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John M. Driscoll, *General Manager*

**Light Commissioners' Meeting
May 6, 2014**

Members present were: Dana Blais, Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Tom Berry

The meeting was called to order at 6:25 p.m. by Dana.

The agenda was approved on a motion by Chris, seconded by Gregg, 3-0 in favor.

The April 8, 2014 minutes were approved on a motion by Dana, seconded by Gregg, 3-0 in favor.

Old Business:

The Manager informed the Board that he had been in contact with the Town Administrator, Town Accountant and Town Treasurer in regards to the Light Plant's proposal to begin their own vendor warrant processing into checks. He felt that in addition to the Light Plant being able to again mail its own vendor checks on time and track their delivery status that this action would take a huge burden off of the Selectmen's Office. The Manager stated that with the Town's entire operating budget around \$5.3M and the TMLWP budgets adding \$9.5M to that, the TMLWP's operating funds represented roughly 2/3 of all of the funds to be handled by the town's accountant and treasurer. This likely meant that the number of light & water vendor warrants was far higher than any of the other town departments. The Manager had received a response on this proposal from the Town Accountant but would wait till *New Business* to discuss.

The Manager reminded the Board that it had already been a month since he had relayed to the Selectmen the Board's offer to fund a town roadway project of their choosing utilizing the entirety of the Light Plant's net income/surplus funds for the calendar year 2013. He had received no response from them as of tonight's meeting.

New Business:

The Manager distributed various hand-outs to the Board for March 2014 Power Supply, April 2014 Wind Generation for BWPC and for MMLDWECC and also some commercial/industrial electric rate comparisons for Q1 of 2014.

The Manager shared with the Board a few recent-e-mails from the Town Accountant and Town Treasurer. The Town Accountant had made some assumptions and statements which were at odds with the Manager.

First, he had stated that the TMLWP's proposal to do its own vendor warrant processing and mailing would not reduce the workload for the town AND that it would raise [electric] rate payer costs. The Manager stated that he didn't see how the proposal would not save the town time and money and further stated that the Town Accountant could not possibly know how electric

rates would increase or decrease as a result of the TMLWP's proposal having never even so much as set foot in the TMLWP Office or met with the Manager.

Second, the Town Accountant stated that all of the accounting and treasury work that need be performed by the Town would remain but in the same thought that the quantity of warrants to be processed by the Town and the quantity of town employees to perform the work do not intersect. The Manager totally disagreed with the premise that fewer employees could equal anything other than less work output in any business venture, public or private.

Third, the Town Accountant stated that the town's financial team was in fact "embarking" on a mission to determine how much the TMLWP would have to pay the Town per vendor warrant check to process and mail. The Manager thought this to be odd since the TMLWP had already "embarked" on a mission to help out the Town by doing their own vendor warrant check processing and mailing. The Manager reminded the Board that the previous Town Accountant and Town Coordinator had requested multiple times that the TMLWP, in fact, do their own work as it related to the processing and mailing of vendor warrant checks even though he (Manager) felt that such a request would put the TMLWP at odds with the checks and balances laid out in MGL Chapter 164.

Fourth, the Town Accountant offered an unsolicited opinion to the Manager regarding the level of internal accounting controls at the TMLWP, which he felt to be virtually non-existent. The Manager again thought this statement was at best, arrogant, and at worst, ignorant. The TMLWP has an elected board of 3 who authorize bi-weekly (formerly weekly) the payment of its vendors via the light and water accounts held at Fidelity Bank. The TMLWP is overseen by the Manager who is hired by said elected board to supervise the TMLWP's financial operations. And the TMLWP has their own full-time accountant whose duties span over both light and water departments. By the Manager's count there were no less than 5 appointed or elected individuals from TMLWP who had a say in which particular vendor warrants to be paid or not to be paid. He reminded the Board that at the Town's level there was now 1 employee handling the processing of vendor warrants into checks, the authorization of checks, the updating of the town's vendor list AND the distribution of all of the various new edicts that were being applied weekly to the TMLWP in the form of changes to our day-to-day financial operations presumably passed down from the Town Accountant.

[The Manager received an additional e-mail from the Town Accountant the day before this meeting in which he (Town Accountant) had accused the Manager of being in violation of the MGL Chapter 164; again without having ever so much as set foot in the TMLWP Office or met with the Manager. The Manager had forewarned the Board that the TMLWP may have to again deal with another town accountant who had little to no experience dealing with municipal light or water plants, just as the previous town accountant had not.]

The Manager thought it appropriate to mention to the Board that the Town's Accountant had worked for Melanson & Heath for several years prior to his accepting the role of Town Accountant in Templeton. This was an outside accounting firm who, based on the Manager's 16 years in this electric industry, was at constant odds with municipal light plants in the state over their autonomy with budgets and their independence from town selectmen and city councilors.

The Manager discussed another e-mail with the Board that the TMLWP had received from the Town Treasurer which stated that the TMLWP's Staff Accountant no longer had access to the light & water accounts held at Fidelity Bank to do anything more than check balances and transactions. The Manager stated that this was a very bad idea at this time considering the level of training the Town's Acting Treasurer had received and the level to which this treasurer was already overwhelmed with the unfinished workload presumably left by the last town treasurer.

The TMLWP's Staff Accountant would no longer be able to perform the wire transactions that she was accustomed to in the past of the roughly \$6M per year in payments to MMWEC for power bills.

The Manager reminded the Board that to the best of his knowledge the Town Treasurer had always extended to the TMLWP Staff Accountant as a courtesy the proper bank access necessary to perform its (TMLWP's) own wire transactions. The Manager stated that this move by the Town would only put the TMLWP at higher risk for being late with its payments through MMWEC to ISO New England, Nextera, Dominion and Stonybrook. There were no advantages to the TMLWP by limiting its access to light and water funds, and although under the statute the town's treasurer is the only town employee allowed to transfer funds, the Manager stated that the courtesy previously extended to the TMLWP in years past only helped the Town AND the TMLWP operate more efficiently AND pay bills on time.

The Manager and the Superintendent discussed with the Board the TMLWP purchasing both a cab/chassis and a digger/derrick body in 2014, rather than making 2 purchases over 2 budget years in the past. They felt that the cab/chassis unit would experience far less time outside and unused which should limit future issues with its electrical system. The Superintendent felt that a new unit in total would come in around \$150K and that pushing off the purchase of a new Light Truck #25 just 1 year could cost thousands of dollars in necessary repairs. The Board agreed and the Superintendent would have firm pricing for a new cab/chassis unit for the June meeting and begin the preparation of a bid package for the digger/derrick body as well.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor the Light Commissioners' Meeting adjourned at 8:00 p.m.

Respectfully Submitted,

John M. Driscoll
General Manager