

The Narragansett Bay Commission
One Service Road
Providence, RI 02905

(401) 461-8848
(401) 461-6540 FAX

Vincent J. Mesoella
Chairman

Raymond J. Marshall, P.E.
Executive Director



OFFICIAL MINUTES OF:

Meeting of:	Finance Committee Meeting
Date:	April 28, 2015
Time:	10:30 a.m.

MEMBERS PRESENT:

Robert Andrade, Committee Chairman
Mario Carlino
Jonathan Farnum
Joseph Kimball
Paul Lemont
John MacQueen
Vincent Mesoella
Joan Milas

MEMBERS ABSENT:

Michael DiChiro

STAFF AND GUESTS PRESENT:

Raymond J. Marshall, NBC Executive Director
Karen E. Musumeci, NBC
Jennifer Harrington, NBC
Jamie Samons, NBC
Karen Giebink, NBC
Laurie Horridge, NBC
Christine Cooper, NBC
Harold Gadon, CAC
George Palmisciano, Pare Corp.
Sean Searles, MWH
Rich Raiche, MWH
Gail Degnan, NBC
Robert Otoski, CDM Smith

Tom Uva, NBC
Sherri Arnold, NBC
Rich Bernier, NBC
Dan Berger, PFM
Steve Maceroni, PFM
David Bowen, Wright-Pierce
Leah Foster, NBC
Paul Nordstrom, NBC
Mike Stuard, NBC
Joanne Maceroni, NBC
Tom Brueckner, NBC
Al Mancini, PUC

1. Call to Order

Committee Chairman Andrade called the April 28, 2015 Finance Committee Meeting to order at 10:30 a.m.

2. Approval of Minutes – March 17, 2015 – Finance Committee

Commissioner Andrade asked for a motion to approve the March 17, 2015 Finance Committee meeting minutes as written. Commissioner Kimball moved to approve the March 17, 2015 Finance Committee meeting minutes as written. Commissioner Farnum seconded the motion. The vote taken by the Finance Committee was unanimous. The motion carries.

3. Items for Action

A. Review of Monthly Financial Statements and Expenditures

Karen Giebink advised that the Committee members that she would review the March monthly financial report with the Committee. With respect to the FY2015 budget vs actual NBC is spending under budget at approximately 69.3%. This is a result of lower personnel costs due to unfilled positions and turnover as well as cost saving resulting from lower bio-solids production primarily at Fields Point. With respect to FTE's, 96% of the budgeted positions are currently filled.

On page 2 of the report, with respect to User Fee billings, the cumulative billings to date are \$70.8 million and we are billing very close to what we had projected at this point in the year. With respect to receivables, there is \$12.8 million outstanding as of March 31, 2015 which is approximately the same amount that was outstanding last year at this time.

Ms. Giebink added that on Page 3 of the report, cash and investments total \$79.2 million and that the investments are shown under Item B.

On Page 4 of the report, with respect to bonds and loans, the NBC's Variable Rate Demand Bonds are currently pricing through SIFMA at approximately .02%, or in other words NBC's VRDBs are pricing at the same rate as the Index. She added that outstanding debt is \$607.1 million.

She referred to the chart on page 5 of the report which shows fixed vs. variable rate debt and approximately 10% of the outstanding debt is in variable rate mode. The total capital funds available are \$39.8 million and capital payments by month and source are shown on page 6 of the report. Ms. Giebink noted that there has not been as much construction activity in prior month and that capital payments began to drop off in February and March.

Ms. Giebink added that the Non-Union Defined Benefit Plan assets totaled \$10.7 million as of March 31, 2015.

She stated that attached to the report is the statement of net position, statement of revenue, expenses and changes in net position, the detailed budget vs. actual report and the monthly budget transfers that took place in March.

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.

C. Consideration of Personnel Actions

None.

3. Other Business

D. Review and Approval of Resolution 2015:11; Authorization to Enter into a Contract for Pension Auditing Services for Fiscal Years 2014, 2015 and 2016

Ms. Giebink advised that on February 25, 2015, the NBC issued a Request for Proposals (RFP) for Pension Auditing Services for Fiscal Years 2014, 2015 and 2016. This is a new audit that is essentially a fall out item of the new GASB pension accounting requirements to be implemented for the FYE June 30, 2015. These requirements will likely require an audited fair value of the pension plan assets for use in determining the net pension liability which will be reflected on NBC's statement of net position. Prior to its issuance, the RFP was reviewed and approved by both the State of Rhode Island Auditor General and Department of Administration. NBC received five submittals on the March 23, 2015 due date. Submittals were received from Hague, Sahady & Co., PC, LGC&D, Ron L. Beaulieu & Company, Bacon & Company, LLC, and Marcum LLP.

The submittals were reviewed and evaluated by the Purchasing Manager, Accounting Manager, Human Resources Manager, and Director of Administration and Finance in accordance with the criteria set forth in the RFP. As a result of the evaluation, Hague, Sahady & Co., is the recommended firm. Their submittal included a comprehensive description of the audit approach and strategy. In addition, Hague, Sahady & Co. had the lowest cost for the audit over the 3-year period at \$5,500 per year. Staff also submitted the auditor selection to the State and received their approval.

The Finance Committee's approval of Resolution 2015:11 Authorization to Enter into a Contract for Auditing Services for Fiscal Years 2014, 2015, and 2016 was requested.

Commissioner Farnum motioned to approve Resolution 2015:11; Authorization to Enter into a Contract for Pension Auditing Services for Fiscal Years 2014, 2015 and 2016. Commissioner Farnum seconded the motion and the vote taken by the Finance Committee was unanimous. The motion carried.

4. Adjournment

A motion to adjourn was made by Commissioner MacQueen seconded by Commissioners Farnum and Lemont and the Finance Committee meeting adjourned at 10:43 a.m.

Respectfully submitted,



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