

Reading Municipal Light Department Board (RMLD) of Commissioners
RMLD Board of Commissioners Budget Committee Minutes
Wednesday, May 25, 2011

Start Time of Regular Session: 6.35 p.m.

End Time of Regular Session: 7:25 p.m.

Attendees:

Committee Members:

Philip Pacino, Committee Chair

Richard Hahn, Member

Mary Ellen O'Neill, Member

Staff:

Vinnie Cameron, General Manager

Jane Parenteau, Energy Services Manager

Robert Fournier, Accounting/Business Manager

Mr. Hahn in called the meeting to order at 6:35 p.m.

Transfer to the Pension Fund

Mr. Cameron said that the Committee informational package includes a memo explaining that the RMLD's Pension Trust Fund is being depleted due to the economic climate and rising pension expenses. Mr. Cameron further explained that over the past several years, the RMLD has not transferred sufficient funds into the RMLD's Pension Trust Fund in order to sustain it. Mr. Cameron is asking the Budget Committee to accept his recommendation that the RMLD transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Hahn to recommend to the RMLD Board of Commissioners to transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

Motion carried 2:0:0. Mr. Pacino was not present for the vote.

Review of Draft 2 of the FY12 Capital Budget

Mr. Cameron said that it was necessary to create a Draft 2 of the FY12 Operating Budget because there were three changes to it.

Mr. Cameron said that the fuel portion of the budget needed to be increased by \$942,818 because the Swift River Hydro energy costs were not included in the original budget. The increase in the fuel costs occurred because the Swift River energy is more expensive than the spot market energy, which it will replace.

Mr. Cameron also explained that \$300,000 worth of FPL Capacity costs were not included in the capacity portion of the power supply budget because the expense was not picked up in the formula in budget spreadsheet.

The demolition of the Control Center scheduled for FY11 will not occur until FY12 at a cost of \$100,000. The bid to perform the asbestos removal portion of the work had to be withdrawn because it did not meet the needs of the RMLD. The work will be re-bid and is scheduled to be performed in FY12.

Discussion followed.

Mr. Hahn made a motion seconded by Mr. Pacino to recommend to the RMLD Board of Commissioners to accept Draft 2 of the Operating Budget as presented to the Budget Committee with a Net Income of \$3,936,043.

Motion carried 3:0:0.

Ms. O'Neill voiced her concerns that the agenda for the RMLD Board meeting did not have sufficient detail related to the Power and Rate Committee and Budget Committee reports.

Discussion followed.

At 7:25 pm. Mr. Hahn made a motion seconded by Ms. O'Neill to adjourn the meeting.

Motion carried 3:0:0.