



Advisory and Risk Management Meeting Minutes

September 11, 2019

Committee Directors:

X	Reginald Beliveau, Swanton		Steve Fitzhugh, Northfield

Other Directors present:

X	John Morley, Orleans		
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

None	

Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Amy Parah, VPPSA
Julia Leopold, VPPSA		

Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 9:37 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- 2.** Director Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were none.
- 3.** Director Beliveau asked if there were public comments and/or individuals who would like to address the Board. There were no public comments.
- 4.** The minutes of the Advisory & RMC meeting were tabled due to a lack of quorum.
- 5.** VPPSA staff reminded the Committee that Vt. Transco will be offering equity later this year. It is expected that TRANSCO will make one offer, that is expected to be funded in two segments - one in November (reissue of the LCSF equity buyback) and one in December (BED SF equity buyback). VPPSA staff has notified the members of the equity issuance and has requested a response as to whether each member expects to purchase the equity directly or if they will assign the units to VPPSA. In order to effectuate the VPPSA purchase, the Board will be asked to approve Resolution 2019-06. This Resolution authorizes the financing of the VPPSA purchase. It was noted that the Resolution indicates an interest rate no greater than 5%; however, based on the responses from lenders thus far, the actual rate is expected to be less than 3%. The Committee did not have objections to the Resolution as written.

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6. The General Manager informed the Committee that staff has been working on the 2020 Operating budgets but a draft was not complete in time for the meeting. However, it was noted that several areas of the budget have been under discussion and the General Manager indicated that he would like feedback from the Committee so that their comments could be factored into the budget draft that will be presented to the Board on October 2nd. The high-level items reviewed include:

Revenues:

Hyde Park is completely removed
2019 Standard Offer revenues of \$130K (revenue for May-Dec 2020)

Expenses:

Added AMI Project - the General Manager explained that VPPSA is currently in the AMI RFI process. The next step will be the RFP process and it is currently assumed that all members will participate through this process and the project budget would be amended once the RFP process is complete. The project concept was discussed briefly - the parts of the project that could be centralized at VPPSA and the components that may be at the member level. Director Morley questioned how members that don't participate initially, could participate in the future. The option of adding non-members was also considered.

Salaries - includes 3% increase

Health Insurance - currently includes 12.5% increase

Travel - significant increase of 32% (based on strategic plan, added staff, etc.)

Communications - increased media presence, planned events, etc.

Information Technology - 28% increase - mobile workforce, cyber security

Depreciation - increase for building renovations

Outside Services - includes architect, strategic plan, BED

Preliminary Results:

Expenses increased 6.2% (offset by Standard Offer revenues)

Member cost increased .7%

Member cost increase ranges from 1.6% - 7.5%

Project budgets still being developed

The Committee did not object to the 3% salary increase or the AMI project concept (project includes RFP process and will be amended going forward).

Additional Services - The General Manager indicated that he is currently looking at software developed by mPower, a GIS software vendor out of Minnesota. Several of the members already use mPower and the General Manager indicated that mPower may be willing to provide a member-wide license for the VPPSA members that would either be hosted by VPPSA or at mPower and managed by VPPSA. If this service were to move forward, it would require additional staff at VPPSA. Costs related to additional services are not currently in the budget it is expected that the budget will be updated after the Board retreat on September 24th (if needed).

7. The General Manager reminded the Committee that the Strategic Planning Retreat for the Board is being held on Tuesday September 24th. This retreat is specifically to focus on how to better utilize VPPSA and the services that VPPSA can provide. The General Manager will provide a broad overview of the agenda and will identify both internal and external challenges that the Board has previously raised. Tim Blodgett from Hometown Connections will then facilitate the discussion with the Board. The General Manager requested information from the Committee regarding topics that they felt would be important to discuss during this meeting. The primary topic discussed was related to member operational activities that could be considered contract services and moved to VPPSA.



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8. Other Business: NONE

The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Crystal L Currier

Crystal Currier, Secretary