

May 29, 2001

**WORKING CAPITAL FUND BOARD
MINUTES OF THE MEETING
May 24, 2001**

(1) Introduction

Acting Chair Howard Borgstrom called the meeting to order. He introduced Maria Mikitka from the Office of Management and Budget.

(2) Minutes of April 19, 2001 Board Meeting

After hearing an overview of the Minutes, the Board approved the minutes of April 19, 2001 Board meeting with the following comments. Although the minutes correctly refer to deferring the decision to outsource payroll, the FY 2001 Mid-year Report presented at this meeting also refers to the decision as though it is already accomplished. The sense of the Mid-year Report is incorrect.

(3) Mid-year Financial Report

Howard Borgstrom presented an overview of the Mid-year Report. There was some discussion of the new supply business run by PaperClips. Some of the high-end items; for example palm pilots, are raising issues for the program customers related to spending controls and property management. An administrative working group will review store policies and recommend actions to the Board.

The Mid-year Report will be altered to reflect no decision on outsourcing payroll is expected until after the Board is brief in a few months. The Report was accepted with no further questions.

(4) FY 2003 Working Capital Fund Budget Estimates and Revised FY 2002 Budget Estimates.

These are business line current policy estimates based on current consumption and our best knowledge of applicable rates; for example, GSA rent estimates. Program consumption decisions and purchases outside the fund can affect your individual budgets. For this reason the Fund Manager does not compare our estimates with actual program budget projections.

(5) Dispute Resolution Council.

During the November Board meeting the Board nominated Richard Tedrow as the Chair of the Dispute Resolution Council. The Board nominated Defense Nuclear Nonproliferation,

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Environmental Management, Fossil Energy, Energy Efficiency & Renewable Energy, and the Director of the National Nuclear Security Administration to the new council. The Fund Manager would like the respective Secretarial Officers to name individuals in each office to sit on the Board by June 1.

(6) Proposals for Printing and Graphics Business Line and New Optical Character Recognition Business Line

Preliminary draft proposals were provided to the Board. Business Line managers were not prepared at this time to make a full presentation for these new products; however, the papers submitted are useful for Board members to read ahead. The Administrative Working Group is meeting May 30 at 10:30 AM to discuss these products. Board members and other interested parties are invited to attend this meeting. More detailed presentations will be made at the next Board meeting.

Managers for the graphics business discussed how graphics costs are increasing to provide special support for plaques and awards. It recommended that benefiting programs pay for these services rather than spreading the costs to all programs as overhead. Program customers are interested in how much these charges will reduce their future bills. They are also concerned that there will be increased demand to use the graphics overhead budget to pay for special certificates and award plaques. The Board recommended that the revised pricing policy for these items could be retroactive.

(7). Five-year Business Plans for Building Occupancy and Payroll Business for Board Review and Comment

Five-year Business Plans for Building Occupancy and Payroll Business were presented to the Board for review and comment. As the business plans are completed and presented to the Board for review there is increasing interest in understanding the background for the planning process and the basic assumptions for each plan. There is keen interest in customer input and what role customers play in reaching corporate objectives, for example, energy conservation at headquarters.

The Board decided to create a working group to review the Building Occupancy plan on a pilot basis to determine its interest in the planning process and review of additional plans. The Board nominated Charles Roy to Chair the group with participation from the Offices of Policy and Energy Efficiency & Renewable Energy. Stephen Warren and Steve Durbin also volunteered to participate.

Because of its familiarity with payroll issues including outsourcing alternatives, the Payroll working group was asked to review the payroll plan and comment to Jean Morgan.

(8). Extending Board Membership Terms.

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There was a discussion of Board membership since 1996 and how the membership evolved from ten to fifteen members. Board terms are set to expire in June and in the absence of a Deputy Secretary of Energy the Chair asked for an opinion of the General Counsel whether the Board could extend its term until December, or alternately, until the arrival of the new Deputy Secretary. The General Counsel affirmed that position and the Chief Financial Officer together with the Chair (three standing members of the Board) concurred. The Board approved the extension of current membership terms until December subject to later approval by the Deputy Secretary.

(9). **The meeting adjourned at 2:45 PM.**

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Meeting Attendees

Representing the Board:

MA Howard Borgstrom
CR George Tengan
GC Eric Fygi
EIA Steve Durbin
EM Stephen Warren

NE Wade Carroll
FE Chuck Roy
SO Ronald Shores
CIO Tony Castellano
PO Camille Jagessar

ATTENDEES:

Maria Mikitka- OMB
Rod Witschey- SO
Mike Orosz - SO
Carlos Segarra – SO
Lang Soo Hoo - NE
Peter Richards- SO
George Tengan- CR
Michelle Livingston - PML
Laura Brown - PA
Bill Marlowe – BPA
Barry Schrum – IG
Jayne Ross – CR
Kent Hibben - HG

MA:

Bob Emond
Louis D'Angelo
Roscoe Harris
Willie Mae Ingram
John Harrison
Cheryllyne Williams
Tony Nellums
Marcia Morris
Mary Anderson
Laurie Smith
Ralph Freedman
William Talbot
Deborah Black
Margaret O'Brien