

**QUONSET DEVELOPMENT CORPORATION
MEETING OF THE BOARD OF DIRECTORS**

August 15, 2023

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Tuesday, August 15, 2023, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and public notice of the meeting as required by the By-Laws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Susan Leach DeBlasio, William W. Harsch, David M. Langlais, Matthew B. McCoy, Eric Shorter, Elizabeth M. Tanner, and Eric J. Wishart. Absent were: Don Gralnek, Scot A. Jones, Adam Lupino and Susan M. Riley. Present also were: Steven J. King, P.E., Managing Director; Norine V. Lux, Finance Director; John R. Pariseault, Hinckley, Allen & Snyder LLP; and the Corporation's staff, and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 5:02 p.m. by Chairperson Tanner.

2. **APPROVAL OF MINUTES:**

Upon motion duly made by Mr. Wishart and seconded by Mr. Langlais, the Board:

VOTED: To approve the Public Session Minutes of the June 20, 2023, meeting.

Voting in favor were: William W. Harsch, David M. Langlais, Matthew B. McCoy, Eric Shorter, and Eric J. Wishart.

Abstaining was: Susan Leach DeBlasio

Voting Against were: None.

Unanimously Approved.

3. **ODC STAFF REPORTS:**

Mr. King reviewed the staff report with the Board.

4. COMMITTEE REPORTS:

There were no committee meetings.

5. APPROVALS:

A. Approval to terminate the Quonset Development Corporation's participation in the Rhode Island Commerce Corporation Pension Plan and Trust Agreement:

Mr. King stated only a small portion of the Quonset Development Corporation employees are part of the Rhode Island Commerce Corporation Pension Plan and Trust Agreement "The Plan". The Plan is a traditional defined benefit plan that pays participants, after 35 years of service, a monthly pension based on 66% of the average of the participant's 3 years highest gross salary. The Plan was frozen to new hires in 2006 and also eliminated the cost-of-living allowance that was part of the plan at that time. Mr. King stated that Ms. Lux, and he, have been evaluating options and waiting for the assets to accrue to a certain point; and now that the interest rates are high enough to liquidate the plan for maximum benefit. Mr. King continued, stating that as part of the termination process retirees would be offered options to make them whole to their current benefit and current employees would be moved into the Corporation's current defined contribution 401(a) plan going forward. Mr. King added the Corporation additionally offers current employees a deferred compensation plan in which employees can save their own money in a 457 plan with a 3% match by the Corporation. Mr. King stated that the cost of managing the plan and the low number of participants, and the aging pool of participants makes the pension plan cost per participant much higher than the cost per participant in the 401(a) plan. Mr. King stated the high interest rates currently are favorable to terminate and liquidate the Plan.

Ms. Lux shared a presentation outlining the different scenarios to liquidating the Plan and the cost savings to the Corporation. Ms. Lux noted that the best-case scenarios would be if all participants take a lump sum based on the estimated value at 55% and factoring in the cost of termination, the Corporation will have a termination excess of \$1,938,000.00. In the worst-case scenario where all participants take an annuity and factoring in the cost to terminate, the Corporation would still have termination excess of \$940,000.00.

Ms. Lux then outlined the necessary steps and the timeline to amend the current plan. Ms. Lux stated the steps would be to freeze future accruals of Corporation employees by September 30, 2023, amend the current plan to spin-off all Quonset participants into a newly created plan by January 1, 2024, create a new plan document to cover Quonset employees only by January 1, 2024, notify participants about the decision to terminate the plan by January 31, 2024, prepare plan resolution and amendment to effectively terminate the new Quonset plan effective February 29, 2024, prepare IRS filings and submit to IRS for favorable determination letter in connection with the plan termination by February 16, 2024, prepare individualized benefit calculations by March/April 2024, distribute individual benefit election forms to all participants by April 2024, pay out lump sum benefits, enter into individual annuity contracts, and rollover into current 457 plan or enter into IRA plan by May/June 2024.

John-Oliver Beirne, Partner/President at Beirne Wealth presented to the Board, outlining how Beirne Wealth will support the process. Mr. Beirne emphasized that the participants will keep the present value of their plan, only the investment vehicle will change and Beirne Wealth will assist with that process, but the employee ultimately has the final decision on how the participant wants to move their money. Mr. Beirne stated that Beirne Wealth's goal is to educate participants so that participants can make the best choice based on the participants needs/goals and once participants have made their choices, they are free to work with the participant's own advisor or stay with Beirne Wealth.

The Board discussed the cost savings to the Corporation as a result of the termination of the Plan and Mr. McCoy asked about the number of participants impacted by the termination of the plan. Ms. Lux stated that there are 10 active, 11 invested termination, and 53 retired participants.

Mr. Shorter asked if there was any cost to the participants for the services that will be provided by Beirne Wealth. Mr. Beirne stated there is no cost to the participants; the consultations are part of Beirne Wealth's service agreement with the Corporation.

Upon motion duly made by Mr. McCoy and seconded by Mr. Wishart, the Board:

VOTED: That the Corporation terminate its participation in the Rhode Island Commerce Corporation's Pension and Trust Agreement.

VOTED: The Corporation, acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers"), is hereby authorized to enter into any agreements and instruments and take all other actions necessary or appropriate in the sole discretion of the Authorized Officers to terminate the Corporation's participation in the Rhode Island Commerce Corporation Pension Plan and Trust Agreement.

Voting in favor were: Susan Leach DeBlasio, William W. Harsch, David M. Langlais, Matthew B. McCoy, Eric Shorter, and Eric J. Wishart.

Voting Against were: None.

Unanimously Approved.

B. Approval for Option to Lease Agreement and Ground Lease Agreement with MK Properties, LLC for a portion of AP 179 Lot 20 and Amendment of Quonset Business Park Development Package to change land use designation of a portion of AP 179, Lot 20 from Quonset Open Space Conservation District (QOSCD) to Quonset Light Industrial District (QLID):

Mr. King explained that MK Properties, LLC (“MK”) is interested in leasing a 5.12-acre piece of land-locked property in Keifer Park to build a 50 to 100 MW utility scale battery storage system and associated electrical equipment. Mr. King stated the Corporation has no access to this property and therefore has no use for the property and therefore, has not been able to lease the land, but Doug Riggs, MK Properties, LLC owner, has direct access to the property from an adjacent property. Mr. King stated this is a good option for this particular property.

Mr. King explained that the approval process for the battery storage is extensive, and the Corporation is proposing an option to lease the property for 5 years. If MK is successful in getting all the permitting involved for a battery storage facility, the Corporation would then grant MK a 20-year lease with ten (10), 5-year extensions.

The Board discussed the transaction details.

Upon motion duly made by Mr. Harsch and seconded by Mr. Langlais, the Board:

VOTED: The Corporation, acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the “Authorized Officers”), is hereby authorized to enter into, execute and deliver an Option to Lease Agreement (“the Option to Lease”) and a Ground Lease Agreement (the “Ground Lease”) (and related instruments as deemed appropriate by the Authorized Officers) with MK Properties, LLC (or affiliate) for the leasing of a portion of AP 179, Lot 20 being approximately +/- 5.12 acres,; the terms of such Option to Lease and Ground Lease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Option to Lease and Ground Lease and such related documents are referred to herein collectively as the “Agreements”).

VOTED: That the Corporation hereby approves an amendment to the Land Use District map contained in the Quonset Business Park Development Package hereby changing the land use designation of the approximately +/- 5.12 acre portion of AP 179, Lot 20, which will be the subject of the aforementioned Option to Lease and Ground Lease, from the current Quonset Open Space Conservation District (QOSCD) to the Quonset Light Industrial Land use designation (QLID) (the “Amendment”)

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, including making modifications to the

Quonset Business Park Development Package and taking such other actions as are necessary to effectuate the Amendment, and empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements and the Amendment, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same and shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, including the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Susan Leach DeBlasio, William W. Harsch, David M. Langlais, Matthew B. McCoy, Eric Shorter, and Eric J. Wishart.

Voting Against were: None.

Unanimously Approved.

6. **RHODE ISLAND READY:**

A. RI Ready Status Update:

Ms. Siefert reviewed the status of the applications to the RI Ready program.

7. **ADJOURNMENT:**

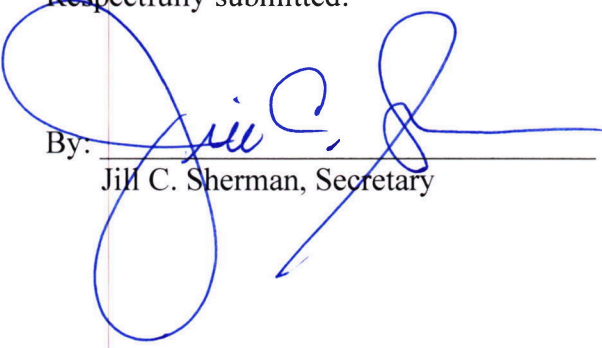
Upon motion duly made by Mr. Langlais and seconded by Mr. McCoy, the meeting adjourned at 5:57 p.m.

Voting in favor were: Susan Leach DeBlasio, William W. Harsch, David M. Langlais, Matthew B. McCoy, Eric Shorter, and Eric J. Wishart.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:


By: _____
Jill C. Sherman, Secretary