

Approved 2-27-24

**New Hampshire Electric Cooperative, Inc.
Minutes of the Meeting of the Director Compensation
Review Committee
Remote Zoom Meeting
January 16, 2024 9:00 a.m.**

Present: Committee Members: Madeline McElaney, Brenda Boisvert, Carolyn Kedersha, and Harry Viens
NHEC Employees: Alyssa Clemesen Roberts, Maida Lessard

Ms. McElaney called the meeting to order at 9:00 am.

She thanked everyone for their patience and for Mr. Vien's idea to poll NHEC directors.

NRECA Director Compensation Toolkit

Ms. Boisvert mentioned NRECA guidelines were used in the past for compensation for co-ops our size. Although there are bigger co-ops that pay more and offer better benefits, it's always a good idea to see survey results for other co-ops our size.

Ms. McElaney asked the committee if another service should be explored depending on price.

Ms. Kedersha responded she doesn't think it's necessary to go outside for resources.

Ms. McElaney commented that she appreciates the principles in the toolkit and feels the compensation package is pretty appropriate but could bump up the budget if paid per meeting.

Ms. Kedersha suggested going back to a flat meeting fee.

Ms. McElaney asked if it was \$1200/month inclusive.

Ms. Kedersha suggested that if a director is not a member of the committee, you did not get paid unless they were a first year Director. She commented most directors attend most every committee meeting because the Chair doesn't share much from these meetings.

Ms. McElaney agrees it would be great to revert to that policy and it should not be financial as the monthly stipend should be considered to cover it.

Mr. Viens commented the original arrangement was get paid for committee meetings and 1-2 other meetings at a lower fee, any meetings attended over that received no payment.

Ms. Boisvert agrees and the "fix we're in" is due to many things. She commented that many attend meetings because of trust issues. She agrees that if not a committee member, they can attend the meeting but receive no pay.

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Ms. McElaney responded to a question regarding new board members. She suggested for the first year new board members should get paid to attend any of committee meetings.

Mr. Vien commented that board directors should be able to get committee information at board meetings. He also commented that OnBoard is tedious and has a lot of information.

Ms. McElaney commented to use On Board as a tool and have the committee chair report out to the board meeting members on committee happenings.

Ms. Clemens Roberts mentioned the number of meetings per year and the preparation to collect the information is time consuming and directors are not always in consensus. For example the budget, if there is no consensus it doesn't move. She suggested that the Audit and Budget committees are necessary but is unclear the purpose of the other committees such as the E&O committee as they are also discussed at the board meeting.

Mr. Viens suggested to bring the subject of committees back to the board and re-visit the purpose of them.

Ms. Clemens Robert replied it gets re-visits all the time. For example, minutes. Bigger issues should go to the board to solve.

Ms. McElaney stressed the National Survey was the scope covered – governing policies, subsidiaries such as Broadband, and how directors are joining the board. Look at who attends committees and how many times to help assist in compensation recommendations. She suggested to do away with the Broadband committee and discuss it at board meetings instead.

Ms. Kedersha commented that various attempts have been made to change the committees but has never gone anywhere. If all the committees are dissolved except for the Audit and Finance, the board meetings will go longer. They need to get out of the weeds.

Ms. McElaney read from the toolkit:

The Right to Rely on Others

“In the discharge of his/her duties, a director is entitled to rely on management and on-board committees of which the director is not a member, to perform their respective responsibilities. A director is entitled to rely upon reports, opinions, information, and statements presented by the cooperative's management, employees, and outside advisors whom the director reasonably believes to be competent and reliable in the matters being presented.”

Ms. McElaney asked how we take what is being discussed to the board.

Ms. Kedersha replied to research the committees then follow-up. Bring it forward by making a motion but make a plan first before implementing.

Mr. Viens suggested looking at each type of compensation.

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Ms. Kedersha commented she is in agreement with the director stipend, and the board meeting rate but does not agree with the off-site meeting training payment especially if it goes for 2 days being the same training. If a director is attending the training in person, compensation should be per day, but not if attending by Zoom.

Ms. McElaney also drew attention to the NHEC director survey that was sent out that supports the recommendations.

Mr. Viens suggested to bring forward committee compensation recommendations and to decrease the number of meetings. No more than X number of committee meetings.

Ms. McElaney will have a conversation with Chair Davis about the number of committees.

Ms. McElaney asked if all board officers need additional compensation.

Mr. Viens suggested that the treasurer and secretary should receive additional compensation.

Ms. McElaney asked if the secretary, treasurer and asst treasurer be put into one position.

Ms. Kedersha replied no, the secretary needs to be separate. She also suggested that Broadband should go back into the board meeting even though it will get voted down.

Ms. McElaney would like to recommend to the board to get rid of the Broadband committee and have it be part of board meeting. She asked several people at a conference she recently attended as to how they handled Broadband, and they said in their board meeting. If voting on something with high dollars, it should be discussed at board meeting as it more efficient governance.

Ms. Kedersha commented that the Chair of Broadband would become just a committee member and would lose stipend.

Mr. Viens recommended to create a paragraph or so that summarizes the rationale behind this committee's recommendations.

Ms. McElaney commented that the data from the National Survey may help support and justify the recommendations.

Ms. Clemens Roberts commented that many board members do not participate or are not prepared in board meetings.

Ms. McElaney commented that it would be helpful if it was known what NHEC paid in compensation last year for board meetings.

She recommends the following to the board:

Per committee fee (non-member) – none unless 1st year new member

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Reduce number of committee meetings – move into board meeting, specifically Broadband
General consensus of committee is pay per item – training, stipend, etc.

Ms. Clemesen Roberts suggested there should be 12 board meetings per year, 3 budget and 2 audit committee meetings for a total of 17 board meetings per year.

Ms. McElaney asked if there is an attendance policy for directors for board meetings. Is it a preference to meet in person vs Zoom and should we compensate different?

Mr. Viens replied that in person meetings should be the rule and Zoom an option. Compensation should also be according to how directors attend.

Ms. Kedersha commented that Zoom gave the board the ability to treat each other poorly. Issue could also be the number of directors on the board. NHEC now has 11 but most co-ops our size go from 6-13 members of the board. She suggested to decrease the number we have to 7-9 board members as this would help make it run more efficiently. It would be a charter change and members would have to vote. She further commented that given the dynamics of the board, we all she be fired.

Ms. Boisvert commented that no matter how many board members there are, they need to get along and respect each other. She feels badly for the new CEO who is working hard and doing her best but some board members are mean to her and other board members. She feels many directors do not care about the co-op or the members. In the past, if a board member was out of line, there was a discussion with the CEO. She commented that she believes people issues are at the heart of the fix we're in.

Ms. Clemesen Roberts suggested to bring this topic up during the consultant meeting around the number of meetings. Meetings don't drive results and preparation takes away from productivity. She suggested asking what is the hope to accomplish at board meetings to be more consistent. What is success to the board? It takes a number of hours to prepare for these meetings and staff is afraid to make mistakes. She commented that it's always performative and does not need to be and everyone wants the co-op to be successful. Minority is controlling the majority.

Ms. McElaney appreciates the conversations and talking through it. Next steps – is another meeting necessary?

Ms. Kedersha replied yes – need to put a draft document together, and then discuss together.

Ms. McElaney thinks there is enough to bring forward to the board. She will check in with Chair Davis and let her know what the plan is.

Meeting adjourned at 9:59 a.m.