Reading Municipal Light Department (RMLD) Board of Commissioners
Budget Committee Regular Session Minutes
Wednesday, May 8, 2013

Start Time of Regular Session: 7:00 p.m.
End Time of Regular Session: 8:25 p.m.

Committee Members:
Robert Soli, Chairman **Philip B. Pacino, Commissioner**
David Talbot, Commissioner

Commissioners:
David Mancuso

Staff:
Kevin Sullivan, Interim General Manager **Jeanne Foti, Executive Assistant**
Robert Fournier, Accounting/Business Manager **Jane Parenteau, Energy Services Manager**
David Polson, Facilities Manager **Peter Price, Chief Engineer**

Call Meeting to Order.
Chairman Soli called the meeting to order at 7:00 pm.

Carry-over amounts in the Capital Budget
Mr. Soli reported that he had requested carryovers from Fiscal Year 2013 to Fiscal Year 2014 and that the budget item is listed.

Mr. Sullivan explained that there are six projects that are carryovers in which three have no financial impact in Fiscal Year 2013 because no moneys have been expensed. It is perceived that no expenses will occur on those three projects. Three of the projects have a financial component as well as a work carryover whereas three have a work carry over. Mr. Sullivan said that an explanation is found for each project.

Mr. Sullivan reported on the Project Carryovers to Fiscal Year 2014:

Project 3 - Upgrading of Lynnfield Center URD's
No money has been expended on this project as of April 30. Expected project expenses will occur in Fiscal Year 2013 in May and June in the amount of approximately $351,000. The amount of this is approximately $351,000. It is anticipated that this will have a spring start.

Project 8 - Relay Replacement Project
No money has been expended on this project as of April 30. No work is anticipated on this project in May or June. The installation of the fixed network and RTU's in two of the substations resulted in more work on the technical side than anticipated. During the Fiscal Year 2013 budget period, NTSAR asked the RMLD to put in a separate RTU beyond the original RTU intended by RMLD. This additional RTU created an increased workload. That coupled with the fixed network, the Department did not get around to the relay replacement project.

Mr. Soli commented that is appears there was some money saved. Mr. Sullivan explained that the $2,000 was a change in the number of hours figured for the work.

Project 17C Meter Upgrade – Commercials
The budgeted amount of $552,000 with expenses as of April 30, $443,000, remaining expenses during May and June are projected expenses of $35,000 with a balance of $74,000. The Fiscal Year increase project value is at $115,000 netting an increase in the project slightly over $40,000. During the course of the project it became apparent that some of these customers would requires shut downs.

Project 21 - Automated Building Systems
There has been nothing spent throughout the year. The Fiscal Year 2014 increase in project value is at $275,000 from $150,000 netting a $125,000 increase. This project has no financial impact. The Fiscal Year value was for a building system prior to the failure of the chiller in the summer months last year. We knew we needed a building system to control our HVAC then we had a chiller failure in July or August of last year. The value of $150,000 was eclipsed by the failure of the chiller. Mr. Soli asked what does that mean. Mr. Sullivan explained that was for a system to control the heating and ventilating in the amount of $150,000. With the failure of the chiller, we are now looking at chillers, boilers and a building control system. Mr. Soli commented that the scope has been drastically increased therefore it should be listed. Mr. Sullivan said that the reason this project did not get addressed was because the HVAC firm was not hired. Mr. Polson said that the Department will hire a firm instead of just replacing the building control system (which is not part of the other system) it will be something that is integrated with the HVAC, the cooling and heating as well as the building control system. The ultimate goal is working towards a building energy management system. Mr. Soli commented that they are someplace else in the budget, the chillers and boilers. Mr. Polson explained that they part of the $275,000 for Fiscal Year 2014. Mr. Soli said that his understanding is that last year, $150,000 was for the automation system. Mr. Polson said that is correct. In the meantime, there was a chiller failure and the boilers got old. Mr. Soli said that to the automation system you are adding new scope replace chillers, and boilers. Mr. Polson agreed. Mr. Polson said that in Fiscal Year 2014, the title will be changed it is for the "HVAC System for Boilers and Chillers and associated building controls".

Mr. Sullivan explained that there are two factors as to why the work was not performed and the project scope has changed. The reason the work was not started is due to the fact a HVAC engineering firm needs to be contracted, therefore the money was not expensed in Fiscal Year 2013. Mr. Sullivan added that the scope of change is different. Mr. Pacino said that the note should change to read that the HVAC engineering firm was not hired, thus no money was spent in 2013. In 2014, the scope is expanding to include the chillers and all the other equipment. This is what Mr. Soli is saying. Mr. Pacino said that he is interpreting that the $125,000 increase is reflective of the firm not being hired. Mr. Sullivan added that the notes state why the work was not performed. Mr. Polson pointed out that the Fiscal Year 2014 on Project 21; it is titled "HVAC System Upgrade Multiyear Project with the boilers and chillers as well as the associated control system". Mr. Soli said that he would like to see a note that says in Fiscal Year 2013 that the Department was going to do the automated system; however that work was not completed. In the meantime, there is a need to replace these pieces of equipment that is what occurred. Mr. Sullivan said that he will update the notes and send them out.

Mr. Talbot said that Mr. Sullivan told him that the building had insulation issues. Mr. Talbot wonders if the insulation will be done and any sizing of the units will go down based on that. Mr. Polson said that he will have the engineering firm look at that as well. Mr. Polson added that Mr. Talbot is correct in that the building does have insulation issues. Mr. Polson said that we do not want to have a system that is overdesigned once the building is insulated. Mr. Talbot was in agreement. Mr. Sullivan added the engineering firm will take into account the size of the building as part of their scope to determine what the best feasibility is for the units. Mr. Talbot commented that the size of the units can potentially go down with insulation which is a costs savings.

Project 22 - Engineering Analysis Software
This project did not get done because the vendor had to do mapping for the RMLD regarding the electric values that is why this is being carried over to Fiscal Year 2014. Our expected expenses are for the amount paid to that vendor. Mr. Price added that they are looking at the software model tomorrow and hope to have those expenses paid this year. Mr. Pacino asked did the Department under budget this. Mr. Price responded, yes. The server has to be upgraded as well and other items to accommodate the new software.

Project 24 - Repairs – Station One
Mr. Sullivan said that $400,000 was budgeted. This project did not get done because their intent was to hire an architectural firm and begin restoration of the building. Mr. Sullivan said that he and Mr. Polson spoke about this. The decision was made to wait and coordinate this properly with the Board before we spent any money on the architectural firm. No money will be expended in Fiscal Year 2013.

Project 24 - Repairs Station One
Mr. Sullivan reported that $400,000 was budgeted prior to the architectural feasibility and assessment study performed by Menders, Torrey and Spencer. That value in the report is as of March 2012, which is prior to that study that is why the project has taken on more cost. In Fiscal Year 2014, $120,000 will be reflected as an additional cost.

Mr. Pacino asked is that because we are doing more or less? Mr. Sullivan explained that in the Fiscal Year 2014 there is $520,000 budgeted for masonry repairs only.

Mr. Sullivan said that the Department would like to start the preservation of the building, masonry and roof, and beyond that then discuss use for the building. Mr. Sullivan commented that the Department would like to stop the leaks in the roof and the deterioration of the concrete between the joints and the brick then address the use of the building.

Mr. Talbot said that they had a great tour. Mr. Talbot asked for a break out for the $520,000 and is a piece of it for the masonry and roof. Mr. Polson responded the masonry. Mr. Talbot clarified the budget has $520,000 for masonry. Mr. Polson explained that the $520,000 is for the masonry and possibly some windows. The engineering estimate for the masonry, windows and doors was $680,000 and $820,000 for the roof. Mr. Soli asked how do you start. Mr. Polson responded that it is timing by the way the fiscal year rolls. Mr. Soli said that this is the scope of work and then it is bid. You hope the bid comes close to what was estimated. How do you split that up? Mr. Polson said that does not see splitting up the contract, the commitment would be that the Board would have to vote for spending the money over a two year period. Mr. Talbot asked do we approve the money and let it be up to the discretion of the General Manager. Mr. Sullivan said that an engineering firm needs to be hired; we go with the engineering firm's opinion on what needs to be done first. Mr. Polson said that there are options such as the cost of windows; the design shows the pricing of the windows. Mr. Talbot has no problem funding it; he just wants it done correctly. Mr. Soli said that in the budget it states masonry repairs, replace windows and doors. Mr. Price added that the moist areas are not in the storage area. Mr. Polson said that the roofing and flashing needs to be replaced. Mr. Talbot asked does it make sense to change what the scope is. Mr. Sullivan replied that if the Board wants to approve this then leave it as is and make mention that the engineering firm will dictate what needs to happen in what order. Mr. Pacino said that this is capital which is good because we can earn our eight percent because it is part of plant. Mr. Talbot clarified just because it says masonry and windows, it can be moved around. Mr. Pacino said that if the engineering firm comes in and says the roof has to be done first, the budget can be amended. Mr. Talbot suggested amending the scope now. Mr. Pacino said that he would leave it as repairs to Station One. Mr. Polson cautioned about increasing the budget more than $200,000 due to the CAB. Mr. Pacino said that the Department gets the sense that the Board would like to see what the engineering firm suggests and report to the Board on these findings. Mr. Talbot asked if it would be the same firm that performed the analysis. Mr. Polson responded that it would most likely be another firm.

25-year Disaster Mitigation Plan
Mr. Soli said that he asked about a 25-year Disaster Mitigation Plan because the Board voted for such a plan and requested that funds be included in the Fiscal Year 2013 budget. But he does not see it anywhere. He received the flyer for the APPA National Conference. There are two sessions one relative to disaster planning and the other disaster mitigation.

Mr. Soli reported that he looked at the 1938 Town Report in which it took a long time to repair from a devastating storm. Reading lost a quarter of the system which involved bonding. In 1954, hurricanes Carol and Edna took place which involved a lengthy repair. Mr. Soli has seen Wildwood Street, Wilmington flooded and it did not have the rains or winds of 1938 or the hurricanes. It is important. If the system is down two or three weeks there are nursing homes, how do we try to keep them going and there may be facilities more important than others. The RMLD needs such a plan.

Mr. Sullivan responded that he shares many of Mr. Soli's sentiments. Nothing scares him more than a disaster like that. Mr. Sullivan clarified is it a disaster of RMLD's distribution system or a disaster plan for the RMLD, or both. Mr. Sullivan asked if it is for the electrical component. Mr. Sullivan reported that the RMLD has in house disaster plan that defines what takes place. It encompasses how the RMLD operates and who has what responsibility and how we move forward in a disaster which is in place.

25-year Disaster Mitigation Plan
Mr. Sullivan then addressed the disaster in the distribution system. In any disaster we are at the mercy of the transmission companies that serve us. If they are down for two weeks then we will be down for two weeks. If we cannot obtain gas we are down. Our system is a set of systems. Mr. Sullivan said that *Transmission & Distribution* magazine had an article on disaster planning in April and much of what they described the RMLD does.

Mr. Sullivan said that when you asked Mr. Cameron to do a master mitigation plan he performed an analysis. He sat down with Mr. Price and himself then asked for our thoughts and the costs. Mr. Sullivan said that Mr. Cameron asked what they thought the costs would be and where the RMLD could improve. The price of such a plan was discussed with the conclusion that the cost of such a plan would be $150,000 to $200,000. The plan touches every single component of the system, workmanship and our process which would be lengthy. Mr. Price pointed out that it would involve other utilities. Mr. Sullivan explained that the RMLD shares poles with other utilities on poles, they are custodians. The bottom line is that through the discussions they did not see a significant gain with putting a plan together. We came to the conclusion of what we do and how we do it is with the most current materials in a fashion that probably cannot be significantly improved upon. It cannot be improved significantly with the current materials available to the utility industry. Mr. Sullivan pointed out that Mr. Price, Chief Engineer has been here over twenty years and he knows where we came from and knows where we are now. He knows how hardy the system is now compared relative to where it was years ago. Mr. Sullivan understands Mr. Soli's angst; he just does not think they are going to get the bang for buck by performing a plan.

Mr. Price said that the RMLD does have contingency plans. If the RMLD loses Station 5 we have the ability to move that load, if the 2 35kV sub transmission lines by the railroad tracks are lost that can be addressed. There is a contingency for losing two out of four transformers at Station 4. Also, with the feeders running from Station 3 to Station 4 to pick up a bus or transfer load this is a plan. These are contingencies based on the fact we have a transmission system we can connect to. Mr. Price mentioned that in the storm hardening discussions projects, these are projects that have been in the capital budget therefore they are synonymous with storm hardening. When a circuit is hardened such as 5W9 on Ballardvale Street we upgraded that from open wire to spacer cable. Spacer cable is a much stronger, sturdier construction. Non -tree resistant wire has open bare wire. Trees land on it and circuits go out. Replacing poles, upgrading secondary and primary cable in neighborhoods are representative of items in the capital budget that help in the reliability as well as storm hardening. Mr. Price explained that in the formulation of the capital budget they look at the previous year to see where geographically there have been issues. In the Fiscal Year 2013 Capital Budget, Federal Street and Shady Lane experienced issues during storms, and therefore were upgraded. When he was looking at projects for the capital budget we look at such projects as storm hardening, but with disaster mitigation there are contingencies, but if we do not have a transmission system, then we do not have anything.

Mr. Talbot said the he has a lot of faith because this is what the Department does. Going forward the climate projection is for heavy downpours. Those are going to fill low lying areas more than they use to. This is what happened in New York City after the big storm. Water goes higher than in the past with these extreme events. Has the Ipswich River basin been looked at if the water went up two feet more than it had before? Mr. Price reported that they did look at a project that was across the street from the Lobster Claw. There was a structure next to the Ipswich River in which the transformers were moved. Mr. Talbot asked is there anything out there on a lower lying basis with any vulnerabilities. Mr. Sullivan responded that Station 5 is on Wildwood Street two to three years ago there was tough spring. There was water coming up Wildwood Street and the substation was dry. The substation is two feet above. There is a gradient to the substation and the switch gear is up two feet above that and the other side was water. Basically, the substation is like an island. Mr. Price added that he has pictures of this and the substation was not affected.

Mr. Soli said that is sounds like you did a wonderful job; you have done everything but one, put it on paper and let the Board see it. Mr. Soli said that Mr. Cameron made an analysis and there has been discussion. Mr. Sullivan said that he has Mr. Cameron's analysis, Mr. Price's response and will provide the article contained in the magazine. Mr. Pacino said the Board needs a final report.

Can we put in the capital budget funds for PV installation on existing buildings at the Ash Street campus? This has been discussed in the past. There are REC proceeds available. And policy points in this direction.
Mr. Talbot said that in Mr. Sullivan's memo it addressed structural issues in the garage building.

Mr. Sullivan wanted to address the Office and Operations Center at 230 Ash Street. This roof would not be a wise choice for a photovoltaic installation. The garage building roof has no warranty. Mr. Price said that the roof was installed in 2007. Mr. Sullivan said that the manufacturer would not cover the installation because of the way it was installed. Mr. Talbot said that Mr. Sullivan's memo only addresses the roof, not the structural ability. Mr. Pacino raised a concern that the Board did not know that the roof did not have a warranty. Mr. Polson added there was a five year warranty that they would have honored.

Mr. Talbot said that you would have to remove the PV to replace the roof if there were issues. Mr. Sullivan said that it would be prudent to have life span of both roof and PV panel be in sync. Mr. Talbot said that if you are going to do PV, you should do it at the same time you do the roof. Mr. Sullivan added, without knowing if there are structural issues. Mr. Polson reported that the condition of the roof is fine. Mr. Talbot asked about the assumptions of PV and the cost to get that back. Mr. Talbot then discussed the $235,000 which was based on discussion at a Board meeting. Mr. Talbot asked what is the cost benefit analysis for PV, what would it cost, what would it get back because there is data on this with the Wilmington project. Ms. Parenteau responded that the solar market is very dynamic and has various components. What Ms. Parenteau is hearing now is prices are in the $2 to $3 per watt price range to be installed assuming that there is excess solar panel inventory, which represents a snapshot in time. It is a changeable market that can change on a daily basis. Mr. Talbot asked if there is a cost benefit. Ms. Parenteau said that there are a couple of components with the developers she has worked on a regular basis. She is by no means an expert on this. The SRECs drive the cost benefit and that is what the developers are banking on. The DOER is in the process and is coming in mid-July with a solar REC phase two which will address what the term of the market is. Currently, it expires on June 20 of this year. There is a ten year guarantee, by these developers and she is receiving many calls from residential and commercial customers to get these stamped by June 20. Mr. Talbot asked for a back of the envelope costing. Ms. Parenteau responded given some of the assumptions with uncertainty, it would be less than ten years, five to eight year payback. Mr. Talbot said that after that time, it would be free power for the RMLD and would be using to offset its costs. Ms. Parenteau added that this would be a project in our portfolio we own within our portfolio which happens to be solar. The lifetime is twenty years. Mr. Talbot said that it sounds reasonable at first blush. Ms. Parenteau added that there is potential for solar.

Mr. Talbot said that as a matter of policy, the RMLD wanted to have fifteen percent by next month and we are at eight percent. This would be symbolically important. There has been discussion on the use of REC dollars. His inclination would to get an amount in the budget subject to the next General Manager, assessing the structure and putting it in the capital budget.

Mr. Sullivan said that we are on the cusp of solar in three different locations in Wilmington, but he has spoken to North Reading where a significant solar development may take place.

Can we put in the capital budget funds for PV installation on existing buildings at the Ash Street campus? This has been discussed in the past. There are REC proceeds available. And policy points in this direction.
Mr. Polson said that he is not a fan of putting the panels on an existing roof that is thirty or forty years old. There are also snow load issues and before he was here they had to shovel off the roof. He is concerned with the load and will confirm with a structural engineer.

Mr. Talbot would be in favor of putting something in subject to the structural analysis. Mr. Sullivan cautioned that there is an approved capital budget by the CAB and they do not want to go over $200,000. Mr. Talbot does not want to break that threshold. Mr. Sullivan suggested waiting until Fiscal Year 2015 when this is viable and prudent.

Mr. Pacino said that the green choice program needs to be looked at, it needs to be reinvented. Mr. Talbot commented that this is a small symbolic project that is cost effective subject to structural analysis and does not see why we cannot go forward with it.

Should we break the $520,000 for rehabbing Station One into parts --- and do first things first this year?
Mr. Talbot said that this was addressed in previous discussion. However, Mr. Soli suggested putting on a metal roof with solar panels. Mr. Polson said that you are trying to preserve the historic nature of the building, the aesthetics and outside appearance and doing this could be an impediment. Mr. Polson questioned if the roof is the correct design for solar panels. Just to put solar panels on something, is that the best place. Mr. Sullivan added that roof may potentially have the wrong rise to run.

The $150,000 for covered storage --- ultimately to cost much more than that, was it $800,000? -- seems like a lot of money for storing material, though I know the Barbas lease is expensive and it would be good to get out from under that.
Mr. Talbot said that after taking the tour he does like getting out of the long term lease. Starting a whole new building process seems like a major step. Mr. Talbot said that perhaps this land could be sold and the Barbas building be purchased. Mr. Pacino reported on the history of the Barbas building. The Town Manager was in favor of that, but others in the town were in opposition of it because it was coming off the tax rolls. It was visualized that someday the entrance would be closed off and you would enter from the other side. The whole area behind could be redeveloped which represents an economic boom for redevelopment. Mr. Talbot added that an empty lot could be financially advantageous for the RMLD. Mr. Sullivan added that the RMLD needs that space in that area to turn tractor trailers around and the open gate is required to support that. Mr. Polson said that our proposal is that we build something at the end of RMLD's property with the site plan review to look at the best use of the property and incorporate the Barbas building as well. If the building at the end is constructed, 80x120 that would be designed for a solar array on it as well. There is a building specifically designed to accommodate that. The site plan can be done to address all the concerns and issues that have been discussed. Mr. Talbot agreed. He does not want to fund this until the site plan is completed. Mr. Polson said that this meeting has provided other opportunities to be explored and the study will aid in the decision that needs to be made. The building is scheduled for the fourth quarter for the fiscal year. Mr. Soli asked if the study for the site plan is in the budget. Mr. Talbot asked where it is found. Mr. Sullivan said that it is contained in part of the suggested amended motion.

Mr. Talbot said that he likes the site plan which is in the amount of $150,000, however is unsure if the covered storage is required and requested something be put in for photovoltaics subject to structural analysis for the existing building. Mr. Mancuso added that you want to put money into the budget for solar that may not happen, you are equating the principle. Mr. Talbot responded that he is not equating the principal because the PV project will come out to be viable and cost effective. The funding of the building is more significant than the PV project. Mr. Sullivan added that Project 20 for the covered building is open and the building will be built on a slab. It will be open to the degree where a forklift can be operational. Mr. Talbot said that he understood, however, the cost for this building is estimated to run between $800,000 and $900,000. Mr. Talbot said that the site plan may come up with a different scenario. Mr. Talbot cautioned that if this project is cut, it will force the RMLD to stay in the Barbas building one more year. Mr. Talbot said that once you build a new building, you cannot undo it. Mr. Sullivan pointed out that Project 20 is scheduled for the fourth quarter of the fiscal year.

Mr. Sullivan said that if the project needs to be scrubbed it can. Just because the project is listed does not mean that it has to happen. If something is cut from the budget that is fine, but the changes to the projects will have to go back to the CAB.

Mr. Pacino pointed out that the study is going to take place first. The sense of the Board would be not to spend the money on the covered storage until the site plan is in place. Messrs. Sullivan and Polson agreed.

Mr. Pacino said that if adjustments are required they can be made. Mr. Talbot asked where the $150,000 from the master site plan came from because it seems like a lot of money. A planning firm can come in at the low $10,000. Mr. Sullivan added that at the RMLD Board meeting on May 24 when Mr. Talbot asked about a master site plan, Chairman Norton said that if the RMLD does not go over $200,000 the CAB would be fine with that. Mr. Sullivan said that with $150,000 we could appease both Boards to make the Master Site Plan happen. Mr. Talbot said that there is $150,000 in the budget to start the rehab which is open ended.

The $150,000 for covered storage --- ultimately to cost much more than that, was it $800,000? -- seems like a lot of money for storing material, though I know the Barbas lease is expensive and it would be good to get out from under that.
Mr. Polson pointed out that the master site plan will include traffic flow, solar panels, and the Barbas building analysis. It will be sent out to bid and the Department would seek approval prior to award.

Mr. Soli said that Ms. Parenteau said that the DOER would have the information by mid-July and the SRECs are state funded perhaps by the end of August she will have a handle on this. Mr. Soli would like a report on this. Ms. Parenteau said that she will provide a report to the Board. Mr. Talbot asked if there is a policy change that could blow this out of the water. Ms. Parenteau responded that she is not informed enough to provide feedback on that. Ms. Parenteau added that Massachusetts is committed to solar and does not foresee anything catastrophic in the market. However, in New Jersey that market is dead due to the large influx of solar. Mr. Talbot said that he would like to see the PV funded. Mr. Pacino added it is a projected budget. Mr. Pacino suggested performing the study; hold off on the $150,000 and when the study comes in if necessary, the funds can go to other places. Mr. Talbot commented that does not cover the PV. Mr. Pacino responded that when the plan comes in, part of the $150,000 could be used for PV; the money is mentioned in the monthly financial report. Mr. Talbot said there is room in the $520,000 for the plan. It should cost no more than $30,000; $150,000 is not required for a study. Mr. Talbot said that PV can come in at $2.50 per watt it would cost out at $150,000 subject to structural and economic analysis. Mr. Polson pointed out $150,000 for the master site plan and engineering analysis with the option of the solar array on the garage. If the existing roof could support the solar array and fund the structural study, the site plan review, those funds would be allocated for the start of the solar array. Mr. Talbot suggested taking out the covered storage $150,000 for PV and $50,000 for the site plan. With the expectation that the site plan will lead us to covered storage or to another solution on campus. Mr. Sullivan cautioned the committee that changes in the book that impact projects are subject to CAB approval. Mr. Talbot pointed out the plus/minus $200,000 threshold. Mr. Pacino pointed out that the covered storage has been approved by the CAB and it would have go back them irrespective of the $200,000 threshold because the project hasn't been approved, this is due to the Twenty Year Agreement. Mr. Pacino suggested leaving the project in once the site plan is completed use the $150,000 for PV or whatever. Mr. Talbot rescinded his suggestion to cut out covered storage because he does not want to add to the bureaucratic process. Mr. Talbot said that the overall increase will be $200,000 with $150,000 for PV subject to structural and $50,000 for a site plan.

Mr. Fournier added why not wait until the analysis comes in, we know the intent and give the CAB their due time on it. The capital budget can always be amended. Mr. Talbot said that only the PV portion of this represents a change which is cost effective. Mr. Mancuso added that it is Mr. Talbot's concern that if it is not in the budget it will not happen. Mr. Talbot would like it in there with the contingencies. Mr. Fournier added that the Board members are on board with this and the CAB should have their due say on this and the long term goal for the Board is fifteen percent. Mr. Fournier said lets get the budget approved with the proper discussion. Mr. Talbot said that is the policy with the percentages with estimates that the PV is cost effective; $150,000 is not a lot of money. Mr. Pacino suggested that the $150,000 represent the master plan and PV. Mr. Talbot wanted it to be more precise with $190,000 for the total project with $150,000 for PV on the garage subject to a structural and economic analysis, and $40,000 for a master site plan. Mr. Pacino suggested $150,000 for both. Mr. Talbot said that he wanted it to be explicit.

Fiscal Year 2014 Operating and Capital Budget
Fiscal Year 2014 Operating Budget
Mr. Pacino made a motion seconded Mr. Talbot that the RMLD Board of Commissioners Budget Committee recommend approval the Fiscal Year 2014 Operating Budget with an Adjusted Net Income of $2,592,900 this change is due to the Middleton overpayment, based on the recommendation of the RMLD Citizens' Advisory Board.
Motion carried 3:0:0.

Fiscal Year 2014 Capital Budget
Mr. Sullivan cautioned that this has to be approved by the CAB by June, but the CAB's days are filled up. Mr. Talbot asked when the CAB is meeting. Mr. Sullivan responded next week. Mr. Talbot said that this is well thought out under, the $200,000 and is not throwing the train on the tracks. Mr. Talbot emphasized he wants this in the budget with explicit terms and does not want to spend more on a master plan than is necessary, it is wasteful.

Fiscal Year 2014 Operating and Capital Budget
Fiscal Year 2014 Capital Budget
Mr. Sullivan added that the Department is on board for the photovoltaic installation whether it happens in fiscal year 2014 or 2015 remains to be seen. Within the two years he can see this happening.

Mr. Talbot made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners Budget Committee recommend approval of the Draft Two of the Fiscal Year 2014, June 30 Capital Budget in the amount of $6,142,008 that the increase of $190,000, $150,000 is for a photovoltaic installation on the garage subject to a structural and technical analysis, and $40,000 is for a master site plan.
Motion did not carry 1:2:0. Messrs. Pacino and Soli voted against.

Mr. Pacino made a motion seconded by Mr. Soli that the RMLD Board of Commissioners Budget Committee recommend approval of the Draft Two of the Fiscal Year June 30, 2014 Capital Budget in the amount of $6,102,008 with it be understood that the increase of $150,000, will include a master site plan and photovoltaic generation installation subject to viability.
Motion carried 3:0:0.

Mr. Fournier added that he is making his annual contribution to the Pension Trust for $1 million which is budgeted and OPEB of $147,918 per the study.

Motion to Adjourn
At 8:25 p.m. Mr. Pacino made a motion seconded by Mr. Talbot to adjourn.
Motion carried 3:0:0.