



**COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE**

FINANCE COMMITTEE – MINUTES

Meeting Type: **Finance Committee**
Meeting Location: **Lebanon City Hall, Keene, NH**
Meeting Date: **Thursday, January 18, 2024**
Meeting Time: **Noticed for noon**

Finance Committee Members in Attendance:

- Clyde Carson, Finance Committee Chair
- Kimberley Quirk, Treasurer
- Clifton Below, CPCNH Chair

Finance Committee Members in Virtual Attendance:

- Andrea Hodson, Chair of Governance
- Paul Looney, Town of Walpole
- Terry Clark, Cheshire County
- Henry Noel, City of Berlin

Missing:

- April Salas, Town of Hanover
- Kathleen Kelley, Town of Randolph

Other Attendees:

- Lisa Sweet, Chair of member Ops
- Brian Callnan, CEO

Called to order 12:04pm:

We don't have any meeting minutes to approve today. Finance Chair Carson will send out the Nov and Dec meeting minutes for review/approval next meeting.

QB Financials

This month is the first one where we are reporting approximately a month and half behind the date of the board meeting just to better reflect revenues and expenses.

Chair Below asked if we might want to make available a full chart of accounts for anyone who wants more details behind the summarized statement of activities and financial position.

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Variance Report

We reviewed the November Variance report dated November 30, 2023. At the high level, the revenues are lower than budgeted back in April of 2023. Revenues are directly proportional to the amount of load and the rate we choose.

Expenses are lower as well, but not by as much, which results in the Reserves being lower as well.

Here are the major causes of revenue shortfall:

- Our original forecasts of loads as well as newer forecasts for the fall wave were based on last year’s utility data, which turns out to be not very accurate.
- The weather was not predicted to be as warm as it has been the last few months and total load rises in colder weather.
- We did not predict last April that we would reduce our rates for the Aug-Jan period as much as we did. We budgeted a reduction to 11.4 cents, and we actually lowered rates to 10.9 cents.

Future mitigation includes smarter forecasting for loads going forward take more variables into consideration.

CEO Callnan expects that we will get better at forecasting with our community loads and will smooth out some of the variances over time.

Chair Below pointed out that our initial projects were also affected by our early assumptions that the expense of buying electricity would be matched more closely with the timing of revenue, which is not the case. We recognize revenue almost 2 months later, which means our first year Revenues, Expenses and Reserves were off by quite a bit.

Treasurer Quirk agreed that we are getting better with forecasting and will continue to get better, but there will always be variables outside of our control, so we should expect variances even as we mature.

We also discussed operating days and how that varied from our last report. We had seen operating days get to 60 in the past, but in reviewing how that was calculated – only looking at the past, it was too optimistic. With this month’s report we are including one month looking forward to get a more accurate number. We also should expect to see a dip for a couple of months after launching a new wave of communities. A reminder that the goal is to get to 60 days by end of year 3 and 120 days by end of year 5. The Risk Management committee is also looking at ways to think about operating days, so there may be a better calculation in the future.

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Investment Policy

Directory Looney recommended that we have a policy to invest reserve funds after we’ve met the minimums for each account to avoid bank feeds. Chair Below and CEO Callnan agree and will look into how we want to address this – in what committee and what options.

CEO Callnan wants this committee to know that we are aware of \$1.1M that is over due by about a month from one of our Utilities. The requirement is that the Utilities need to pay within 3 days, so this is an active week to week discussion to bring that back into compliance.

There were no votes taken at this meeting.

Next Meetings

At the next Finance Committee meeting CEO Callnan would like to address the 2024 budget/load variances. We agreed to meet in two weeks to discuss CEO KPIs since we didn’t get to that agenda item in this meeting. That will be Thursday, Feb 1, 11:30-12:30 (possibly to 1pm).

The next regular Finance Committee meeting will be determined by a poll vote since the third Monday is a holiday - Director Hodson will send that out a poll.

The meeting was adjourned by unanimous consent at 1:02pm.

Submitted by

Treasurer Quirk