



OFFICIAL MINUTES OF:

Meeting of:	Joint Long Range Planning/ Finance Committee
Date:	April 4, 2007
Time:	10:45 AM

MEMBERS PRESENT

Vincent Meselella, Chairman
Robert Andrade, Finance Chair
Raymond Marshall, Executive Director
Joseph Kimball
Leo Thompson
Michael Salvadore
John MacQueen
George Redman, CAC Member

MEMBERS ABSENT

Michael DiChiro
Leslie Gray, III
R. David Cruise
R. Burroughs

STAFF AND GUESTS PRESENT

Karen Giebink, NBC
Jamie Samons, NBC
Paul Nordstrom, NBC
Richard Bernier, NBC
Leah Foster, NBC
Dan Smith, NBC
Sherri Arnold, NBC
Brenda Smith, NBC
Harold Gadon, CAC
Mark Thomas, NBC
Steve Whitney, Senate Fiscal Office

Jean-Marie Grossi, NBC
Thomas Uva, NBC
Joanne Maceroni, NBC
Francie Brown, NBC
John Nobrega, NBC
Anamaria Clarkin, NBC
John Zuba, NBC
Cecille Antonelli, NBC
Joseph Pratt, LBG
Joseph Rodgers, RI House of Representatives

1. Call to Order

Noting that a quorum was present, Finance Chair Andrade called the April 4, 2007 Joint Long Range Planning/Finance Committee meeting to order at 10:48 a.m.

2. Approval of Minutes - October 18, 2006 Finance Committee (REVISED)
December 13, 2006 Finance Committee
January 24, 2007 Finance Committee

Finance Chair Andrade asked the Committee members if they have had a chance to review the minutes of the October 18, 2006 Finance Committee (REVISED) minutes. He noted that the revision is located on Page 5, in the first paragraph, which should have read “a 30-Year Revenue Bond” instead of “a 20-Year Revenue Bond.” Commissioner Kimball motioned to approve the revised minutes of the October 18, 2006 Finance Committee meeting. Commissioner Salvadore seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

Finance Chair Andrade asked the Committee members if they have had a chance to review the minutes of the December 13, 2006 Finance Committee meeting. Commissioner Salvadore motioned to approve the minutes of the December 13, 2006 Finance Committee meeting. Commissioner MacQueen seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

Finance Chair Andrade asked the Committee members if they have had a chance to review the minutes of the January 24, 2007 Finance Committee meeting. Commissioner MacQueen motioned to approve the minutes of the revised January 24, 2007 Finance Committee meeting. Commissioners’ Kimball and Salvadore seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

3. Items for Action

A. Review of Monthly Financial Statements

Ms. Karen Giebink referred to the February 2007 Monthly Financial Report. With respect to Budget versus Actual, she noted that we are spending at 62.7%, which is under the budgeted level of 66.6%. She noted that 95% of the budgeted positions are currently filled. On Page two of the Report, the User Fee Billing Report, she noted that NBC billed \$14.7 Million in January 2007, which was very close to the projected billing. Ms. Giebink noted that NBC has gone live with our new customer service application that we developed entirely in-house. She noted that the Receiving Aging Analysis Summary is reflected under Item B on Page two. On Page 3, Cash and Investment balances total \$82.16 Million and the investments are detailed under Item B. She noted that with respect to Notes, Bonds and Loans located on Page 4, we closed on December 21, 2006 the State Revolving Fund Loan #10, which is \$30 Million borrowing from the RI Clean Water Finance Agency, and that rate was at 1.77%. She noted that NBC also executed a \$42.5 Million Revenue Bond Issue on February 7, 2007, and that is at an All-in total interest cost of 4.65%. She noted that copies are available of the Official Statement here, if anyone would like to review that. Ms. Giebink stated that NBC is very pleased with that, because it is an exceptional rate on a 30-year Revenue Bond with no principal payments until the year 2028.

Ms. Giebink stated that the Outstanding Debt totals \$415.6 Million. On Page 5, she noted the available capital funds are \$75.7 Million, and Page 6 summarizes Capital Payments by Month and Source. Also attached to the February 2007 Financial Report is the Statement of Revenues, Expenses and Changes in Net Assets, the Statement of Net Assets and the Detailed Budget versus Actual.

This concluded Ms. Giebink’s report.

B. Consideration of Purchase Requisitions

Mr. Marshall stated that there is one purchase requisition that requires Finance Committee approval. He referred to the pink sheet included in all Committee members' packets. The vendor is Inland Waters and is to provide the labor and equipment necessary to clean and inspect approximately eight miles of the NBC's sewer system in the southern part of Johnston. He noted the amount of this requisition is \$70,860, and this project was publicly and openly bid. The firm is a very qualified company that we know does very good work, and staff recommends approval of this item.

With some discussion, Commissioner MacQueen motioned to approve said Requisition for Inland Waters as explained by Mr. Marshall. Commissioner Salvadore seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

C. Consideration of Personnel Actions

Mr. Marshall stated that there are three proposed personnel actions today. The first item was approved by the Personnel Committee at their January 24, 2007 meeting. The revision is a swap of positions; as we moved a position in the Customer Service Section to the Legal Section, and a position under the Legal Section was moved to the Customer Service Section. Because of the nature of the positions' duties, staff felt that this change would be a very efficient and effect way of accomplishing many of our tasks. He noted that Laurie Horridge Bissonette, our General Counsel, and Karen Giebink, Director of A&F, have both recommended this change. There is no budgetary impact; however, this matter does require Finance Committee approval due to the change of moving positions from one Section to another.

Mr. Marshall stated that the next two items involve the Operations Division. He noted that included in all Committee members' packets is a memo from Paul Nordstrom dated March 20, requesting revisions to NBC's organization plan. He stated that the first matter is at the Field's Point facility. Mr. Marshall stated that we have a group called the Operations & Maintenance Support group, which has become the hub of our Asset Management program. NBC has six positions in the Operations & Maintenance Support group; five of the positions are 40-hour per week positions, and one position, an O&M Technician, is a 35-hour per week position. NBC staff is requesting to upgrade the O&M Technician position to a 40-hour per week position, so that the group will all basically be working the same schedule, and would require an increase in pay grade from Grade 5 to Grade 5A. There is a slight impact on the budget; however, the cost can easily be absorbed in the FY07 Budget.

Mr. Marshall stated that the next item included in Paul Nordstrom's memo is in the Interceptor Maintenance Section. We presently have a vacant IM Mason position in this Section. In past years, he noted that the need for high-level masonry work has significantly diminished. Staff feels the rough masonry work including routine work, such as resetting frames and covers, repairs to inverts, minor manhole repairs, etc. could be performed by our existing crews. He noted that NBC has met with both Unions regarding this matter, and they are in agreement with the proposed changes. NBC would provide the training necessary for IM staff to be able to do routine masonry work. Mr. Marshall further stated that it is recommended as part of their job descriptions, that they receive a one (1) pay grade increase, which averages approximately \$.35/per hour; in all affecting thirteen employees. Therefore, he stated that it is staff's recommendation to approve these proposed changes, and recommend the said pay increases be retroactive back to the last pay period, which is March 18, 2007. He also noted that the proposed pay increase would be an added incentive for employees to whole-heartedly embrace this change.

With no discussion on the matter, Commissioner MacQueen motioned to approve the proposed changes to NBC's organizational plan, as explained by Mr. Marshall. Commissioner Salvadore seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

4. Other Business:

A. *Review and Approval of Resolution 2007:03, Use of Environmental Enforcement Funds*

Mr. Marshall stated that as many of our Board members know, NBC has a source of funds called an Environmental Enforcement Fund, which comes from various fines and penalties that are enforced when permittees discharge to our system in violation of NBC's Rules and Regulations. He noted that in turn, NBC is able to use the funds for public information/outreach, educational projects, demonstration-type projects that can help improve the way NBC operates our treatment facility, and there are two funding requests for consideration.

Mr. Marshall noted that the first request we received for Environmental Enforcement Funds was from the RI Children's Museum in the amount of \$7,500 to inspire learning through active play and exploration with hands-on exhibits and programs that explore the arts, culture, history and science. One interactive exhibit they have is called "Water Works," which teaches children the importance of water and how it is pumped, cleaned and used. He noted that this exhibit requires constant attention and maintenance to ensure that the water in the exhibit is clean and pure, and the play surfaces are safe for the children as they learn about water.

Mr. Marshall stated that the second funding request comes from the City of Central Falls for an environmental clean-up and an education project. This project involves hiring a summer intern to work on their stormwater system improvement program. The Project cost is estimated to total \$15,788, of which the City is seeking \$7,500 from NBC's Environmental Enforcement Fund. He stated that this particular project will fund the student intern to regularly pick up litter and debris that could enter the drainage systems, and the requested funding will cover a portion for the cost to dispose of sand and grit removed from their stormwater drainage systems. Mr. Marshall further noted that the sand, grit, debris and litter collected by the City could ultimately impact the NBC's sewer system if not removed. The NBC has had an ongoing sewer line cleaning project to remove sand and grit from our sewer system, as these materials reduce the capacity of our sewer lines and can cause blockages resulting in sewer overflows. Since this program would help reduce the discharge of these materials to the NBC's system, funding for this Project in the amount of \$7,500 is recommended.

Mr. Marshall noted that there are adequate funds available in the Environmental Enforcement Fund to fund both of these very worthwhile projects. Therefore, staff recommends approval of Resolution 2007:03, Use of Environmental Enforcement Funds, as explained by Mr. Marshall.

With no further discussion, Commissioner Salvadore motioned to approve Resolution 2007:03, Use of Environmental Enforcement Funds. Commissioner MacQueen seconded the motion, and the vote taken by the Joint LRP/Finance Committee was unanimous. The motion carries.

5. Adjournment

Commissioner Salvadore motioned to adjourn. Commissioner Thompson seconded the motion and the Joint LRP/Finance Committee meeting adjourned at 11:07 a.m.

Respectfully submitted,



Raymond J. Marshall, P.E.
Secretary/Executive Director