



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING MARCH 23, 2017

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, March 23, 2017 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:30 p.m.

Present for the meeting were Commissioners William Aylward, Thomas D'Amato, Thomas Paras and Robert Wheatley; Manager Glenn Trueira, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Chairman D'Amato asked if there were any additions to the agenda and Manager Trueira stated under Manager's Report – Update Massachusetts LED Streetlight Conversion Grant.

1. Agenda Item A: Approval of Agenda

MOTION BY COMMISSIONER PARAS, SECONDED BY COMMISSIONER AYLWARD AND UNANIMOUSLY VOTED (4-0):

MOVE TO APPROVE THE AGENDA AS AMENDED.

Chairman D'Amato introduced Student Government Representatives – Manager David Pence and Chairman Deandra DaSilva and welcomed them to our meeting.

2. Agenda Item B: Announcement:

Chairman D'Amato acknowledged that this is an open meeting and informed the public that the meeting is being recorded by hand and voice recorder.

3. Agenda Item C: Approval of Minutes:

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER PARAS AND VOTED UNANIMOUSLY (4-0):

17-20 MOVE TO APPROVE THE MINUTES OF THE JANUARY 20, 2017 BUDGET MEETING.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER PARAS AND VOTED UNANIMOUSLY (4-0):

17-21 MOVE TO APPROVE THE MINUTES OF FEBRUARY 23, 2017.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER PARAS AND VOTED UNANIMOUSLY (4-0):



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17-22 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF FEBRUARY 23, 2017.

4. Agenda Item D: Appointments:

- **REMARKS OF THE GENERAL PUBLIC:** There being none, the meeting continued.

5. Agenda Item E: Correspondence

Chairman D'Amato stated that he received a letter from the Peabody Veterans' Council inviting the PMLC to participate in the Memorial Day activities on Monday, May 29, 2016.

MOTION BY COMMISSIONER PARAS, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (4-0):

17-23 MOVE TO ACCEPT THE CORRESPONDENCE FROM THE PEABODY VETERANS' COUNCIL.

6. Agenda Item F: Manager's Reports:

- **AMI UPGRADE—** Manager Trueira deferred to Manole Agouridis, Assistant Superintendent of Electric Distribution / Metering who spoke about the AMI project schedule. Manole stated that deployment kicked off on March 13, 2017. The deployment is following the read schedule. As of today, there are approximately 300 to 400 installed. Jenn Santoro will be working on a press release with pictures.
- **IPSWICH RIVER/JOHNSON STREET SUBSTATION –** Manager Trueira deferred to Roy Simoes, Associate Electrical Engineer, to brief the Commission on the project. Roy stated that not much has happened. PMLP is waiting for the environmental permit. Once submitted, PMLP will attend the Peabody Conservation Commission as well as seeking approval from the Army Corp of Engineers. Roy discussed briefly the materials that will be ordered for this project—such as power transformers, switchgear, construction contract, and he will be back before the Commission with these requests. Roy stated that they are working on the specifications with the consultants and the items required have a long lead time which hopefully will be ready for bids by September/October. Roy spoke about the transformers and the lead time is approximately 8 to 9 months; the bid evaluation; site work, trees and lastly the environmental permit.
Commissioner Bonfanti arrived at 6:40 p.m.
- **MASSACHUSETTS LED STREET LIGHT CONVERSION –** Manager Trueira deferred to Roy Simoes, who stated that PMLP received a grant for approximately \$771,000 for LED street light replacements. In conjunction with MMMWEC, there are 14 to 18 municipals participating in the program. General discussions ensued regarding purchasing the equipment through an RFP which MMWEC prepared. Further discussions regarding the breakdown of the grant—specifically no money will be spent for police details and there will be a 25% reduction in the street lighting bill in



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the first year. Discussions regarding the 3.5 year lamping cycle and that the features on the LED street lights are expected to last 20 years. Discussions also included hiring a rate consultation, light fixtures, color temperature (light) such as 4,000 vs. 3,000. It was suggested that if the Commission wants to look at the color of the lights to look in Peabody Square and/or Wheeler Street (across from Eastman's). The replacement work will be performed by PMLP employees or our contractors. The installation must be completed by the end of June, 2018 to receive reimbursement for the work. Discussions with the Mayor have occurred and lastly discussions will occur with City Council. Roy mentioned that Manole Agouridis had developed a spreadsheet for deployment. The replacement schedule would focus on the next relamping cycle to be the first replacement on the LED street light conversion.

7. Agenda Item G: Committee Reports:

There being none, the meeting continued.

8. Agenda Item H: Award of Bids:

There being none, the meeting continued.

9. Agenda Item I: General Business:

- **THIRD PARTY COLLECTION AGENCY FOR RENTAL CUSTOMERS – DEBT MANAGEMENT, INC. –** Manager Trueira deferred to Karen Repucci, Business Manager. Karen Repucci stated that she had been before the Commission last month to talk about DMI and their collection services. Karen Repucci stated that the contract is part of the agenda package. Commissioner Wheatley asked if the attorney had reviewed it. Karen Repucci stated that it is a sample contract and that the attorney would review it if the Commission approved the hiring of DMI. Karen solicited information from other municipal light plants regarding third party collection agencies. Karen stated that the contract states that either party can cancel the agreement with 30-day written notice.

MOTION BY COMMISSIONER PARAS, SECONDED BY COMMISSIONER AYLWARD WITH COMMISSIONERS AYLWARD, BONFANTI, PARAS AND D'AMATO VOTING AFFIRMATIVELY AND COMMISSIONER WHEATELY VOTING NEGATIVELY (4-1):

●
17-24 MOVE TO AUTHORIZE THE MANAGER TO ENTER INTO AN AGREEMENT WITH DMI FOR THE PURPOSE OF THIRD-PARTY COLLECTIONS

- **CASH RECONCILIATION WRITE-OFF –** Manager Trueira deferred to Karen Repucci, to discuss the recommendation by the auditors, Melanson & Heath, regarding a cash reconciliation write off. Karen stated that there has been a cash variance between the Peabody Municipal Light Plant and the City of Peabody's general ledgers for many years. There are four separate transactions



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totaling \$121,496.95 that have appeared on our cash reconciliations since 2004. Management and the City of Peabody have tried to resolve these issues but documentation does not exist to identify the variances. This is an unfavorable variance for the operating cash account. The Business Manager and Accountant have made resolving cash variances a priority. Future cash variances will be formally presented to the Auditor, Treasurer, and Finance Director on a quarterly basis in letter format.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (5-0):

17-25 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF TO WRITE OFF THE CASH VARIANCES IN THE AMOUNT OF \$121,496.95 FROM OUR FINANCIAL RECORDS.

- **FINANCIAL RISK ASSESSMENT PROCESS** – Manager Trueira deferred to Karen Repucci, Business Manager, to discuss with the Commission the framework of our Internal Controls Plan (ICP). The objectives of the ICP are the effectiveness and efficiency of operations; accomplishment of PMLP's mission; compliance with applicable laws and regulations; relevant and reliable financial reports; and safeguarding of assets. These components consist of control environment; risk assessment; monitoring; information; communication and control activities. The ICP consists of questions that evaluate each section of operations to see if there are any improved needed to insure there is no business/system interruption; fraud; embezzlement; theft; statutory sanctions, excessive costs; deficient revenues and loss; misuse or destruction of assets. Our auditors, Melanson & Heath, had recommended that we inform and share the aspects of this plan with the Commission.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER AYLWARD AND VOTED UNANIMOUSLY (5-0):

17-26 MOVE TO ACKNOWLEDGE RECEIPT OF FINANCIAL RISK PROCESSES AND CONTROLS PERTAINING TO THE PMLP ICP.

- **NATIONAL GRID** – PMLP received a check in the amount of \$22,962.37 for January 2017 transmission charges. The money is deposited in the cash account but subtracted off of the power supply bills.
- **REMARKS OF COMMISSIONERS**
- Commissioner Aylward thanked Barbara, Karen and Jenn for attending a recent City event catered by Burton's.
- Commissioner Paras thanked employees for doing a great job. Congratulations to student government candidates to David Pence and Deandra DaSilva.



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MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND UNANIMOUSLY VOTED BY ROLL CALL (5-0):

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO DISCUSS COMPETITIVELY SENSITIVE INFORMATION.

Chairman D'Amato declared the Regular portion of the Meeting of March 23, 2017 adjourned at 7:30 p.m.

A TRUE RECORD

Attest:


Thomas Paras, Secretary
Peabody Municipal Lighting Commission

