

**Board of Selectmen's Meeting
January 3, 2011, 6:30 PM
Sanford Hall, Town Hall
155 Village Street**

Present: Chairman Dennis Crowley, Selectmen John Foresto, Glenn Trindade, Andrew Espinosa, and Town Administrator Suzanne Kennedy. Selectman Richard Dunne was absent.

At 6:35 PM Chairman Crowley called the meeting to order, and the Board recited the Pledge of Allegiance.

At 6:36 PM Selectman Trindade moved that the Board go into Executive Session for the purpose of discussing strategy with respect to litigation if an open meeting may have a detrimental effect on the Town's litigating position, and to return to public session upon adjournment; Selectman Foresto seconded. Roll call vote: Selectman Foresto, aye; Selectman Trindade, aye; Selectman Espinosa, aye; Chairman Crowley, aye; all ayes, 4-0.

At 7:06 PM Chairman Crowley reconvened the public session.

Public Comment: There being none, Chairman Crowley took the opportunity to acknowledge the efforts of the snow removal during and after the recent storm. Selectman Foresto stated that, while he usually hears complaints on street clearing, this time he heard none.

Selectmen's Meeting Date Changed:

As the Town vote relative to the Middle School debt exclusion will be held on Tuesday, January 18, Chairman Crowley suggested the Board of Selectmen move their meeting scheduled for the same evening to the following evening, January 19. The Board agreed. He clarified that the meeting will be held at the Middle School.

Presentation – Letter of Appreciation to Town – Habitat House at 9 Walker Street:

The Board reviewed a letter of appreciation, dated November 12, 2010, from Town Administrator Suzanne Kennedy to Ms. Martine Taylor, South Short Habitat for Humanity.

Ms. Martine Taylor, Executive Director, South Shore Habitat for Humanity, and Mr. Doug Marshall, Member, Board of Directors, South Shore Habitat for Humanity, thanked the Board of Selectmen and the community of Medway at large for the gift of land in order to build an affordable housing unit. They expressed appreciation for helping those experiencing economic difficulty in locating housing within their means. Mr. Martin presented the Board a plaque memorializing the effort.

Selectman Trindade publicly acknowledged the efforts of Susy Affleck-Childs and Alison Slack for their work with the Planning and Economic Development Board in this endeavor.

Presentation – FY10 Financial Statements, Melanson & Heath:

The Board was in receipt of Town of Medway FY10 Financial Statements for year ended June 30, 2010, the Report of the Auditors, Melanson Heath & Company, P.C., dated December 10, 2010, and Management Letter from Melanson Heath & Company, P.C., dated December 10, 2010; 58 pages total.

Mr. Frank Biron stated that the financial statements present a good picture of the Town's finances. He said the auditors recommend a few areas for improvement, none serious, and noted that some recommendations have been implemented already.

Mr. Biron stated the independent auditor's report covers all financial statements, noting statements are in accordance with GAAP (Generally Accepted Accounting Principles). He reviewed the report page by page, highlighting various sections more than others, and responding to questions from the Board.

- Page 3-10 put into words what the financial statements represent.
- Pages 11-12 feature an entity-wide presentation of Town finances, using the same kind of accounting a business would follow ("cash" basis), noting Enterprise funds are on page 18. Post-employment benefits are included. He noted that municipalities with separate electrical utilities might have more cash flow.
- Page 13 depicts the balance sheet for the general fund, featuring monies for stabilization, Community Preservation Act, energy management, and a non-major category, which includes various revolving accounts, projects, school choice, etc.
- Page 30 shows a breakdown of receivables, separating them by levy year and property category (real estate, personal property, secured liens and deferred). It is recommended that the Town consider the establishment of a process of placing liens on real estate receivables, a protection in case the homeowner declares bankruptcy.
- Recommendation to pay off a deficit financing note of \$185,000, saving some interest expense.
- With regard to regular stabilization and fiscal stability, Medway is in the top ten percent of comparable communities.
- Page 15 shows that revenues decreased by \$1.7 million, and employee benefits increased by \$329,000 in primarily health insurance expenses. The Town absorbed those increases and still decreased spending.
- Page 17 focused on the general fund budget utilization, i.e., budgeted vs. actual, noting variances and exceptions. A conservative local revenue budget is a good way to build free cash. Retirement expenses are difficult to project. All communities are going through tough budgetary times, and are often unable to build workable budgets with favorable projections.
- Page 18 features enterprise funds, utilizing the full accrual basis of accounting. These funds are typically used to build funds toward future needs.
- Page 19 shows the income statement including depreciation expense, and showing line items with surplus funds. It was noted that surplus funds, including those garnered from increases in water/sewer rates, can be earmarked for potential capital projects such as capping the old landfill, new ambulances, etc.

Discussion followed on the remaining numbered pages and footnotes, enterprise funds, revolving accounts, employee benefits, trust funds, school activity funds, etc.

Noting that capital outlays exceed depreciation (page 16), Selectman Espinosa asked if that means that capital needs are not being addressed. The response was that it could be timing around a large school project. Selectman Espinosa thanked the Capital Improvement Committee for its work in addressing capital project needs. Regarding school revenues (page 15), he expressed caution that expenses need to be watched for over expenditures. The response was that transfers in and out of the accounts might affect that expense number somewhat.

The Table of Contents of the Management Letter was summarized for viewers, including follow-ups on recommendations made in previous audits. These recommendations include audits of school activity funds and centralization of payments at Town Hall. Discussion followed.

The Board thanked Mr. Biron for his time.

Appointment – Capital Improvement Planning Committee:

The Board was in receipt of a resume from Mr. Peter Sigrist, 38 Ellis Street, Medway, in application for appointment to the Capital Improvement Planning Committee.

Tom Anderson, Capital Improvement Planning Committee, stated there is presently an opening on this committee. He stated Peter Sigrist, expressed interest in the position, and reminded the Board of his resume submitted in application. Mr. Sigrist introduced himself to the Board and briefly recounted his residency of nine years and varied experience as an accountant/controller.

Selectman Trindade moved that the Board appoint Mr. Peter Sigrist to the Capital Improvement Planning Committee; Selectman Espinosa seconded. No discussion. All ayes, 4-0.

Reappointment – Affordable Housing Trust:

The Board was in receipt of a letter, dated December 28, 2010, from Ralph W. Caton, 4 Kingson Lane, Unit 5, Medway, in application for reappointment to the Affordable Housing Trust.

Mr. Caton stated he has been serving on the Affordable Housing Committee and Affordable Housing Trust for over 5 years, a resident for 35 years, and wants to continue to help people stay in town via affordable housing.

Selectman Trindade moved that the Board reappoint Ralph W. Caton to the Affordable Housing Trust; Selectman Foresto seconded. No discussion. All ayes, 4-0.

Appointment – Affordable Housing Trust:

The Board was in receipt of a letter and resume, dated October 15, 2010, from Charlie Mascari, 5 Island Road, Medway, in application for formal appointment to the Affordable Housing Trust.

As Mr. Mascari was unable to attend tonight's meeting, Chairman Crowley asked that this appointment be postponed. The Board agreed.

Privatization of Municipal Services:

Tom Holder, Director, Department of Public Services, reminded the Board of his interest in outsourcing activities, such as fleet maintenance, including snow blowers and small equipment. He stated he would like to engage Weston and Sampson to investigate the Town facility, staffing, training, maintenance functions, etc. to have a full understanding of the level of service that can be provided to the Town, as well as room for improvement, and effectiveness in cost and practicality of outsourcing. The majority of the outsourcing would involve preventative maintenance, actual repairs, parts supply, etc.

Responding to a question from Chairman Crowley, Mr. Holder stated the study would take approximately 80 hours to complete at an expense of around \$8,000. He stated further some of the funds for this study are available in the department's operating budget and surplus funds from a feasibility study. Weston and Sampson has agreed to absorb some of the cost as a good will gesture toward future projects with the Town. Discussion followed.

The Board wondered what new information could be gained from the study. Mr. Holder responded the study may show that things should stay as they are (his preference), and would validate the prevailing opinion. Town Administrator Suzanne Kennedy opined the study memorializes the effort to allay concerns and questions about the cost of performing services in house rather than outsourcing them. Mr. Holder stated the investigation would consist of an analysis of the entire department, its functions and services, including computerization and other areas of improvement, from which recommendations will be made in addition to the cost analysis with regard to outsourcing. Discussion followed.

Selectman Trindade expressed concern about preparedness with regard to vehicle maintenance, suggesting a maintenance infrastructure that would handle all maintenance. He indicated he checked with a local company regarding their practice, and learned they discovered outsourcing saved money and effort in the long run.

Chairman Crowley stated the Board does not need to vote on the matter this evening as it will later vote on the actual contract. On behalf of the Board, he asked that a document reflecting scope of work be made available to review at the Selectmen's meeting on January 19. Selectman Trindade asked for it ahead of time as he will be absent from the January 19 meeting.

Discussion on Special Municipal Employee Designation:

Ms. Kennedy reported there has been another request for review of this process, and asked for Town Counsel's input. Ms. Kennedy related that an individual has resigned from a committee, and is now seeking to have a particular board/commission be named a special municipal employee in order to work with other boards and commissions without conflict of interest.

Barbara Saint André, Town Counsel, stated the Board of Selectmen can make such a designation for a position, but not an individual, and clarified the designation applies only to part-time positions, not full-time positions. She stated the designation allows more latitude in action, and without the designation, each person must represent their own board first before acting on the interests of others. She noted the designation is especially helpful when handling contracts. She offered to supply the Board with a list

of boards designated in 2002, and the Board could add or delete groups after review. Ms. Saint Andre noted that boards and commissions created since 2002 have not been added to the list.

Selectman Foresto stated the Energy Commission as an example: the members are engineers, yet cannot work with the Planning and Economic Development Board to represent another entity, but this designation would allow them to do so.

Chairman Crowley asked that this matter be placed on the agenda for the February 7 Selectmen's meeting to allow time to review entire list. Selectman Trindade asked that the list include supporting documentation as to state statute so that the Board is up-to-date on regulations.

Presentation – Other Post-Employment Benefits Report, Segal Company:

The Board was in receipt of a report entitled "Actuarial Valuation and Review of Other Postemployment Benefits as of June 30, 2009" from The Segal Group, Inc., dated November 22, 2010, 31 pages total.

Daniel J. Rhodes, ASA, MAAA, Consulting Actuary, stated the report presents the results of actuarial valuation of the Town's postemployment welfare benefit plan as of June 30, 2009, utilizing a "snapshot" of employees, i.e., birth dates, gender, length of service thus far, as well as those already retired, demographic considerations, cost of health care now and in the future, etc. He noted there is significant difference between health insurance premiums and actual costs, differing based on age and gender.

Mr. Rhodes went through the report, section by section, explaining the gist of each, and responding to questions from the Board. He stated the unfunded liability is acknowledging the past time served (worked by employee). He compared the ARC (Annual Required Contribution) and its 30-year amortization period to that of a home mortgage – by putting money into the program, the fund begins to grow in order to support the retirement benefits. In 30 years, the unfunded liability is paid off. Discussion followed. Mr. Rhodes stated several communities are bonding as a way to get started in the program, and noted that Brookline and Wellesley are already in the program.

Ms. Kennedy proposed establishment of a Trust at this point in time, as it may be some time before the Town would be able to fund it. Mr. Rhodes stated the bond rating agencies look upon the establishment of the Trust favorably as it indicates intent. He acknowledged municipalities are in a tough spot now, noting this is a way to get a better handle on how to fund post-employment benefits going forward. Discussion followed.

Mr. Rhodes reported the remainder of the report was supplemental information, and encouraged the Board to contact him if there were any additional questions. Ms. Kennedy stated the Town is required by law to contract for this report every two years, presently at a cost of \$5,000 to \$6,000.

Approval of Minutes:

Regarding the minutes of October 21, 2010, Chairman Crowley offered one correction, specifically, page 2, line 10, to read "operational reserve" instead of "operations". There were no other corrections.

Selectman Trindade moved the Board accept the regular meeting minutes of October 21, 2010, as amended; Selectman Espinosa seconded. No further discussion. All ayes, 4-0.

Selectman Trindade moved the Board accept the regular meeting minutes of October 25, 2010, as drafted; Selectman Foresto seconded. No discussion. All ayes, 4-0.

Selectman Trindade moved the Board accept the regular meeting minutes of October 29, 2010, as drafted; Selectman Foresto seconded. No discussion. All ayes, 4-0.

Action Items from previous meeting:

The Board asked that items on the list be numbered to streamline discussion.

No update on items 1—5/18/2010, 2 – 6/7/2010, 4 – 9/7/2010, and 5 – 9/20/2010.

Regarding Action Item 3—7/6/2010 – Joint workshop with PEDB. This item should be eliminated as the meeting was held. Ms. Kennedy prefers to keep it on the list as she is waiting for the results. Selectman Espinosa opined the onus is on the Town to set up a process to track compliance on factors determining street acceptance. Ms. Kennedy opined it might require Town Meeting action. She indicated she would meet with Suzy Affleck-Childs to begin formulating a process.

School Committee Report – School Committee Liaison: No report.

Approval of Warrants:

Warrant 11-27, dated 1-6-11

11-27P	Gross – Payroll Town	206,937.85
11-27SP	Gross – Payroll School	755,091.59
TOTAL	\$962,029.44	

Selectman Trindade moved the Board approve Warrant #11-27 dated 1-6-2011 in the amount of \$964,029.44 as read by Selectman Foresto; Selectman Espinosa seconded. No discussion. All ayes, 4-0.

Town Administrator’s Report:

Ms. Kennedy reiterated Chairman Crowley’s comments on splendid snow plowing during storm.

Ms. Kennedy stated the position of Deputy Assessor has been filled, and that Mr. Scott Morrison started in this capacity today. She stated he has substantial experience working with other municipalities, and further that she anticipates a savings of \$25,000 by not having to hire consultants to do the work he will be handling.

The Town of Medway has been officially designated a “green” community. Ms. Kennedy has met with staff to identify projects suitable for funding. She noted the Energy Committee has submitted

recommendations, including three “big belly” solid waste compactors which would increase the ability to collect five times the amount of waste. These solar-powered receptacles could be located at the Middle School and two others as yet undetermined places.

Operations Manager Karen Kisty has developed a hyperlink policy. Ms. Kennedy reported that staff has completed a review, and now she would like Town Counsel, the IT Director and one or two selectmen to also review it. Selectmen Foresto and Trindade agreed to help in this matter.

The Town has received a grant of \$33,000 from the Department of Environmental Protection to help fund leaf collection and water conservation.

Selectmen Reports:

Selectman Foresto – Wondered about the status of the grant on historic preservation. The application was filed about six weeks ago, and no word has been received yet.

Selectman Trindade – Expressed concern about an old well on the Thayer property. There is still a gap, and it should be fully enclosed/covered. On another topic, he stated concern about an email from David D’Amico to the schools about budgeting an increase in costs for water, and questioned its purpose when future rates are unknown. Chairman Crowley replied that the rates are set by the Water and Sewer Commission, and that possibly the increase was suggested as an estimate to help in budget forecasting.

Selectman Espinosa -- Commended the Medway Police Department and its quick mobilization of units to apprehend criminal in burglary spree. Chairman Crowley commented that the Reverse 911 notification helped alert residents that their help and attention is critical. Selectman Foresto advised residents to make sure their cell phone numbers are registered within the Reverse 911 system if they have no land line.

Chairman Crowley – Encouraged residents to get out and vote in Special Election on January 18. He also reminded Board of the round table breakfast meeting on the 19th, an open meeting on issues communities are facing.

At 9:31 PM, Selectman Trindade moved to adjourn; Selectman Foresto seconded. No discussion. All ayes, 4-0.

Respectfully submitted,
Jeanette Galliard
Board Secretary