

Agenda Item - 03

SHREWSBURY ELECTRIC & CABLE OPERATIONS

COMMISSION MEETING

**May 22, 2019
9:00 AM**

MINUTES

**PRESENT: R. HOLLAND – Chairman
M. LEMIEUX
K. MARSHALL
M. REFOLO
A. TRIPPI**

ABSENT: NONE

OTHERS

**PRESENT: M. HALE
J. MALAVER
Jon. MALAVER
M. QUITADAMO
J. GOULET – Goulet, Salvidio & Associates
T. VAUGHAN – Goulet, Salvidio & Associates
S. SOTER**

1. Meeting Called to Order – 9:03 AM

2. Review and Consider Approval of the 2018 Audited Financial Statements

M. Hale introduced James Goulet, office of Goulet, Salvidio & Associates, who presented an overview and a brief review of each page of the Light and Cable Audited Financial Statements dated December 31, 2018 and 2017 for the Commission's review and approval.

A. Electric 2018 Audited Financial Statements

- Nothing was found in terms of the financial reporting that was in error or to be concerned about.
- The Statements of Net Position numbers are consistent with an increase of \$907,520.
- SELCO's OPEB position is ahead of most municipals.
- Financially, SELCO-Electric is in very good shape.
- Statements of Revenues, Expenses and Changes indicated net income as of December 2018 of \$1,138,460
- Statements of Cash Flows indicated that SELCO's cash receipts adequately covered operating expenses for year ended December 31, 2018.

M. Refolo requested a follow-up on the track of OPEB including progress regarding the liability, the track from the date of the change, and plan details for 2020.

B. Cable 2018 Audited Financial Statement

Mr. Goulet commented that SELCO-Cable financial stability is impressive compared to current cable industry standards

- The Statements of Net Position numbers increased 14.5% compared to year-end December 2017.
- Statements of Revenues, Expenses and Changes indicated net income as of December 2018 of \$4,814,209.
- Statements of Cash Flows indicated that SELCO's cash receipts adequately covered operating expenses for the year ended December 31, 2018.

M. Lemieux requested an addition to all future audit reports stipulating that, as of 2013 and per the CATV Franchise Agreement with the Town, SELCO-Cable's payment to the Town is capped at \$800,000. The percentage calculation of the television revenue no longer applies.

The following findings were noted:

- SELCO-Cable does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance.

- Cable test counts were incorrect during the audit observation.
- Inventory should be relieved/counted on a monthly basis avoiding large physical inventory adjustments at the end of the year.

3. Review and Consider Approval – Bill Schedules

The bill schedules were reviewed and approved.

4. Review and Consider Approval – Meeting Minutes – April 24, 2019

With there being no corrections, additions, and discussion regarding the April 24, 2019 meeting minutes,

A motion:

Accept the April 24, 2019 minutes as presented.

Motion made by A. Trippi and seconded by K. Marshall.

Without further discussion, the motion was approved unanimously.

5. Review and Consider Approval - Electric Cash Statements April 2019

M. Quitadamo presented and reviewed the April 2019 Electric Cash Statements.

- Cash Receipts were \$13,837,002, 6.5% greater than 2018 and 6 points more than budget projection.
- Cash Expenditures were \$14,535,422, 7% greater than 2018 and 9% less than budget projection.
- Total Available Funds were \$13,337,456, 3% more than 2018 and 20% greater than projected.

A motion:

Accept the April 2019 Electric Cash Statements as presented.

Motion made by M. Refolo and seconded by K. Marshall.

Without further discussion, the motion was approved unanimously.

6. Review and Consider Approval – Cable Cash Statements April 2019

M. Quitadamo presented and reviewed the April 2019 Cable Cash Statements.

- Cash Receipts were \$7,238,244, 7% greater than 2018 and even with forecast.
- Cash Expenditures were \$5,217,633, 5% great than 2018 and 2.4% less than previously budgeted.
- Total Available Funds were \$24,044,201, 43% greater than 2018 and even with forecast.

A motion:

Accept the April 2019 Cable Cash Statements as presented.

Motion made by A. Trippi and seconded by R. Holland.

Without further discussion, the motion was approved unanimously.

7. Review and Consider Approval – MEAM Legislation Recommendation

M. Hale recommended that the Commission support legislation filed by MEAM that would require MLPs to have 80% of their energy portfolio coming from carbon free sources by 2050.

Following further discussion, the Commission unanimously agreed to support the MEAM Legislation recommendation, recognizing climate change by supporting the increase of carbon free sources in SELCO's energy portfolio.

8. Review and Consider Approval – Operating Brief

M. Hale presented and reviewed highlights of the Operating Brief,

- Residential Internet customers increased by 55. There was also an increase in the business/commercial Internet customers.
- Private peering has been key for SELCO-Cable to keep operational costs low. Private connections are used to avoid network charges.

9. Donation to Shrewsbury's DPW

Due to the tremendous assistance from Shrewsbury's DPW whereby they assisted in resolving a major drainage problem at the Service Area garage, M. Hale requested that the Commission approve a donation of \$8,000 to Shrewsbury's DPW that will be used to fund two of their summer help positions.

Following a brief discussion, the Commission unanimously approved the request to fund the two summer help positions at the DPW.

10. Motion to Adjourn

A motion:

Adjourn the Commission meeting.


Motion made by A. Trippi and seconded by K. Marshall.

Without further discussion, the motion was approved unanimously.

Meeting Adjourned - 10:28 AM

Next Commission meeting is scheduled for Monday, June 24, 2019 at 7:00 PM.

Respectfully submitted,


Anthony Trippi, Clerk
SELCO Commission

Referenced Documents and Authors

Electric and Cable 2018 Audited Financial Statements – Goulet, Salvidio & Associates
Commission Meeting Minutes – April 24, 2019 – A. Trippi
Electric and Cable Cash Statements – April 2019 – M. Quitadamo
MEAM Legislation Recommendation – M. Hale
Operating Brief – M. Hale, R. Iaccarino, J. Laverty, J. Covey, J. Pratt, M. Quitadamo,
G. Onorato, J. Malaver