

Date: October 27, 2014

Date Minutes Approved: November 3, 2014

BOARD OF SELECTMEN MINUTES

Present: Shawn Dahlen, Chair; David J. Madigan, Vice Chair; and Theodore J. Flynn, Clerk.

Absent:

Staff: René J. Read, Town Manager; John Madden (for Open Session only) and C. Anne Murray, Administrative Assistant

I. CONVENED IN OPEN SESSION

The meeting was called to order at 6:45 PM in Open Session.

II. VOTE TO ENTER EXECUTIVE SESSION

After the meeting convened, Mr. Flynn moved that the Board of Selectmen vote to enter Executive Session to discuss matters regarding the King Caesar Fund, [specifically case: KCF-2014-05(BH)] which is of a confidential nature, as the fund's purpose is to provide medical and/or dental relief for the financially-needy residents of Duxbury, in accordance with Mass. General Laws Chapter 30A, Section 21, and then to reconvene in open session.

As Chair, Mr. Dahlen declared the necessity for the King Caesar Fund cases to be discussed in an Executive Session due to medical confidentiality laws. Mr. Madigan then provided a second to the motion. ROLL CALL VOTE: Mr. Madigan –Aye; Mr. Dahlen-Aye; Mr. Flynn – Aye.

After completing the business of the Executive Session, at approximately 6:50 PM Mr. Flynn moved that the Board adjourn the Executive Session and re-convene in Open Session at 7:00 PM. Second by Mr. Madigan. ROLL CALL VOTE: Mr. Madigan –Aye; Mr. Dahlen-Aye; Mr. Flynn – Aye.

III OPEN FORUM -Nothing was brought forward.

IV NEW BUSINESS

Discussion about a Signage Request from The Lady of the Assumption Church in Green Harbor

Ms. Melinda Campbell, as a representative of The Lady of the Assumption Church in Green Harbor, asked the Selectmen for permission to place 6 signs promoting their Christmas Fair in 4 locations: 2 at the rotary, 1 at the intersection by Duxbury Autoworks, 1 at Hall's Corner, and 1 the Stop Light by St. George Street. The Board was provided with a sample of the signs, which will be 18" x 24" and double-sided.

Audience member, Ms. Susanna Sheehan, asked that any signs placed at Hall's Corner be placed in such a way so that a driver's sightline is not blocked.

Mr. Dahlen questioned why the request was being brought to the Selectmen as the Exempted Sign bylaw (section 601.8) does allow for "temporary signs erected for any charitable or religious cause or allowed by the Board of Selectmen." Mr. Read said that given that the requesting group does not have a direct Duxbury connection he felt it was prudent to bring the request to the Board for authorization.

Mr. Flynn moved that the Board of Selectmen authorize The Lady of the Assumption Church in Green Harbor to place 6 lawn signs in the Town of Duxbury to promote Christmas Fair on Saturday, November 15, 2014, with the condition that the signs be placed no sooner than November 8, 2014 and be removed no later than 2 days after the event. Second by Mr. Madigan. VOTE: 3:0:0.

Discussion regarding the Approval of Recreation Department updated Field Use Policies

Mr. Gordon Cushing, Recreational Director, presented this item of business to the Board. He had provided the Board with a memorandum which included the following attachments: Field Use Policy (updated 10-01-14), an Application for the Use of Recreation / School Fields, Field Rules and Regulations, and User Fees for Athletic Fields (effective 07-01-14). In a subsequent memorandum dated October 27, 2014 Mr. Cushing noted that this topic was discussed at a public meeting of the Recreation Activities Committee and the voted their agreement with the updated field use policies.

Mr. Cushing explained that in 1990 the School Department requested the Town's assistance with field management. So since that time the Recreation Department has managed the field permitting process for a non-school use of the Town/ School Playing Fields, with the exception of the varsity turf field. The practices in doing so were based on verbal understandings between the Recreation Department and the School Department. The goal of this update is two-fold: (1) the first is to commit the verbal understanding to a written memorandum of understanding with the School Department for the permitting process and (2) the second is for the Selectmen to vote to adopt the field use / permitting policies.

He mentioned that in developing the document it memorializes the practices that have been in place for 20+ years. In addition, he checked with a number of other communities to determine if there might be other new practices that should be considered for incorporation into Duxbury's field use /permitting policies. He also provided all Duxbury-based user groups a copy of the proposed policies for their feedback prior to the public meeting of the Recreation Activities Committee and their concerns were taken into consideration.

He mentioned one new addition, which was added in compliance with State law, is that the President of each league must sign off that they have CORIed (Criminal Offender Record Information) all of their volunteers. He also noted that the policies do outline the priorities of the different user groups so all users understand how the fields are assigned.

Mr. Flynn questioned whether the user groups are naming the Town as an additional insured on their liability policies. Mr. Cushing assured the Board that all user groups were doing so. He also mentioned that there is a Massachusetts Recreation Use Statute that in effect holds the Town non-liable, except if gross negligence can be proven, for groups not paying a fee. This covers playgrounds, as well as fields.

Mr. Madigan asked if the turf field is used by outside groups and if the Town does maintenance on it? Mr. Cushing said, that while the Recreation Department is not involved with the turf field, he did happen to know that outside groups do use it. The turf field maintenance is handled by the School Department.

Mr. Flynn moved that the Board of Selectmen approve the Recreation Department's update to their Field Use Policies. Second by Mr. Madigan. VOTE: 3:0:0.

Discussion pertaining to Employment Services contract re: Town Accountant Position

Mr. Read mentioned that State statute allows for the Board of Selectmen to contract with certain municipal positions, and one of those positions is the Town Accountant (per MGL Chapter 41 Section 108N). He has discussed this with the Finance Director and the Town Accountant and there was interest in a contract. He mentioned the following with respect to Duxbury's Town Accountant, Ms. Claudette Coutu:

- She is a certified Town Accountant.
- She has been a Town Accountant for 25 years.
- She has worked for the Town of Duxbury for the past 8 years.
- She is one of the few Town Accountants to receive a perfect score on the legal portion of the certification process.

Mr. Read indicated that basically what this contract would do is to provide for a couple of extra personal days and an extra 5 days of vacation time per year. He advocated for the Board to sign the contract because good Town Accountants are difficult to find and when you have one you want to retain him or her. He noted that Ms. Coutu is an excellent employee, and Labor Counsel reviewed and approved the contract.

There was a brief discussion about the need for a contract when the position is within the Personnel Plan. Mr. Read and Ms. Horne explained that the Town Accountant position does fall under the Personnel Plan, but for those positions entitled to a contract (i.e., Town Manager or Town Administrator or Executive Secretary, Police Chief, Fire Chief, Town Accountant, and Administrative Assistant to the Board of Selectmen) a contract is needed to provide for additional benefits beyond what is allowed in the Personnel Plan, such as the additional time off provided in this case. It was also clarified that the Town Accountant's salary is not being adjusted by the contract and that many of the provisions within the contract mirror sections within the Personnel Plan.

Mr. Flynn moved that the Board of Selectmen accept the proposed Employment Services Contract for the Town Accountant as presented. Second by Mr. Madigan. VOTE: 3:0:0.

Discussion pertaining to the setting of Medex and Managed Blue for Seniors health insurance rates

Ms. Jeannie Horne, Human Resources Director, provided some background on the transition of retiree health insurance plans to the current offerings of Medex II and Managed Blue for Seniors. She explained

- Duxbury transitioned retiree plans to the Group Insurance Commission (GIC) look-alike plans, which means the transition was from Medex III to Medex II and Managed Blue for Seniors.
- That also means the Town went from a self-insured plan to Medex Part D.
- Because these plans are tied to Medicare, and the rates are partially set by the federal government, they run on a calendar-year basis. Since the Selectmen set the rates their authorization is need for the premium rates to be set for the coming calendar year.

- The Insurance Committee is recommending the following increases for calendar year 2015: \$9.84 per month for Medex II and \$2.63 per month for Managed Blue for Seniors. Those increased amounts will be paid by both the retiree and the Town as it is a 50-50 cost-sharing.
- She provided a general overview of the Medex and Managed Blue for Seniors plans regarding copayments, annual deductible, emergency room and hospital admissions.
- Upon approval by the Selectmen of the rates information will be mailed to all retirees and their spouses.

Mr. Madigan asked how with the increased premium there is a reduction to Duxbury's OPEB (other poste employee benefits) liability. Ms. Horne explained the reduction to the Town's OPEB liability is a result of the change from a self-insured drug plan to fully-insured drug plan, which transitioned the risk, and in addition Duxbury cost-shifted some of the liabilities through co-pays and deductibles.

Mr. Flynn moved that the Board of Selectmen accepted the proposed Medex II and Managed Blue for Seniors rates effective 12/01/14 (for January premiums) through 11/30/15 as presented. Second by Mr. Madigan. VOTE: 3:0:0.

Ms. Horne mentioned that the annual enrollment period is from November 1st through November 30th. On Tuesday, November 18, 2014 there will be a Health and Benefit Fair at the Senior Center (Ellison RM) from 4 PM -6PM. There will be a Blue Cross Blue Shield presentation/ information session at 4:35 PM and information about this will be sent out to retirees and their spouses shortly.

OPEB Valuation Review by Dan Sherman

In accordance with Government Accounting Standards Board (GASB) requirements (i.e., GASB 43 and 45) municipalities have had to start assessing and planning for funding other post-employment benefits (OPEBs). As part of this process, Mr. Dan Sherman, a consulting actuary, with specialties in Chapter 32 of the Mass. General Laws and in post-retirement medical evaluations, was hired to make an assessment of Duxbury's OPEB liability.

EDITORIAL NOTE: The full report is posted on the Town website on the Finance and Accounting Department webpage under Additional Links click on "Other Post-Employment Benefits Actuarial Reports."

For much of the discussion, Mr. Sherman focused on page 3, which he referred to as the Executive Summary and mentioned the following:

- He explained the 3-columns of numbers were based on differing discounted rates used. In the past a 4% discount rate (far right column) was used based on the pay-as-you-go strategy at that time. Given the Town's current partial prefunding, a 6% discounted rate (middle column) is used. If the Town could fully-prefund, then a 7.5% discounted rate (left column) would be used.
- The liability goes down if you are able to use a higher discounted rate. (Duxbury's OPEB liability at the various rates: at 7.5% is \$29.5+ million; at 6% is \$45+ million; and at 4% was \$65+million).
- Liability has decreased from about \$65+ million to \$45+ million through the partially pre-funding strategy Duxbury has used for the past several years.
- In order to get to full prefunding \$2,265,940 (line K) would need to be added to the fund.

- Line F: Annual Covered Payroll is included to allow comparisons between various-sized municipalities. Duxbury's UAL (Line G) is 112.2%, which he said was well below similarly-sized communities. Most communities are between the 150%-200% range.
- Line H: Normal Cost – think of this as the one-year accrual for your active employees.
- Line I: Amortization of UAL –Similar to a mortgage, it is a 30-year amortization timeframe, but unlike a mortgage it is with increasing (not decreasing) payments. So in the earlier years municipalities make smaller payments and over time those payments increase.
- Line K: Is the dollar amount needed to get to fully-prefund the OPEB liability.
- Discounted rates: Based on what assets can earn over the long-term 7.5% is a realistic rate. Funds in general funds are earning about 4%, but using a prudent manner approach and a reasonable asset allocation the amount in the trust can realistically earn 7.5%.
- You should also think of the OPEB Trust Fund like another stabilization reserve account. It has the same ability to mitigate financial disasters as a Stabilization Fund. For example, if there were to be no State Aid in a given year or a significant premium increase, you could technically tap the funds that have been placed in the Trust and then replenish the fund over years.
- On page 7 -Due to new accounting rules (GASB 67/68) the entire unfunded liability is going to be a balance sheet entry versus just footnote. That means the \$28,179,615 in 2014 column g will be Duxbury's balance sheet. The rating agencies are aware of this change.

In response to a question from Mr. Madigan as to how we can get to the fully-prefunded amount, Mr. Madden mentioned that for the past couple of years Town Meeting has approved to put funds into the OPEB Trust Fund as a start. He also mentioned that one of the Town's financial goals was to have a Stabilization Fund that was 5% of the operating budget. He said we have achieved that goal and now lesser annual amounts will be needed to maintain the Stabilization Fund. Therefore, he suggested a greater contribution can now be recommended for the OPEB Trust Fund so that gradually, over time the Town will reach the fully-prefunded amount.

Mr. Madigan followed up by requesting that instead of giving a premium holiday that those funds be targeted for depositing into the OPEB trust fund.

Mr. Madden also mentioned that currently there are some part-time employees, who are not eligible for health insurance benefits, but are eligible when they retire. He suggested that the Board might want to address that with a policy that grandfathers current active employees, but restricts that going forward as those numbers are unknown.

In response to a comment from Mr. Robert Doyle the figures were clarified to point out that Duxbury's liability has **decreased** from about \$60+ million two years ago to about \$45+ million currently.

V TOWN MANAGER'S REPORT

Mr. Read reported on the following topics:

1. **Community Innovation Challenge (CIC) grant**

In 2012, the Patrick Administration developed the Community Innovation Challenge (CIC) grant program. The program encourages and incentivizes regionalization based upon the belief that the most crucial and visible interactions between government and citizens occur locally. In

three years, the program invested \$10.25 million in 74 unique projects that involve 242 municipalities across the Commonwealth.

For the past few weeks, I have had conversations with my counterparts in Scituate (Planner and Coastal Resource Officers) and Marshfield about the possibility of applying for a regional grant for hiring a consultant to work with us on Innovative Coastal Adaptation for our three communities. As a result of these conversations, we have submitted an application for the FY15 Community Innovation Challenge Grant program to the Executive Office for Administration and Finance for consideration.

A Scope of Services was provided to the Selectmen. Mr. Read said he would keep the Board updated of any progress.

2. Town Meeting Articles Deadline

Mr. Read mentioned that the deadline to submit articles for the 2015 Annual Town Meeting. Articles is 4:00 PM on December 2, 2014.

VI COMMITTEE APPOINTMENTS / RE-APPOINTMENTS / RESIGNATIONS

No appointments or re-appointments or resignations were made or announced this evening.

Mr. Flynn did announce that the Zoning Board of Appeals is seeking some Alternate members. He encouraged any interested parties to fill out a Talent Bank form.

VII ONE-DAY LIQUOR LICENSES – none tonight.

VIII EVENT PERMITS

11-30-14 – Duxbury Business Association Holly Days

Mr. Flynn moved the Board of Selectmen grant to Ms. Anne Antonellis, as Holly Days Chairman for the Duxbury Business Association, an Event Permit for the Holly Days Celebration, to be held on Sunday, November 30, 2014 from Noon to 4:00 PM, subject to the conditions on the permit. Second by Mr. Madigan. VOTE: 3:0:0.

IX MINUTES

Executive Session Minutes: 10-20-14 Executive Session Selectmen's Minutes –DRAFT

Mr. Madigan moved the acceptance of the 10-20-14 Executive Session Selectmen's Minutes, as written, with the contents to remain confidential until the need has passed. Second by Mr. Flynn. VOTE: 2:0:1. (*Mr. Flynn abstained as he was not present at that meeting.*)

Open Session Minutes: 10-20-14 Selectmen's Minutes - DRAFT

Mr. Madigan moved the acceptance of the 10-20-14 Selectmen's Minutes, as presented. Second by Mr. Dahlen. VOTE: 2:0:1. (*Mr. Flynn abstained as he was not present at that meeting.*)

X ANNOUNCEMENTS

Mr. Flynn read the following announcements:

1. State Election Reminder:

The State Election will be held on Tuesday, November 4, 2014. Reminder the polls for all Duxbury precincts will be **at the Chandler Elementary School Gymnasium**, 93 Chandler Street, Duxbury, Massachusetts from 7:00 AM to 8:00 PM. The entrance to the polls is at the back of the school.

The Town Clerk's office will close at noon on November 3rd to prepare for the election.

2. Absentee Ballots:

Voters may request an absentee ballot by filling out an absentee ballot application at the Town Clerk's office during regular Town Hall hours or by requesting one in writing. (Please make sure to include your complete mailing address.) Absentee ballots will be available at the Town Clerk's office until November 3, 2014 at noon.

3. Next Scheduled Selectmen's Meeting: will be on Monday, November 3, 2014.

Old Business:

Mr. Dahlen indicated to follow through on a request of "what can be done with proceeds from the sale of the old Police Station lot" he was asking for a brief discussion about that.

Mr. Madden indicated that it was his understanding from the Town Meeting that any proceeds from the sale of the old Police Station property were to be used to mitigate the debt on the new Police Station. It is his intention to apply a portion of the funds over an 18-year term, with the largest portion in the first year and decreasing amounts in subsequent years. He said if all the proceeds were used in the first year and nothing available for later years, then there would be a tax reduction for one year, but it would bump back up the next year to create what he called "a roller coaster effect." So by using this gradual strategy that is avoided.

In response to questions from the Board, Mr. Madden cited a Mass. General Law which establishes a "Sale of Real Estate Receipts Reserved for Appropriation Fund" into which the \$241,000 proceeds would be placed. Interest earned from the money will go into the General Fund. He also mentioned that there will be no arbitrage issues.

The final points just touched upon were that there are still remaining mitigation costs with respect to the school building costs, including how much the reimbursement will be from the MSBA and how the Town might bond or bond for those. So again, it was suggested that it is more prudent not to use the sale proceeds at once but over time, esp. given the unknowns at this time.

XI ADJOURNMENT

At approximately 8:10 p.m., Mr. Flynn moved that the Board adjourn. Second by Mr. Madigan.
VOTE: 3:0:0.

Minutes prepared by: C. Anne Murray

LIST OF DOCUMENTS FOR 10-27-14 SELECTMEN'S MEETING (DOCUMENTS LOCATED IN THE SELECTMEN'S OFFICE FILES.)

1. *Agenda for 10-27-14 Selectmen's Meeting*
2. *OPEN FORUM: no documents*
3. *EXECUTIVE SESSION: Suggested Motion for Entering Executive Session and Overview of KCF Case #2014-05 --moved to Executive Session files.*
4. *NEW BUSINESS:*
 - a. *Discussion about a Signage Request from The Lady of the Assumption Church in Green Harbor: Coversheet with overview of the request, Information from Zoning Bylaws Section 601.8 Exempted Signs, Sample of proposed signage, and Suggested motion.*
 - b. *Discussion regarding the Approval of Recreation Department updated Field Use Policies: Coversheet with Suggested Motion; 10-27-14 Memo from Gordon Cushing RE: Field Policies; Memo from Gordon Cushing RE: Updated field use policies / permitting; Field Use Policy (updated 10-1-14); sample Application for the Use of Recreation/School Fields; Field Rules and Regulation; and User Fees for Athletic Fields (Effective 7/01/14 by BOS Vote of 6/30/14).*
 - c. *Discussion pertaining to Employment Services contract re: Town Accountant Position: Coversheet with Suggested Motion and copy of the proposed Contract with the Town Accountant.*
 - d. *Discussion pertaining to the setting of Medex and Managed Blue for Seniors health*
 - e. *insurance rates: Coversheet with Suggested Motion; 10-23-14 Memo from Jeannie Horne, HR Director RE: Medex and Managed Blue for Seniors Health Insurance Rates for Calendar Year 2015, and Retiree Health and Life Insurance Rate Sheet (12-01-14 through 5/31/15).*
 - f. *Discussion Regarding OPEB Valuation review by Dan Sherman: Coversheet with background information and brief bio. of Dan Sherman; Copy of the June 30, 2014 Actuarial Valuation of the Post Retirement Benefits Plan of the Town of Duxbury.*
5. *TOWN MANAGER'S REPORT: October 27, 2014 Town Manager's Report.*
6. *APPOINTMENTS /RE-APPOINTMENTS & RESIGNATIONS: no items.*
7. *EVENT PERMITS: For each event there was a packet of information including the drafted permit and event information and if appropriate route map.
11-30-14 DBA Holly Days*
8. *MINUTES: Coversheet with suggested motion, 10-20-14 Executive Session Minutes - DRAFT and 10-20-14 Selectmen's Minutes-DRAFT.*
9. *ANNOUNCEMENTS: 10-27-14 Suggested Announcement Sheet*