



OFFICIAL MINUTES OF:

Meeting of:	Joint LRP/Finance Committee
Date:	June 15, 2005
Time:	10:15 AM

MEMBERS PRESENT

Vincent Meselella
Paul Pinault, Executive Director
Robert Andrade, Finance Chair
Michael Salvadore
Joseph Kimball
George Redman, CAC
Richard Burroughs

MEMBERS ABSENT

Richard Oster
R. David Cruise
Laurie Montanaro
Michael DiChiro

STAFF AND GUESTS PRESENT

Karen Giebink, NBC
Ray Marshall, NBC
Cecille Antonelli, NBC
Jamie Samons, NBC
Joanne Maceroni, NBC

Jean-Marie Grossi, NBC
Joe LaPlante, NBC
Leah Foster, NBC
Thomas Uva, NBC
Jillian Colby, NBC

1. Call to Order

Recognizing a quorum, Finance Chair Andrade called the June 15, 2005, Joint Long Range Planning/Finance Committee meeting to order at 10:25 a.m.

2. Approval of Minutes – May 11, 2005

Finance Chair Andrade asked the members of the Joint Long Range Planning/Finance Committee if they had a chance to review the minutes of the May 11, 2005 Joint Long Range Planning/Finance Committee Meeting. Chairman Meselella motioned to approve the minutes of the May 11, 2005 Joint Long Range Planning/Finance Committee Meeting as written. Commissioner Salvadore seconded the motion and the vote taken by the Joint Long Range Planning/Finance Committee was unanimous. The motion carries.

1. Items for Action

A. *Review of Monthly Financial Statements*

Ms. Karen Giebink stated that a copy of the May, 2005 Financial Report is included in all Committee members' packets. With respect to Budget versus Actual, we are approximately 91.6% of the way through the fiscal year and we are spending at a level of 80.7%, which is significantly below budget. With respect to billings, we had a very significant billing last month of \$13.3 Million, so we billed 97% of what we had estimated. On Page Two, the amount outstanding in Receivables is \$8.6 Million, Cash & Investments total \$53.5 Million, and the investments are detailed under Item B. On Page Three, under Revenue Bonds, the interest rates for May for the Variable Rate Demand Obligation are listed, and the rates have since come down. The available Capital Funds are detailed under Item D. The available balance in terms of loan proceeds is \$32 Million, and we have other capital funds available of \$11.2 Million. She noted that NBC anticipates issuing \$45 Million in Revenue Bonds in August, which will supplement our Capital Program. Pricing is scheduled for July 19, 2005, and the closing for August 5, 2005. On Page Four, there is a summary of the Capital payments by month and source, and cumulative Capital expenditures. Also attached are the Statement of Revenues, Expenses and Changes in Net Assets, Statement of Net Assets, and the Detailed Budget versus Actual Report.

B. *Consideration of Purchase Requisitions*

None.

C. *Consideration of Personnel Actions*

Mr. Pinault stated that the Personnel Committee approved several personnel actions earlier this morning. The first matter is included in a memo from Karen Giebink dated June 8, 2005, which includes two recommendations. The first matter relates to the change in responsibility and job specification for the Purchasing Coordinator, which has recently been reviewed and revised. This position has taken on more responsibility and is actually doing the work that two people historically have done. Based on the re-evaluation of the Non-Union Salary Administration Committee, which is made up of the Directors, the Manager of Human Resources and the Labor Relations Manager, it is recommended that the position be upgraded from Grade 7 to Grade 9.

Mr. Pinault stated that the second item included in Karen Giebink's memo is regarding the Customer Service Billing Supervisor. This position was reviewed, and an error was found in the number of positions that the Supervisor oversees and also the character of supervision. Therefore, it is recommended that the Customer Service Billing Supervisor position be upgraded from a Grade 8 to Grade 9.

Mr. Pinault stated that the third recommendation is from Paul Nordstrom, Director of Operations and Engineering. We presently have three lead Mechanic II's and seven Mechanic I's, for a total of ten people in Maintenance at Field's Point, and the workload and complexity is increasing due to the age of the facility. Therefore, Paul Nordstrom recommends taking a vacant Operator I position and creating a Mechanic II position, so that we have an additional lead mechanic. The new Mechanic II position will be filled by a Mechanic I from within, through the Union contract. After the six-month probation period has expired, he recommends converting the vacant Mechanic I position back to an Operator I position, and re-fill that position.

With no comments, Chairman Mesolella motioned to approve the NBC's proposed organizational changes as outlined by staff. Commissioner Salvadore seconded the motion, and the vote taken by the Joint Long Range Planning/Finance Committee was unanimous. The motion carries.

4. Other Business

A. *Review and Approval of Resolution 2005:19, NBC FY2006 Operating Budget*

Ms. Karen Giebink, NBC's Director of Finance & Administration, and Ms. Francie Brown, NBC's Senior Financial Analyst, gave a presentation on the NBC's proposed FY06 Budget. Ms. Giebink thanked members of her staff for their efforts in the preparation of the Budget document. Below is an outline of their presentation.

- Executive Director's Message
 - FY2005 in Review
 - NBC Outlook
 - Overview of the Fiscal Year 2006 Budget
- About the Narragansett Bay Commission
- Budget Summary Information
 - Strategic Plan Development & Goals
 - FY2006 Budget – Key Assumptions
 - Staffing Levels
 - Budget Overview
 - Revenue Profile
 - Expense Profile
- Budget Philosophy, Process and Policies
 - Philosophy, Basis of Accounting, Budget Basis
 - The Budget Process
 - Budget Monitoring and Amendment Procedures
 - FY 2006 Budget Calendar
 - Financial Policies
 - Fund Definitions and Financial Data
- Long-Term Debt and CIP Overview
 - Long-Term Debt Overview
 - Capital Improvement Program Overview
- Division Summaries
 - Executive Division
 - Administration & Finance Division
 - Operations and Engineering Division
 - Planning, Policy and Regulation Division
- Capital Projects Details
- Supporting Schedules
 - Historical Number of Positions Budgeted
 - Budgeted Benefits Comparison
 - Grant Summary
 - Debt Schedules
 - FY 2006 Operating Capital Outlays
 - Five-Year Operating Capital Plan
 - Fund – Organization Matrix
 - Budget Resolution
 - Glossary of Terms
 - Operating Budget Detail for FY 2006

o Rate Surveys

Finance Chair Andrade praised Karen Giebink and her staff for doing such a good job in preparing the FY06 Operating Budget.

After some discussion, Commissioner Salvadore motioned to approve Resolution 2005:19, NBC FY2006 Operating Budget as presented by staff. Commissioner Kimball seconded the motion, and the motion taken by the Joint Long Range Planning/Finance Committee was unanimous. The motion carries.

B. Review and Approval of Resolution 2005:20, Adoption of NBC Strategic Plan

Mr. Tom Uva, Director of Planning, Policy & Regulation, gave a brief presentation on NBC's Strategic Plan. He noted that back in 2003, the Board of Commissioners unanimously approved the draft Plan prepared by Camp Dresser & McKee. He further noted that during 2004, the draft Strategic Plan was revised by NBC staff to incorporate Objectives and Performance Indicators, and this Strategic Plan was approved by the Board on June 16, 2004. During 2005, the Strategic Plan was updated again to establish Strategies for the Agency to follow and Performance Measures to evaluate agency performance toward achieving goals and objectives. The Strategic Plan identifies the following seven (7) goals:

1. **Core Business Goal:** Operate, maintain and protect our collection and treatment systems to ensure that all state and federal requirements are met or exceeded.
2. **Environmental Performance Goal:** Continuously evaluate NBC environmental performance to identify, quantify and minimize NBC impacts to the environment in a cost effective manner.
3. **Financial Management Goal:** Manage NBC's finances through strong financial planning and controls such that sewer user charges are minimized.
4. **Customer Focus Goal:** Maintain a customer-focused attitude throughout the organization.
5. **Staffing Goal:** Attract, develop and retain highly qualified employees.
6. **Communication Goal:** Improve and enhance internal and external communications.
7. **Organizational Performance Goal:** Ensure that the NBC organization is aligned with and supports our strategic goals.

After some discussion, Commissioner Kimball motioned to approve Resolution 2005:20, Adoption of NBC Strategic Plan. Commissioner Salvadore seconded the motion, and the vote taken by the Joint Long Range Planning/Finance Committee was unanimous. The motion carries.

C. Review and Approval of Resolution 2005:21, Lease Between NBC and Nextel Communications

Mr. Pinault stated that after being approached in early-March of this year by a subcontractor from Nextel Communications, several NBC staff members have been working with Nextel evaluating the possibility of building an antenna on NBC's property. It was determined by both NBC and Nextel that a 1,600 square foot portion of land, better known as 2 Ernest Street (at Field's Point Wastewater Treatment Facility), located at the remote southeast corner of Terminal Road and New York Avenue, was the best possible location. He noted that NBC Legal Section working in conjunction with Nextel's Legal Section then created a lease agreement for the property, which will house an antenna approximately 100 feet tall and a maintenance building for said antenna. The final lease states that Nextel will pay NBC \$1,600 per month for the next five (5) years as rent for the property. On the anniversary of the commencement date, the rent will increase by an amount equal to three (3%) percent of the rent in effect for the previous. At the end of the 5-year lease, Nextel will have the option to renew the lease for three successive five-year periods.

Mr. Pinault noted that approval of this lease may later generate additional revenue if Nextel leases space on its antenna. He also noted that placement of a Nextel antenna on NBC property also has the added

bonus of improving NBC's Nextel reception. Therefore, staff recommends approval of Resolution 2005:21, Lease Between NBC and Nextel Communications.

After some discussion, Chairman Mesolella motioned to approve Resolution 2005:21, Lease Between NBC and Nextel Communications. Commissioner Andrade seconded the motion, and the vote taken by the Joint Long Range Planning/Finance Committee was unanimous. The motion carries.

5. Adjournment

Commissioner Andrade motioned to adjourn. Commissioner Salvadore seconded the motion and the meeting adjourned at 11:07 a.m.

Respectfully submitted,



Paul Pinault, Secretary