

Minutes approved September 25, 2013

**GREATER NEW BEDFORD REGIONAL REFUSE MANAGEMENT DISTRICT
DISTRICT MEETING – August 21, 2013**

Final Minutes

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on Wednesday, August 21, 2013 at 3:30 PM at the Dartmouth Town Hall, Room 314, 400 Slocum Road, Dartmouth, MA.

District Committee Members in attendance: Rosemary Tierney, Chairperson; Isaac Graves, Nathalie Dias, Jeff King and Stephen Mitchell. Christine Leblanc was not in attendance.

Also present: Scott Alfonse, Executive Director; and Cynthia Cammarata, Secretary.

1. Call to Order

Chairperson Tierney called the meeting to order at 3:30 PM.

2. Salute to the Flag

All in attendance stood to salute the Flag.

3. Legal Notices

Chairperson Tierney noted that the Legal Notices were posted timely both in New Bedford and Dartmouth, and asked for a motion to place on file. Motion made by Mrs. Dias, seconded by Mr. Mitchell. Voted 4-0.

4. Approve Minutes of the District Meeting on June 27, 2013

Chairperson Tierney called for a motion to approve the Minutes of the District Meeting on June 27, 2013. Motion made by Mr. Graves, seconded by Mrs. Dias. Voted 4-0.

Mr. King arrived.

5. New Business

a. Director's Report

Chairperson Tierney asked for a motion to receive and place on file the Director's report. Motion made by Mrs. Dias, seconded by Mr. Mitchell.

Mr. Alfonse explained to the newly appointed Board Member that he recently began preparing the Director's report in order to brief the Board on some of the current issues. Mr. Alfonse told the board that the FY13 Audit of Hague, Sahady & Co., PC went well, and that Mary Sahady commended Cindy's work.

Chairperson Tierney asked for a vote to place the report on file. Voted 5-0.

Mr. Mitchell told Mr. Alfonse that especially as a new Board Member; the Director's report is very helpful.

b. OPEB – update and review of investment policy

Chairperson Tierney asked for a motion to discuss the assumptions used in preparing the OPEB Liability report. Motion made by Mrs. Dias, seconded by Mr. Mitchell.

Mr. Alfonse explained that GASB45 requires that the District account for its Post-Employment Liabilities.

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are allowed to use an alternate method of calculating this liability. We have used two different versions of software programs. Initially we worked with Milliman, but have found another software program which we prefer since it is more hands on and it affords us the opportunity to speak with the software makers. Because the District has a finite life, we will not always have the ability to fund as we go; therefore it is important that we establish a trust that is sufficient enough to take care of these liabilities. The District needs to provide information which is as accurate as possible. Mr. Alfonse explained that the approach in the previous administration is different than the approach that we used this year, and would like the Board to understand some of the assumptions that were used when running this model. Mr. Alfonse referred to the memo included in the packet.

- Eligible Employees – In the past, only those employees who were currently employed by the District who had health insurance were considered. We looked into this to see who is, in fact, potentially eligible for medical coverage upon retirement. Any employee – past and present - who could retire from the District should be considered because that fully represents our complete liability. Therefore, we increased the number of eligible employees.
- Type of Employee Plan – In the past, employees were considered to maintain the same type of plan which they currently hold. However, any single employee could get married, and would then be eligible for a family plan, and then the District would be responsible for that premium as well.
- Employee Retirement Age – This is a difficult one to project. We have used a somewhat more conservative number than has been used in the past.
- Discount Rate – In earlier years, a 4% discount rate was used based on some discussions with the District's financial advisor when the Trust was established. The Trust still has not achieved that rate therefore we used 3% to more accurately reflect performance.
- Medical Insurance Premiums – We have to rely on data from other sources. It is not something that we project.

Mr. Alfonse referred to the table and pointed out that over time, some of the assumptions have changed. Those changes affect the Annual OPEB expense, which is the amount of money that the District should add to the Trust on a yearly basis. The next few lines represent what the District has actually put into the Trust – Deposits that had been budgeted and Deposits that were made from the reconciliation (comes out of our revenues over expenses). The Actuarial Accrued Liabilities (AAL) is a number which is created by the program; you can see how much it has increased and decreased over time depending on the assumptions that have been made. The value of plan asset is the actual value of the Trust; \$2,028,415 was the balance as of June 30, 2013. The Unfunded actuarial accrued liability is essentially the deficit that exists in the Trust if we wanted to fully fund our calculated liabilities. This is what we need to contribute.

Mr. Mitchell commented that for the purposes of this model, using a low discount rate is a good idea to be conservative. He suggested that we may look at the asset allocation of the Trust Fund in the future. Mr. Mitchell asked if the program takes into account inflation. Mr. Alfonse confirmed that it does take into account inflation in medical insurance premiums.

Chair Tierney suggested that Board Members digest this information. Mr. Alfonse pointed out that the assumptions we are using are conservative. We would not want to find out ten years from now that the Trust is underfunded because of assumptions that weren't representing the full liability.

Mr. King asked if Mary reviews the OPEB liability, and noted that there is a footnote in the Audit Report. Mr. Alfonse explained that Mary hasn't commented on the assumptions that were made.

Mr. Alfonse reported to the Board that after the last meeting with the Financial Advisors at Bartholomew, they have recommended some changes to the current investment policy with respect to the asset allocation. They are recommending an increase in alternative investments and a reduction in the equities allocation.

Mr. Graves asked what the Alternative Investments are. Mr. Mitchell stated that it is things like mortgage obligations and does not necessarily pose more risk, but it would further asset allocate. Mr. Alfonse referred to the handout under "E. Strategy" there is a definition of Alternative Investments, and told the Board that he could ask for further clarification from Bartholomew. Mr. Alfonse also suggested that we could ask Bartholomew to meet with the Board at one of the Meetings. Mr. King pointed out that was discussed at the meeting in July.

Chairperson Tierney asked for a motion to receive and place on file the assumptions which went into the calculation of the OPEB calculation. Motion made by Mr. King, seconded by Mr. Mitchell. Voted 5-0.

Chairperson Tierney asked for a motion to approve the recommendation with Bartholomew and to sit with Bartholomew at the January meeting. Motion made by Mr. Mitchell, seconded by Mr. King. Voted 5-0.

c. Subcommittees membership.

Chairperson Tierney moved to the next item to discuss Subcommittee Memberships.

Mr. Alfonse presented two memos regarding subcommittee membership, and there was a discussion regarding what the current status is. Mr. Mitchell expressed interest to join Mr. King on the Budget Subcommittee.

Chairperson Tierney asked for a motion to add Mr. Mitchell to the Budget Subcommittee. Motion made by Mr. Graves, seconded by Mr. King. Voted 5-0.

Mr. Alfonse explained that Ms. LeBlanc could not be at today's meeting as Town Counsel is currently reviewing if there is any potential for conflict of interest due to her role in consulting on another project for the Town.

Chair Tierney asked the Board if we should leave the remaining assignments to the committees until when she joins the Board. Mr. Alfonse pointed out that with respect to the Haulers Subcommittee will probably need to meet during the month of September in order to begin review of the Frades contract which expires in December. Mr. Graves told the Board that he would be willing to represent New Bedford. Mrs. Dias will remain on the Haulers subcommittee to represent Dartmouth. The remaining Subcommittee Members will be determined at a later date.

d. Procurement and contract award policy

Chairperson Tierney asked for a motion to review the Procurement and contract award policy. Motion made by Mr. Mitchell, seconded by Mrs. Dias.

Mr. Alfonse explained that currently the District does not have a policy regarding the advertisement of procurements or the award and execution of contracts. Mr. Alfonse suggested that the District establish a policy based on dollar amount according to the State Procurement guidelines which states that any contract for goods and services less than \$25,000 does not require a formal bid.

Mr. Alfonse will draft a policy for further discussion which would require anything \$25,000 or above be brought to the Board for approval.

Chairperson Tierney asked vote to proceed. Voted 5-0.

e. Advertise for bids for new dozer and trade in equipment

Chairperson Tierney asks for a motion to authorize the Executive Director to advertise for bids for a new dozer and trade in equipment. Motion made by Mrs. Dias, seconded by Mr. King.

Mr. Alfonse explained that the District would like to trade in two pieces of very old equipment to purchase one new bulldozer similar to the Caterpillar D6 that the District owns and gets a lot of use.

Mr. Mitchell asked if the reduced maintenance costs were reflected in this year's budget, and Mr. Alfonse said it is not in this year's but will be in next years.

Chair Tierney called for a vote to authorize the advertisement for bids for the new dozer and trade in of equipment. Voted 5-0.

f. Authorize purchase of mower deck.

Chairperson Tierney asked for a motion to authorize the purchase of a new mower deck at a cost of \$11,500 plus delivery. Mr. King pointed out that the purchase does not require a vote due to the fact that the mower is under the \$25,000 threshold voted earlier.

Mr. Alfonse explained that the District won't be baling hay as it has in the past; it takes up too much manpower and the costs exceed the proceeds from the sale of hay. This mower would allow the fields to be cut in about one third of the time. The old equipment will be auctioned from the website Municibid.com.

Mr. King asked that the information regarding these purchases and sales be documented in the Executive Director's report.

g. 74 Quanapoag Rd. lease

Chairperson Tierney asked for a motion to authorize the Executive Director to enter into a lease from October 1, 2013 until September 30, 2014 with Commonwealth New Bedford Energy. Mr. Mitchell pointed out this is under the \$25,000 threshold voted earlier.

Mr. Alfonse explained that having the landfill gas plant operator live in the premises has been a big benefit to the District, as he is able to respond to landfill gas complaints quickly. The District does need to follow Mass General Law Chapter 30B which requires that we do some due diligence to ensure that we are getting the best value; therefore Mr. Alfonse contacted Brown & Caldwell to see if they were interested in leasing the property, but they are not.

Chairperson Tierney asked for a vote to authorize the Executive Director to enter into a lease from October 1, 2013 until September 30, 2014 with Commonwealth New Bedford Energy. Voted 5-0.

6. Public Comment

Mrs. Dias asked Mr. Alfonse if he had an update on the Health Insurance issue. Mr. Cressman has asked the District to provide a schedule for securing insurance by October due to the enrollment period constraints posed by the health insurance options (i.e. GIC has two specific enrollment periods per year). We established the Employee Advisory Committee of 7 employees plus one retiree. The next step is to gather information of the options that are available. After that, the Advisory Committee will make recommendations. Ultimately, the District Committee will decide what direction it wants to go.

7. Set dates for next District Committee Meeting

The date for the next District Committee meeting is scheduled for Wednesday, September 25, 2013 at 3:30 PM.

8. Adjourn

Motion to adjourn made by Mr. Mitchell, seconded by Mr. King. Voted 5-0. The meeting was adjourned at approximately 4:20 PM.