Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
Via Remote Access

MEETING TRANSCRIPTION

Regular Meeting of Monday, July 13, 2020 at 5:00 p.m.

ATTENDEES: Finance Committee Members: Tom Clifford, Charles Havrda, Jay Jaser, Vincent Marino, Tim Slocum and Michelle Verderame

RPB Members: Mario Ricozzi

FMA Members: Joseph Cermola

Management: Larry Bingaman, Linda Discepolo, and Rochelle Kowalski

OCA: Jeffrey Donofrio

Staff: Jennifer Slubowski

Tim:

Oh, okay. Okay, well, let's just call this thing to order. This would be the regular meeting of July 13th, 2020, with the finance committee. Our first order of business is to elect a committee chairperson for the 2020-2021 year, which is next year for those in [inaudible 00:01:39].

Jay:

This is Jay Jaser, I will make a motion for Tim Slocum to be the chairman for the 2020-2021.

Charles:

I'll second that.

Tim:

We have a motion, we have a second from Charles. Any other nominations? Any other-

Charles:

Move that nominations are closed, and call the question.

Tim:

Okay. I don't know if we need to vote if that's the case, but we'll do it anyway, just to make it legal. All those in favor?

Multiple:

Aye.

Tim:

Okay. Sounds like a voice vote, and I thank you very much, the pleasure is all mine, I trust.

Tom:

Congratulations.

Tim:

Thank you, and thank you. It's been a riverboat ride. Anyway, from here, we go to the safety moment, which for all of you that are thinking safety, this particular one is about preventing poison ivy. I can tell you that's a valuable lesson, I've managed to catch it a few times. We can probably look through it and know that water is of no help in this particular one. So with that, we go to the approval of the minutes for June 8th, 2020.

Tom:

Tom Clifford will move adoption of the minutes.

Tim:

Do I have a second?

Charles:

Second, Charles.

Tim:

Thank you very much for sounding like Zoom experts. So any discussion before we call a vote? Okay, all those in favor, aye?

Multiple:

Aye.

Tim:

Ayes have it. We now move onto Rochelle and the quarterly-

Jay:

I'm sorry, I have to abstain on the minutes [inaudible 00:03:35].

Tim:

Oh, okay.

Jay:

One abstention. Okay.

Tim:

I think there is always a little debate on Robert's rules on that. I think if you read the minutes, you're okay to vote on it. It'll never be a violation. But at anyway, that's just a-

Jay:

That's fine with me. Okay.

Tim:

Now we move along to the quarterly financial report and year end distributions for FY ended May 31, 2020. I know Rochelle has a generous amount of reportage here. So I think we'll move on, and let her start. Thank you, Rochelle.

Rochelle:

Okay. Jennifer, if you can show the balance sheet, that's where I will start. I'm just going to cover some of the highlights. But if you have any questions, definitely stop me and ask. I do want to mention that all the financials that you're seeing are preliminary. They were actually now done a little while ago, and they were before some of the final year-end adjustments and reviews that we do in preparation for the audit. So first starting with utility plant and capital, as expected, that is up year over year, that utility plan is up about 2.1 million. I know that there will be some further refinements from what you're seeing here, just primarily between the utility plant and service in the [inaudible 00:05:07] non-utility, just wanted to mention you might recall that in fiscal '20, we actually purchased the DePodesta property in Hamden and the Hendrickson property in both Bethany and Hamden. So that's the changes in the land counts.

Rochelle:

Going on to the current assets, they are up year over year by 19.9 million. But the key thing I want to mention, and you can really see this when you look at cash and cash equivalents, so the fiscal '20 numbers are prior to the year-end disposition. So this is what was presented to the authority board prior to the approval of the year end disposition. So that's really the primary driver of the year over year change, and cash and cash equivalents. Other than that, there is just some minor changes across some of the revenue fund accounts. Again, fiscal '19 is reflective of the year end disposition, and fiscal '20, what you're seeing here has not yet been factored in. I'll be going through that after we go through the financials.

Rochelle:

So again, cash and cash equivalents is up about 17.9 million. Moving on to the restricted assets, that's down about 7.5 million. Again, this is prior to our year end disposition, whereas you'll see in a few minutes, we're putting monies into the construction fund. That's really, the construction fund is really the big driver of that year over year change. I do want to mention within the restricted asset category is our debt reserve account, and that is up year over year by almost two million. That's primarily due to the three four series, that you might recall, that we closed on in our very first part of July of 2019. So that's the main driver there.

Rochelle:

I do want to mention that on the deferred change in pension plans and OPEB plans, this is still reflective of the May 31, 2019 actuarial reports, but amortizations that we do throughout the year. We will be getting shortly the 5/31 2020 actuary reports. So that is one of the upcoming changes. So we'll be updating the deferred charges as well as the liability pension, and OPEB numbers. So moving on to that, on the liability side, you'll see that total [inaudible 00:08:07] current liabilities are up by 6.8 million. That's primarily driven by the increase in the revenue bonds payable. That's due to the 34 series, as well as the change in the par value associated with our refinancing. However, you can also see that there is a reduction in the premiums. That's due to the ongoing amortizations, as well as the impact of the refinancing that we did both associated with the 34 series, as well as the 35th series. After DWSRF [inaudible 00:08:40], you can see there is only a small reduction in the non-current portion.

Rochelle:

We actually paid DWSRF interest in principle payments. We do pay them every month, and we only had one small loan that we closed on in fiscal '20. So that's why you see the reduction there. From a current liability, you can see that these are down year over year in total, by a little over 10 million. I do want to call your attention to the notes payable line. That's really the big driver of the reductions. So in May of 2019, we still had interim notes associated with the Great Hill Tunnel, as well as we had notes associated with AMI. As we close fiscal '20, we only have two interim notes associated with a fourth traunch of AMI. So that's what's represented in the 5.8 million there.

Rochelle:

Liabilities from our restricted assets, just down slightly, year over year, by about 400,000. The other liabilities, that's for the Hamden remediation, we're just going to make a very slight [inaudible 00:10:00] here, but that's pretty much reflective of where we're going to in the year as far as the liability there. The deferred inflows and outflows, again, as well as the pension OPEB liabilities, they will be updated based on the actuarial report. So on a preliminary basis, you can see that total liabilities in assets are up about [inaudible 00:10:26] million, and total net assets are up 18 [inaudible 00:10:29] million. Are there any questions on the balance sheet?

Tim:

Yeah, I have a question, if I may. On the to be updated actuarial thing on the pension funds, do you have some instinct on what's going on with that? I know there has been some pickup in the markets and things like that. Are you expecting some positive changes there?

Rochelle:

Probably not. The returns are still ... Looking at the end of '19 versus the end of '20, which is what the actuarials are going to pair fiscal to fiscal, I do still think the returns were under the actuarial requirement. But we'll see. There is a lot of puts and takes to that. They'll also look at what our retirements have actually been, versus all the actuarial estimates. But having said that, we have put in, in fiscal '20, we were contributing well above the actuarial requirements, so that should definitely help. Even though we didn't do an over and above distribution at the end of the year, we were still well above the requirement. [inaudible 00:11:48] pluses and minuses, it's a little hard to tell.

Tim:

Well, anyone else on the balance sheet with a question? Okay, Rochelle, proceed.

Rochelle:

Okay. Jennifer, if you can move on to ... I think I would skip the commentary page and maybe go right to schedule A1.

Jennifer:

A1? God, it's so big. Hang on just a minute. That's too small. This one here?

Rochelle:

Go to the next page. Okay. So here, operating revenues are just slightly under budget for the year. The 1.1 million around it, that's less than 1%. You can see that's primarily due to lower water revenues, as primarily in the metered water revenue area. But again, a very small percentage of our total budget. O&M, which I'm going to get into a little bit more detail, was well under by almost 5.7 million. But keeping in mind that in the last quarter of fiscal '20, we know [inaudible 00:13:09] capital, our operating and maintenance expenditures in light of Covid-19. So that was a lot of that under run is intentional as we cut back on expenditures, as well as just the impact of work that couldn't get done.

Rochelle:

I do want to go now to the bottom of the page, where you can see the maintenance test. So this is to date through May. Our projection for the end of the year. To date through May, the impacts that we had anticipated, again, on a conservative basis for the last quarter of fiscal '20, due to Covid-19, were not as severe as we forecasted. So that combined with a lower O&M, the lower debt service that we've been talking about each quarter, due to the refinancing, as well as also impacted by the timing of the DWSRF loans, lit a lower pilot, higher than forecasted other revenues, we did end the year in a strong position, which allows us to face the challenges in fiscal '21, especially associated with Covid-19 in a strong position.

Rochelle:

Especially given the uncertainty that we have regarding the potential impacts of Covid-19, including will there be a second wave? So we're watching the impacts that we're seeing very closely. But as we end in fiscal '20, we were able to end in a strong financial position. If there is no other questions on the detail, I'm just going to now go to page three, and just talk a little bit about the larger variations in operating and maintenance expense.

Jennifer:

Is this the right one, Rochelle?

Rochelle:

No, it should be the page after the one that you were on. Yes. That one. Okay. So payroll, we were under, throughout the year, we actually remained pretty significantly under headcount. So that's our primary driver there, as well as other factors. Employee benefits is under, and that's primarily due to lower medical, including the mix, we've talked about this also in the past, between retirees and active was in our favor, as well as other lower than anticipated costs. Another one of the larger variances is material from inventory. That's primarily due to not needing as many compositive manhole covers for the AMI project.

Rochelle:

Chemicals just came in a little bit under budget. Other of the larger variances, sort of going down the page, outside services definitely came in under, even under the revised estimate. That, I think, was driven primarily by the work that could actually get done, especially at the end of our 4th quarter of the fiscal year, as well as probably conservative estimates in the expense projections. The insurance premiums, that's under primarily due to our reserve requirements. The worker's compensation, pre [inaudible 00:17:15], that's actually, that overrun is actually also done to pre captive claims and our reserve requirements there. But luckily, we're able to offset that within the insurance reserves for our captive reserves. That was good news there. Just some other variances across other of the lines. Are there any questions here?

Tim:

I have a question or two. Number one, the headcount reduction, is that all Covid related?

Rochelle:

Oh, no, that's ... We've been running under headcount for a good part of fiscal '20.

Tim:

Okay. So that was actually management directed, or driven, is what you're stating?

Rochelle:

That was not due to Covid.

Tim:

Okay, okay. Thank you.

Rochelle:

Moving onto the next schedule is schedule C. Here again, I'm just going to cover the highlights. So this is actually another area where there was an intention to actually lower our expenditures, as well as the impact of Covid-19. So a combination. So from an overall perspective, we ended up at about 82.2% of what the original target of 96% would be. But again, there was work done, you might recall, when we went through the revised budget of which projects would be deferred. So there are aspects of this that were intentionally curtailed.

Rochelle:

So just going down the list here, one of the first variances here is on the Lake Gaillard pump station improvements. That's in the pumping category. That was a delay of the arrival of equipment, and that was delayed due to the supply chain impacts of Covid-19. Many of the projects within the treatment category had to do with suspending work at the water treatment plants. So you could see a number of variances there. The West River [inaudible 00:20:03], just to mention that, that's not Covid related. This is due to work being done to determine the capacity at West River. This is something that's being worked with DPH. The Seymour wellfield, that under run is actually [inaudible 00:20:26]. We actually accelerated the project in fiscal '19, so we did more in fiscal '19. So the expenditures were less in fiscal

'20. The backwash surface and condensation project there, that was suspended, and that is due to Covid-19.

Rochelle:

On the pump under run, the biggest driver there was actually Main Street in Derby, that did significantly under run. The Brushy Plains project, there was a suspension, the contractors suspended work due to Covid-19. The North Branford tank, that was initially delayed due to actually not getting bids, and then it was rebid. But then recently delays due to Covid-19. One of the projects that we were able to move forward on was actually ahead, and was ahead of the budget is actually West Avenue Tank Painting. So that's an over run of 415,000. The LIMS upgrade, there was some timing with ... The main driver is the timing of vendor invoicing. A large part of that was anticipated different AMI project, you might recall even from last quarter, that the contractor actually did less installations than we had originally anticipated. So RWA willl be doing those installations. We also got a salvage credit that was a contributing factor to the variance there. I think those are the main variances, unless you have any questions.

Tim:

Rochelle, it's really ... This is sort of going forward beyond your statement. But I know we've had a lot of these alerts regarding the increased water use, obviously, in the month of June and into July. That has nothing to do with treatment, because that's what we keep hearing on code red. But do you expect that we're making ... When they say it's a 60% increase in the use of water consumption, is that actually 60% over May? Not the quarter, but say that month? Or is it 60% over the prior year, when we hear these messages? Does anyone know?

Rochelle:

I believe in, and Larry can correct me if I'm wrong, the 60% was over the prior year for the same.

Larry:

That's correct. It's 60% over the prior year, same year period. So when we predicted, like one day we did 70 million gallons of water, then that was a 60% increase over what we had done on the same day, in the same year, in the prior year.

Tim:

That's unbelievable. Not to change the subject, but that really is unbelievable, in a sense. It's great, I guess.

Larry:

Well, it is.

Tim:

Because the meters are running.

Larry:

The thing that we keep reminding people is we've got to see if people are going to pay for all of that water.

Tim:

But your revenues seem to reflect that they are paying for water, right? I know there is people that aren't, you said 20% the last time I think we talked, were deferring their water payments.

Larry:

That's true. We're not going to see the payments for this high water use period until September-October. So until we switch the monthly billing, we won't be able to tell for a quarter. So it'll be a little bit of a delay. Just for comparison purposes, we're running, right now, overall, cumulative during the month of July, we're 7% below last year, on average, even though we've had a few days that are a little bit larger, a little bit more than they were last year.

Tim:

Okay.

Larry:

So it's down significantly from in July versus June.

Tim:

Got you. Okay. Sorry for the diversion, Rochelle. I was just curious.

Rochelle:

No, that's fine. We are trying to watch production, and collections, and billings, so we can monitor what the impacts are. Scheduled D, the next schedule. This is ... I don't know, Jennifer if you could show a little bit more of it. But this schedule that you're looking at shows our balances that are invested as of end of May, and what the returns are. You can actually see that the returns are less than the budgeted, the STIFF rate throughout the year, and even more so now, is actually considerably down throughout the fiscal '20. We'll continue to do what we can in fiscal '21 as well. We've been trying to offset that decline by being very proactive in the money that we're moving into the STIFF, to help make up for the lower rate.

Rochelle:

But you can actually see on the next page, this actually shows on a cash basis the interest that we receive. So even though the rates were significantly down, our overall under run was actually less than we had projected. So our under run was 163,000. Just to give an order of magnitude, even throughout the year, we moved well over $20 million into the revenue fund investment account to earn interest. Even though the construction fund doesn't count for our maintenance test, we've been very conservative as far as when we mature money. So we're trying to earn interest on that as long as we can. So trying to offset the decline in interest rate. Are there any questions?

Rochelle:

If there is no additional questions, I'll move onto the year end disposition. So this is a summary of our year end disposition. As I mentioned, we did end the year in a strong position, which will really help us be able to face the challenges, which we are still expecting, with fiscal '21. So that influenced how we handled the year end disposition. So what we did was we put just under $8.6 million into the construction fund. You might recall when we talked to you about our revised budget, that we needed to self-fund our capital program [inaudible 00:28:12] where we're going to present our rate application, and actually do another financing.

Rochelle:

So we covered all the needs associated with the fiscal '21 to make sure we had the money in the construction fund to cover the capital program. As well as we were able to cover, not just the carry over, but some additional additions onto the capital projects for some critical projects that came up. So we were aware of that, and we did put some additional money into the construction fund. So you can see at the end of May, including the year end disposition, we have a little over $29 million of internally generated funds to support the capital program. We also put an additional 750,000 into the growth fund. That was, as you also might recall, when we went through the capital budget, there was a non-core billing project that we earmarked to be funded out of the growth fund. We had also gotten a revised estimate for that project.

Rochelle:

We were able to add those funds to the growth fund in order to keep, because we are expecting to use that 750,000. But that will allow us to keep the balance of the 5.5 million intact. Then we were able to put $5.5 million into the general fund. The general fund was chosen because it allows for significant flexibility. We can move money from the general fund into construction fund, you can move it from the general fund to the growth fund. It could be used to offset expenses. It can even be used [inaudible 00:30:15] pension contribution, if we're able to do that. So it was purposely chosen to be able to be in the best position to meet the challenges of fiscal '21. Are there any questions on the year-end disposition?

Tim:

A few. Actually, one from me. Where you've been able to move more money into the construction fund, are there anticipated corrections, if you will, or changes to the capital projects for next year? I know they took quite a cut out of those, as originally discussed with the budget. Anything anticipated?

Rochelle:

We actually did increase the capital program. We added a little over a million dollars, including the ... Actually, including the carryovers, we added about 1.3, 1.4 million.

Tim:

Now is some of that the critical stuff you just alluded to when you started talking?

Rochelle:

Yes.

Tim:

Okay. So all in all, not major changes?

Rochelle:

No. But should something come up, we do have money in the general fund, and the other thing that we can put in place, we've reached out to the banks about, is we could also do an additional interim financing, if we needed to do that as well.

Tim:

Okay. Anyone else?

Larry:

I did want to point out the fact that we've reduced the capital budget so drastically, $20 million reduction, that's going to put real pressure on next year's, on the fiscal '22 capital budget, when we move forward with that, because we've had to kick some projects to the side that we're going to have to look at probably start reimplementing. We haven't got that totally figured out yet. But that is going to put some upward pressure on the capital budget.

Tim:

Right. Understood.

Rochelle:

When we work on the 10 year model, we'll be looking at all five years in particular, the capital plan. Okay. Are there any other questions on the year-end disposition? Okay.

Rochelle:

The next item is actually the dashboard. I do want to mention, perhaps after we go through the dashboard, you can provide us some input on what you've thought worked in this new format. Maybe recommendations for fiscal '21, or if you need some additional time to think about that you could let us know. I know this was the first year we are presenting the dashboard in this format.

Rochelle:

So on the first item, the customer satisfaction, although we were below the target, a couple of points here that I want to mention is that actually RWA results remain consistent. However, there was some improvements in the peer group relative to RWA. That's primarily in the area of usefulness of information on the bill, and variety of ways to pay the bill. So I do want to share that there is an initiative already underway regarding the redesign of our bill. So we believe that will help address the customer perception regarding our what we have on the bill, and the clarity of the bill, as well as looking at payments options as well. On credit ratings, there were no change in the credit ratings. They wouldn't change unless we do another refinancing, or financing. So we haven't done that in the last quarter.

Rochelle:

I'm not going to go through the financial metrics unless you have specific questions. I think we pretty much covered those when I went through the financials. The average daily production for the day, per day, the results for the year, we were at 50, 42.5. So actually, for the year, under the budgeted amount. The disinfection byproducts, that was above target. The unaccounted for water, although that has crept up a little bit versus the prior quarter, I do want to mention that it's about a little less than 2% less than it was a year ago at that time. The next item is the reservoir levels, but this is outdated now, because it was actually at the end of May. That's the dashboard. We will see [crosstalk 00:35:47] final year end based on the final numbers.

Tim:

Rochelle, to your question, I would welcome any more that want to glom onto this dashboard conversation. But is it worthy of consideration that this report could include our quarterly service calls? By that, I mean the interruptions that occur in the system due to just this, that, and the other thing. I know everyone seems to have an answer for me when I ask a certain question. But is there a way we could see that laid out before us on a quarterly basis of what we expect, what we actually had? I don't know how you quantify it in terms of a budget statement. I presume it's not capital, it's basically operating. But is there a possibility of including that in this report? Does anyone see merit to any of that? I just see trucks out all the time. Traffic interruptions, whatever. I'm not complaining. I just notice that maybe it's because I pay more attention to that stuff now. I was just curious if it could be done.

Larry:

Tim, you know, we do include, in the monthly RPB package, I think it is, a schedule of planned work within each town.

Tim:

Right. I know that. I've seen that. But that's like the planned work. I'm talking about the emergency stuff, the stuff that just comes up, just because a line broke, a connection broke, this broke, that broke. I mean, that's obviously part of an operating budget statement, because you have an anticipation level of that. I presume, it's not all a shock. We know we have six or seven interruptions in this town, or that town, every quarter or every half year. Maybe it's a silly ask. To me it goes to service, and how we handle it, and whatever.

Larry:

I don't know. It seems like a level of detail that's kind of ...

Tim:

It's too specific?

Larry:

Too specific for this dashboard.

Tim:

That's fine by me.

Mario:

Tim, would you just be looking for the number of breaks per quarter?

Tim:

Yeah, I guess. I mean, I just think of it as a service related issue. Obviously, it's part of the water authority's function to take care of it. They got to deliver. They do. So it's not a complaint. It's just to me it seems like a thing. So if it's just something like that, that's fine. What it costs, maybe it's not worthy of showing it here. But maybe in some metric, if we could see that on a quarterly basis, wherever we think it's appropriate.

Larry:

Let us take a look at it and see if we can do something that makes sense.

Tim:

Well, maybe it doesn't tell you anything. Maybe you just have a normal expectation of what goes on, and it's not worthy of telling us. I don't know the answer to that. It's just something that I get curious about.

Mario:

So you're saying as in a standard quarter, you have 10 breaks, and last quarter we had 15.

Tim:

Right. They're all online such and such, and the line is 100 years old. You know-

Mario:

Well, now you're getting [crosstalk 00:39:16].

Tim:

No, no, I know. But I assume that's what plays into capital planning function, I'm presuming. But breaks, I think, would be sufficient, unless it's too tough to muster.

Larry:

We have on average 68 breaks a year, and that tends to fluctuate during the winter. You have plus or minus probably 10%, depending on what's going on within the system.

Tim:

So if we have 68 breaks a year, and 10 of them are in Cheshire, or 10% of them are in Cheshire, that's a lot for the town of Cheshire. I guess. I'm not complaining about Cheshire, I just happen to live here and get the updates on what happens here. They're always handled wonderfully. If it's not a metric that helps you, that's fine. I was just curious.

Charles:

Tim, it's Charles. I almost think that the location of the breaks probably is a management [inaudible 00:40:23] for keeping track of the quality of the different price scenarios. I see your point about ... Larry, maybe the question is, is the 68 per year a 10 year average, a two year average, a five year average? That would be the one thing I think maybe a dashboard might benefit from, if there was a 10, 15% hike or decrease in call outs for repairs [inaudible 00:40:56].

Larry:

Yeah, that's probably a longer term average, Charles. I couldn't tell you whether that's five years or 10 years. But that's the long-term average of around 68 breaks per year, given the way we replace pipe in the system, and the metrics we use to do that. But we can take a look at that and see if it's easy to gather that data for the number of breaks on a quarterly basis. Obviously, we keep track of them. But we'll see-

Charles:

Location I think, management could probably use that for their own-

Larry:

We do. If we seem to be having a large number of breaks in a particular area, engineering and operations will take a look at that and see if there is anything extraordinary that's happening there, versus over time. They can do that. We've got that data in the system. But-

Charles:

That kind of information versus if that 68 has been creeping up for the last five years, then that would be something that we might want to look towards management's recommendation to fund or increase our investment in repairs, or piping, or whatever.

Larry:

Right.

Charles:

Okay, I think I'm done with it.

Tim:

Not trying to make life difficult. Just if it's useful to anybody, just a question I have.

Charles:

I think just the information of 68 a year average is ... I don't know whether we need it on the dashboard, but that's an interesting piece of information that I'd probably heard before, but it's nice to get reminded.

Tim:

Anyone else? Wow. We're letting them off easy.

Mario:

Tim, Mario. Probably want to start dropping off quarters. Otherwise, this thing is going to be really too long.

Rochelle:

Yeah, we've actually started to do that.

Linda:

I think the initial thought was to put the year, and then begin quarters, so we'd have a year, and then you could compare year to year. But in the interim, report the quarters. That was initially the thought process.

Mario:

Okay, thank you.

Tim:

Anyone else? I thought you were suggesting I pay up with dropping off quarters. I wasn't really sure what you were talking about, Mario. Now I understand. So the alternative would be to just show a year end for next year? Or a quarter to quarter?

Rochelle:

So we've actually, even here we're showing four quarters.

Tim:

Yep.

Rochelle:

So I would think we would start next year, if you're agreeable, we would start it with probably the final numbers for the end of fiscal '20, so you have to [inaudible 00:43:59]. Then we'll be doing first quarter, which will end in August, first quarter of '21.

Tim:

Okay.

Rochelle:

Is that agreeable?

Tim:

Sounds fine. Don't hear a chorus of objections.

Charles:

I agree, it sounds like a plan. The only thing I might add is sometimes you see in charts like this, the little graphs that give you a quick visual on it. That's for future.

Rochelle:

Okay.

Tim:

Anyone else? So it looks like we're into number seven, which is new business. Is there any new business?

Jay:

Did you skip number five, Tim?

Tim:

Oh yeah, I guess I did.

Jennifer:

There is something before the dashboard.

Tim:

Oh, yes, indeed. That's sort of a big one. I guess. That's discussion of possible recommendation of the RPB regarding freeze of RPB member compensation [inaudible 00:45:17], which is to go in effect January 1, 2020. Has anyone put any deep thought into that?

Charles:

Maybe we should go back to history. I thought we tried to do that and it was decided that it was set by the state or something like that. How is this different then when we tried to do it earlier?

Mario:

Tim, if I may?

Tim:

Yes, go ahead, Mario.

Mario:

At the RPB meeting, when we discussed the compensation last time, I said I would refer it to finance each quarter. It will be retroactive. But the question is do we take that now, or do we hold off yet another quarter? The intent was since you have all the financial people is to try and find out how are we doing? Are we getting better? What kind of a position are we in? Does it make sense to ... Because I think at this month's meeting will be the RPB compensation on the agenda.

Tim:

I think at the times, Mario, there was consideration that we really should put it off, correct? That's how I recall the conversation was going.

Mario:

We definitely put it off the first quarter.

Tim:

Right, right. So now we'd be suggesting it be put off for another one, or not be put off. So I guess it's a question of do you answer now or do you answer Thursday? What do we think?

Charles:

My gut feeling is that we don't take any increase until management has their recommendation and/or they move forward going back to more normal times. I wouldn't want to do it at this point in time, either.

Tim:

I'm very supportive of that assessment, to be honest. Anyone else?

Jay:

Is that a motion?

Tim:

Do you need a motion, or is that just a general statement?

Charles:

I'm thinking probably more of a statement, and then the RPB would actually may or may not vote on it, let's say.

Tim:

Right. Do we put it in the form of a recommendation by the finance committee? Are we in the position to do that, if we did a basic headcount here? I've only heard two talking heads.

Jay:

I think we have to give some direction on it, from our committee, as the finance committee. I don't feel uncomfortable with a motion extending it and to re look at it after the next quarter.

Charles:

I think that's the way to do it. Just to make a motion recommending.

Tim:

Sure.

Charles:

Not that we're doing it, we're just recommending it to the full RPB. So I will make a motion then, my statement that we forego for another quarter.

Tim:

Okay. So we would accept Jay as a second, then?

Jay:

That's fine.

Tim:

Okay.

Jay:

Yes.

Tim:

Any further discussion? Okay. A vote from the body, all in favor?

Multiple:

Aye.

Tim:

Sounds like the ayes have it.

Charles:

I did want to double check on thing with Mario. Mario said that when we come out of this, assuming that we come out of this, it's going to be retroactive anyway.

Tom:

Right.

Charles:

I'm wondering if finance or management wants to weigh in whether or not the unintended consequence might be a bigger ... It doesn't seem like it'd be that big of an amount. But it'd be interesting to know that amount that we're putting off, kicking the can down the road, but it's not going to go away. We don't want to have some number that's going to impact the budget.

Rochelle:

So I can answer. So we actually are making a provision for it and Jennifer is providing what the amount is. But it would have a favorable impact from a cash perspective.

Charles:

Okay. Do you think, Rochelle, do you think you could have a ballpark number for Thursday? So that full RPB would know what the number is that we're foregoing in pushing down the road?

Rochelle:

With Jennifer's assistance, yes.

Charles:

Thank you.

Jennifer:

Yeah, I can get that to you.

Jay:

You're accruing for it on the books of the corporation, right?

Jennifer:

Yes.

Jay:

Accruing for it speaks for itself. I don't think it's that much money in any quarter, and it's going to add up to that much money. But I think, I believe it's the right thing to do.

Tim:

Okay. So that's the end of discussion. Forgive me, we didn't vote on this, did we guys?

Charles:

I think we did.

Mario:

Yeah, we did.

Tim:

Okay. Usually we have discussion before, so I lost track.

Charles:

Sorry, I asked a question on it.

Tim:

Okay. So now I guess we're onto new business, if there is any? Don't hear that there is any new business. Linda, I did read that you'd be retiring.

Linda:

I am.

Tim:

I think that's wonderful, Linda.

Linda:

Thank you.

Tim:

I'm glad for you. How many more meetings do we have with you, two?

Linda:

No more finance meetings, they're done.

Tim:

No more finance ... Oh I would have got a cake, I would have shown you a picture of cake.

Larry:

Last finance committee meeting, and then the RPB meeting that's coming up, and the authority meeting on Thursday, the 16th, will be her last board meetings.

Tim:

Wow. Well, it's been wonderful having you to deal with us in these meetings.

Linda:

It's been great.

Tim:

It's been great. Yeah. Really enjoyed your stealth leadership.

Linda:

Thank you very much. It's been a pleasure working with both boards, actually, because I think without your help as the RPB and the finance committee, RWA wouldn't be in the great financial position we're in. It was a collaboration. Thank you so much.

Tim:

Yes. Well, it has been a collaboration. But we all know that a lot of that happens within the confines of those offices in your place. So that's fantastic. So congratulations from all of us.

Linda:

Thank you.

Tim:

Heartwarming best wishes for all the fun ahead of you. I guess with that, we could call for a sign off. All those in favor of an adjournment?

Multiple:

Aye.

Tim:

We're adjourned without a motion. Thank you.