

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

September 20, 2019

A Regular Meeting of the Joint Budget & Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Electric Energy Cooperative (“CTMEEC” or “Transco”) was held at the CMEEC offices located at 30 Stott Avenue, Norwich, CT on Friday, September 20, 2019 at 12:00 p.m.

The Regular 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
Third Taxing District: Kevin Barber

The following non-voting members were also present:

Groton Utilities: Mark Oefinger

The following CMEEC staff participated:

Michael Lane, CMEEC CFO and Interim CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Financial Planning & Analysis Manager
Joanne Menard, CMEEC Controller
Hao Ni, CMEEC Asset Performance Manager
Michael Rall, CMEEC Director of Asset Management
Scott Whittier, CMEEC Director of Enabling Services

Other participants:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Kevin Barber called the meeting to order at 12:00 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 telephone.

Specific Action Item

A Public Attendance Comment Period

No public comment was made.

B Approve Minutes of the August 29, 2019 Special Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Ronald Gaudet, seconded by Committee Member Ralph Winslow to approve the Minutes of the August 29, 2019 Special Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee.

Motion passed unanimously.

C Review proposed 2020 Transco Budget

Patricia Meek, CMEEC Financial Planning & Analysis Manager, provided a high-level review of the process of development of the Transco budget. She stated that the Transco budget is completed first because some of the budgeted items approved in the Transco budget, such as CMEEC transmission expenses, are passed through to CMEEC.

Ms. Meek provided a brief history of Transco for the benefit of members present that are not familiar with how that entity is structured. She answered questions posed by the Committee and Attorney Silverstone related to the budgeted figures and what comprised them.

Discussion followed with respect to next steps. Chair Barber confirmed that it would be prudent to send the Transco budget to the full Board for their review and to solicit any questions they may have prior to it going to the full Board in October. After lengthy discussion it was determined that the proposed Transco budget, as presented at today's meeting, would be recommended to the Board of Directors for approval at their meeting in October.

A motion was made by Committee Member Winslow, seconded by Committee Member Gaudet to recommend the proposed Transco budget to the Board of Directors for approval at their meeting in October.

Motion passed unanimously.

D Review proposed 2020 CMEEC Budget for Salary and Benefits

Michael Lane, CMEEC CFO and Interim CEO explained that the proposed CMEEC budget reflects a level of detail on the salary and benefits portion of the budget that was not previously provided. He further explained that the proposed other areas of the CMEEC budget will also provide an additional level of detail like this view as requested by the Joint Budget and Finance Committee.

The Committee reviewed the presentation entitled CMEEC Proposed Salary and Benefits Budget 2020. Mr. Lane provided a high-level overview of changes in headcount and positions from the 2019 budget. He clarified that the level of salary increase budgeted each year is based on a review of CPI data and is a component used in the overall decision

Lengthy discussion followed with respect to OPEB funding and its presentation in the budget.

There being no further business to come before this Committee, Chair Barber entertained a motion to adjourn, noting that the B&F Committee will be reviewing the other portions of the CMEEC budget at future meetings.

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

Motion passed unanimously.

The meeting was adjourned at 1:24 p.m.