

2018 MAR 14 PH 3:13

**MEETING NOTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
TOWN HALL
SELECTMEN'S MEETING ROOM
Monday, January 22, 2018
5:30 P.M.**

I. CALL TO ORDER

Chair Dash called to order a regular meeting of the Municipal Light Board (MLB) at 5:33 P.M.

Present:

MLB – Chair Adam Dash, Vice Chair Mark Paolillo, Member Jim Williams

Belmont Light (BMLD) – Acting General Manager Craig Spinale, Staff Aidan Leary

II. GENERAL MANAGER SEARCH

Chair Dash asked Rick White of Groux-White Consulting, the firm contracted by the Town to conduct the General Manager (GM) search, to give update on the search process. White said that he had spoken with approximately 30 staff and community members had developed a brochure to advertise the GM position. He said that he sent out a solicitation to all New England municipal light plant (MLP) GMs and received feedback that the salary was a little bit low. He said that the Town HR Department aided him in an informal survey of several GM compensations. The results were as follows: North Attleboro - \$190,000; Braintree - \$196,040; Littleton - \$190,000; Norwood - \$183,076; Shrewsbury - \$190,000; and Wellesley - \$182,000. The current advertised maximum compensation for Belmont was \$165,000. White wondered whether the Board wanted to increase the maximum level of compensation for the GM position for recruitment purposes.

Dash said the question in front of the Board was whether to increase the upper level of the pay range, not what the final pay for the next GM will be. Paolillo said that it was difficult to know in a vacuum what the responsibilities of the surveyed GMs were and what the sizes were of the departments. He said he was happy to consider increasing the range but that he needed more information before making a decision. White said that when he sent out the solicitation to all New England Public Power Association (NEPPA) GMs, many responded to him with what their salaries were. He said that a comprehensive study could be done but he said that there is enough data to suggest that Belmont's maximum is not competitive with the field. He said that a range with a maximum of \$165,000 will limit the Town's search ability.

Dash asked whether White's recommendation was to broaden the compensation range to attract a larger pool of applicants. White said that, based on the feedback and timeline of the search, it was his recommendation to increase the upper limit of the range.

Williams asked when the last time was that the GM's pay range was changed. Spinale said it was 2013. Williams asked what the bottom bracket of the pay range was. Spinale responded that it was \$126,000. Paolillo asked where the range came from. Spinale said it was from a pay and compensation study.

Williams asked about the salary for previous GM Jim Palmer. Spinale said that Palmer's compensation was \$175,000 in salary and a \$10,000 on-call stipend.

Williams said that he was okay with changing the advertised pay range to \$150,000 to \$190,000. Paolillo said that while he was fine with making that change, he was not sure what the responsibilities of the other GMs were. He was said it could be that the Board should recruit Assistant GMs or someone looking to step into a larger role. Dash said that the feedback that White had received showed that the pay range was too low.

White gave an overview of the GM market: there are 75 GMs in New England; there is a crop of Baby Boomer GMs retiring right now; there are not a lot of middle managers wanting to do the job or vying for the jobs; so there is a very limited pool in New England. White said he did have the inventory of the nationwide American Public Power Association that he can also tap into.

Williams moved that the pay range for the General Manager of Belmont Light be advertised as \$150,000 to \$190,000 per year. Paolillo seconded the motion and the motion was approved with a vote of all in favor (3-0).

III. EXECUTIVE SESSION

The Board moved to go into executive session to conduct strategy sessions in preparation for negotiations with non-union personnel at 5:51 P.M. (Paolillo aye, Williams aye, Dash aye).

a. To discuss strategy with respect to collective bargaining (IBEW, Local 104)

The Board moved to return to open session at 6:25 P.M. (Paolillo aye, Williams aye, Dash aye).

IV. GENERAL MANAGER'S REPORT

a) Director of Operations Position

Spinale said that since August 2017, he has been acting as both the General Manager and the Director of Operations for Belmont Light. He said that, as the Spring construction season approached, he needed someone to be focused on overseeing the numerous projects that were upcoming. For that reason, Spinale said that he was promoting the Engineering Manager to Acting Director of Operations while the GM search continued.

b) Cost of Service Study Update

Spinale reported that the Cost of Service Study was underway and Belmont Light was working with Tilly Financial Services. He said that after the study is complete, discussion can begin on adjusting the rates if need be.

Williams asked about the current cost of service. He said he was informed that prior to the Blair Pond Substation Project, the rates had been increased to avoid any unforeseen trouble for BMLD. He said that he would assume that the rates would decrease because payments for the Substation Project had ceased. Williams also said that he was aware that pension and other post-employment benefits (OPEB) payments were in the rates. He said he wanted to understand where that money was and said he would also be proposing that the Town's enterprise funds fully pay their share of pension and OPEB going forward. Spinale said that the last true rate study was done in 2008 and a "refresh" was done in 2013. He said there was always the intention to revisit the rates after completion of the Substation Project. He said it is also good utility practice to do a cost of service study every 3 years as well.

Paolillo said there are a number of capital consideration ahead, including the decommissioning of the older substations. He asked whether these considerations were included in the study. Spinale confirmed that they were included.

c) Belmont Light Tracking against Town Climate Action Plan

Spinale said that Belmont Light is attempting to track itself in terms of purchasing power to determine how well it is performing against the Town's Climate Action Plan (CAP) of 2009. He said that the CAP study found that the electricity sector accounted for 30% of the Town's greenhouse gas emissions. Spinale reported that the actual clean, renewable energy component of Belmont Light's energy portfolio for 2017 was 16.79%. He said another 4.58% was renewable but Belmont Light could not claim it as such because it did not retain the renewable energy certificates (RECs) for that energy. The estimated renewable makeup for 2018 was 17%, although Spinale said he wouldn't know until after the year.

Spinale said, in terms of carbon dioxide (CO₂) emissions in tons, Belmont Light's baseline from 2007 was 84,000 tons of CO₂. He said that in 2014, when the Energy Committee updated the CAP study, that number was reduced to 44,000 tons, a 47% reduction, simply because of the New England electric grid becoming cleaner. Spinale said that in 2017, Belmont Light is at just over 36,000 tons, which is 57% below 2007 levels and 18.5% below 2014 levels.

Paolillo acknowledged that the grid had become cleaner but asked what percentage of the reduction was attributable to Belmont Light. Spinale said that the 18.5% decrease from 2014 was Belmont Light's contribution through purchasing renewable energy. Dash noted that this information would be placed on the Belmont Light website.

Paolillo asked who has the ultimate responsibility for monitoring alignment with the CAP. The Board discussed having the Energy Committee come before the Board to discuss.

Williams asked Spinale to clarify the RECs issue. Spinale said in Massachusetts, there is a Clean Energy Standard (CES) that requires investor owned utilities to reduce their CO2 emissions by a certain amount. He said that when 1 megawatt of clean energy is produced, the producer receives a REC. Because municipal utilities are excluded from the CES, they sell the RECs that they have in order to reduce costs. However, utilities cannot claim the clean attribute of the energy for which it sells the REC.

The Board and Spinale continued to discuss the REC issue and how Belmont Light purchases power.

V. DISCUSSION AND VOTE ON PAY AND COMPENSATION PLAN

Spinale said that in late 2016, early 2017, BMLD had a compensation study performed. He said he was asking the Board to approve the new pay scales included in the study, which was for 11 nonunion employees. Spinale went through the criteria and calculations used in the study.

Paolillo asked about a table showing how BMLD compared in terms of minimum and maximum on pay scales to a number of other utilities. Spinale said the study did 2 things; it looked at BMLD's grading system itself and it compared those 11 employees against others. Dash said that, of the 11 positions, 7 were above average, 2 were below average, and 2 there was not enough data. Paolillo said that this was the range, it did not indicate what the employees actually make. Paolillo reviewed some of the pay ranges for positions in the study. He said that although 2 positions were below and brought down the average, some positions were significantly higher than the average of the survey.

Paolillo asked what the Board was being asked to approve. Spinale pointed to the grading system and said this was the only thing for which he was asking for approval. The Board decided to discuss the matter further at a future meeting and to ask HR Director Jessica Porter to be present to discuss as well. The Board also agreed to have one-on-one meetings with Spinale on the issue.

VI. DISCUSSION OF PURCHASED POWER POLICY

Dash said that the Purchased Power Policy sets how BMLD buys power, how much power should be renewable, and other factors. He said the Board had tasked LBAC with reviewing the policy and updating it if needed. Dash said that he had gone through the policy with the Chairs of LBAC and the Energy Committee. A final draft of the policy would be presented to the Board at its March meeting.

Williams asked if there were checks and balances in the decision making. Spinale said that any contract over 3 MW or 5 years must be discussed with LBAC and subsequently brought to the Board for approval.

VII. APPROVAL OF MINUTES

a. Regular session minutes dated 12/18/17

Paolillo moved to approve the regular session minutes dated December 18, 2017. Williams seconded the motion and the motion was approved with a vote of all in favor (3-0).

b. Executive session minutes dated 12/18/17

Paolillo moved to approve the executive session minutes dated December 18, 2017. Williams seconded the motion and the motion was approved with a vote of all in favor (3-0).

VIII. FUTURE MEETINGS

The upcoming meetings of the Light Board, all to begin at 5:30 P.M., were stated as follows:

- February 26, 2018
- March 12, 2018
- April 23, 2018
- May 21, 2018
- June 18, 2018

IX. ADJOURNMENT

Board moved to adjourn at 7:05 P.M.