

MINUTES OF THE
SPECIAL MEETING OF THE JOINT BUDGET &
FINANCE COMMITTEE OF THE
BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

August 29, 2019

The Joint Budget & Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” or “Transco”) met at the CMEEC offices located at 30 Stott Avenue, Norwich, CT on Thursday, August 29, 2019 at 1:00 p.m.

The Special meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions hereafter recorded occurred during the publicly open portions of the meeting.

The following Committee Members participated:

Bozrah Light & Power: Ralph Winslow
Groton Utilities: Ronald Gaudet
Norwich Public Utilities: Stewart Peil
Third Taxing District: Kevin Barber

The following Members of the Board of Directors participated:

Groton Utilities: Mark Oefinger

The following CMEEC staff participated:

Michael Lane, CMEEC CFO and Interim CEO
Robin Kipnis, CMEEC General Counsel
Patricia Meek, CMEEC Financial Planning & Analysis Manager
Joanne Menard, CMEEC Controller
Ellen Kachmar, CMEEC Office & Facility Manager

Other participants:

David Silverstone, Esquire, Municipal Electric Consumer Advocate (MECA)

Ms. Kachmar recorded.

Committee Chairman Barber called the meeting to order at 1:01 p.m. and noted for the record that the meeting was being held at the CMEEC offices located at 30 Stott Avenue, Norwich, CT via telephone and in person and confirmed a quorum was present. He noted there was no one participating by phone.

Specific Action Item

A Public Attendance Comment Period

No public comment was made.

B. Approve Minutes of the July 22, 2019 Special Meeting of the CMEEC/CTMEEC Joint Budget & Finance Committee.

A Motion was made by Committee Member Peil, seconded by Committee Member Gaudet to approve the Minutes as presented.

Vote passed unanimously with no abstentions.

C Discussion of Special Committee Recommendation Listed Below:

Examine Budgets presented to the Board of Directors for appropriate amounts of detail and consistency in presentation.

Mr. Lane began by stating that Ms. Meek, the Budget lead for CMEEC's Finance & Accounting group, will present a potential view of details that could be a starting point for the budget presentation. Ms. Meek responded that historically F&A presents a budget for the upcoming year as well as a four (4) year projection. He Committee then discussed at length the level of detail that they would like to see presented to the Budget Committee as well as to the Board. The areas requiring more detail included the Non-Fuel Operating budget as well as the Administrative and General budget), Board & Governance expenses, and the Capital Budget. The Committee also agreed to provide the Board a salaries and headcount analysis as well as a list of salaries by position. Discussion then revolved around the Bylaw provision granting discretion to the CEO to transfer funds up to 10% of the NFO budget. Ms. Kipnis, CMEEC's General Counsel, suggested she inquire about potential industry standards on the topic. Ms. Meek stated reports for detail of NFO budget costs over \$50,000, definitions of the NFO cost categories, a salary list by titles, and a year over year salary and headcount analysis by department would be added to materials presented to the Committee in the 2020 Budget review. Committee Chairman Barber reinforced Mr. Silverstone's suggestion that the budget details should be in the form of an Appendix at the back of the presentation.

There being no further business to come before this Committee, Chairman Barber entertained a motion to adjourn.

A motion was made by Committee Member Gaudet, seconded by Committee Member Winslow to adjourn the meeting.

Motion passed unanimously.

This meeting was adjourned at 2:17 p.m.