

000000The Narragansett Bay Commission
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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director



OFFICIAL MINUTES OF:

Meeting of:	Finance Committee Meeting
Date:	October 28, 2014
Time:	10:30 a.m.

MEMBERS PRESENT:

Robert Andrade, Committee Chairman
Mario Carlino
Michael DiChiro
Jonathan Farnum
Joseph Kimball
John MacQueen
Vincent Mesolella
Joan Milas

MEMBERS ABSENT:

Paul Lemont

STAFF AND GUESTS PRESENT:

Raymond J. Marshall, NBC Executive Director
Thomas Uva, NBC
Jennifer Harrington, NBC
Jamie Samons, NBC
Karen Giebink, NBC
Laurie Horridge, NBC
Deborah Samson, NBC
Rich Bernier, NBC
Leah Foster, NBC

Michelle DeRoche, NBC Commissioner
Richard Burroughs, NBC Commissioner
Karen Musumeci, NBC
Cecille Antonelli, NBC
Joanne Maceroni, NBC
Mark Thomas, NBC

1. Call to Order

Finance Committee Chairman Robert Andrade called the October 28, 2014 Finance Committee Meeting to order at 10:37 a.m.

2. Approval of Minutes – September 23, 2014 – Finance Committee

Chairman Andrade advised that Committee that it was taken to his attention that there were some discrepancies in the September 23, 2014 Finance Committee meeting minutes so the Committee will pass on making a motion on these minutes until the next meeting of the Finance Committee..

3. Items for Action

A. Review of Monthly Financial Statements and Expenditures

Karen Giebink advised that the Committee members have before them the September monthly financial report for FY2015.

She noted that NBC is two months through the fiscal year and is currently spending under budget. She noted, however, that the Operations/Maintenance line item is slightly over budget to date, but that should be truing up over the course of the fiscal year. She added that this has to do with the timing of the payment of maintenance and service agreements, which are usually all up front as well as some insurance costs.

The number of filled positions is 246 so 94 percent of the budgeted positions are currently filled. On Page 2 of the report you can see the actual vs. projected billing and we were pleasantly surprised in August with a billing of approximately \$8.3 million. This is before adjustments so that's a nice strong billing. At the bottom of the page it shows the amount outstanding is \$12.2 million which is only slightly higher than the total outstanding last year at this time and that's despite a significant increase in the total amount billed during the last twelve months.

On Page 3, Cash & Investments total \$84.1 million the Investments are shown under Item B.

On Page 4 of the report, referring to long term debt and NBC vs. the SIFMA Index you can see the VRDB's are still pricing exceptionally well at .05 percent. She added that NBC closed the most recent RI Clean Water Finance loan on March 6, 2014 and that NBC still has some proceeds available from that financing.

The total amount of debt outstanding is \$629.8 million. On Page 5 of the report, with respect to outstanding debt, approximately 9 percent is in variable rate mode. The available Capital Funds total \$63.9 million and the majority of that relates to the SRF 17 loan proceeds as well \$28.5 million in the restricted account which in turn reflects the debt service coverage carry forward excess that was transferred last month of approximately \$10.7 million.

The Capital Payments by month and source are shown on the next page. There is also information related to the Non-Union Defined Benefit plan assets. We were at approximately \$9.9 million at the end of August.

Ms. Giebink stated that she wanted to mention three other items. The Board had authorized last year, if we finished under budget in the personnel portion of the budget, that if there were funds available we could make an additional contribution to the Non-Union Defined Benefit (NUDB) plan and we did in fact do that. This authorization was conditional on NBC's ability to still meet the coverage requirements and we were able to. So while meeting coverage requirements we deposited a total of \$315,000 additional into the NUDB plan bringing us up closer to the maximum that could be contributed per the actuarial report from Angell Pension.

She also noted that NBC is in the process of refunding the 2005 Series A Bonds. The net present value savings based on the analysis that was done on August 27th are \$4.7 million which is a savings of 10.3 percent which is well in excess of the industry standards of a 3 percent savings so we are moving forward with that process. She added that NBC also had its AA- credit rating reaffirmed by Standard and Poor's on September 12th.

She also mentioned that NBC did enter into a Settlement Agreement on the most recent rate case with the Division of Public Utilities. Ms. Giebink stated that the Public Utilities Commission conducted a hearing and at the PUC's open meeting on last Friday they made a few minor tweaks to the Settlement Agreement. They did not want to pay for the maintenance of the fish tanks. The cost is about \$3,000 so we will be making that adjustment and a few other minor adjustments as well but overall we anticipate making a compliance filing shortly so the new rates would go into effect I believe as of the date of the open meeting which was September 19th. It's an approximately 4.02 percent increase in rates and that is comprised of two components. One is a rate based adjustment and the other is an actual increase in the revenue, cost of service.

Ms. Giebink noted that attached to her report are the Monthly Financial Statements, the detailed Budget vs. Actual report and the monthly Budget Transfers.

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 greater than \$10,000. All of these items were included in the FY2015 Budget that was passed in June and therefore none require the Committee's approval.

The members also have a list of budget transfers for the month of September 2014.

C. Consideration of Personnel Actions

None.

4. Other Business

5. Adjournment

A motion to adjourn was made by Commissioner MacQueen seconded by Commissioner Farnum and the Finance Committee meeting adjourned at 10:55 a.m.

Respectfully submitted,



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