

Light Commission Minutes
April 06, 2016

Present: Jess Aptowitz, Chairman; Olivier Kozlowski, Vice Chairman; Frank DelVecchio, Clerk; Doug Annino, George Dentino and William Ross, Town Manager.

1. Meeting Called To Order At 7:00pm

Chairman Aptowitz called the meeting to order at 7:00p.m. The Chairman reminded everyone that the meeting is being broadcast live and taped for future broadcast on Mansfield Cable.

Dana Hourigan, 15 Evans Circle, will be recording the meeting.

2. Citizen Comments

None

3. Director's Report

- a. Discussion and Possible Vote On Calculation of PILOT Payment by Light Department to Town of Mansfield

Mr. Ross explained that the PILOT (Payment In Lieu Of Tax) calculation, as reviewed and recommended by the Finance Committee, is to be based upon the depreciated value of the Electric Department, as reported by Powers and Sullivan, times the Commercial Tax Rate, which results in an increase of the PILOT of about \$168,000 for this year.

Mr. Ross wanted the Commission to be aware that 1) both the value of the Electric Department, as reported by the Auditors, and the Commercial Tax Rate can change from year to year, 2) Electric Department values are reported with depreciation subtracted so unless there are additional major increases in the plant the depreciation will reduce the value of the department that is taxable in the future and that will result in the PILOT fluctuating and 3) in November when the Board of Selectmen makes its decision on the tax split the Commercial Tax Rate can also vary, either up or down. Mr. Ross noted it is important to state that the number before the Commission will not be the number year after year.

Chairman Aptowitz gave a brief history of the PILOT noting it has continually increased over the years with various committees weighing in on the methodology of the calculation. The Chairman explained that the PILOT could go down 1) if the plant value goes down and 2) the change in the tax rate. The Chairman felt there needed to be a policy in place.

Mr. DelVecchio pointed out that looking at the value of the plant and assessing a PILOT based on what it could be taxed at is an attempt to wind things up correctly, having rate payers pay as opposed to having the tax payers make up the \$168,000. He agreed this is a concept that has been kicking around and discussed for some time.

Mr. Kozlowski felt this is something that can actually be explained and its always good to have a methodology.

Mr. Dentino, in his review, noted the Town is pulling \$655,000 from the Light Department and to his understanding that is going towards pensions. What bothers Mr. Dentino is that the job of the Light Commission is to assist the rate payers with a rate that is not compromised and that is it's the obligation of the Commission to set the lowest rate it can without coming up with a large profit.

Chairman Aptowitz would like to schedule a discussion on a future agenda the possibility of another refund. The Chairman agreed with Mr. Dentino and furthered the job of the Commission is to try and protect the rate payer as best as possible. Again, Chairman Aptowitz felt this calculation makes sense.

Mr. DelVecchio felt the Commission should not make an association to pensions as this is an adjustment that reflects the value of the plant and goes to the General Fund as the PILOT always has. He further noted that one of the detriments is there is no tax money coming in for utilities and to even that out the Commission is trying a reasonable approach/methodology that makes sense.

Motion: To accept the policy to make the PILOT the value of the department times the commercial tax rate (Kozlowski/DelVecchio) PASSES 3:1 Dentino NAY

Mr. Dentino did not believe there to be a solid adjustment as some of that is going to pensions and unfunded liabilities and now there is discussion of it going into the General Fund. Chairman Aptowitz explained the Commission has been talking for years about looking for a calculation for the PILOT and during the Budget process it came up to take a look at it again due to a short fall which existed for various different reasons. One way to make the adjustment was the way the Pension Reserve was tapped but will also go towards other liabilities within the General Fund.

Mr. DelVecchio felt the Board/Commission needed to schedule a discussion in broad terms and in depth about where it wants to go in terms of a rate structure. Chairman Aptowitz noted there needed to be some type of profit in order to fund Capital projects.

4. Comments From Commissioners

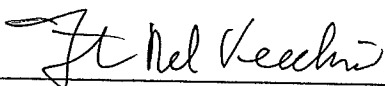
None.

5. Any Items Not Anticipated By The Chairman 48 Hours Prior To This Meeting

None.

6. Adjournment

Motion: To adjourn Light Commission Meeting at 7:26pm (Kozlowski/DelVecchio) PASSES 4:0



Signature of Clerk

 6/27/2016

Date of Approval

/tdw