



**OFFICIAL MINUTES OF:**

Meeting of:	Joint LRP-Finance Committee Meeting
Date:	September 28, 2011
Time:	10:30 a.m.

**MEMBERS PRESENT:**

Richard Burroughs  
Mario Carlino  
Jonathan Farnum  
John MacQueen  
Vincent Mesoella  
Joan Milas  
Alan Nathan  
Michael Salvatore  
Leo Thompson-LRP Chairman  
Harold Gadon-CAC

**MEMBERS ABSENT:**

Robert Andrade, Committee Chairman  
Richard Brown  
Michael DiChiro  
Leslie Gray, III  
Joseph Kimball  
Ronald Leone

**STAFF AND GUESTS PRESENT:**

Raymond J. Marshall, NBC Executive Director  
Thomas Uva, NBC  
Karen Musumeci, NBC  
Leah Foster, NBC  
Joe Pratt, Louis Berger Group  
Harold Gadon, CAC  
Jennifer Harrington, NBC  
John Zuba, NBC  
Sherri Arnold, NBC  
Pamela Duckworth, NBC  
Diane Buerger, NBC  
Joanne Maceroni, NBC  
Robert Otoski, CDM  
Dennis Place, NBC

Linda George, Senate Fiscal Offices  
Kathryn Kelly, NBC  
Laurie Horridge, NBC  
Deborah Samson, NBC  
Chris Moran, NBC  
Anthony Di Iorio, NBC  
Meg Goulet, NBC  
Robert A. Dutra, NBC  
Paul A. Annicelli, NBC  
Richard Worrell, NBC  
Pat Boucher, Bacon & Co.  
Joseph DeAngelis, Esquire, NBC  
Jean Lynch, CAC  
Mark Thomas, NBC

**1. Call to Order**

In the absence of Finance Committee Chairman Robert Andrade, NBC Chairman Vincent Mesoella called the September 28, 2011 Joint Long Range Planning- Finance Committee Meeting to order at 10:50 a.m.

**2. Approval of Minutes – June 15, 2011 Finance Committee**

Chairman Mesoella asked for a motion to approve the June 15, 2011 Finance Committee meeting minutes as written. Commissioner MacQueen moved to approve the June 15, 2011 Finance Committee meeting minutes as written. Commissioner Farnum seconded the motion. The vote taken by the Joint Long Range Planning- Finance Committee was unanimous. The motion carries.

**3. Items for Action**

**A. Review of Monthly Financial Statements and Expenditures**

Ms. Giebink stated that the Committee members have before them the financial statements for both July and August 2011 and that she would be reviewing the August statements with the Committee. With respect to the Budget vs. Actual, NBC is currently spending under budget. At approximately 16.7% of the way through the fiscal year we are spending at 14.6 % with respect to Operations and Maintenance costs. We are running slightly under budget on personnel services as well as O & M with respect to bio-solids and utilities. She noted that with respect to personnel, 96% of the budgeted positions are currently filled.

She noted that Page 2 shows that the cumulative user fee billings are above projected levels. The receivables comparing August of 2011 vs. August of 2010, show that the amount outstanding is approximately the same which is really good news taking into consideration the current economic times. This is a result of the collection efforts of customer service as well as through the lien sale which is run by the legal department.

Ms. Giebink stated on Page 3 of the report, cash and investments total \$69.7 million and the investments are detailed under Item B. Page 4 of the report shows the Variable Rate Debt and the VRDBs are pricing below SIFMA at approximately 0.16%. Outstanding debt is \$427 million.

She stated that Page 5 shows that the available balance for Capital Funds is \$76.3 million. This should increase next month when we do our transfer into the Restricted Fund. Page 6, of the report shows capital payments by month and source. Ms. Giebink noted the attachments to the Monthly Financial Report include the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets as well as the detailed Budget vs. Actual.

This concluded Ms. Giebink's report.

**B. Consideration of Purchase Requisition**

Mr. Marshall stated the Committee members have before them a list of Purchase Requisitions for the months July and August that were included as part of the Budget and are in excess of \$10,000. There are none that require the Committee's approval. They members also have a list of budget transfers for the months of July and August.

C. Consideration of Personnel Actions

None.

**D. Review and Approval of Resolution 2011:38; Authorization to Approve and Accept The Comprehensive Annual Financial Report for Fiscal Year 2011**

Raymond Marshall advised that Pat Boucher of Bacon & Company would be making the presentation.

Ms. Boucher advised that she would provide the Committee with an overview of the Fiscal Year 2011 Financial Report and then would be available to answer any questions that the Committee may have.

Ms. Boucher directed the Committee's attention to page 11 of the report, the independent auditor's report is an unqualified opinion or clean opinion which means that the financial statements as presented in this document are presented in conformance with general accounting principles. The report also indicates that there were no material weaknesses and no instances of non-compliance based on the audit that was performed. There is also no separate management letter being issued as a result of this audit.

She next reviewed the financial information on pages 13 through 19 which is the MD and A that is prepared by management. This provides an analysis of key areas in the financial statements, comparison information and changes both in the Statement of Net Assets and Revenue and Expenses. Page 20 lists all NBC assets. It reports total assets of \$790 million. The major increase in the assets from prior years is a \$32 million dollar net increase in the capital assets primarily attributable to the construction and progress and capital additions during the year and there was also an \$8 million increase in restricted cash for capital assets over the year.

Page 21 reports liabilities and net assets. Total liabilities are \$437 million. The major increase is in the bonds and loans payable of approximately \$10 million as a result of the issuance of new debt for capital projects, net of any debt service payments. There was also an increase in the current liabilities of approximately \$4 million attributable to the capital asset activity.

Ms. Boucher stated that the end result is NBC's net assets total \$353 million which is an increase of \$25.2 million from the prior year. Total operating revenues were \$76 million an increase of \$4.2 million from the prior year and that is primarily in user fees. Total operating expenses were \$44 million, an increase of only \$650,000. She then reviewed the Statement of Cash Flows which shows an increase of \$8.3 million. She reviewed the Budget to Actual presentation of expenditures. There is a positive budget variance of \$6.8 million. Major contributors to this were the management and audit services, fringe benefits, bio-solids and electricity lines. Also favorable to NBC were the savings on the interest for the Variable Rate Bonds.

Ms. Boucher noted that the Auditor General's Office has reviewed this draft report as they are required to because NBC is a component unit of the State. They have requested NBC add some wording to the footnotes having to do with the loans payable (SFR).

This completed Ms. Boucher report.

Commissioner Milas made a motion to approve Resolution **2011:38; Authorization to Approve and Accept The Comprehensive Annual Financial Report for Fiscal Year** Commissioner Farnum seconded the motion and the vote taken by the Finance Committee was unanimous. The motion carries.

**E. Review and Approval of Resolution 2011:39; Recommendation for Use of Environmental Enforcement Funds**

Mr. Marshall advised that the NBC has received a request from the Blackstone Valley Tourism Council for grant funding with Environmental Enforcement Funds. In the late 1700's one of America's earliest chocolate mills was situated along the Blackstone River along Roosevelt Ave in Central Falls. It became an important part of the American Industrial Revolution providing blocks of chocolate for the industrial workers, the China trade mariners and the Napoleonic Wars. The mill was wiped out in a flood 20 years later, but the mill was noted for creating the first water-powered industrialized use of the Blackstone River.

The Blackstone Valley Tourism Council is working to build the Chocolate Mill Overlook at this site, a \$70,000 project. The park will tell the story of Central Falls' early history and will have fishing and canoe access and several educational panels on the history of the mill. Educational panels will be built to educate about the nature in the area and the history of the site. The NBC will also be able to use the panels to educate users of the park about our programs. Mars, Inc has provided \$35,000 in funding for the project and the Blackstone Valley Tourism Council is raising the remaining \$35,000 in matching funds. This organization has requested a \$3,000 grant to help them meet the match. The NBC has a Combined Sewer Overflow (CSO) that runs through this park, and NBC staff believes that the educational panels would provide an opportunity to educate park users about NBC involvement in cleaning up the Blackstone River. Therefore NBC staff recommends funding \$3,000 to the Blackstone Valley Tourism Council to support the construction of the Chocolate Mill Overlook Park in Central Falls.

There are adequate funds available in the Environmental Enforcement Fund to support this worthwhile project. Therefore, I recommend approval of Resolution Number 2011:39 for funding in the amount of \$3,000 for the Blackstone Valley Tourism Council Chocolate Mill Overlook project. I am available to discuss this request further with you at your convenience.

Commissioner Milas recuses herself.

Commissioner Farnum made a motion to approve Resolution 2011:39; Recommendation for Use of Environmental Enforcement Funds. Commissioners MacQueen and Carlino seconded the motion and the vote taken by the Finance Committee was unanimous. The motion carries.

**4. Other Business**

None.

**5. Adjournment**

A motion to adjourn was made by Commissioner Farnum, seconded by Commissioner MacQueen and the Finance Committee meeting adjourned at 11:15 a.m.

Respectfully submitted,



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