not related to a prior Fiscal Committee and/or Governor and Council action.

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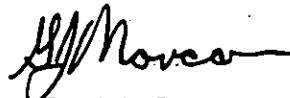
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- 4. Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied?** Funding for overtime and benefits was requested and authorized in the FY 2018-2019 enacted budget. However the overtime budget is subject to the seasonality of the workforce as well as many other variables including poor weather conditions and unanticipated wharfage activities.
- 5. Is this program, in total or in part, included in the vetoed FY 2020-2021 Operating Budget proposal currently pending for your department, or was it requested and denied?** The total funding needs to support the overtime and benefits for the Pease Development Authority / Division of Ports and Harbors were requested and included in the FY 2020-2021 Operating Budget proposal currently pending.
- 6. Does this program include either positions or consultants, and if so, are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.)** This request is the result of the need for additional employee overtime and corresponding benefits for personnel to support the efforts of the Pease Development Authority / Division of Ports and Harbors during the Continuing Resolution. These costs do not include those for consultant related activities.
- 7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied?** The State is obligated to make payment to individuals for the work that they perform on our behalf. There are no transferrable excess appropriations in other classes, pursuant to RSA 9:16-a, 1, to satisfy the overtime and benefits projected needs above. In that the Pease Development Authority / Division of Ports and Harbors is self-funded, a denial of this request would have no impact to operations.

It is critical to remember, that throughout the FY2020-2021 biennium budget development process, we emphasized that the Pease Development Authority / Division of Ports and Harbors is a self-funded operating entity and has no financial or cash flow impact to the State of New Hampshire. Current practices require that the Pease Development / Division of Ports and Harbors fully fund the State of New Hampshire for all incurred costs on a quarterly basis, paid in arrears.

Respectfully submitted,

  
David R. Mullen  
Executive Director  
Pease Development Authority

  
Captain Geno Marconi  
Director  
Division of Ports and Harbors

cc:  
Irving Canner- Director of Finance  
Pease Development Authority