

Special Council Meeting

February 27, 2023

6:30 p.m.

The Special Council Meeting of Mayor and Council was held on the above date and time with Council members Carrow, DeBenedictis, Flatter and Paisley present. Mayor Smith was presiding. Recording Secretary Sue Muncey, Town Manager Robert Cote, David Ross, Jonathan Burnett, Scott Lynch, and Stephanie Dove were also in attendance.

Mr. Smith brought the meeting to order at 6:30 p.m.

Discuss and Vote to Adopt a Resolution to Acquire AMI for the Town's Electrical Distribution

System. Mr. Lynch and Ms. Dove were present to discuss this with Council. Mr. Lynch stated at the last meeting, he was left with two (2) tasks: information on the basic cost of AMI and what the incremental cost would be. Mr. Lynch stated AMI refined their numbers after the last Council Meeting. The revised February 16 quote read as follows: Total cost would be \$413,935. This was based on increasing the number of electric meters to 1641. The total on-going costs and services for 10 years would be \$199,831. This cost went down significantly. The cost per meter went down to \$374. The serviceable life of the meter is 10 years. For the basic AMI, Mr. Lynch stated he could not turn around the data so he provided the numbers from 2020. He stated he could not get the incremental cost before this meeting. Mr. Lynch stated a Letter of Commitment is needed, and he is asking for the resolution to be signed.

Mr. Carrow asked if the add-on's were available to add as we go. Mr. Lynch stated the numbers given is including the add-on's. Mr. Smith opened the floor for questions. Mr. Carrow asked who will turn on/off the meters. Mr. Smith stated this would be internal. Mr. Carrow asked if you could turn on/off remotely and after hours. Mr. Smith stated yes.

Mr. Paisley had questions about the resolution. DEMEC is the physical agent and we buy from you? Mr. Lynch stated yes. On page two paragraph five, it states "is payable solely from the revenues derived from the participating member's system." Ms. Dove stated it does not need to be paid for from your electric system. The bank cannot dictate. Mr. Smith stated we are dealing with DEMEC. Ms. Dove stated the bond payable is paid by the town. Mr. Smith stated the document is specific in how you make payment. Ms. Dove stated we can take out the council piece. Mr. Smith asked who applies for the grant. Ms. Dove stated AMP. Mr. Smith stated DEMEC will pay 50% of the grant. Ms. Dove stated yes. Mr. Smith asked if there was an additional cost. Ms. Dove stated no – AMP will bill DEMEC. Mr. Lynch will review to make sure we are being billed correctly. AMP bills us monthly including the ongoing cost. Mr. Smith stated it says "shall be paid solely by member's electrical system only." How do we get around that? Ms. Dove stated we can change shall to may. Mr. Lynch stated this was just a draft we were working from. Mr. Lynch stated the resolution needs to go with the letter to AMP. If the grant does not go through, it is null and void. Mr. Smith stated we will need a copy of the RFP to show it was done. Mr. Lynch stated he will go back to AMP for the RFP. Mr. Smith asked if vendors are listed in the agreement. Mr. Lynch stated they are listed in the Project Purchase Agreement. Mr. Smith asked if the Schedule Master Service Agreement comes later. Ms. Dove stated yes. Mr. Paisley stated on page two paragraph five can you change speaks of electrical system. Ms. Dove advised caution if you change too

much. Mr. Paisley asked on page three the final paragraph – initial term – what does that mean? Mr. Lynch said the deployment period – getting and installing the equipment. Mr. Smith stated in the next paragraph change shall to may. Mr. Flatter asked where it states shall be paid solely – can you take out solely? Mr. Smith stated this is due to interpretation. Mr. Smith stated in section three, council has not seen the purchase agreement. Ms. DeBenedictis stated you are reading too much into it. Mr. Carrow stated you will come back to us. Mr. Smith asked about the next paragraph – step up payment other DEMEC member. Ms. Dove stated we finance together. This is already done for the Beasley Plant. It is in there as a provision. Ms. Dove stated this would be 25% of your portion – what you borrowed. You are exempt if you don't finance. Mr. Smith asked about section four – authorization. Mr. Carrow stated doesn't the charter dictate. Mr. Paisley read this section of the charter. Mr. Carrow stated addressing anyone who would handle. Mr. Smith wants this stricken to state Mayor and Town Manager. Mr. Flatter agrees with the Mayor. Mr. Smith asked about section five – commitment letter. This is specific to GRIP option only. Mr. Carrow stated this resolution is for the GRIP program. Mr. Lynch stated yes. Mr. Flatter read section eight. Mr. Smith stated on page three the sixth whereas – contact should be contract.

Mr. Smith asked the members if they had any other questions. He opened it up to the floor for questions. Mr. Burnett asked if their will be an Electric Committee Meeting before signing the contract. Mr. Smith stated if the grant comes through, we are going forward. Mr. Burnett he asked about the 1600 meters previously purchased. Mr. Smith stated we will come to that when it comes up. Mr. Burnett asked if other projects could use the old meters. Mr. Smith stated that is the intent. We are going to phase-out and bring in sections at a time. When the financing comes, it will be brought back to an Electric Committee Meeting. He prefers that the agreement goes through the Electric Committee Meeting. Mr. Burnett asked if the customer use data is included in this price. Mr. Lynch stated they will log in to look at usage. Mr. Smith asked if the front-end set up is included. Mr. Lynch stated yes. Mr. Burnett asked if you have to log in to a particular station or is it cloud based. Mr. Lynch stated it is based on credentials. Mr. Burnett asked about the virtual option – server or cloud? Mr. Lynch stated he will find out. Mr. Ross asked if the price includes all the changeouts. Mr. Lynch stated a third party will do the changeouts and the communications on the pole. Mr. Cote stated so Public Works does not have to do the install. Mr. Lynch stated yes. Mr. Flatter had a question about the GRIP grant. Is it just yes or no or is it a percentage. Mr. Lynch stated it is not variable – 50%. Mr. Smith stated the purchase agreement will go to the Electric Committee before going to council. Mr. Burnett asked does this include the cost to go into the system? We don't have to manipulate to go into our billing system. Mr. Lynch stated yes this is through the integrated phase. Mr. Paisley thanked DEMEC for coming out. Mr. Cote stated he wanted to review the document before reading it. Mr. Smith asked Mr. Paisley to read the resolution as amended. Mr. Paisley read the amended resolution in its entirety.

Mr. Paisley made a motion to approve the resolution as amended. Ms. DeBenedictis seconded the motion. Motion carried unanimously.

Discuss and Vote to Invest All, or a Portion of, the Town's Reserve Funds into Certificate of Deposits (CD's) with its Current Banking Institution. Mr. Cote read from the current charger section 4.1(j). This authorizes council to invest. Mr. Cote stated he spoke to the Town Solicitor. The first page of the document presented describes a CD. Mr. Cote met with representatives of WSFS Bank. This led him to speak to Ms. Williams the VP of Investment Services. There is a current promotion on CD's for a term of 11 months. The minimum is \$2,500 with interest rate of 4.26%. These rates are unheard of since

2008. The interest will compound daily and will be credited to your account annually. If your CD term is less than 12 months, all interest will be paid at maturity. A penalty will be imposed if you withdraw any of the funds before the maturity date. For a term of 7-12 months, the penalty is 6 months' interest. Mr. Smith asked about the renewal policy. Mr. Cote stated it is auto renewal. We will be notified. Mr. Cote gave three options for council. The first option - we invest \$5.1 million. If we had to withdrawal, the penalty would be \$18,128.84 times six. The second option – invest \$500,000. The third option – invest \$250,000. Mr. Cote showed a snap shot of our accounts as of 02/27/23. Mr. Cote asked if they had any discussion or thoughts. Mr. Smith stated the Capital Improvement Fund and the Impact Fee Fund are available for investment. He is hesitant on the capital reserve accounts. Mr. Cote stated we could look at that down the road. The interest earned could stay in the fund or go into operating. Mr. Smith stated Impact and Electric would have to stay in the account. Mr. Smith stated Phase II of the sewer system is being done this year at a cost of \$1.2 million. Mr. Cote stated Phase III is \$1.2 million. Mr. Smith suggests the Capital Improvement Fund and the Impact Fee Fund. The Capital Improvement Fund has no policy at this time. With the Impact Fee Fund we have to have available funds at anytime. He suggests \$1.4 million stay in the fund. Mr. Cote stated interest from Impact has to stay in Impact. Mr. Smith stated it is in the best interest of council to have such as policy. He suggests taking \$2.6 from the Impact Fee Fund. Mr. Smith stated the Capital Improvement Fund there is no need to touch this fund for the next 11 months. Mr. Paisley asked about the grant from DEMEC. Mr. Smith stated there are multiple options -Impact Fee. Mr. Cote gave three options. He suggests diversifying the CD's into \$250,000 increments so you don't have to break a large CD. We can do any number. Ms. DeBenedictis asked is this the best thing out there? Mr. Cote stated best for us. Ms. DeBenedictis asked can the market affect the percentage of the CD? Mr. Smith stated it can change after maturity. Mr. Flatter stated \$250,000 is \$900 per month. The penalty will never be more than \$5,600. This is the safest option. Mr. Paisley asked if we had to call the money, is there a set time to get it back? Mr. Cote stated he will research. Mr. Smith stated he recommends taking \$2.6 million from the Impact Fee Fund and \$2.6 million from the Capital Improvement Fund. Mr. Flatter stated that would be 10 at \$250,000 and one odd one. Mr. Cote asked if they would rather do more. Mr. Flatter stated we can look at again at six months. Mr. Smith stated we will discuss at nine months. Mr. Carrow asked if they would know at this time. Mr. Cote stated no it depends on the Feds. The intention is to grow our money.

Mr. Carrow made a motion for the town to invest \$2.6 million from the Impact Fee Fund and \$2.6 million from the Capital Improvement Fund to put into Certificates of Deposit at our current banking institution. Mr. Paisley seconded the motion. Motion carried unanimously.

Mr. Smith asked for a motion to adjourn the meeting.

Mr. Flatter made a motion to adjourn the meeting. Mr. Carrow seconded. Motion carried unanimously. Meeting adjourned at 8:24 p.m.

Recording Secretary,

Sue Muncey