

**MINUTES OF SPECIAL MEETING
BURLINGTON ELECTRIC COMMISSION**

Tuesday, May 16, 2023 – 12:00 pm

The special meeting of the Burlington Electric Commission was convened at 12:00 pm on Tuesday, May 16, 2023, at Burlington Electric Department at 585 Pine Street and virtually through Microsoft Teams.

Commissioner Moody was present at 585 Pine Street. Commissioners Bonn, Chagnon, Herendeen, and Whitaker participated via Microsoft Teams.

Staff members present at 585 Pine Street included Darren Springer, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), and Emily Stebbins-Wheelock.

Staff members present via Microsoft Teams included Paul Alexander, Rodney Dollar, James Gibbons, and Paul Pikna.

1. Agenda

There were no changes to the agenda.

2. Public Forum

No one from the public was present for the meeting.

3. FY24 Budget Revision

Mr. Springer stated that after the Commission voted to approve the Department's FY24 budget at the last Commission meeting the Department received from the City an unanticipated change in the FY24 pension expense that negatively impacted the budget that was passed. Since the Department is not presenting its FY24 budget to the Board of Finance until tomorrow evening, this gave us a chance to meet with the Commission to review the changes and ask for approval of the updated budget.

Mr. Springer stated that prior to the change the FY24 budget had a slim margin for net income and for our financial metrics. With support from Ms. Stebbins-Wheelock, Ms. Mitchell, and Mr. Gibbons, we worked quickly to identify items that more than offset the negative variance from the revised pension expense. Mr. Springer stated that the FY24 budget being presented to the Commission today has a higher net income than what was previously presented at the Commission's May 10 meeting and has an adjusted debt service coverage ratio metric projected at 1.11 instead of 1.09. There were four major changes made to offset the increased pension expense: a small savings identified in the Customer Care budget, salary savings because we were not able to recruit a Controller this spring, savings due to lower than anticipated unit prices for RECs recently

purchased, and the forward reserve market came in higher than anticipated.

At this time we are asking for the Commission's approval of the updated FY24 budget. Mr. Springer pointed out that none of these changes affects the requested rate increase, which the Commission approved separately and is being presented to the Board of Finance on May 17 and then May 30 for consideration, and the Council on June 5.

Ms. Stebbins-Wheelock reviewed the changes to net income:

- Increased expense of \$222,837 from increase in Labor Overhead rate due to increased pension contribution per actuarial report.
- Reduced expense \$31,034 by delaying Controller start date to 9/1/23.
- Reduced expense \$9,600 for duplicated bill printing charges.
- Reduced expense by \$155,127 for decreased Tier 1 RES compliance expense (unit inventory cost reduced by recent REC purchases).
- Reduced expense by \$167,548 for Forward Reserve Market (summer auction closed higher than expected).

Ms. Stebbins-Wheelock reviewed the changes to capital/cash:

- Decreased cash by \$230,230 from increase in Labor Overhead rate due to increased pension contribution per actuarial report.
- Increased cash \$31,034 by delaying Controller start date to 9/1/23.
- Increased cash by \$9,600 for duplicated bill printing charges..
- Increased cash \$167,548 for Forward Reserve Market (summer auction closed higher than expected).

Commissioner Chagnon made a motion to approve the revised Fiscal Year 2024 Capital and Operating Budgets as presented; the motion was seconded by Commissioner Herendeen.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Bonn. Aye
Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

Commissioner Herendeen made a motion to adjourn; the motion was seconded by Commissioner Bonn.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following

Commissioners:

Commissioner Bonn. Aye

Commissioner Chagnon. Aye

Commissioner Herendeen. Aye

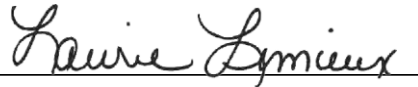
Commissioner Moody. Aye

Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

The meeting of the Burlington Electric Commission adjourned at 12:11 p.m.

Attest:

A handwritten signature in cursive script, reading "Laurie Lemieux", is written over a horizontal line.

Laurie Lemieux, Board Clerk