

MINUTES OF THE
REGULAR MEETING OF THE

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

September 18, 2020

A Regular Meeting of 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” and “Transco”) was held telephonically and via Zoom on Friday, September 18, 2020.

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

The following Committee Members participated telephonically or via Zoom

Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil
East Norwalk, Third Taxing District: Kevin Barber

The following Non-Committee Members of the Board participated telephonically or via Zoom

Norwich Public Utilities: Robert Staley

The following CMEEC Staff participated telephonically or via Zoom

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Interim Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Margaret Job, CMEEC Executive Assistant / Paralegal

Others participating telephonically or via Zoom

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job Recorded.

Committee Chair Christopher LaRose called the meeting to order at 12:03 p.m., noting for the record that the meeting is being held telephonically and via Zoom. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested that those speaking state their name before speaking for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call with each member responding individually as their names were called. Chair LaRose confirmed a quorum was present.

C Approve the Minutes of the July 30, 2020 Regular Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Mark Oefinger to approve the Minutes of the July 30, 2020 Regular Meeting of the Joint Budget & Finance Committee.

Motion passed unanimously.

D Review of CMEEC Capital Policy

Patricia Meek, CMEEC Interim Director of Finance & Accounting, walked the Committee through the CMEEC Capital Policy provided to this Committee in advance of today's meeting. She explained that no record exists confirming the current version of the Policy had been brought to the Board for vote stating that it was presented as informational only. She added that the current version of the Policy also includes procedures noting that these will be removed the next time the policy comes up for review, and two separate documents will be created.

Lengthy discussion followed including detailed review of the revisions made to the Policy and the reason for each with Ms. Meek responding to questions posed by the Committee and Mr. Silverstone.

The committee requested an additional change to the policy regarding the time period for which capital project spending is approved, clarifying that if the implementation of a capital project will take longer than contemplated at the time of a capital project's original approval, any unanticipated carryover into future budget years must be approved

by the CEO and Director, Finance and Accounting. Ms. Meek said the change would be made and brought back to the committee for a final review.

E Review of Proposed Transco 2021 Transco Budget

Ms. Meek provided detail of the assumptions used in the development of the Proposed 2021 Transco Budget (the “Proposed Transco Budget”) and the resulting revenues and expenses. She stated that the Transco Budget is completed first so it may be approved before being combined with the CMEEC budget.

Lengthy discussion followed with Ms. Meek responding to questions posed by the Committee and Mr. Silverstone.

Upon inquiry of next steps posed by Chair LaRose, Ms. Meek explained that no further edits will be made to the Proposed Transco Budget. She added that the full Board will be invited to participate in a future meeting of this Committee to provide them the opportunity to ask any questions they may have prior to the budget going to its meeting on October 22, 2020.

After discussion, the Committee agreed 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.

Chair LaRose entertained a motion to recommend the Proposed 2021 Transco Budget to the Board of Directors for approval at their meeting on October 22, 2020.

A motion was made by Committee Member Oefinger, seconded by Committee Member Stewart Peil to recommend the Proposed 2021 Transco Budget to the Board of Directors for their approval at the meeting on October 22, 2020.

Motion passed unanimously.

F Review Proposed CMEEC 2021 Budget for Salary and Benefits

Ms. Meek walked the Committee through the presentation entitled CMEEC Proposed Salary and Benefits Budget 2021. She explained the changes in employee headcount in 2020 budget and actual versus 2021 budget and the assumptions used to determine the budgeted increases in salaries and benefits. Lengthy discussion followed in connection with the escalator percentage used for salaries in response to inquiry by Mr. Silverstone. Mr. Meisinger explained the salary escalator in the 2021 salary budget does not mean any or all employees will get any specific salary adjustment, but rather provides a budgeted dollar amount that allows for potential salary increases, should they be merited. He added that a compensation survey is likely to be conducted in 2021 in order to provide another data point on future salary adjustments. Study results will be shared with both this Committee and the Compensation Committee.

Following discussion, Mr. Silverstone offered that the final budget document include a description of how the budget for the salary escalator was created. He added that the budget

can reference the potential impact of the compensation survey and not meant as a target or a requirement but rather an allocation of funds for use if warranted.

After additional discussion, Mr. Meisinger stated that the words “average of” will be inserted before the words “3% Escalator applied in July” in the explanation identified on page two of the presentation. Ms. Meek added that the presentation would also be changed to show a total dollar amount budgeted for potential salary adjustments, rather than showing the effect of the escalator on each salary.

Ms. Meek completed the presentation with an overview of the employee benefits budget explaining the assumptions used for each individual line item.

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

A motion was made by Committee Member Barber, seconded by Committee Member Oefinger to adjourn.

Motion passed unanimously.

The meeting was adjourned at 2:19 p.m.