

PRINCETON MUNICIPAL LIGHT DEPARTMENT  
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**BOARD OF LIGHT COMMISSIONERS**

**APRIL 12, 2017**

**REGULAR MEETING MINUTES**

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**The meeting was called to order at 4:01 PM.**

**Present were: Commissioner/Chairman, Jim Whitman, Commissioner, Chris Conway, Commissioner Tim Cochrell and PMLD General Manager, Brian Allen.**

**Agenda:**

The Board voted unanimously in favor (3-0) to amend the April 12, 2017 agenda to add discussion about pension liabilities, energy action committee and motor vehicle accident protocol.

**Meeting Minutes:**

- The Board voted unanimously in favor (3-0) to approve the March 8, 2017 regular meeting minutes as presented.
- The Board voted unanimously in favor (3-0) to approve the March 16, 2017 emergency meeting minutes as amended.

**PMLD Financials:**

- ***Bank Balances*** - The Board reviewed the bank balances report dated April 12, 2017 (a copy will be placed on file). The Citizen's Bank Operating account has a balance of \$262K, the Depreciation account has a total balance of \$762K, the MMDT Rate Stabilization account has a balance of \$811K, the Unibank Operating account has a balance of \$5K, the Meter Deposit account has a balance of \$35K. As of April 12, 2017, PMLD has \$137K listed for accounts payable and is still waiting for \$302K in customer account receivables.
- ***2017 Year-to-Date Working Budget Review*** – The Board reviewed the 2017 working budget analysis spreadsheet dated 04/11/2017 (a copy will be placed on file). The target measure for revenue and expenses through February is 16.68%. Revenues are currently at 18.2% and expenses are at 15.15%. There was no unexpected activity to report.

**New Business:**

- ***2016 Audit Review with Goulet Salvidio & Associates PC (GSA)*** – Ms. Heather Isaacs of GSA presented the Board members with copies of the 2016 PMLD Financial Statements dated December

31, 2016 and 2015. Ms. Isaacs explained the need for a qualified opinion as it relates to the pension liability because of the report that was not in compliance with GASB standards that was used by the Worcester County Retirement System. The Board discussed the impact it has on the light plant and the town. Mr. Allen and the Town Administrator, Ms. Nazarian, were previously notified by GSA of the report date issue and they acknowledged that the qualified opinion will be necessary in 2016, but has no consequences or negative impact against the light dept or town. The Town had already gotten their bond rating and PMLD had already locked into the MMWEC municipal bond for the windfarm debt. GSA will issue an explanation on letterhead for PMLD to provide to anyone who needs further clarification on the qualified opinion. GSA will work with management at Worcester County Retirement to insure this issue is resolved going forward. Worcester County Retirement essentially forgot that municipal light departments manage financials on a calendar year basis not a fiscal year and they used a fiscal year report that was 'out of date' for municipals and that issue had to be disclosed in a qualified opinion by Auditing firms on the annual audit financial statements.

Ms. Isaacs reviewed the 2016 financial statements and internal control report in detail with the Board. There were two minor typos in the financial statements that will be fixed and final copies will be provided to PMLD before the week is out. Copies will be placed on file. The 2016 PMLD Department of Public Utilities annual report that was prepared by Mr. Allen and GSA was presented to the Board and Ms. Isaacs confirmed that the report was filed electronically to the DPU by the March 31, 2017 due date. A copy will be placed on file. Ms. Isaacs commended the Board and staff for their hard work to improve PMLD's financial picture and managing within their proposed budget and funding depreciation. The Board acknowledged that there were no internal control staff issues to report. Mr. Allen thanked Ms. Isaacs and her firm for their professionalism and service.

- ***Worcester County Retirement System Pension Liabilities*** – Mr. Allen provided the Board with a written explanation prepared by the Office Manager, Mary Veinotte, sharing the 2017 True Valuation figure for PMLD and explaining how the Town Treasurer, Jim Dunbar, is changing the process in which PMLD pays contributions into the retirement system. A copy will be placed on file. Beginning in July 2017 PMLD will have an option to pay the annual total in a one-time lump sum payment of \$112,929 or pay two 50% payments of \$57,518 in July 2017 and January 2018 through the Treasurer to Worcester County Retirement. The Treasurer will continue to bill PMLD monthly for Health Insurance and Employer Medicare Tax Contributions. PMLD's share will increase from 28% to 35% of the total requirement for Princeton, an increase of \$20K (\$90K in 2016 / \$112K in 2017). Before a payment option is locked in Mr. Allen and Ms. Veinotte will confirm/verify all the employee detail, which could change the percentage if inaccuracies are found. There is a \$2K savings if PMLD pays the total amount due in one lump sum.

#### **Unfinished Business:**

- ***Automobile Accidents involving Utility Poles and Wires Protocol*** – The Board would like Mr. Allen to follow-up with the Police Chief about PMLD's suggestion to change/improve an emergency action plan to disconnect power when there is an accident involving an automobile, utility pole and live wires. Mr. Allen will provide an update at a future meeting.

- ***New Energy Action Committee*** – Chairman Whitman shared his notes from the Board of Selectmen meeting he attended where an organized group of Princeton residents presented their citizen's petition to place a warrant article on the May 9, 2017 Annual Town Meeting Warrant to have an Environmental Energy Action Committee consisting of 5 members to be appointed by the Selectmen and charge them with the duties to develop an energy action plan, write grants, consider green communities initiatives that support the town's master plan and help the town save money. The Board acknowledged that the town of Grafton is going through a similar process according to a recent article in the Worcester Telegram & Gazette. The Board discussed how the new committee might work with PMLD. The Board agreed that the committee should meet with the Light Board in a public meeting to share their goals. Mr. Allen confirmed that Claire Golding and Attorney Burnham-Howard have already contacted him about the committee. The vote at the May annual town meeting will determine the town's desire for such a committee and thereafter the Selectmen will appoint the committee.

**At 5:23 PM the Board voted unanimously in favor (3-0) to adjourn.**

***Respectfully Submitted,  
Christine Trudeau  
Recording Secretary***