

FINAL

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES**

Tuesday, January 26, 2010

BOARD MEMBERS: Richard Sheppard, Chairman
Arthur J. Coughlin, Sr., Clerk
Matthew Stelmach, Third Member

SMLD MANAGER: John Kilgo, Jr.

MINUTES: Sandy Pellecchia

IN ATTENDANCE: Mr. George Pape, Sterling, MA 01564.

Richard Sheppard (Sheppard) opens the meeting at 5:00 p.m.

APPROVAL OF THE AGENDA

Arthur J. Coughlin, Sr. (Coughlin) makes a motion to approve the Tuesday, January 26, 2010 agenda as written. Seconded by Matthew Stelmach (Stelmach). Unanimously approved by the Board.

APPROVAL OF MINUTES

Coughlin makes a motion to approve the Tuesday, December 15, 2009 regular session Sterling Municipal Light Department Board Meeting Minutes as amended. Seconded by Stelmach. Unanimously approved by the Board.

CUSTOMER COMMENTS

Mr. George Pape (Pape) asks about stimulus monies for the smart meters. Dick Sheppard (Sheppard) replies that two municipals got monies, the SMLD applied for a grant and did not get any monies. Pape asks what dollar figure did the SMLD apply for? Kilgo answers for the total amount of the system, which had a ceiling of one million dollars. Pape asks when will the next set of board meeting minutes be posted to the Web site. Kilgo informs Pape that

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there was no November meeting and that the December meeting minutes will be posted, they simply needed to be approved at tonight's meeting. Pape follows up with his request for vehicle information. Kilgo told him that this is not public record. Sheppard confirms this information to Pape.

Sheppard noted today's tree cutting done by SMLD and the DPW. Kilgo confirmed this activity in the system.

FINANCIALS

Kilgo reviewed the SMLD's overall 2009 kWhs used. They were approximately 3% under 2008 but better overall than NEPOOL, which was approximately 4% under 2008. The 2009 Degree Days were approximately 2% under 2008 as well. The load factor improved slightly to 68% and revenues were up.

Sheppard notes a smaller business going in on 1 Beverly Drive (a school).

Stelmach notes the system losses up over the previous year. He notes losses have been up every year consistently. He asks Kilgo is there any reason why they are going up? Kilgo responds that load pockets and overcompensation is some of the contribution due to new less than unity PF requirements by NEPOOL. Both he and Stelmach agree that they are rising but the loss component is acceptable. Kilgo states again that some of the additional losses were due to the 2008 December Ice Storm. There shall be additional improvement in the loss component when the Justice Hill voltage regulators are retired. Stelmach agrees.

IN LIEU OF TAX

After the last SMLD Light Board meeting, the Light Board Clerk approached Kilgo stating given changes and financial hurdles the Town of Sterling is facing in these times, the SMLD should assist by offering an increase in our annual In Lieu Of Tax Payment of \$40,000 by \$2,000 per year for the next (3) three years and leave at \$46,000 per year going forward.

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There is open discussion about additional services that the SMLD provides to the Town such as: banner hanging, generator maintenance, educational forums, (ground trimming, tree removal and sign trimming for the DPW), holiday lighting, use of our operating cash, Sterling Fair and all around gold plated service for informal requests.

Stelmach would like to see the sum of these services in a spreadsheet with a total dollar value. He would like to know what is our history? What are the projected dollar amounts for the new year? Kilgo notes that he has these figures and will get them to the Board.

OTHER BUSINESS

None at this time.

MOTION TO EXECUTIVE SESSION

Sheppard makes a motion to go into Executive Session per MGL Chapter 164, Section 47D to protect proprietary information, confidential information, and business strategies and to return to open session. Coughlin seconds the motion. Role call. Coughlin, aye. Sheppard, aye. Stelmach, aye. Approved by the Board.

The board goes into Executive Session as of 5:27 p.m. The board returns as of 6:52 p.m.

The Board announces a 7.6% salary increase for Kilgo from \$125,424 to \$135,000 on February 1, 2010. Then on February 1, 2011 Kilgo would be paid a 4% increase to \$140,400 and he cannot come back to the Light Board until February 1, 2013.

Kilgo offers further insight into additional services that the SMLD provides to the Town totaling approximately \$320,000. Kilgo asks Stelmach if he needs a further spreadsheet or if this memo he intends to write to Paul Sushchuk cc: Larry Pape is sufficient. Sheppard has a problem with the letter Kilgo wishes to send but Coughlin does not. Sheppard states that we

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need to notify of the tax payment increase for budget purposes and Kilgo states he understands.

NEXT BOARD MEETING

The February board meeting will be held on Tuesday, February 23, 2010 at 5:00 p.m.

MOTION TO ADJOURN

Sheppard asks for a motion for the Light Board to adjourn the meeting. Coughlin makes the motion and Stelmach seconds it. Unanimously approved by the Board. The meeting adjourns at 6:59 p.m.

ATTEST: Arthur J. Coughlin, Sr.
Arthur J. Coughlin, Sr., Clerk

DATE: 02-23-2010