



OFFICIAL MINUTES OF:

Meeting of:	Finance Committee
Date:	June 1, 2006
Time:	12:00 Noon

MEMBERS PRESENT

Paul Pinault, Executive Director
Robert Andrade, Finance Chair
Michael DiChiro
Joseph Kimball
Leslie Gray

MEMBERS ABSENT

Richard Oster
R. David Cruise

STAFF AND GUESTS PRESENT

Karen Giebink, NBC
Ray Marshall, NBC
Leah Foster, NBC
Sherri Arnold, NBC

Lori Vernon, NBC
Francie Brown, NBC
Michael Salvadore, Commissioner

1. Call to Order

Finance Chair Andrade chaired the June 1, 2006 Finance Committee meeting. Noting that a quorum was present, Finance Chair Andrade called the June 1, 2006 Finance Committee to order at 12:07 p.m..

2. Approval of Minutes - April 12, 2006 Joint Long Range Planning/Finance Committee

Finance Chair Andrade asked the members of the Finance Committee if they had a chance to review the minutes of the April 12, 2006 Joint LRP/Finance Committee meeting. Commissioner DiChiro motioned to approve the April 12, 2006 Joint LRP/Finance Committee meeting minutes as written. Commissioner Kimball seconded the motion, and the vote taken by the Finance Committee was unanimous. The motion carries.

3. Items for Action

A. *Review of Monthly Financial Statements*

None.

B. *Consideration of Purchase Requisitions*

None.

C. *Consideration of Personnel Actions*

None.

Other Business

A. *Review of Proposed NBC FY2007 Operating Budget*

Ms. Karen Giebink gave an overview of the proposed Fiscal Year Operating Budget that followed along a summary document distributed to the Finance Committee members. She started with a discussion of budget considerations, the activities involved in the budget preparation process and the budget overview. This was followed by a detailed presentation of revenues including revenue by category and analysis of the FY 2006 year to date performance. As part of the analysis she explained that Bucklin Point electricity usage is lower than projected because not all new facilities came on-line as scheduled. She further explained that the electricity supply rate nearly doubled on January 1, 2006. The short and long-term expense guidelines were presented along with a summary of the budget cuts required to achieve a balanced budget. Ms. Giebink mentioned the status of the pending NBC rate filing with the PUC. The Division of Public Utilities and the NBC signed a Settlement Agreement; however, the PUC at a May 24, 2006 Open Meeting decided to reduce NBC's revenue requirement by approximately \$250,000 because the PUC felt NBC should impose 10% premium co-shares on health insurance. Commissioners Andrade, Salvador and Gray expressed their opinions on this matter.

Mr. Pinault noted that NBC has been able to achieve health insurance cost savings through plan design changes and briefly mentioned the on-going contract negotiations with the Unions regarding healthcare costs, etc.

Ms. Francie Brown highlighted differences between the 2006 and 2007 budgets by element of expense and division. She also addressed personnel costs, budgeted FTE's, and the budgeted benefits comparison. Ms. Brown discussed the impact of the biosolids outsourcing contract at Field's Point and Bucklin Point as well as projected and historical utility costs. She also addressed budgeted operating capital and debt service.

Ms. Giebink presented the highlights of the Capital Improvement Program (CIP) and indicated that the CIP was to be fully incorporated into the operating budget in FY 2007. She gave an overview of the CIP including the sources and uses of funds and the draft projected impact on user fees.

Ms. Brown reviewed the Executive Division Summary, Detail, Performance Measure, Historical Information, Mission and Overview, Accomplishments, Section and staffing and stated that the final budget document would contain similar information for all Divisions.

Staff concluded with a review of the FY 2007 Operating Capital Outlays and the Five Year Operating Plan and noted how the Asset Management Program currently underway would further enhance NBC's operating capital outlay planning. The debt service schedules were presented and with that ended the review of the proposed FY 2007 Operating Budget.

5. Adjournment

Commissioner DiChiro motioned to adjourn. Commissioner Kimball seconded the motion and the Finance Committee Meeting adjourned at 1:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul Pinault".

Paul Pinault, Secretary