

Board of Selectmen

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TOWN OF MEDWAY

COMMONWEALTH OF MASSACHUSETTS

Board of Selectmen's Meeting

November 7, 2016, 7:00 PM

Sanford Hall, Town Hall

155 Village Street

Agenda

7:00 PM

- Call to order; Recitation of the Pledge of Allegiance
- Public Comments

Other Business

1. Presentation – Other Post-Employment Benefits (OPEB) Audit
2. Approval – Grant Expenditure – 911 Support and Incentive Grant - \$ 30,194
3. Contract Approval – TNT Energy for Installation of Efficient Lighting in Library - \$31,882
4. Contract Approval – TNT Energy for Installation of Efficient Lighting in Fire Station - \$14,332
5. Consideration of Appointment- Community Preservation Committee - At Large Member (1 Position) - Tom Emero, Debi Rossi, Dayna Gill, Rori Stumpf
6. Discussion - Ambulance Billing Rates
7. Discussion – Potential Donation of Land on Summer Street
8. Banner Display Request – “Dodging4School” Dodgeball Tournament
9. Approval – One-day Liquor License Requests
 - a. Cyndy Shea- Thayer Homestead – November 12, 2016
 - b. Holiday Mish Mash – Thayer Homestead- December 2, 2016
 - c. Danielle Brouder Bryne – Thayer Homestead – January 14, 2017
 - d. Justine Rovedo – Thayer Homestead – January 15, 2017
10. Action Items from Previous Meeting
11. Approval of Warrants
12. Approval of Minutes
13. Town Administrator's Report
14. Selectmen's Reports

For more information on agenda items, please visit the Board of Selectmen's page at
www.townofmedway.org

Upcoming Meetings, Agenda and Reminders

November 14, 2016 --- Fall Town Meeting - December 5, 2016 ---- Regular Meeting

AGENDA

ITEM #1

Presentation – Other Post-Employment Benefits (OPEB) Audit

Associated backup materials attached:

- Actuarial Valuation & Review of Other Post-Employment Benefits as of July 1, 2015

**Town of Medway Other
Postemployment Benefits Plan**

GASB 45 Actuarial Valuation

as of

July 1, 2015

For the fiscal years ending

June 30, 2016

June 30, 2017

Delivered August 2016

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August 19, 2016

Personal and Confidential

Ms. Carol Pratt
Town Accountant
Town of Medway
155 Village Street
Medway, MA 02053

Dear Ms. Pratt:

We have performed an actuarial valuation of the Town of Medway Other Postemployment Benefits Plan for the fiscal year ending June 30, 2016. The figures presented in this report reflect the adoption, by the Town of Medway, of Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") effective July 1, 2009.

The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.

We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Elmore', with a long horizontal flourish extending to the right.

Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

August 19, 2016

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Medway other postemployment benefit programs as of July 1, 2015 for the fiscal year ending June 30, 2016 in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial data is based on the plan of benefits verified by the Town and on participant claims or premium data provided by the Town and/or vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may yield results significantly different than those reported here. As such, additional determinations may be needed for other purposes including determining the benefit security at termination and/or adequacy of the funding of an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

**Town of Medway
Assuming Pay-as-you-go Funding - 3.50% discount rate
Comparison of Plan Liabilities to Prior Valuation**

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
I. Present Value of Future Benefits		
A. Actives	43,170,857	41,796,391
B. Retirees/Disabled	<u>14,706,284</u>	<u>15,207,846</u>
C. Total	57,877,141	57,004,237
II. Present Value of Future Normal Cost	21,304,916	18,596,665
III. Actuarial Accrued Liability (Individual Entry Age Normal)		
A. Actives	21,865,941	23,199,726
B. Retirees/Disabled	<u>14,706,284</u>	<u>15,207,846</u>
C. Total	36,572,225	38,407,572
IV. Plan Assets	250,887	50,489
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	36,321,338	38,357,083
VI. Funded Ratio [IV. / III.]	0.69%	0.13%
VII. Annual Covered Payroll	19,023,211	18,282,384
VIII. UAAL as % of Covered Payroll	190.90%	209.8%
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	21,086,376	15,097,892
X. Number of Eligible Participants		
A. Actives	280	310
B. Retirees/Disabled	268	217
C. Total	548	527
For Fiscal Year Ending June 30, 2016	<u>June 30, 2016</u>	<u>June 30, 2014</u>
XI. Normal Cost	1,658,506	1,906,754
XII. Amortization of UAAL - 30 year flat dollar	2,204,666	2,283,446
XIII. Annual Required Contribution ('ARC') [XI. + XII.]	3,863,172	4,190,200
XIV. Interest on Net OPEB Obligation (Asset)	738,023	603,916
XV. Adjustment to Annual Required Contribution	(1,107,726)	(934,749)
XVI. Amortization of Actuarial (Gains) / Losses	(16,871)	81,091
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	3,476,598	3,940,458
XVIII. Employer Share of Costs	963,846	925,505
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	100,000	50,000
XX. Total Employer Contribution [XVIII. + XIX.]	1,063,846	975,505
XXI. Percentage of Annual OPEB Expense Contributed	30.6%	24.8%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	21,086,376	15,097,892
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	2,412,752	2,964,953
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	23,499,128	18,062,845
XXV. Discount Rate	3.50%	4.00%

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Medway
Comparison of Plan Funding vs. Pay-as-you-go Funding

	<u>Pay-as-you-go Funding -</u> <u>3.50% discount rate</u>	<u>Plan Funding -7.00%</u> <u>discount rate</u>
I. Present Value of Future Benefits		
A. Actives	43,170,857	18,549,145
B. Retirees/Disabled	14,706,284	10,318,265
C. Total	57,877,141	28,867,410
II. Present Value of Future Normal Cost	21,304,916	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)		
A. Actives	21,865,941	12,323,796
B. Retirees/Disabled	14,706,284	10,318,265
C. Total	36,572,225	22,642,061
IV. Plan Assets	250,887	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	36,321,338	22,391,174
VI. Funded Ratio [IV. / III.]	0.69%	1.11%
VII. Annual Covered Payroll	19,023,211	19,023,211
VIII. UAAL as % of Covered Payroll	190.90%	117.70%
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	21,086,376	21,086,376
X. Number of Eligible Participants		
A. Actives	280	280
B. Retirees/Disabled	268	268
C. Total	548	548
For Fiscal Year Ending June 30, 2016		
XI. Normal Cost	1,658,506	649,338
XII. Amortization of UAAL - 30 year flat dollar	2,204,666	2,896,461
XIII. Annual Required Contribution ('ARC') [XI. + XII.]	3,863,172	3,545,799
XIV. Interest on Net OPEB Obligation (Asset)	738,023	1,476,047
XV. Adjustment to Annual Required Contribution	(1,107,726)	(1,588,108)
XVI. Amortization of Actuarial (Gains) / Losses	(16,871)	(1,073,327)
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	3,476,598	2,360,411
XVIII. Employer Share of Costs	963,846	963,846
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	100,000	100,000
XX. Total Employer Contribution [XVIII. + XIX.]	1,063,846	1,063,846
XXI. Percentage of Annual OPEB Expense Contributed	30.6%	45.1%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	21,086,376	21,086,376
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	2,412,752	1,296,565
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	23,499,128	22,382,941
XXV. Discount Rate	3.50%	7.00%

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Medway

Assuming Pay-as-you-go Funding - 3.50% discount rate

Plan Liabilities as of July 1, 2015

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	40,548,643	0	71,852	2,550,362	43,170,857
B. Retirees/Disabled	<u>14,381,898</u>	<u>0</u>	<u>156,938</u>	<u>167,448</u>	<u>14,706,284</u>
C. Total	54,930,541	0	228,790	2,717,810	57,877,141
II. Present Value of Future Normal Cost	19,463,238	0	22,975	1,818,703	21,304,916
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	21,085,405	0	48,877	731,659	21,865,941
B. Retirees/Disabled	<u>14,381,898</u>	<u>0</u>	<u>156,938</u>	<u>167,448</u>	<u>14,706,284</u>
C. Total	35,467,303	0	205,815	899,107	36,572,225
IV. Plan Assets	243,400	0	1,453	6,034	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	35,223,903	0	204,362	893,073	36,321,338
VI. Annual Covered Payroll	19,023,211	19,023,211	19,023,211	19,023,211	19,023,211
VII. UAAL as % of Covered Payroll	185.2%	0.0%	1.1%	4.7%	190.9%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	20,449,314	0	118,666	518,396	21,086,376
IX. Number of Eligible Participants					
A. Actives	280	280	280	280	
B. Retirees/Disabled	<u>268</u>	<u>0</u>	<u>252</u>	<u>268</u>	
C. Total	548	280	532	548	
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	1,554,535	0	2,518	101,453	1,658,506
XI. Amortization of UAAL - 30 year flat dollar	2,138,059	0	12,407	54,200	2,204,666
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,692,594	0	14,925	155,653	3,863,172
XIII. Interest on Net OPEB Obligation (Asset)	715,726	0	4,152	18,145	738,023
XIV. Adjustment to Annual Required Contribution	(1,074,258)	0	(6,235)	(27,233)	(1,107,726)
XV. Amortization of Actuarial (Gains) / Losses	(16,365)	0	(97)	(409)	(16,871)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	3,317,697	0	12,745	146,156	3,476,598
XVII. Employer Share of Costs	955,610	0	8,236	0	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	96,979	0	563	2,458	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	1,052,589	0	8,799	2,458	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	31.7%	0.0%	69.0%	1.7%	30.6%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	20,449,314	0	118,666	518,396	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	2,265,108	0	3,946	143,698	2,412,752
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	22,714,422	0	122,612	662,094	23,499,128

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

**Town of Medway
Plan Liabilities as of July 1, 2015
Assuming Pay-as-you-go Funding Method**

	General Government Employees and Retirees	Teacher Employees	School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits											
A. Actives	2,999,459	24,469,648	7,557,403	4,026,523	1,672,397	0	755,417	995,577	379,857	314,576	43,170,857
B. Retirees/Disabled	<u>2,096,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,609,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,706,284</u>
C. Total	5,096,339	24,469,648	7,557,403	4,026,523	1,672,397	12,609,404	755,417	995,577	379,857	314,576	57,877,141
II. Present Value of Future Normal Cost	1,577,595	12,114,936	3,314,825	1,724,647	1,226,509	0	393,745	647,588	179,093	125,978	21,304,916
III. Actuarial Accrued Liability (Individual Entry Age Normal)											
A. Actives	1,421,864	12,354,712	4,242,578	2,301,876	445,888	0	361,672	347,989	200,764	188,598	21,865,941
B. Retirees/Disabled	<u>2,096,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,609,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,706,284</u>
C. Total	3,518,744	12,354,712	4,242,578	2,301,876	445,888	12,609,404	361,672	347,989	200,764	188,598	36,572,225
IV. Plan Assets	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	3,493,975	12,272,991	4,213,792	2,286,554	443,100	12,519,263	359,210	345,759	199,392	187,302	36,321,338
VI. Annual Covered Payroll	2,086,260	10,967,240	3,323,847	1,285,076	321,303	N/A	426,587	206,472	158,371	248,055	19,023,211
VII. UAAL as % of Covered Payroll	167.5%	111.9%	126.8%	177.9%	137.9%	N/A	84.2%	167.5%	125.9%	75.5%	190.9%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
IX. Number of Eligible Participants											
A. Actives	27	147	66	18	6	0	6	4	3	3	280
B. Retirees/Disabled	<u>37</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>268</u>
C. Total	64	147	66	18	6	231	6	4	3	3	548
For Fiscal Year Ending June 30, 2016											
X. Normal Cost	137,801	947,254	305,053	114,228	53,145	0	37,571	32,160	18,498	12,796	1,658,506
XI. Amortization of UAAL - 30 year flat dollar	150,671	750,832	257,719	139,884	27,124	811,657	21,970	21,160	12,196	11,453	2,204,666
XII. Annual Required Contribution ("ARC") [X. + XI.]	288,472	1,698,086	562,772	254,112	80,269	811,657	59,541	53,320	30,694	24,249	3,863,172
XIII. Interest on Net OPEB Obligation (Asset)	70,774	243,864	83,734	45,436	8,803	263,758	7,704	4,428	3,658	5,864	738,023
XIV. Adjustment to Annual Required Contribution	(106,228)	(366,024)	(125,679)	(68,196)	(13,213)	(395,883)	(11,563)	(6,647)	(5,491)	(8,802)	(1,107,726)
XV. Amortization of Actuarial (Gains) / Losses	(1,642)	(5,565)	(1,911)	(1,037)	(201)	(6,020)	(163)	(157)	(90)	(85)	(16,871)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	251,376	1,570,361	518,916	230,315	75,658	673,512	55,519	50,944	28,771	21,226	3,476,598
XVII. Employer Share of Costs	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	155,102	128,170	34,506	9,186	1,227	730,154	2,161	1,003	559	1,778	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	57.9%	6.0%	4.4%	1.3%	0.0%	103.3%	2.1%	0.1%	0.0%	5.9%	27.7%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	96,274	1,442,191	484,410	221,129	74,431	(56,642)	53,358	49,941	28,212	19,448	2,412,752
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128

SECTION I
PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Medway
Detail of Plan Liabilities by Group and Dependency Status
Assuming Pay-as-you-go Funding - 3.50% discount rate
Plan Liabilities as of July 1, 2015

	<u>Present Value of Future Benefits</u>	<u>Actuarial Accrued Liability (Individual Entry Age Normal)</u>	<u>Normal Cost</u>
Actives			
Under Age 65			
A. Participants	10,286,257	4,939,143	386,847
B. Spouses	<u>3,781,368</u>	<u>1,869,454</u>	<u>144,401</u>
C. Total	14,067,625	6,808,597	531,248
Age 65 and Over			
A. Participants	18,367,616	9,447,171	710,124
B. Spouses	<u>10,735,616</u>	<u>5,610,173</u>	<u>417,134</u>
C. Total	29,103,232	15,057,344	1,127,258
Actives Total			
A. Participants	28,653,873	14,386,314	1,096,971
B. Spouses	<u>14,516,984</u>	<u>7,479,627</u>	<u>561,535</u>
C. Total	43,170,857	21,865,941	1,658,506
Retirees/Disabled			
Under Age 65			
A. Participants	932,421	932,421	0
B. Spouses	<u>215,396</u>	<u>215,396</u>	<u>0</u>
C. Total	1,147,817	1,147,817	0
Age 65 and Over			
A. Participants	12,537,442	12,537,442	<u>0</u>
B. Spouses	<u>1,021,025</u>	<u>1,021,025</u>	<u>0</u>
C. Total	13,558,467	13,558,467	0
Retirees/Disabled Total			
A. Participants	13,469,863	13,469,863	0
B. Spouses	<u>1,236,421</u>	<u>1,236,421</u>	<u>0</u>
C. Total	14,706,284	14,706,284	0
Total Population			
A. Participants	42,123,736	27,856,177	1,096,971
B. Spouses	<u>15,753,405</u>	<u>8,716,048</u>	<u>561,535</u>
C. Total	57,877,141	36,572,225	1,658,506

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Medway
Assuming Funding over 30 years at 7.00% discount rate
Plan Liabilities as of July 1, 2015

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	17,757,219	0	28,069	763,857	18,549,145
B. Retirees/Disabled	<u>10,127,738</u>	<u>0</u>	<u>109,116</u>	<u>81,411</u>	<u>10,318,265</u>
C. Total	27,884,957	0	137,185	845,268	28,867,410
II. Present Value of Future Normal Cost	5,786,720	0	5,761	432,868	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	11,970,499	0	22,308	330,989	12,323,796
B. Retirees/Disabled	<u>10,127,738</u>	<u>0</u>	<u>109,116</u>	<u>81,411</u>	<u>10,318,265</u>
C. Total	22,098,237	0	131,424	412,400	22,642,061
IV. Plan Assets	244,861	0	1,456	4,570	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	21,853,376	0	129,968	407,830	22,391,174
VI. Annual Covered Payroll	19,023,211	19,023,211	19,023,211	19,023,211	19,023,211
VII. UAAL as % of Covered Payroll	114.9%	0.0%	0.7%	2.1%	117.7%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	20,449,314	0	118,666	518,396	21,086,376
IX. Number of Eligible Participants					
A. Actives	280	280	280	280	
B. Retirees/Disabled	<u>268</u>	<u>0</u>	<u>252</u>	<u>268</u>	
C. Total	548	280	532	548	
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	613,045	0	838	35,455	649,338
XI. Amortization of UAAL - 30 year flat dollar	2,824,747	0	17,331	54,383	2,896,461
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,437,792	0	18,169	89,838	3,545,799
XIII. Interest on Net OPEB Obligation (Asset)	1,431,452	0	8,307	36,288	1,476,047
XIV. Adjustment to Annual Required Contribution	(1,540,128)	0	(8,937)	(39,043)	(1,588,108)
XV. Amortization of Actuarial (Gains) / Losses	(1,047,548)	0	(6,230)	(19,549)	(1,073,327)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	2,281,568	0	11,309	67,534	2,360,411
XVII. Employer Share of Costs	955,610	0	8,236	0	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	97,599	0	580	1,821	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	1,053,209	0	8,816	1,821	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	46.2%	0.0%	78.0%	2.7%	45.1%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	20,449,314	0	118,666	518,396	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	1,228,359	0	2,493	65,713	1,296,565
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	21,677,673	0	121,159	584,109	22,382,941

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

**Town of Medway
Plan Liabilities as of July 1, 2015
Assuming Funding over 30 years at 7.00% discount rate**

	General Government Employees and Retirees	Teacher Employees	School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits											
A. Actives	1,288,772	10,513,830	3,247,176	1,730,069	718,576	0	324,579	427,768	163,212	135,163	18,549,145
B. Retirees/Disabled	<u>1,471,219</u>	0	0	0	0	<u>8,847,046</u>	0	0	0	0	<u>10,318,265</u>
C. Total	2,759,991	10,513,830	3,247,176	1,730,069	718,576	8,847,046	324,579	427,768	163,212	135,163	28,867,410
II. Present Value of Future Normal Cost	460,978	3,540,014	968,600	503,946	358,389	0	115,053	189,227	52,331	36,811	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)											
A. Actives	801,373	6,963,201	2,391,146	1,297,353	251,306	0	203,841	196,129	113,152	106,295	12,323,796
B. Retirees/Disabled	<u>1,471,219</u>	0	0	0	0	<u>8,847,046</u>	0	0	0	0	<u>10,318,265</u>
C. Total	2,272,592	6,963,201	2,391,146	1,297,353	251,306	8,847,046	203,841	196,129	113,152	106,295	22,642,061
IV. Plan Assets	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	2,247,823	6,881,480	2,362,360	1,282,031	248,518	8,756,905	201,379	193,899	111,780	104,999	22,391,174
VI. Annual Covered Payroll	2,086,260	10,967,240	3,323,847	1,285,076	321,303	N/A	426,587	206,472	158,371	248,055	19,023,211
VII. UAAL as % of Covered Payroll	107.7%	62.7%	71.1%	99.8%	77.3%	N/A	47.2%	93.9%	70.6%	42.3%	117.7%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
IX. Number of Eligible Participants											
A. Actives	27	147	66	18	6	0	6	4	3	3	280
B. Retirees/Disabled	<u>37</u>	0	0	0	0	<u>231</u>	0	0	0	0	<u>268</u>
C. Total	64	147	66	18	6	231	6	4	3	3	548
For Fiscal Year Ending June 30, 2016											
X. Normal Cost	53,952	370,869	119,434	44,723	20,807	0	14,710	12,591	7,242	5,010	649,338
XI. Amortization of UAAL - 30 year flat dollar	197,949	986,433	338,588	183,778	35,635	1,066,344	28,864	27,800	16,023	15,047	2,896,461
XII. Annual Required Contribution ("ARC") [X. + XI.]	251,901	1,357,302	458,022	228,501	56,442	1,066,344	43,574	40,391	23,265	20,057	3,545,799
XIII. Interest on Net OPEB Obligation (Asset)	141,549	487,728	167,468	90,872	17,606	527,516	15,408	8,856	7,316	11,728	1,476,047
XIV. Adjustment to Annual Required Contribution	<u>(152,295)</u>	<u>(524,756)</u>	<u>(180,182)</u>	<u>(97,770)</u>	<u>(18,943)</u>	<u>(567,564)</u>	<u>(16,577)</u>	<u>(9,530)</u>	<u>(7,872)</u>	<u>(12,619)</u>	<u>(1,588,108)</u>
XV. Amortization of Actuarial (Gains) / Losses	<u>(104,463)</u>	<u>(354,043)</u>	<u>(121,577)</u>	<u>(65,974)</u>	<u>(12,788)</u>	<u>(382,990)</u>	<u>(10,370)</u>	<u>(9,988)</u>	<u>(5,726)</u>	<u>(5,408)</u>	<u>(1,073,327)</u>
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	136,692	966,231	323,731	155,629	42,317	643,306	32,035	29,729	16,983	13,758	2,360,411
XVII. Employer Share of Costs	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	10,037	30,753	10,561	5,730	1,110	39,074	900	866	500	469	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	155,519	125,141	33,466	8,622	1,118	734,750	2,072	917	510	1,731	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	113.8%	13.0%	10.3%	5.5%	2.6%	114.2%	6.5%	3.1%	3.0%	12.6%	45.1%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	<u>(18,827)</u>	841,090	290,265	147,007	41,199	<u>(91,444)</u>	29,963	28,812	16,473	12,027	1,296,565
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	2,003,293	7,808,625	2,682,669	1,445,168	292,710	7,444,489	250,085	155,345	120,986	179,571	22,382,941

Overview of GASB 43 and 45

GASB 43 requires retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 43 and 45 apply to those benefits provided after retirement except for pension benefits such as medical insurance, dental and life insurance. The philosophy behind the accounting standard is that these post-employment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend this practice to all other post-employment benefits.

Overview of GASB 43 and 45

(continued)

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims cost assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- ✓ Normal Cost - because the benefits earned each year should be paid for each year
- ✓ Past Service Cost - a catch-up payment to fund the Accrued Liability over the next 10-30 years

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements as the Net OPEB Obligation. If you decide to fully fund the OPEB obligation this will appear in the financial statement as a Net OPEB Asset. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

Commentary on Plan Experience and Contribution Amounts

1. GASB 45 – How we got here:

The Plan adopted and implemented GASB 45 (“Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions”) effective for the fiscal year ending June 30, 2010. GASB 45 is designed to recognize the Other Postemployment Benefits (“OPEB”) earned by employees throughout their working career vs. when they are actually paid in retirement – accrual accounting vs. “pay-as-you-go” accounting. When GASB 45 was adopted, there was an Unfunded Actuarial Accrued Liability (“UAAL”) or “past service liability” which reflected all benefits earned until the date of such adoption. To smooth the impact of transitioning to GASB 45 on your financial statement, the UAAL was amortized over a 30 year period using a flat dollar amortization. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Normal Cost”. These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

2. Summary of Results:

During the fiscal year ending June 30, 2016, the Plan saw an experience gain of \$7,082,459 or 16.32%. Plan experience was more favorable than expected. This was mainly due to premiums for non-Medicare integrated plans increasing less than the expected 16% increase. This was somewhat offset by the preparations for GASB 75 including a decrease in the discount rate from 4% to 3.5% (increasing disclosed liabilities by \$2.5 million) and a more conservative mortality table as recommended by PERAC. The actuarial experience gain is amortized into the annual OPEB costs over a 30-year period. The net impact of plan experience is a decrease in the annual OPEB cost.

Commentary on Plan Experience and Contribution Amounts
(continued)

3. **Balance Sheet Items**

	July 1, 2015	July 1, 2013
Actuarial Accrued Liability	\$36,572,225	\$38,407,572
Plan Assets	\$250,887	\$50,489
Unfunded Actuarial Accrued Liability	\$36,321,338	\$38,357,083
Funded %	0.69%	0.13%
Net OPEB Obligation	\$21,086,376	\$15,097,892

4. **Income Statement Items**

	June 30, 2016	June 30, 2014
Normal Cost	\$1,658,506	\$1,906,754
Amortization of UAAL	\$2,204,666	\$2,283,446
Interest on Net OPEB Obligation	\$738,023	\$603,916
Adjustment to Annual Required Contribution	\$(1,107,726)	\$(934,749)
Amortization of Actuarial (Gains)/Losses	\$(16,871)	\$81,091
Annual OPEB Expense	\$3,476,598	\$3,940,458
Employer Share of Costs Employer Contributions/(Withdrawals) to/from OPEB Trust	\$963,846	\$925,505
Total Employer Contribution	\$1,063,846	\$975,505
Discount Rate	3.50%	4.00%

Commentary on Plan Experience and Contribution Amounts
(continued)

5. **GASB 75 – Where we’re going:**

The Governmental Accounting Standards Board (“GASB”) issued GASB 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” on June 2, 2015 which will become effective for your 2018 fiscal year. This standard largely mirrors the GASB 68 standard for pension plans. The new standards require increased disclosures and will tie interest rates used in the valuation to the plan’s underlying investment and funding policy. This may increase the pressure on many entities to begin funding their OPEB liabilities. For more information, please review our white papers at www.GASB75.com or on our website.

SECTION II

SUMMARY OF PLAN PROVISIONS

<u>Effective Date</u>	July 1, 2009; GASB 45 is adopted.
<u>Plan Year</u>	July 1 through June 30.
<u>Eligibility</u>	An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Participant Contributions</u>	50% of premiums for Medical & 50% of premiums for life insurance.
<u>Benefits Offered</u>	Comprehensive Medical, Dental and Group Term Life Insurance.
<u>Normal Retirement Date</u>	The normal retirement date is the first day of the month following a participant's 65th birthday.
<u>Early Retirement</u>	Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Individual Entry Age Normal Actuarial Cost Method. Under this method, the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement, each individual's annual normal cost is a level dollar amount. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Actuarial gains and losses are calculated each year and amortized over a 30 year period.

All employees who are plan participants on a valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets as of the valuation date.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre- and Post-Retirement Mortality

It is assumed that both pre-retirement and post-retirement mortality are represented by the RP-2000 Mortality Table projected generationally with scale BB and a base year 2009 for males and females. Disabled employees were assumed to follow the RP-2000 Mortality Table set forward 2 years for males and females.

Discount Rate

3.50% per annum (previously 4.00%)

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

<u>Service</u>	<u>Non Public</u>		<u>Public</u> <u>Safety</u>
	<u>Non Public</u> <u>Safety Male</u>	<u>Safety</u> <u>Female</u>	
0	15.00%	15.00%	1.50%
5	7.60%	7.60%	1.50%
10	5.40%	5.40%	1.50%
15	3.30%	3.30%	0.00%
20	2.00%	2.00%	0.00%
25	1.00%	1.00%	0.00%
30	0.00%	0.00%	0.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates for non-teachers

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Non Public Safety Male</u>	<u>Non Public Safety Female</u>	<u>Public Safety</u>
45	0.00%	0.00%	1.00%
46	0.00%	0.00%	1.00%
47	0.00%	0.00%	1.00%
48	0.00%	0.00%	1.00%
49	0.00%	0.00%	1.00%
50	1.00%	1.50%	2.00%
51	1.00%	1.50%	2.00%
52	1.00%	2.50%	2.00%
53	1.00%	2.50%	5.00%
54	2.00%	2.50%	7.50%
55	2.00%	5.50%	15.00%
56	2.50%	6.50%	10.00%
57	2.50%	6.50%	10.00%
58	5.00%	6.50%	10.00%
59	6.50%	6.50%	15.00%
60	12.00%	5.00%	20.00%
61	20.00%	13.00%	20.00%
62	30.00%	15.00%	25.00%
63	25.00%	12.50%	25.00%
64	22.00%	18.00%	30.00%
65	40.00%	15.00%	100.00%
66	25.00%	20.00%	100.00%
67	25.00%	20.00%	100.00%
68	30.00%	25.00%	100.00%
69	30.00%	20.00%	100.00%
70	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates for teachers

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Male Teachers</u>	<u>Female Teachers</u>
45	0.00%	0.00%
46	0.00%	0.00%
47	0.00%	0.00%
48	0.00%	0.00%
49	0.00%	0.00%
50	2.00%	2.00%
51	2.00%	2.00%
52	2.00%	2.00%
53	2.00%	2.00%
54	6.00%	2.00%
55	20.00%	6.00%
56	35.00%	15.00%
57	50.00%	30.00%
58	50.00%	35.00%
59	50.00%	35.00%
60	50.00%	35.00%
61	50.00%	35.00%
62	40.00%	35.00%
63	40.00%	40.00%
64	50.00%	30.00%
65	50.00%	35.00%
66	50.00%	35.00%
67	50.00%	35.00%
68	50.00%	30.00%
69	50.00%	30.00%
70	100.00%	100.00%
71	100.00%	100.00%
72	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Disability rates

It was assumed that the following percentage of eligible employees would become permanently disabled each year:

<u>Age</u>	<u>Non Public Safety</u>	<u>Public Safety</u>
20	0.01%	0.01%
25	0.02%	0.02%
30	0.03%	0.03%
35	0.07%	0.17%
40	0.10%	0.30%
45	0.15%	0.78%
50	0.19%	1.25%
55	0.24%	1.20%
60	0.28%	0.85%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

Participation Rate

It was assumed that 100% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement. For life insurance plans, it was assumed that 100% of eligible employees would elect coverage upon retirement.

Percent Married

It was assumed that 65% of male participants and 65% of female participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that a male spouse is three years older than a female spouse and same sex spouses are assumed to be the same age. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

3.00% per year.

Open Group Forecast

It was assumed for projecting plan liabilities in future years that the active population would remain unchanged and that those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	8.0%	5.0%
30	7.0%	14.0%
40	20.0%	19.0%
50	10.0%	10.0%
60	<u>3.0%</u>	<u>4.0%</u>
Total	48.0%	52.0%

Additional Comments

The values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely on the retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- ✓ The cost sharing program is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:
- ✓ The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an “implicit subsidy”. GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based factors developed by actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page.

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents’ coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HMO Basic	141		204	345
POS	3			3
PPO	3		4	7
Medicare Preferred	197			197
Total	344	0	208	552

	Per Contract Costs (monthly) - FY 2015		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HMO Basic	650.90	0.00	1,667.64
POS	690.75	0.00	1,974.32
PPO	1,267.98	0.00	3,173.41
Medicare Preferred	336.00	672.00	

Gross Expected FY 2015 Incurred Premiums	6,200,847
Adjustment to reflect children's claims	(926,174)
Total Expected FY 2015 Incurred Premiums (adults only)	5,274,674

II. PRE-65 AND POST-65 PER CAPITA RETIREE ANNUAL CLAIM COSTS

	Employer <u>Primary</u>	Medicare <u>Primary</u>
Age 65	11,172	4,032
Average Age	9,904	4,032

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

5,274,674 Active and Retired Claims (No Children)

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	1	5	1.312	0.549	6,854	2,868	21,194
25 to 29	21	8	1.312	0.591	6,854	3,087	168,630
30 to 34	26	23	1.312	0.712	6,854	3,719	263,741
35 to 39	18	16	1.312	0.850	6,854	4,440	194,412
40 to 44	28	19	1.312	1.000	6,854	5,224	291,168
45 to 49	42	36	1.456	1.193	7,606	6,232	543,804
50 to 54	32	44	1.599	1.441	8,353	7,528	598,528
55 to 59	38	36	1.740	1.753	9,090	9,158	675,108
60 to 64	28	24	1.968	2.102	10,281	10,981	551,412
65 to 69	4	6	2.168	2.316	11,326	12,099	117,898
70 & Over	2	1	2.396	2.557	12,517	13,358	38,392
Total	240	218					3,464,287

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	9	5	1.312	1.000	6,854	5,224	87,806
45 to 49	2	2	1.456	1.193	7,606	6,232	27,676
50 to 54	2	0	1.599	1.441	8,353	7,528	16,706
55 to 59	10	3	1.740	1.753	9,090	9,158	118,374
60 to 64	30	21	1.968	2.102	10,281	10,981	539,031
65 to 69	6	1	2.168	2.316	11,326	12,099	80,055
70 to 74	5	3	2.396	2.557	12,517	13,358	102,659
75 to 79	1	1	2.593	2.769	13,546	14,465	28,011
80 to 84	0	0	2.724	2.910	14,230	15,202	0
85 to 89	0	0	2.864	3.059	14,962	15,980	0
90 & Over	0	0	3.010	3.215	15,724	16,795	0
Total	65	36					1,000,318

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	47	40	2.168	2.316	4,032	4,032	350,784
70 to 74	23	20	2.396	2.557	4,032	4,032	173,376
75 to 79	17	19	2.593	2.769	4,032	4,032	145,152
80 to 84	8	12	2.724	2.910	4,032	4,032	80,640
85 to 89	4	3	2.864	3.059	4,032	4,032	28,224
90 & Over	7	1	3.010	3.215	4,032	4,032	32,256
Total	106	95					810,432
Grand Totals	411	349					5,275,037

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

E. DEVELOPMENT OF REPRESENTATIVE DENTAL PER CAPITA CLAIMS COSTS

I. **CLAIMS COSTS DEVELOPMENT - with Active & Retiree Incurred Premiums**

				Per Contract Costs (monthly) - FY 2015		
				<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Dental Plan				N/A		N/A
			FY 2015 Expected Per Person Rate			N/A

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements with regard to the retiree medical and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical
- b. Administrator: Town of Medway
- c. Eligibility: An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
- d. Cost Sharing: Employees will pay 50% of premiums in retirement.

2. A DESCRIPTION OF THE DENTAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Dental Insurance
- b. Administrator: Town of Medway
- c. Eligibility: Same as above
- d. Cost sharing: Employees will pay 100% of premiums in retirement

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$2,000
- b. Administrator: Town of Medway
- c. Eligibility: Same as above
- d. Cost sharing: Employees will pay 50% of premiums in retirement.

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2015)
(continued)

4. RETIREE MEDICAL AND LIFE INSURANCE CONTRIBUTIONS:

Group	Individual	Family
Medical	50%	50%
Dental	100%	100%
Life	50%	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town expects to contribute \$100,000 beyond the pay-as-you-go. For the 2016 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$963,846. The Town is also projected to make a contribution to an OPEB Trust of \$100,000 for the 2016 fiscal year for a total contribution of \$1,063,846 .

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

6. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual Required Contribution	\$3,863,172
Interest on net OPEB Obligation (Asset)	\$738,023
Adjustment to annual required contribution	(\$1,107,726)
Amortization of Actuarial (Gains) / Losses	(\$16,871)
Annual OPEB expense	\$3,476,598
Contributions made to pay benefits	\$963,846
Contributions made to OPEB Trust	\$100,000
Increase (Decrease) in net OPEB Obligation (Asset)	\$2,412,752
Net OPEB Obligation (Asset) – beginning of year	\$21,086,376
Net OPEB Obligation (Asset) – end of year	\$23,499,128

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2016 fiscal year and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Expected Employer Payments	Percentage of OPEB Cost Contributed	Increase (Decrease) in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset)
06/30/2018 (est.)	\$3,772,667	\$1,244,888	33.0%	\$2,527,779	\$28,495,152
06/30/2017 (est.)	\$3,622,657	\$1,154,410	31.9%	\$2,468,247	\$25,967,373
06/30/2016	\$3,476,596	\$1,063,846	30.6%	\$2,412,750	\$23,499,126
06/30/2015	\$4,096,263	\$1,072,732	26.2%	\$3,023,531	\$21,086,376
06/30/2014	\$3,940,458	\$975,505	24.8%	\$2,964,953	\$18,062,845
06/30/2013	\$3,251,584	\$910,444	28.0%	\$2,341,140	\$15,097,892

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/2017 (est.)	\$465,301	\$39,839,885	\$39,374,584	1.2%	\$20,181,725	195.1%
07/01/2016 (est.)	\$351,272	\$38,153,030	\$37,801,758	0.9%	\$19,593,907	192.9%
07/01/2015	\$250,887	\$36,572,225	\$36,321,338	0.7%	\$19,023,211	190.9%
07/01/2014	\$100,588	\$40,863,877	\$40,763,289	0.2%	\$18,739,444	217.5%
07/01/2013	\$50,489	\$38,407,572	\$38,357,083	0.1%	\$18,282,384	209.8%
07/01/2012	\$0	N/A	N/A	N/A	N/A	N/A

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2015)
(continued)

Fiscal Year Ending June 30, 2016											
	General Government Employees and Retirees		School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
	Teacher Employees	Retirees									
OPEB Obligation (Asset) at beginning of year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
Annual Required Contribution	288,472	1,698,086	562,772	254,112	80,269	811,657	59,541	53,320	30,694	24,249	3,863,172
Interest on Net OPEB Obligation	70,774	243,864	83,734	45,436	8,803	263,758	7,704	4,428	3,658	5,864	738,023
Adjustment to the ARC	(106,228)	(366,024)	(125,679)	(68,196)	(13,213)	(395,883)	(11,563)	(6,647)	(5,491)	(8,802)	(1,107,726)
Amortization of Actuarial (Gains)/Losses	(1,642)	(5,565)	(1,911)	(1,037)	(201)	(6,020)	(163)	(157)	(90)	(85)	(16,871)
Annual OPEB Cost	251,376	1,570,361	518,916	230,315	75,658	673,512	55,519	50,944	28,771	21,226	3,476,598
Expected Employer Contribution	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
Contribution (Withdrawal) to/from Trust Fund over 30 Years	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
Total Expected Employer Payments	155,102	128,170	34,506	9,186	1,227	730,154	2,161	1,003	559	1,778	1,063,846
Increase (Decrease) in OPEB Obligation (Asset)	96,274	1,442,191	484,410	221,129	74,431	(56,642)	53,358	49,941	28,212	19,448	2,412,752
OPEB Obligation (Asset) at end of year	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128
AAL as of July 1, 2015	3,518,744	12,354,712	4,242,578	2,301,876	445,888	12,609,404	361,672	347,989	200,764	188,598	36,572,225
Plan Assets as of July 1, 2015	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
Unfunded Actuarial Liability as of July 1, 2015	3,493,975	12,272,991	4,213,792	2,286,554	443,100	12,519,263	359,210	345,759	199,392	187,302	36,321,338

Fiscal Year Ending June 30, 2017											
	General Government Employees and Retirees		School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
	Teacher Employees	Retirees									
OPEB Obligation (Asset) at beginning of year	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128
Annual Required Contribution	293,072	1,725,168	571,748	258,165	81,549	824,602	60,491	54,170	31,184	24,636	3,924,785
Interest on Net OPEB Obligation	78,871	271,767	93,315	50,635	9,810	293,938	8,586	4,935	4,077	6,535	822,469
Adjustment to the ARC	(118,383)	(407,904)	(140,059)	(75,999)	(14,725)	(441,180)	(12,886)	(7,408)	(6,119)	(9,809)	(1,234,472)
Amortization of Actuarial (Gains)/Losses	8,376	47,304	15,713	7,190	2,203	24,448	1,660	1,387	838	756	109,875
Annual OPEB Cost	261,936	1,636,335	540,717	239,991	78,837	701,808	57,851	53,084	29,980	22,118	3,622,657
Expected Employer Contribution	158,687	105,299	25,842	3,674	112	757,833	1,356	136	58	1,413	2,468,247
Contribution (Withdrawal) to/from Trust Fund over 30 Years	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
Total Expected Employer Payments	168,307	139,081	37,443	9,968	1,331	792,311	2,345	1,088	607	1,929	1,154,410
Increase (Decrease) in OPEB Obligation (Asset)	93,629	1,497,254	503,274	230,023	77,506	(90,503)	55,506	51,996	29,373	20,189	2,468,247
OPEB Obligation (Asset) at end of year	2,212,023	9,906,980	3,380,088	1,749,313	403,448	7,388,788	328,986	228,470	162,098	207,181	25,967,375
AAL as of July 1, 2016	3,670,839	12,888,734	4,425,960	2,401,373	465,161	13,154,435	377,305	363,031	209,442	196,750	38,153,030
Plan Assets as of July 1, 2016	25,292	118,949	41,596	22,261	4,126	128,372	3,555	3,277	1,978	1,866	351,272
Unfunded Actuarial Liability as of July 1, 2016	3,645,547	12,769,785	4,384,364	2,379,112	461,035	13,026,063	373,750	359,754	207,464	194,884	37,801,758

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

7. FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2015, the most recent valuation date, the plan was 0.69% funded. The actuarial liability for benefits was \$36,572,225, and the actuarial value of assets was \$250,887, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,321,338. The covered payroll (annual payroll of active employees covered by the plan) was \$ 19,023,211 and the ratio of the UAAL to the covered payroll was 190.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. EFFECT OF 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$50,970,456 or by 39.4% and the corresponding Normal Cost would increase to \$2,701,498 or by 62.9%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$26,124,409 or by 28.6% and the corresponding Normal Cost would decrease to \$925,525 or by 44.2%.

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

9. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method: Individual Entry Age Normal
 Investment Rate of Return: 3.50% per annum (previously 4.00%)
 Healthcare Trend Rates

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

General Inflation Assumption: 2.75% per annum
 Annual Compensation Increases: 3.00% per annum
 Actuarial Value of Assets: Market Value
 Amortization of UAAL: Level dollar amortization over 30 years
 Remaining Amortization Period: 24 years at July 1, 2015

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

10. Remaining Amortization Bases

The initial Actuarial Accrued Liability as of the date GASB 45 was adopted is amortized as a component of the Annual Required Contribution ("ARC"). The Unfunded Actuarial Accrued Liability at transition was amortized over a 30 year period and a flat dollar amortization of the Unfunded Actuarial Accrued Liability at transition. For years subsequent to the initial adoption of GASB 45, cumulative gains/losses are amortized on a level dollar basis over a 30 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year's ARC under GASB 45.

Changes in Unfunded Actuarial Liability Since Prior Valuation
--

Expected Unfunded Actuarial Liability

1. Actuarial Accrued Liability at prior valuation date	38,407,572
2. Actuarial Value of Assets at prior valuation date	<u>50,489</u>
3. Unfunded Actuarial Accrued Liability at prior valuation date [1. - 2.]	38,357,083
4. Normal Cost for prior periods	3,813,508
5. Employer Contributions for prior periods	(2,048,237)
6. Interest to current valuation date	<u>3,281,443</u>
7. Expected Unfunded Actuarial Accrued Liability [3. + 4. + 5. + 6.]	43,403,797

Actual Unfunded Actuarial Liability

8. Actuarial Accrued Liability at current valuation date	36,572,225
9. Actuarial Value of Assets at current valuation date	<u>250,887</u>
10. Unfunded Actuarial Accrued Liability at current valuation date [8. - 9.]	36,321,338

Net Actuarial (Gain) / Loss from Plan Experience [10. - 7.] **(7,082,459)**

11. Unfunded Actuarial Accrued Liability at current valuation date [10.]	36,321,338
12. Remaining Initial Unfunded to be amortized	<u>36,642,462</u>
13. Actuarial (Gain) / Loss to be amortized: [11. - 12.]	(321,124)

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

Amortization of Initial Unfunded and Plan Experience under GASB 45						
Date Established	Description	Initial Amount	Initial Amortization Period	Remaining Balance at Valuation Date	Remaining Amortization Period	Annual Amortization Payment
July 1, 2009	GASB 45 Liability	29,616,372	30	36,642,462	24	2,204,666
July 1, 2015	Cumulative (Gain) / Loss	(321,124)	30	(321,124)	30	(16,871)
July 1, 2015	Adjustment to ARC	(21,086,376)	30	(21,086,376)	30	(1,107,724)
Total				15,234,962		1,080,071

11. Recognition of OPEB trust assets

The State of Massachusetts has recently passed legislation allowing municipal entities to establish a trust for Other Postemployment Benefits (“OPEB”) under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 45. To the best of our knowledge, Town of Medway has established an irrevocable trust for the purposes of prefunding liabilities under GASB 45.

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

12. Impact of Patient Protection and Affordable Care Act ("PPACA") Excise Tax

Under the Patient Protection and Affordable Care Act ("PPACA"), an excise tax will be imposed for tax years beginning after December 31, 2019 (formerly December 31, 2017, but amended by Consolidated Appropriations Act) for high cost employer sponsored health coverage. The law specifies a 40% excise tax, to be paid by the provider of such coverage, of the excess value beyond a basic dollar amount plus an additional "kicker" for qualified retirees or those engaged in a high risk profession. The threshold amounts for 2018 (original legislation) were \$10,200 for single coverage and \$27,500 for family coverage and a "kicker" amount of \$1,650 for single coverage and \$3,450 for family coverage. These threshold and kicker amounts are expected to be updated because of the Consolidated Appropriations Act before the tax takes effect in 2020, but currently the updated amounts have not been released.

The excise tax liability will vary significantly over time as it is highly leveraged with the basic threshold amount increased with general CPI and medical costs increasing with medical trend (generally higher). For purposes of the fiscal year ending June 30, 2016, the AAL for the excise tax is \$899,107 and the increase in annual OPEB Cost is \$146,156. Given your premiums through the 2015 fiscal year and the excise tax threshold, your single premiums are within 78.45% of the excise tax and your family premiums are within 35.08% of the excise tax. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

13. Impact of Section 9A 1/2 of M.G.L. Chapter 32B

For employees who retire on or after January 1, 2011 whenever a retired employee or beneficiary receives a healthcare premium contribution from a governmental unit in a case where a portion of the retiree's creditable service is attributable to service in 1 or more other governmental units, the first governmental unit shall be reimbursed in full, in accordance with this paragraph, by the other governmental units for the portion of the premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable to each governmental unit. The other governmental units shall be charged based on their own contribution rate or the contribution rate of the first employer, whichever is lower.

For purposes of the valuation we have not attempted to value the impact of prior governmental service at other entities in the State of Massachusetts for current employees of the Town of Medway nor have we attempted to value the impact of prior Town of Medway employees currently working at other governmental entities in the State of Massachusetts.

EXHIBIT B

Reconciliation of Plan Participation
(As of July 1, 2015)

ACTIVE EMPLOYEES

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
A. Average Age at Hire	36.18	36.80
B. Average Service	11.03	11.10
C. Average Current Age	47.21	47.90

RETIRED EMPLOYEES & DEPENDENTS

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
I. Retirees		
A. Under Age 65	32	28
B. Age 65 & Over	<u>220</u>	<u>124</u>
C. Total Retirees	252	152
II. Dependents of Retirees		
A. Under Age 65	9	11
B. Age 65 & Over	<u>7</u>	<u>54</u>
C. Total Retirees	16	65
III. Retirees & Dependents		
A. Under Age 65	41	39
B. Age 65 & Over	<u>227</u>	<u>178</u>
C. Total Retirees	268	217

EXHIBIT C

Projected Cash Flows (Open Group) - Pay-as-you-go Funding Approach

Total Medical, Dental & Life Insurance - Pay-as-you-go Funding - 3.50% discount rate

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of		III. Unfunded Accrued Actuarial Liability ("UAAAL")	IV. Normal Cost	V. Expected Amortization	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Excess Employer Payments (beyond claims)
	July 1	II. Plan Assets as of July 1	[I. - II.]						Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]			
2016	36,572,225	250,887	36,321,338	1,658,506	2,204,666	738,023	(1,107,726)	(16,871)	3,476,596	21,086,376	963,846	100,000
2017	38,153,030	351,272	37,801,758	1,720,119	2,204,666	822,469	(1,234,472)	109,875	3,622,657	25,967,373	1,054,410	100,000
2018	39,839,885	465,301	39,374,584	1,783,740	2,204,666	908,858	(1,364,135)	239,538	3,772,667	28,495,152	1,144,888	100,000
2019	41,575,195	583,321	40,991,874	1,846,254	2,204,666	997,331	(1,496,927)	372,330	3,923,654	31,106,750	1,212,056	100,000
2020	43,377,388	705,472	42,671,916	1,912,733	2,204,666	1,088,736	(1,634,120)	509,523	4,081,538	33,815,661	1,272,627	100,000
2021	45,264,543	831,898	44,432,645	1,983,927	2,204,666	1,183,548	(1,776,428)	651,831	4,247,544	36,609,254	1,353,951	100,000
2022	47,493,253	962,749	46,530,504	2,078,751	2,204,666	1,281,324	(1,923,182)	798,585	4,440,144	39,510,420	1,438,978	100,000
2023	49,802,644	1,098,180	48,704,464	2,169,830	2,204,666	1,382,865	(2,075,589)	950,992	4,632,764	42,554,677	1,488,507	100,000
2024	52,247,775	1,238,351	51,009,424	2,271,380	2,204,666	1,489,414	(2,235,512)	1,110,915	4,840,863	45,701,941	1,593,600	100,000
2025	54,767,360	1,383,428	53,383,932	2,374,711	2,204,666	1,599,568	(2,400,846)	1,276,249	5,054,348	48,980,372	1,675,918	100,000
2026	57,368,713	1,533,583	55,835,130	2,477,960	2,204,666	1,714,314	(2,573,071)	1,448,474	5,272,343	52,375,392	1,777,323	100,000
2027	60,084,667	1,688,993	58,395,674	2,582,239	2,204,666	1,833,139	(2,751,420)	1,626,823	5,495,447	55,861,237	1,909,601	100,000
2028	62,805,688	1,849,843	60,955,845	2,686,371	2,204,666	1,955,144	(2,934,541)	1,809,944	5,721,584	59,482,646	2,000,175	100,000
2029	65,639,905	2,016,322	63,623,583	2,810,238	2,204,666	2,081,893	(3,124,784)	2,000,187	5,972,200	63,267,892	2,086,953	100,000
2030	68,474,234	2,188,628	66,285,606	2,920,309	2,204,666	2,214,376	(3,323,633)	2,199,036	6,214,754	67,166,312	2,216,334	100,000
2031	71,448,082	2,366,965	69,081,117	3,044,757	2,204,666	2,350,822	(3,528,427)	2,403,830	6,475,648	71,270,954	2,271,006	100,000
2032	74,664,451	2,551,544	72,112,907	3,177,724	2,204,666	2,494,483	(3,744,054)	2,619,457	6,752,276	75,537,111	2,386,119	100,000
2033	77,837,996	2,742,583	75,095,413	3,305,088	2,204,666	2,643,799	(3,968,167)	2,843,570	7,028,956	80,007,612	2,458,455	100,000
2034	81,142,809	2,940,308	78,202,501	3,444,949	2,204,666	2,800,267	(4,203,015)	3,078,418	7,325,285	84,720,241	2,512,656	100,000
2035	84,769,199	3,144,954	81,624,245	3,598,442	2,204,666	2,965,208	(4,450,582)	3,325,985	7,643,719	89,654,010	2,609,949	100,000
2036	88,299,031	3,356,762	84,942,269	3,746,583	2,204,666	3,137,891	(4,709,766)	3,585,169	7,964,543	94,839,464	2,679,090	100,000
2037	92,480,885	3,575,984	88,904,901	3,910,554	2,204,666	3,319,381	(4,982,171)	3,857,574	8,310,004	100,291,231	2,758,237	100,000
2038	96,804,994	3,802,878	93,002,116	4,076,973	2,204,666	3,510,193	(5,268,568)	4,143,971	8,667,235	105,952,324	2,906,143	100,000
2039	101,026,435	4,037,714	96,988,721	4,258,647	2,204,666	3,708,331	(5,565,960)	4,441,363	9,047,047	111,851,642	3,047,728	100,000
2040	105,645,986	4,280,769	101,365,217	4,449,269	0	3,914,808	(5,875,867)	4,751,270	7,239,480	115,769,935	3,221,187	100,000
2041	110,393,242	4,532,331	105,860,911	4,652,296	0	4,051,948	(6,081,706)	4,957,109	7,579,647	119,824,842	3,424,740	100,000
2042	115,251,155	4,792,698	110,458,457	4,866,772	0	4,193,869	(6,294,721)	5,170,124	7,936,044	124,053,895	3,606,991	100,000
2043	120,477,124	5,062,177	115,414,947	5,096,360	0	4,341,887	(6,516,885)	5,392,288	8,313,650	128,457,028	3,810,518	100,000
2044	125,832,726	5,341,088	120,491,638	5,336,859	0	4,495,996	(6,748,193)	5,623,596	8,708,258	133,144,401	3,920,885	100,000
2045	131,552,190	5,629,761	125,922,429	5,600,772	0	4,660,054	(6,994,433)	5,869,836	9,136,229	138,050,187	4,130,442	100,000
2046	137,531,046	5,928,538	131,602,508	5,870,025	0	4,831,756	(7,252,147)	7,252,147	10,701,781	144,400,259	4,251,709	100,000
2047	143,708,538	6,237,772	137,470,766	6,154,391	0	5,054,009	(7,585,734)	7,585,734	11,208,400	151,121,608	4,387,051	100,000

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding over 30 years at 7.00% discount rate using current funding schedule

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of		III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]		IV. Normal Cost		V. Expected Amortization		VI. Interest on Net OPEB Obligation (Asset)		VII. Adjustment to ARC		VIII. Amortization of Actuarial (Gain) / Loss		IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]		X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
	July 1	II. Plan Assets as of July 1																	
2016	22,642,061	250,887	22,391,174	688,298	2,896,461	1,476,047	(1,588,108)	(1,073,327)	2,399,371	21,086,376	22,421,901	963,846	100,000						
2017	23,705,815	FALSE	23,705,815	712,396	2,896,461	1,569,534	(1,688,692)	(972,743)	2,516,956	22,935,847	1,054,410	948,600							
2018	24,798,998	948,600	23,850,398	737,014	2,896,461	1,605,510	(1,727,400)	(934,035)	2,577,550	23,419,909	1,144,888	948,600							
2019	25,911,971	1,963,602	23,948,369	760,882	2,896,461	1,639,394	(1,763,855)	(897,580)	2,635,302	23,894,555	1,212,056	948,600							
2020	27,065,871	3,049,654	24,016,217	785,932	2,896,461	1,672,620	(1,799,604)	(861,831)	2,693,578	24,366,906	1,272,627	948,600							
2021	28,275,171	4,211,730	24,063,441	813,166	2,896,461	1,705,683	(1,835,179)	(826,256)	2,753,875	24,818,230	1,353,951	948,600							
2022	29,671,256	5,455,151	24,216,105	849,513	2,896,461	1,737,277	(1,869,170)	(792,265)	2,821,816	25,252,468	1,438,978	948,600							
2023	31,108,626	6,785,612	24,323,014	883,431	2,896,461	1,767,673	(1,901,875)	(759,560)	2,886,130	25,701,491	1,488,507	948,600							
2024	32,637,259	8,209,205	24,428,054	921,919	2,896,461	1,799,104	(1,935,692)	(725,743)	2,956,049	26,115,340	1,593,600	948,600							
2025	34,197,189	9,732,449	24,464,740	961,098	2,896,461	1,828,073	(1,966,861)	(694,574)	3,024,197	26,515,019	1,675,918	948,600							
2026	35,802,946	11,362,320	24,440,626	999,405	2,896,461	1,856,051	(1,996,962)	(664,473)	3,090,482	26,879,578	1,777,323	948,600							
2027	37,467,581	13,106,282	24,361,299	1,037,496	2,896,461	1,881,570	(2,024,420)	(637,015)	3,154,092	27,175,469	1,909,601	948,600							
2028	39,110,935	14,972,322	24,138,613	1,074,840	2,896,461	1,902,282	(2,046,704)	(614,731)	3,212,148	27,438,842	2,000,175	948,600							
2029	40,811,966	16,968,985	23,842,981	1,120,483	2,896,461	1,920,720	(2,066,540)	(594,895)	3,276,229	27,679,518	2,086,953	948,600							
2030	42,496,250	19,105,414	23,390,836	1,160,004	2,896,461	1,937,567	(2,084,667)	(576,768)	3,332,597	27,847,181	2,216,334	948,600							
2031	44,247,955	21,391,393	22,856,562	1,205,229	2,896,461	1,949,303	(2,097,294)	(564,141)	3,389,558	28,017,133	2,271,006	948,600							
2032	46,154,091	23,837,391	22,316,700	1,254,319	2,896,461	1,961,199	(2,110,093)	(551,342)	3,450,544	28,132,958	2,386,119	948,600							
2033	48,009,967	26,454,608	21,555,359	1,300,692	2,896,461	1,969,307	(2,118,817)	(542,618)	3,505,025	28,230,928	2,458,455	948,600							
2034	49,959,089	29,255,031	20,704,058	1,352,222	2,896,461	1,976,165	(2,126,196)	(535,239)	3,563,413	28,333,085	2,512,656	948,600							
2035	52,105,763	32,251,483	19,854,280	1,409,328	2,896,461	1,983,316	(2,133,889)	(527,546)	3,627,670	28,402,206	2,609,949	948,600							
2036	54,183,618	35,457,687	18,725,931	1,464,012	2,896,461	1,988,155	(2,139,095)	(522,340)	3,687,193	28,461,709	2,679,090	948,600							
2037	56,668,146	38,888,325	17,779,821	1,525,281	2,896,461	1,992,320	(2,143,577)	(517,858)	3,752,627	28,507,499	2,758,237	948,600							
2038	59,251,010	42,559,108	16,691,902	1,587,242	2,896,461	1,995,525	(2,147,025)	(514,410)	3,817,793	28,470,549	2,906,143	948,600							
2039	61,765,918	46,486,846	15,279,072	1,655,182	2,896,461	1,992,938	(2,144,242)	(517,193)	3,883,146	28,357,367	3,047,728	948,600							
2040	64,507,361	50,689,525	13,817,836	1,726,638	0	1,985,015	(2,135,718)	(525,717)	1,050,218	25,237,798	3,221,187	948,600							
2041	67,311,897	55,186,392	12,125,505	1,803,011	0	1,766,646	(1,900,769)	(759,580)	909,308	21,773,766	3,424,740	948,600							
2042	70,140,747	59,998,039	10,142,708	1,883,648	0	1,524,163	(1,639,878)	(1,018,460)	749,473	17,967,648	3,606,991	948,600							
2043	73,152,823	65,146,502	8,006,321	1,970,229	0	1,257,736	(1,353,223)	(1,303,135)	571,607	13,780,137	3,810,518	948,600							
2044	76,208,383	70,655,357	5,553,026	2,060,983	0	964,610	(1,037,843)	(1,616,566)	371,184	9,281,836	3,920,885	948,600							
2045	79,477,678	76,549,832	2,927,846	2,160,974	0	649,728	(699,056)	(1,953,437)	158,209	4,361,003	4,130,442	948,600							
2046	82,849,258	82,856,920	(7,662)	2,262,781	0	305,271	(328,446)	339,270	2,578,876	2,695,832	4,251,709	(7,662)							
2047	86,352,390	88,649,242	(2,296,852)	2,370,462	0	188,708	(203,036)	214,467	2,570,601	3,176,234	4,387,051	(2,296,852)							

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding over 30 years at 7.00% discount rate using current funding schedule

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of July 1	II. Plan Assets as of July 1	III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
2016	22,642,061	250,887	22,391,174	688,298	2,896,461	1,476,047	(1,588,108)	(1,073,327)	2,399,371	21,086,376	963,846	100,000
2017	23,705,815	FALSE	23,705,815	712,396	2,896,461	1,569,534	(1,688,692)	(972,743)	2,516,956	22,421,901	1,054,410	735,700
2018	24,798,998	735,700	24,063,298	737,014	2,896,461	1,605,510	(1,727,400)	(934,035)	2,577,550	23,827,316	1,144,888	754,093
2019	25,911,971	1,541,292	24,370,679	760,882	2,896,461	1,639,394	(1,763,855)	(897,580)	2,635,302	24,477,617	1,212,056	772,945
2020	27,065,871	2,422,127	24,643,744	785,932	2,896,461	1,672,620	(1,799,604)	(861,831)	2,693,578	25,106,299	1,272,627	792,269
2021	28,275,171	3,383,945	24,891,226	813,166	2,896,461	1,705,683	(1,835,179)	(826,256)	2,753,875	25,694,147	1,353,951	812,076
2022	29,671,256	4,432,897	25,238,359	849,513	2,896,461	1,737,277	(1,869,170)	(792,265)	2,821,816	26,244,607	1,438,978	832,378
2023	31,108,626	5,575,578	25,533,048	883,431	2,896,461	1,767,673	(1,901,875)	(759,560)	2,886,130	26,789,043	1,488,507	853,187
2024	32,637,259	6,819,055	25,818,204	921,919	2,896,461	1,799,104	(1,935,692)	(725,743)	2,956,049	27,276,975	1,593,600	874,517
2025	34,197,189	8,170,906	26,026,283	961,098	2,896,461	1,828,073	(1,966,861)	(694,574)	3,024,197	27,728,874	1,675,918	896,380
2026	35,802,946	9,639,249	26,163,697	999,405	2,896,461	1,856,051	(1,996,962)	(664,473)	3,090,482	28,123,243	1,777,323	918,790
2027	37,467,581	11,232,786	26,234,795	1,037,496	2,896,461	1,881,570	(2,024,420)	(637,015)	3,154,092	28,425,974	1,909,601	941,760
2028	39,110,935	12,960,841	26,150,094	1,074,840	2,896,461	1,902,282	(2,046,704)	(614,731)	3,212,148	28,672,643	2,000,175	965,304
2029	40,811,966	14,833,404	25,978,562	1,120,483	2,896,461	1,920,720	(2,066,540)	(594,895)	3,276,229	28,872,482	2,086,953	989,437
2030	42,496,250	16,861,179	25,635,071	1,160,004	2,896,461	1,937,567	(2,084,667)	(576,768)	3,332,597	28,974,572	2,216,334	1,014,173
2031	44,247,955	19,055,635	25,192,320	1,205,229	2,896,461	1,949,303	(2,097,294)	(564,141)	3,389,558	29,053,597	2,271,006	1,039,527
2032	46,154,091	21,429,056	24,725,035	1,254,319	2,896,461	1,961,199	(2,110,093)	(551,342)	3,450,544	29,052,507	2,386,119	1,065,515
2033	48,009,967	23,994,605	24,015,362	1,300,692	2,896,461	1,969,307	(2,118,817)	(542,618)	3,505,025	29,006,924	2,458,455	1,092,153
2034	49,959,089	26,766,380	23,192,709	1,352,222	2,896,461	1,976,165	(2,126,196)	(535,239)	3,563,413	28,938,224	2,512,656	1,119,457
2035	52,105,763	29,759,484	22,346,279	1,409,328	2,896,461	1,983,316	(2,133,889)	(527,546)	3,627,670	28,808,502	2,609,949	1,147,443
2036	54,183,618	32,990,091	21,193,527	1,464,012	2,896,461	1,988,155	(2,139,095)	(522,340)	3,687,193	28,640,476	2,679,090	1,176,129
2037	56,668,146	36,475,526	20,192,620	1,525,281	2,896,461	1,992,320	(2,143,577)	(517,858)	3,752,627	28,429,334	2,758,237	1,205,532
2038	59,251,010	40,234,345	19,016,665	1,587,242	2,896,461	1,995,525	(2,147,025)	(514,410)	3,817,793	28,105,314	2,906,143	1,235,670
2039	61,765,918	44,286,419	17,479,499	1,655,182	2,896,461	1,992,938	(2,144,242)	(517,193)	3,883,146	27,674,170	3,047,728	1,266,562
2040	64,507,361	48,653,030	15,854,331	1,726,638	0	1,985,015	(2,135,718)	(525,717)	1,050,218	24,204,975	3,221,187	1,298,226
2041	67,311,897	53,356,968	13,954,929	1,803,011	0	1,766,646	(1,900,769)	(759,580)	909,308	20,358,861	3,424,740	1,330,682
2042	70,140,747	58,422,638	11,718,109	1,883,648	0	1,524,163	(1,639,878)	(1,018,460)	749,473	16,137,394	3,606,991	1,363,949
2043	73,152,823	63,876,172	9,276,651	1,970,229	0	1,257,736	(1,353,223)	(1,303,135)	571,607	11,500,435	3,810,518	1,398,048
2044	76,208,383	69,745,552	6,462,831	2,060,983	0	964,610	(1,037,843)	(1,616,566)	371,184	6,517,735	3,920,885	1,432,999
2045	79,477,678	76,060,740	3,416,938	2,160,974	0	649,728	(699,056)	(1,953,437)	158,209	1,076,678	4,130,442	1,468,824
2046	82,849,258	82,853,816	(4,558)	2,262,781	0	305,271	(328,446)	339,270	2,578,876	(591,597)	4,251,709	(4,558)

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding Annual Normal Cost - 3.50% discount rate

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL")	II. Normal Cost	III. Employer Share of Premiums / Claims including "implicit cost"	IV. Funding Normal Cost beyond claims	V. Total Funding Costs [III. + IV.]	VI. Present	VII. Present	VIII. Present Value at 3.50% of Total Funding Costs + VII.]	IX. Plan Assets at Beginning of year	X. Unfunded Accrued Liability ("UAAL") - IX.]	XI. Present Value at 3.50% of Unfunded Accrued Liability ("UAAL")
						Value at 3.50% of Employer Share of Premiums / Claims including "implicit cost"	Value at 3.50% of Funding beyond claims			Value at 3.50% of Total Funding Costs + VII.]	Value at 3.50% of Unfunded Accrued Liability ("UAAL") [I.
2016	36,572,225	1,658,506	963,846	694,660	1,658,506	963,846	694,660	1,658,506	250,887	36,321,338	36,321,338
2017	38,153,030	1,720,119	1,054,410	665,709	1,720,119	1,018,754	643,197	1,661,951	954,328	37,198,702	35,940,775
2018	39,839,885	1,783,740	1,144,888	638,852	1,783,740	1,068,765	596,375	1,665,140	1,653,438	38,186,447	35,647,457
2019	41,575,195	1,846,254	1,212,056	634,198	1,846,254	1,093,205	572,010	1,665,215	2,350,160	39,225,035	35,378,734
2020	43,377,388	1,912,733	1,272,627	640,106	1,912,733	1,109,021	557,815	1,666,836	3,066,614	40,310,774	35,128,511
2021	45,264,543	1,983,927	1,353,951	629,976	1,983,927	1,139,990	530,423	1,670,413	3,814,051	41,450,492	34,900,202
2022	47,493,253	2,078,751	1,438,978	639,773	2,078,751	1,170,610	520,456	1,691,066	4,577,519	42,915,734	34,911,977
2023	49,802,644	2,169,830	1,488,507	681,323	2,169,830	1,169,953	535,514	1,705,467	5,377,505	44,425,139	34,917,758
2024	52,247,775	2,271,380	1,593,600	677,780	2,271,380	1,210,198	514,714	1,724,912	6,247,041	46,000,734	34,933,489
2025	54,767,360	2,374,711	1,675,918	698,793	2,374,711	1,229,673	512,726	1,742,399	7,143,467	47,623,893	34,943,125
2026	57,368,713	2,477,960	1,777,323	700,637	2,477,960	1,259,978	496,695	1,756,673	8,092,281	49,276,432	34,932,990
2027	60,084,667	2,582,239	1,909,601	672,638	2,582,239	1,307,973	460,721	1,768,694	9,076,148	51,008,519	34,938,066
2028	62,805,688	2,686,371	2,000,175	686,196	2,686,371	1,323,682	454,113	1,777,795	10,066,451	52,739,237	34,901,946
2029	65,639,905	2,810,238	2,086,953	723,285	2,810,238	1,334,406	462,471	1,796,877	11,104,973	54,534,932	34,869,862
2030	68,474,234	2,920,309	2,216,334	703,975	2,920,309	1,369,211	434,903	1,804,114	12,216,932	56,257,302	34,754,737
2031	71,448,082	3,044,757	2,271,006	773,751	3,044,757	1,355,542	461,845	1,817,387	13,348,500	58,099,582	34,679,095
2032	74,664,451	3,177,724	2,386,119	791,605	3,177,724	1,376,089	456,523	1,832,612	14,589,449	60,075,002	34,645,609
2033	77,837,996	3,305,088	2,458,455	846,633	3,305,088	1,369,860	471,747	1,841,607	15,891,685	61,946,311	34,516,719
2034	81,142,809	3,444,949	2,512,656	932,293	3,444,949	1,352,716	501,910	1,854,626	17,294,527	63,848,282	34,373,434
2035	84,769,199	3,598,442	2,609,949	988,493	3,598,442	1,357,580	514,170	1,871,750	18,832,128	65,937,071	34,297,543
2036	88,299,031	3,746,583	2,679,090	1,067,493	3,746,583	1,346,419	536,486	1,882,905	20,479,745	67,819,286	34,083,659
2037	92,480,885	3,910,554	2,758,237	1,152,317	3,910,554	1,339,320	559,532	1,898,852	22,264,029	70,216,856	34,095,262
2038	96,804,994	4,076,973	2,906,143	1,170,830	4,076,973	1,363,419	549,296	1,912,715	24,195,587	72,609,407	34,064,749
2039	101,026,435	4,258,647	3,047,728	1,210,919	4,258,647	1,381,491	548,892	1,930,383	26,213,263	74,813,172	33,911,736
2040	105,645,986	4,449,269	3,221,187	1,228,082	4,449,269	1,410,742	537,847	1,948,589	28,341,646	77,304,340	33,855,987
2041	110,393,242	4,652,296	3,424,740	1,227,556	4,652,296	1,449,168	519,437	1,968,605	30,561,686	79,831,556	33,780,483
2042	115,251,155	4,866,772	3,606,991	1,259,781	4,866,772	1,474,674	515,046	1,989,720	32,858,901	82,392,254	33,685,057
2043	120,477,124	5,096,360	3,810,518	1,285,842	5,096,360	1,505,201	507,923	2,013,124	35,268,744	85,208,380	33,658,353
2044	125,832,726	5,336,859	3,920,885	1,415,974	5,336,859	1,496,423	540,413	2,036,836	37,788,992	88,043,734	33,602,273
2045	131,552,190	5,600,772	4,130,442	1,470,330	5,600,772	1,523,093	542,181	2,065,274	40,527,581	91,024,609	33,565,157
2046	137,531,046	5,870,025	4,251,709	1,618,316	5,870,025	1,514,792	576,571	2,091,363	43,416,376	94,114,670	33,531,025

EXHIBIT D

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - Pay-as-you-go Funding

Fiscal Year	Number of Retirees, Spouses & Surviving Spouses	Total Actuarial Accrued Liability ("AAL")	Present Value at 3.50% of Total Actuarial Accrued Liability ("AAL")	Employer Share of Premiums / Claims including "implicit cost"	Present Value at 3.50% of Employer Share of Premiums / Claims including "implicit cost"
2016	268	36,572,225	36,572,225	963,846	963,846
2017	286	38,153,030	36,862,831	1,054,410	1,018,754
2018	300	39,839,885	37,190,959	1,144,888	1,068,765
2019	310	41,575,195	37,498,444	1,212,056	1,093,205
2020	320	43,377,388	37,800,888	1,272,627	1,109,021
2021	328	45,264,543	38,111,531	1,353,951	1,139,990
2022	334	47,493,253	38,635,792	1,438,978	1,170,610
2023	339	49,802,644	39,144,428	1,488,507	1,169,953
2024	342	52,247,775	39,677,564	1,593,600	1,210,198
2025	345	54,767,360	40,184,508	1,675,918	1,229,673
2026	347	57,368,713	40,669,760	1,777,323	1,259,978
2027	349	60,084,667	41,154,735	1,909,601	1,307,973
2028	350	62,805,688	41,563,755	2,000,175	1,323,682
2029	351	65,639,905	41,970,428	2,086,953	1,334,406
2030	351	68,474,234	42,302,135	2,216,334	1,369,211
2031	350	71,448,082	42,646,690	2,271,006	1,355,542
2032	349	74,664,451	43,059,430	2,386,119	1,376,089
2033	346	77,837,996	43,371,626	2,458,455	1,369,860
2034	342	81,142,809	43,684,135	2,512,656	1,352,716
2035	339	84,769,199	44,093,181	2,609,949	1,357,580
2036	335	88,299,031	44,376,081	2,679,090	1,346,419
2037	331	92,480,885	44,906,027	2,758,237	1,339,320
2038	327	96,804,994	45,416,124	2,906,143	1,363,419
2039	324	101,026,435	45,793,832	3,047,728	1,381,491
2040	322	105,645,986	46,268,413	3,221,187	1,410,742
2041	319	110,393,242	46,712,568	3,424,740	1,449,168
2042	316	115,251,155	47,119,014	3,606,991	1,474,674
2043	315	120,477,124	47,589,939	3,810,518	1,505,201
2044	313	125,832,726	48,024,606	3,920,885	1,496,423
2045	312	131,552,190	48,509,627	4,130,442	1,523,093
2046	311	137,531,046	48,999,342	4,251,709	1,514,792
2047	310	143,708,538	49,468,840	4,387,051	1,510,156
2048	309	150,485,302	50,049,863	4,544,669	1,511,510
2049	308	157,357,925	50,565,823	4,671,630	1,501,194
2050	309	164,987,283	51,224,600	4,831,070	1,499,932
2051	309	173,090,884	51,923,260	5,005,101	1,501,414
2052	309	181,308,278	52,549,071	5,111,832	1,481,576
2053	309	190,272,910	53,282,429	5,258,278	1,472,484
2054	309	199,634,977	54,013,627	5,363,184	1,451,073
2055	308	209,807,096	54,846,198	5,550,596	1,450,995

EXHIBIT E

GLOSSARY

AAL – Actuarial Accrued Liability. That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Accrual Accounting - A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarial Value of Assets – The value of cash, investments, other assets and property belonging to an OPEB trust, pension fund or similar entity, as used by the actuary for the purpose of actuarial valuation. Some funds may be restricted for other purposes, and “smoothing” of investment gains and losses often make the actuarial value of assets different from the market value of assets.

Annual Required Contribution – Normal Cost plus an amortization of the funding shortfall over a period of no more than 30 years.

Cash Basis Accounting - A system of accounting in which revenues are recorded when actually received and outlays are recorded when payment is made.

Discount Rate – The interest rate used to calculate present value of a series of future cash flows. Under GASB 45, the rate should be “long term expected yield on the investments that are expected to be used to pay benefits as they come due. These would be plan investments for a funded plan, the employer’s investments for a pay as you go plan [e.g. short term county investment pool], or a weighted average of expected plan and employer investments for a plan that is partially funded”.

FASB – Financial Accounting Standards Board. “Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting”.

GASB - Government Accounting Standards Board. “The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities.”

EXHIBIT E

GLOSSARY

(continued)

GFOA – Government Finance Officers Association. “GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.”

Implicit Subsidy – “The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.”

Irrevocable Contribution – “Irrevocably transferred assets to a qualifying trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator. The preceding criteria preclude counting as [irrevocable] contributions (a) designations of net assets of a governmental or proprietary fund to be used for OPEB or (b) internal transfers of assets to a separate governmental or proprietary fund for the same purpose. Rather, such actions should be regarded as earmarking of employer assets.”

Level Dollar Amortization – Funding a shortfall in OPEB assets with equal dollar payments over a designated number of years (no more than 30 years). The present value of the level payments equals the present value of unfunded liabilities, the UAAL.

Level Percent of Payroll Amortization – Funding a shortfall in OPEB assets as a level percent of payroll over a designated number of years (no more than 30 years). The present value of the payments equals the present value of unfunded liabilities, the UAAL. Level percent of payroll typically has lower payments in the early years than level dollar amortization. When using level payroll amortization, employee count is assumed to be constant, and the payroll differences arise from overall wage trends.

EXHIBIT E

GLOSSARY

(continued)

Normal Cost - The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Normal cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

NOA - Net OPEB Asset. The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.

NOO - Net OPEB Obligation. The cumulative difference since the effective date of GASB Statement number 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

OPEB - Other Post Employment Benefits

OPEB Trust - An entity other than a pension or retirement system which manages OPEB assets. In many respects it is similar to a pension fund for OPEB. For reasons detailed in GASB 45, contributions to an OPEB trust should be irrevocable in order to obtain the most favorable accounting treatment.

Pay-as-you-go funding - Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

POB - Pension Obligation Bond. Generally yielding taxable interest, POBs are issued to help fund a previously unfunded or underfunded pension liability.

UAAL - Unfunded Accrued Actuarial Liability. Actuarial Accrued Liability minus the Actuarial Value of Assets.

**Town of Medway Other
Postemployment Benefits Plan**

GASB 45 Actuarial Valuation

as of

July 1, 2015

For the fiscal years ending

June 30, 2016

June 30, 2017

Delivered August 2016

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August 19, 2016

Personal and Confidential

Ms. Carol Pratt
Town Accountant
Town of Medway
155 Village Street
Medway, MA 02053

Dear Ms. Pratt:

We have performed an actuarial valuation of the Town of Medway Other Postemployment Benefits Plan for the fiscal year ending June 30, 2016. The figures presented in this report reflect the adoption, by the Town of Medway, of Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") effective July 1, 2009.

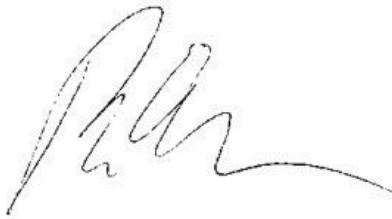
The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.

We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

August 19, 2016

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Medway other postemployment benefit programs as of July 1, 2015 for the fiscal year ending June 30, 2016 in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial data is based on the plan of benefits verified by the Town and on participant claims or premium data provided by the Town and/or vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may yield results significantly different than those reported here. As such, additional determinations may be needed for other purposes including determining the benefit security at termination and/or adequacy of the funding of an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

**Town of Medway
Assuming Pay-as-you-go Funding - 3.50% discount rate
Comparison of Plan Liabilities to Prior Valuation**

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
I. Present Value of Future Benefits		
A. Actives	43,170,857	41,796,391
B. Retirees/Disabled	<u>14,706,284</u>	<u>15,207,846</u>
C. Total	57,877,141	57,004,237
II. Present Value of Future Normal Cost	21,304,916	18,596,665
III. Actuarial Accrued Liability (Individual Entry Age Normal)		
A. Actives	21,865,941	23,199,726
B. Retirees/Disabled	<u>14,706,284</u>	<u>15,207,846</u>
C. Total	36,572,225	38,407,572
IV. Plan Assets	250,887	50,489
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	36,321,338	38,357,083
VI. Funded Ratio [IV. / III.]	0.69%	0.13%
VII. Annual Covered Payroll	19,023,211	18,282,384
VIII. UAAL as % of Covered Payroll	190.90%	209.8%
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	21,086,376	15,097,892
X. Number of Eligible Participants		
A. Actives	280	310
B. Retirees/Disabled	268	217
C. Total	548	527
For Fiscal Year Ending June 30, 2016	<u>June 30, 2016</u>	<u>June 30, 2014</u>
XI. Normal Cost	1,658,506	1,906,754
XII. Amortization of UAAL - 30 year flat dollar	2,204,666	2,283,446
XIII. Annual Required Contribution ('ARC') [XI. + XII.]	3,863,172	4,190,200
XIV. Interest on Net OPEB Obligation (Asset)	738,023	603,916
XV. Adjustment to Annual Required Contribution	(1,107,726)	(934,749)
XVI. Amortization of Actuarial (Gains) / Losses	(16,871)	81,091
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	3,476,598	3,940,458
XVIII. Employer Share of Costs	963,846	925,505
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	100,000	50,000
XX. Total Employer Contribution [XVIII. + XIX.]	1,063,846	975,505
XXI. Percentage of Annual OPEB Expense Contributed	30.6%	24.8%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	21,086,376	15,097,892
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	2,412,752	2,964,953
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	23,499,128	18,062,845
XXV. Discount Rate	3.50%	4.00%

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Medway
Comparison of Plan Funding vs. Pay-as-you-go Funding

	<u>Pay-as-you-go Funding -</u> <u>3.50% discount rate</u>	<u>Plan Funding -7.00%</u> <u>discount rate</u>
I. Present Value of Future Benefits		
A. Actives	43,170,857	18,549,145
B. Retirees/Disabled	14,706,284	10,318,265
C. Total	57,877,141	28,867,410
II. Present Value of Future Normal Cost	21,304,916	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)		
A. Actives	21,865,941	12,323,796
B. Retirees/Disabled	14,706,284	10,318,265
C. Total	36,572,225	22,642,061
IV. Plan Assets	250,887	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	36,321,338	22,391,174
VI. Funded Ratio [IV. / III.]	0.69%	1.11%
VII. Annual Covered Payroll	19,023,211	19,023,211
VIII. UAAL as % of Covered Payroll	190.90%	117.70%
IX. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	21,086,376	21,086,376
X. Number of Eligible Participants		
A. Actives	280	280
B. Retirees/Disabled	268	268
C. Total	548	548
For Fiscal Year Ending June 30, 2016		
XI. Normal Cost	1,658,506	649,338
XII. Amortization of UAAL - 30 year flat dollar	2,204,666	2,896,461
XIII. Annual Required Contribution ('ARC') [XI. + XII.]	3,863,172	3,545,799
XIV. Interest on Net OPEB Obligation (Asset)	738,023	1,476,047
XV. Adjustment to Annual Required Contribution	(1,107,726)	(1,588,108)
XVI. Amortization of Actuarial (Gains) / Losses	(16,871)	(1,073,327)
XVII. Annual OPEB Expense [XIII. + XIV. + XV. + XVI.]	3,476,598	2,360,411
XVIII. Employer Share of Costs	963,846	963,846
XIX. Employer Payments (Withdrawals) to/from OPEB Trust	100,000	100,000
XX. Total Employer Contribution [XVIII. + XIX.]	1,063,846	1,063,846
XXI. Percentage of Annual OPEB Expense Contributed	30.6%	45.1%
XXII. Net OPEB Obligation (Asset) at Beginning of Year [IX.]	21,086,376	21,086,376
XXIII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVII. - XX.]	2,412,752	1,296,565
XXIV. Net OPEB Obligation (Asset) at End of Year [XXII. + XXIII.]	23,499,128	22,382,941
XXV. Discount Rate	3.50%	7.00%

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Medway
Assuming Pay-as-you-go Funding - 3.50% discount rate
Plan Liabilities as of July 1, 2015

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	40,548,643	0	71,852	2,550,362	43,170,857
B. Retirees/Disabled	<u>14,381,898</u>	<u>0</u>	<u>156,938</u>	<u>167,448</u>	<u>14,706,284</u>
C. Total	54,930,541	0	228,790	2,717,810	57,877,141
II. Present Value of Future Normal Cost	19,463,238	0	22,975	1,818,703	21,304,916
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	21,085,405	0	48,877	731,659	21,865,941
B. Retirees/Disabled	<u>14,381,898</u>	<u>0</u>	<u>156,938</u>	<u>167,448</u>	<u>14,706,284</u>
C. Total	35,467,303	0	205,815	899,107	36,572,225
IV. Plan Assets	243,400	0	1,453	6,034	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	35,223,903	0	204,362	893,073	36,321,338
VI. Annual Covered Payroll	19,023,211	19,023,211	19,023,211	19,023,211	19,023,211
VII. UAAL as % of Covered Payroll	185.2%	0.0%	1.1%	4.7%	190.9%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	20,449,314	0	118,666	518,396	21,086,376
IX. Number of Eligible Participants					
A. Actives	280	280	280	280	
B. Retirees/Disabled	<u>268</u>	<u>0</u>	<u>252</u>	<u>268</u>	
C. Total	548	280	532	548	
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	1,554,535	0	2,518	101,453	1,658,506
XI. Amortization of UAAL - 30 year flat dollar	2,138,059	0	12,407	54,200	2,204,666
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,692,594	0	14,925	155,653	3,863,172
XIII. Interest on Net OPEB Obligation (Asset)	715,726	0	4,152	18,145	738,023
XIV. Adjustment to Annual Required Contribution	(1,074,258)	0	(6,235)	(27,233)	(1,107,726)
XV. Amortization of Actuarial (Gains) / Losses	(16,365)	0	(97)	(409)	(16,871)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	3,317,697	0	12,745	146,156	3,476,598
XVII. Employer Share of Costs	955,610	0	8,236	0	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	96,979	0	563	2,458	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	1,052,589	0	8,799	2,458	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	31.7%	0.0%	69.0%	1.7%	30.6%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	20,449,314	0	118,666	518,396	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	2,265,108	0	3,946	143,698	2,412,752
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	22,714,422	0	122,612	662,094	23,499,128

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

**Town of Medway
Plan Liabilities as of July 1, 2015
Assuming Pay-as-you-go Funding Method**

	General Government Employees and Retirees	Teacher Employees	School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits											
A. Actives	2,999,459	24,469,648	7,557,403	4,026,523	1,672,397	0	755,417	995,577	379,857	314,576	43,170,857
B. Retirees/Disabled	<u>2,096,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,609,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,706,284</u>
C. Total	5,096,339	24,469,648	7,557,403	4,026,523	1,672,397	12,609,404	755,417	995,577	379,857	314,576	57,877,141
II. Present Value of Future Normal Cost	1,577,595	12,114,936	3,314,825	1,724,647	1,226,509	0	393,745	647,588	179,093	125,978	21,304,916
III. Actuarial Accrued Liability (Individual Entry Age Normal)											
A. Actives	1,421,864	12,354,712	4,242,578	2,301,876	445,888	0	361,672	347,989	200,764	188,598	21,865,941
B. Retirees/Disabled	<u>2,096,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,609,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,706,284</u>
C. Total	3,518,744	12,354,712	4,242,578	2,301,876	445,888	12,609,404	361,672	347,989	200,764	188,598	36,572,225
IV. Plan Assets	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	3,493,975	12,272,991	4,213,792	2,286,554	443,100	12,519,263	359,210	345,759	199,392	187,302	36,321,338
VI. Annual Covered Payroll	2,086,260	10,967,240	3,323,847	1,285,076	321,303	N/A	426,587	206,472	158,371	248,055	19,023,211
VII. UAAL as % of Covered Payroll	167.5%	111.9%	126.8%	177.9%	137.9%	N/A	84.2%	167.5%	125.9%	75.5%	190.9%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
IX. Number of Eligible Participants											
A. Actives	27	147	66	18	6	0	6	4	3	3	280
B. Retirees/Disabled	<u>37</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>268</u>
C. Total	64	147	66	18	6	231	6	4	3	3	548
For Fiscal Year Ending June 30, 2016											
X. Normal Cost	137,801	947,254	305,053	114,228	53,145	0	37,571	32,160	18,498	12,796	1,658,506
XI. Amortization of UAAL - 30 year flat dollar	150,671	750,832	257,719	139,884	27,124	811,657	21,970	21,160	12,196	11,453	2,204,666
XII. Annual Required Contribution ("ARC") [X. + XI.]	288,472	1,698,086	562,772	254,112	80,269	811,657	59,541	53,320	30,694	24,249	3,863,172
XIII. Interest on Net OPEB Obligation (Asset)	70,774	243,864	83,734	45,436	8,803	263,758	7,704	4,428	3,658	5,864	738,023
XIV. Adjustment to Annual Required Contribution	(106,228)	(366,024)	(125,679)	(68,196)	(13,213)	(395,883)	(11,563)	(6,647)	(5,491)	(8,802)	(1,107,726)
XV. Amortization of Actuarial (Gains) / Losses	(1,642)	(5,565)	(1,911)	(1,037)	(201)	(6,020)	(163)	(157)	(90)	(85)	(16,871)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	251,376	1,570,361	518,916	230,315	75,658	673,512	55,519	50,944	28,771	21,226	3,476,598
XVII. Employer Share of Costs	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	155,102	128,170	34,506	9,186	1,227	730,154	2,161	1,003	559	1,778	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	57.9%	6.0%	4.4%	1.3%	0.0%	103.3%	2.1%	0.1%	0.0%	5.9%	27.7%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	96,274	1,442,191	484,410	221,129	74,431	(56,642)	53,358	49,941	28,212	19,448	2,412,752
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Medway

Detail of Plan Liabilities by Group and Dependency Status

Assuming Pay-as-you-go Funding - 3.50% discount rate

Plan Liabilities as of July 1, 2015

	<u>Present Value of Future Benefits</u>	<u>Actuarial Accrued Liability (Individual Entry Age Normal)</u>	<u>Normal Cost</u>
Actives			
Under Age 65			
A. Participants	10,286,257	4,939,143	386,847
B. Spouses	<u>3,781,368</u>	<u>1,869,454</u>	<u>144,401</u>
C. Total	14,067,625	6,808,597	531,248
Age 65 and Over			
A. Participants	18,367,616	9,447,171	710,124
B. Spouses	<u>10,735,616</u>	<u>5,610,173</u>	<u>417,134</u>
C. Total	29,103,232	15,057,344	1,127,258
Actives Total			
A. Participants	28,653,873	14,386,314	1,096,971
B. Spouses	<u>14,516,984</u>	<u>7,479,627</u>	<u>561,535</u>
C. Total	43,170,857	21,865,941	1,658,506
Retirees/Disabled			
Under Age 65			
A. Participants	932,421	932,421	0
B. Spouses	<u>215,396</u>	<u>215,396</u>	<u>0</u>
C. Total	1,147,817	1,147,817	0
Age 65 and Over			
A. Participants	12,537,442	12,537,442	0
B. Spouses	<u>1,021,025</u>	<u>1,021,025</u>	<u>0</u>
C. Total	13,558,467	13,558,467	0
Retirees/Disabled Total			
A. Participants	13,469,863	13,469,863	0
B. Spouses	<u>1,236,421</u>	<u>1,236,421</u>	<u>0</u>
C. Total	14,706,284	14,706,284	0
Total Population			
A. Participants	42,123,736	27,856,177	1,096,971
B. Spouses	<u>15,753,405</u>	<u>8,716,048</u>	<u>561,535</u>
C. Total	57,877,141	36,572,225	1,658,506

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Medway
Assuming Funding over 30 years at 7.00% discount rate
Plan Liabilities as of July 1, 2015

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	17,757,219	0	28,069	763,857	18,549,145
B. Retirees/Disabled	<u>10,127,738</u>	<u>0</u>	<u>109,116</u>	<u>81,411</u>	<u>10,318,265</u>
C. Total	27,884,957	0	137,185	845,268	28,867,410
II. Present Value of Future Normal Cost	5,786,720	0	5,761	432,868	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)					
A. Actives	11,970,499	0	22,308	330,989	12,323,796
B. Retirees/Disabled	<u>10,127,738</u>	<u>0</u>	<u>109,116</u>	<u>81,411</u>	<u>10,318,265</u>
C. Total	22,098,237	0	131,424	412,400	22,642,061
IV. Plan Assets	244,861	0	1,456	4,570	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	21,853,376	0	129,968	407,830	22,391,174
VI. Annual Covered Payroll	19,023,211	19,023,211	19,023,211	19,023,211	19,023,211
VII. UAAL as % of Covered Payroll	114.9%	0.0%	0.7%	2.1%	117.7%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	20,449,314	0	118,666	518,396	21,086,376
IX. Number of Eligible Participants					
A. Actives	280	280	280	280	
B. Retirees/Disabled	<u>268</u>	<u>0</u>	<u>252</u>	<u>268</u>	
C. Total	548	280	532	548	
For Fiscal Year Ending June 30, 2016					
X. Normal Cost	613,045	0	838	35,455	649,338
XI. Amortization of UAAL - 30 year flat dollar	2,824,747	0	17,331	54,383	2,896,461
XII. Annual Required Contribution ('ARC') [X. + XI.]	3,437,792	0	18,169	89,838	3,545,799
XIII. Interest on Net OPEB Obligation (Asset)	1,431,452	0	8,307	36,288	1,476,047
XIV. Adjustment to Annual Required Contribution	(1,540,128)	0	(8,937)	(39,043)	(1,588,108)
XV. Amortization of Actuarial (Gains) / Losses	(1,047,548)	0	(6,230)	(19,549)	(1,073,327)
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	2,281,568	0	11,309	67,534	2,360,411
XVII. Employer Share of Costs	955,610	0	8,236	0	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	97,599	0	580	1,821	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	1,053,209	0	8,816	1,821	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	46.2%	0.0%	78.0%	2.7%	45.1%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	20,449,314	0	118,666	518,396	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	1,228,359	0	2,493	65,713	1,296,565
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	21,677,673	0	121,159	584,109	22,382,941

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

**Town of Medway
Plan Liabilities as of July 1, 2015
Assuming Funding over 30 years at 7.00% discount rate**

	General Government Employees and Retirees	Teacher Employees	School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits											
A. Actives	1,288,772	10,513,830	3,247,176	1,730,069	718,576	0	324,579	427,768	163,212	135,163	18,549,145
B. Retirees/Disabled	<u>1,471,219</u>	0	0	0	0	<u>8,847,046</u>	0	0	0	0	<u>10,318,265</u>
C. Total	2,759,991	10,513,830	3,247,176	1,730,069	718,576	8,847,046	324,579	427,768	163,212	135,163	28,867,410
II. Present Value of Future Normal Cost	460,978	3,540,014	968,600	503,946	358,389	0	115,053	189,227	52,331	36,811	6,225,349
III. Actuarial Accrued Liability (Individual Entry Age Normal)											
A. Actives	801,373	6,963,201	2,391,146	1,297,353	251,306	0	203,841	196,129	113,152	106,295	12,323,796
B. Retirees/Disabled	<u>1,471,219</u>	0	0	0	0	<u>8,847,046</u>	0	0	0	0	<u>10,318,265</u>
C. Total	2,272,592	6,963,201	2,391,146	1,297,353	251,306	8,847,046	203,841	196,129	113,152	106,295	22,642,061
IV. Plan Assets	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
V. Unfunded Actuarial Accrued Liability ("UAAL") [III. - IV.]	2,247,823	6,881,480	2,362,360	1,282,031	248,518	8,756,905	201,379	193,899	111,780	104,999	22,391,174
VI. Annual Covered Payroll	2,086,260	10,967,240	3,323,847	1,285,076	321,303	N/A	426,587	206,472	158,371	248,055	19,023,211
VII. UAAL as % of Covered Payroll	107.7%	62.7%	71.1%	99.8%	77.3%	N/A	47.2%	93.9%	70.6%	42.3%	117.7%
VIII. Net OPEB Obligation (Asset) @ Beginning of Fiscal Year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
IX. Number of Eligible Participants											
A. Actives	27	147	66	18	6	0	6	4	3	3	280
B. Retirees/Disabled	<u>37</u>	0	0	0	0	<u>231</u>	0	0	0	0	<u>268</u>
C. Total	64	147	66	18	6	231	6	4	3	3	548
For Fiscal Year Ending June 30, 2016											
X. Normal Cost	53,952	370,869	119,434	44,723	20,807	0	14,710	12,591	7,242	5,010	649,338
XI. Amortization of UAAL - 30 year flat dollar	197,949	986,433	338,588	183,778	35,635	1,066,344	28,864	27,800	16,023	15,047	2,896,461
XII. Annual Required Contribution ("ARC") [X. + XI.]	251,901	1,357,302	458,022	228,501	56,442	1,066,344	43,574	40,391	23,265	20,057	3,545,799
XIII. Interest on Net OPEB Obligation (Asset)	141,549	487,728	167,468	90,872	17,606	527,516	15,408	8,856	7,316	11,728	1,476,047
XIV. Adjustment to Annual Required Contribution	<u>(152,295)</u>	<u>(524,756)</u>	<u>(180,182)</u>	<u>(97,770)</u>	<u>(18,943)</u>	<u>(567,564)</u>	<u>(16,577)</u>	<u>(9,530)</u>	<u>(7,872)</u>	<u>(12,619)</u>	<u>(1,588,108)</u>
XV. Amortization of Actuarial (Gains) / Losses	<u>(104,463)</u>	<u>(354,043)</u>	<u>(121,577)</u>	<u>(65,974)</u>	<u>(12,788)</u>	<u>(382,990)</u>	<u>(10,370)</u>	<u>(9,988)</u>	<u>(5,726)</u>	<u>(5,408)</u>	<u>(1,073,327)</u>
XVI. Annual OPEB Expense [XII. + XIII. + XIV. + XV.]	136,692	966,231	323,731	155,629	42,317	643,306	32,035	29,729	16,983	13,758	2,360,411
XVII. Employer Share of Costs	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
XVIII. Employer Payments (Withdrawals) to/from OPEB Trust	10,037	30,753	10,561	5,730	1,110	39,074	900	866	500	469	100,000
XIX. Total Employer Contribution [XVII. + XVIII.]	155,519	125,141	33,466	8,622	1,118	734,750	2,072	917	510	1,731	1,063,846
XX. Percentage of Annual OPEB Expense Contributed	113.8%	13.0%	10.3%	5.5%	2.6%	114.2%	6.5%	3.1%	3.0%	12.6%	45.1%
XXI. Net OPEB Obligation (Asset) at Beginning of Year [VIII.]	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
XXII. Increase (Decrease) in Net OPEB Obligations (Asset) [XVI. - XIX.]	<u>(18,827)</u>	841,090	290,265	147,007	41,199	<u>(91,444)</u>	29,963	28,812	16,473	12,027	1,296,565
XXIII. Net OPEB Obligation (Asset) at End of Year [XXI. + XXII.]	2,003,293	7,808,625	2,682,669	1,445,168	292,710	7,444,489	250,085	155,345	120,986	179,571	22,382,941

Overview of GASB 43 and 45

GASB 43 requires retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 43 and 45 apply to those benefits provided after retirement except for pension benefits such as medical insurance, dental and life insurance. The philosophy behind the accounting standard is that these post-employment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend this practice to all other post-employment benefits.

Overview of GASB 43 and 45

(continued)

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims cost assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- ✓ Normal Cost - because the benefits earned each year should be paid for each year
- ✓ Past Service Cost - a catch-up payment to fund the Accrued Liability over the next 10-30 years

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements as the Net OPEB Obligation. If you decide to fully fund the OPEB obligation this will appear in the financial statement as a Net OPEB Asset. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

Commentary on Plan Experience and Contribution Amounts

1. GASB 45 – How we got here:

The Plan adopted and implemented GASB 45 (“Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions”) effective for the fiscal year ending June 30, 2010. GASB 45 is designed to recognize the Other Postemployment Benefits (“OPEB”) earned by employees throughout their working career vs. when they are actually paid in retirement – accrual accounting vs. “pay-as-you-go” accounting. When GASB 45 was adopted, there was an Unfunded Actuarial Accrued Liability (“UAAL”) or “past service liability” which reflected all benefits earned until the date of such adoption. To smooth the impact of transitioning to GASB 45 on your financial statement, the UAAL was amortized over a 30 year period using a flat dollar amortization. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Normal Cost”. These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

2. Summary of Results:

During the fiscal year ending June 30, 2016, the Plan saw an experience gain of \$7,082,459 or 16.32%. Plan experience was more favorable than expected. This was mainly due to premiums for non-Medicare integrated plans increasing less than the expected 16% increase. This was somewhat offset by the preparations for GASB 75 including a decrease in the discount rate from 4% to 3.5% (increasing disclosed liabilities by \$2.5 million) and a more conservative mortality table as recommended by PERAC. The actuarial experience gain is amortized into the annual OPEB costs over a 30-year period. The net impact of plan experience is a decrease in the annual OPEB cost.

Commentary on Plan Experience and Contribution Amounts
(continued)

3. **Balance Sheet Items**

	July 1, 2015	July 1, 2013
Actuarial Accrued Liability	\$36,572,225	\$38,407,572
Plan Assets	\$250,887	\$50,489
Unfunded Actuarial Accrued Liability	\$36,321,338	\$38,357,083
Funded %	0.69%	0.13%
Net OPEB Obligation	\$21,086,376	\$15,097,892

4. **Income Statement Items**

	June 30, 2016	June 30, 2014
Normal Cost	\$1,658,506	\$1,906,754
Amortization of UAAL	\$2,204,666	\$2,283,446
Interest on Net OPEB Obligation	\$738,023	\$603,916
Adjustment to Annual Required Contribution	\$(1,107,726)	\$(934,749)
Amortization of Actuarial (Gains)/Losses	\$(16,871)	\$81,091
Annual OPEB Expense	\$3,476,598	\$3,940,458
Employer Share of Costs Employer Contributions/(Withdrawals) to/from OPEB Trust	\$963,846	\$925,505
Total Employer Contribution	\$1,063,846	\$975,505
Discount Rate	3.50%	4.00%

Commentary on Plan Experience and Contribution Amounts
(continued)

5. **GASB 75 – Where we’re going:**

The Governmental Accounting Standards Board (“GASB”) issued GASB 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” on June 2, 2015 which will become effective for your 2018 fiscal year. This standard largely mirrors the GASB 68 standard for pension plans. The new standards require increased disclosures and will tie interest rates used in the valuation to the plan’s underlying investment and funding policy. This may increase the pressure on many entities to begin funding their OPEB liabilities. For more information, please review our white papers at www.GASB75.com or on our website.

SECTION II

SUMMARY OF PLAN PROVISIONS

<u>Effective Date</u>	July 1, 2009; GASB 45 is adopted.
<u>Plan Year</u>	July 1 through June 30.
<u>Eligibility</u>	An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Participant Contributions</u>	50% of premiums for Medical & 50% of premiums for life insurance.
<u>Benefits Offered</u>	Comprehensive Medical, Dental and Group Term Life Insurance.
<u>Normal Retirement Date</u>	The normal retirement date is the first day of the month following a participant's 65th birthday.
<u>Early Retirement</u>	Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Individual Entry Age Normal Actuarial Cost Method. Under this method, the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement, each individual's annual normal cost is a level dollar amount. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Actuarial gains and losses are calculated each year and amortized over a 30 year period.

All employees who are plan participants on a valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets as of the valuation date.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre- and Post-Retirement Mortality

It is assumed that both pre-retirement and post-retirement mortality are represented by the RP-2000 Mortality Table projected generationally with scale BB and a base year 2009 for males and females. Disabled employees were assumed to follow the RP-2000 Mortality Table set forward 2 years for males and females.

Discount Rate

3.50% per annum (previously 4.00%)

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

<u>Service</u>	<u>Non Public</u>		<u>Public</u> <u>Safety</u>
	<u>Safety Male</u>	<u>Safety Female</u>	
0	15.00%	15.00%	1.50%
5	7.60%	7.60%	1.50%
10	5.40%	5.40%	1.50%
15	3.30%	3.30%	0.00%
20	2.00%	2.00%	0.00%
25	1.00%	1.00%	0.00%
30	0.00%	0.00%	0.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS
(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates for non-teachers

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Non Public Safety Male</u>	<u>Non Public Safety Female</u>	<u>Public Safety</u>
45	0.00%	0.00%	1.00%
46	0.00%	0.00%	1.00%
47	0.00%	0.00%	1.00%
48	0.00%	0.00%	1.00%
49	0.00%	0.00%	1.00%
50	1.00%	1.50%	2.00%
51	1.00%	1.50%	2.00%
52	1.00%	2.50%	2.00%
53	1.00%	2.50%	5.00%
54	2.00%	2.50%	7.50%
55	2.00%	5.50%	15.00%
56	2.50%	6.50%	10.00%
57	2.50%	6.50%	10.00%
58	5.00%	6.50%	10.00%
59	6.50%	6.50%	15.00%
60	12.00%	5.00%	20.00%
61	20.00%	13.00%	20.00%
62	30.00%	15.00%	25.00%
63	25.00%	12.50%	25.00%
64	22.00%	18.00%	30.00%
65	40.00%	15.00%	100.00%
66	25.00%	20.00%	100.00%
67	25.00%	20.00%	100.00%
68	30.00%	25.00%	100.00%
69	30.00%	20.00%	100.00%
70	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS
(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates for teachers

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Male Teachers</u>	<u>Female Teachers</u>
45	0.00%	0.00%
46	0.00%	0.00%
47	0.00%	0.00%
48	0.00%	0.00%
49	0.00%	0.00%
50	2.00%	2.00%
51	2.00%	2.00%
52	2.00%	2.00%
53	2.00%	2.00%
54	6.00%	2.00%
55	20.00%	6.00%
56	35.00%	15.00%
57	50.00%	30.00%
58	50.00%	35.00%
59	50.00%	35.00%
60	50.00%	35.00%
61	50.00%	35.00%
62	40.00%	35.00%
63	40.00%	40.00%
64	50.00%	30.00%
65	50.00%	35.00%
66	50.00%	35.00%
67	50.00%	35.00%
68	50.00%	30.00%
69	50.00%	30.00%
70	100.00%	100.00%
71	100.00%	100.00%
72	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Disability rates

It was assumed that the following percentage of eligible employees would become permanently disabled each year:

<u>Age</u>	<u>Non Public Safety</u>	<u>Public Safety</u>
20	0.01%	0.01%
25	0.02%	0.02%
30	0.03%	0.03%
35	0.07%	0.17%
40	0.10%	0.30%
45	0.15%	0.78%
50	0.19%	1.25%
55	0.24%	1.20%
60	0.28%	0.85%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

Participation Rate

It was assumed that 100% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement. For life insurance plans, it was assumed that 100% of eligible employees would elect coverage upon retirement.

Percent Married

It was assumed that 65% of male participants and 65% of female participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that a male spouse is three years older than a female spouse and same sex spouses are assumed to be the same age. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

3.00% per year.

Open Group Forecast

It was assumed for projecting plan liabilities in future years that the active population would remain unchanged and that those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	8.0%	5.0%
30	7.0%	14.0%
40	20.0%	19.0%
50	10.0%	10.0%
60	<u>3.0%</u>	<u>4.0%</u>
Total	48.0%	52.0%

Additional Comments

The values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely on the retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- ✓ The cost sharing program is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:
- ✓ The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an “implicit subsidy”. GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based factors developed by actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page.

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents’ coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
HMO Basic	141		204	345
POS	3			3
PPO	3		4	7
Medicare Preferred	197			197
Total	344	0	208	552

	Per Contract Costs (monthly) - FY 2015		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
HMO Basic	650.90	0.00	1,667.64
POS	690.75	0.00	1,974.32
PPO	1,267.98	0.00	3,173.41
Medicare Preferred	336.00	672.00	

Gross Expected FY 2015 Incurred Premiums	6,200,847
Adjustment to reflect children's claims	(926,174)
Total Expected FY 2015 Incurred Premiums (adults only)	5,274,674

II. PRE-65 AND POST-65 PER CAPITA RETIREE ANNUAL CLAIM COSTS

	<u>Employer</u> <u>Primary</u>	<u>Medicare</u> <u>Primary</u>
Age 65	11,172	4,032
Average Age	9,904	4,032

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS
(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

5,274,674 Active and Retired Claims (No Children)

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	1	5	1.312	0.549	6,854	2,868	21,194
25 to 29	21	8	1.312	0.591	6,854	3,087	168,630
30 to 34	26	23	1.312	0.712	6,854	3,719	263,741
35 to 39	18	16	1.312	0.850	6,854	4,440	194,412
40 to 44	28	19	1.312	1.000	6,854	5,224	291,168
45 to 49	42	36	1.456	1.193	7,606	6,232	543,804
50 to 54	32	44	1.599	1.441	8,353	7,528	598,528
55 to 59	38	36	1.740	1.753	9,090	9,158	675,108
60 to 64	28	24	1.968	2.102	10,281	10,981	551,412
65 to 69	4	6	2.168	2.316	11,326	12,099	117,898
70 & Over	2	1	2.396	2.557	12,517	13,358	38,392
Total	240	218					3,464,287

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	9	5	1.312	1.000	6,854	5,224	87,806
45 to 49	2	2	1.456	1.193	7,606	6,232	27,676
50 to 54	2	0	1.599	1.441	8,353	7,528	16,706
55 to 59	10	3	1.740	1.753	9,090	9,158	118,374
60 to 64	30	21	1.968	2.102	10,281	10,981	539,031
65 to 69	6	1	2.168	2.316	11,326	12,099	80,055
70 to 74	5	3	2.396	2.557	12,517	13,358	102,659
75 to 79	1	1	2.593	2.769	13,546	14,465	28,011
80 to 84	0	0	2.724	2.910	14,230	15,202	0
85 to 89	0	0	2.864	3.059	14,962	15,980	0
90 & Over	0	0	3.010	3.215	15,724	16,795	0
Total	65	36					1,000,318

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	47	40	2.168	2.316	4,032	4,032	350,784
70 to 74	23	20	2.396	2.557	4,032	4,032	173,376
75 to 79	17	19	2.593	2.769	4,032	4,032	145,152
80 to 84	8	12	2.724	2.910	4,032	4,032	80,640
85 to 89	4	3	2.864	3.059	4,032	4,032	28,224
90 & Over	7	1	3.010	3.215	4,032	4,032	32,256
Total	106	95					810,432
Grand Totals	411	349					5,275,037

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

E. DEVELOPMENT OF REPRESENTATIVE DENTAL PER CAPITA CLAIMS COSTS

I. **CLAIMS COSTS DEVELOPMENT - with Active & Retiree Incurred Premiums**

	Per Contract Costs (monthly) - FY 2015		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Dental Plan	N/A		N/A
		FY 2015 Expected Per Person Rate	N/A

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements with regard to the retiree medical and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical
- b. Administrator: Town of Medway
- c. Eligibility: An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
- d. Cost Sharing: Employees will pay 50% of premiums in retirement.

2. A DESCRIPTION OF THE DENTAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Dental Insurance
- b. Administrator: Town of Medway
- c. Eligibility: Same as above
- d. Cost sharing: Employees will pay 100% of premiums in retirement

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$2,000
- b. Administrator: Town of Medway
- c. Eligibility: Same as above
- d. Cost sharing: Employees will pay 50% of premiums in retirement.

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2015)
(continued)

4. RETIREE MEDICAL AND LIFE INSURANCE CONTRIBUTIONS:

Group	Individual	Family
Medical	50%	50%
Dental	100%	100%
Life	50%	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town expects to contribute \$100,000 beyond the pay-as-you-go. For the 2016 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$963,846. The Town is also projected to make a contribution to an OPEB Trust of \$100,000 for the 2016 fiscal year for a total contribution of \$1,063,846 .

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

6. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual Required Contribution	\$3,863,172
Interest on net OPEB Obligation (Asset)	\$738,023
Adjustment to annual required contribution	(\$1,107,726)
Amortization of Actuarial (Gains) / Losses	(\$16,871)
Annual OPEB expense	\$3,476,598
Contributions made to pay benefits	\$963,846
Contributions made to OPEB Trust	\$100,000
Increase (Decrease) in net OPEB Obligation (Asset)	\$2,412,752
Net OPEB Obligation (Asset) – beginning of year	\$21,086,376
Net OPEB Obligation (Asset) – end of year	\$23,499,128

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2016 fiscal year and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Expected Employer Payments	Percentage of OPEB Cost Contributed	Increase (Decrease) in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset)
06/30/2018 (est.)	\$3,772,667	\$1,244,888	33.0%	\$2,527,779	\$28,495,152
06/30/2017 (est.)	\$3,622,657	\$1,154,410	31.9%	\$2,468,247	\$25,967,373
06/30/2016	\$3,476,596	\$1,063,846	30.6%	\$2,412,750	\$23,499,126
06/30/2015	\$4,096,263	\$1,072,732	26.2%	\$3,023,531	\$21,086,376
06/30/2014	\$3,940,458	\$975,505	24.8%	\$2,964,953	\$18,062,845
06/30/2013	\$3,251,584	\$910,444	28.0%	\$2,341,140	\$15,097,892

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/2017 (est.)	\$465,301	\$39,839,885	\$39,374,584	1.2%	\$20,181,725	195.1%
07/01/2016 (est.)	\$351,272	\$38,153,030	\$37,801,758	0.9%	\$19,593,907	192.9%
07/01/2015	\$250,887	\$36,572,225	\$36,321,338	0.7%	\$19,023,211	190.9%
07/01/2014	\$100,588	\$40,863,877	\$40,763,289	0.2%	\$18,739,444	217.5%
07/01/2013	\$50,489	\$38,407,572	\$38,357,083	0.1%	\$18,282,384	209.8%
07/01/2012	\$0	N/A	N/A	N/A	N/A	N/A

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2015)
(continued)

Fiscal Year Ending June 30, 2016											
	General Government Employees and Retirees		School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
	Teacher Employees	Retirees									
OPEB Obligation (Asset) at beginning of year	2,022,120	6,967,535	2,392,404	1,298,161	251,511	7,535,933	220,122	126,533	104,513	167,544	21,086,376
Annual Required Contribution	288,472	1,698,086	562,772	254,112	80,269	811,657	59,541	53,320	30,694	24,249	3,863,172
Interest on Net OPEB Obligation	70,774	243,864	83,734	45,436	8,803	263,758	7,704	4,428	3,658	5,864	738,023
Adjustment to the ARC	(106,228)	(366,024)	(125,679)	(68,196)	(13,213)	(395,883)	(11,563)	(6,647)	(5,491)	(8,802)	(1,107,726)
Amortization of Actuarial (Gains)/Losses	(1,642)	(5,565)	(1,911)	(1,037)	(201)	(6,020)	(163)	(157)	(90)	(85)	(16,871)
Annual OPEB Cost	251,376	1,570,361	518,916	230,315	75,658	673,512	55,519	50,944	28,771	21,226	3,476,598
Expected Employer Contribution	145,482	94,388	22,905	2,892	8	695,676	1,172	51	10	1,262	963,846
Contribution (Withdrawal) to/from Trust Fund over 30 Years	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
Total Expected Employer Payments	155,102	128,170	34,506	9,186	1,227	730,154	2,161	1,003	559	1,778	1,063,846
Increase (Decrease) in OPEB Obligation (Asset)	96,274	1,442,191	484,410	221,129	74,431	(56,642)	53,358	49,941	28,212	19,448	2,412,752
OPEB Obligation (Asset) at end of year	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128
AAL as of July 1, 2015	3,518,744	12,354,712	4,242,578	2,301,876	445,888	12,609,404	361,672	347,989	200,764	188,598	36,572,225
Plan Assets as of July 1, 2015	24,769	81,721	28,786	15,322	2,788	90,141	2,462	2,230	1,372	1,296	250,887
Unfunded Actuarial Liability as of July 1, 2015	3,493,975	12,272,991	4,213,792	2,286,554	443,100	12,519,263	359,210	345,759	199,392	187,302	36,321,338

Fiscal Year Ending June 30, 2017											
	General Government Employees and Retirees		School Non-Teacher Employees	Police Employees and Retirees	Fire Employees and Retirees	School Retirees	Water Enterprise Employees and Retirees	Ambulance Enterprise Employees and Retirees	Sewer Enterprise Employees and Retirees	Solid Waste Enterprise Employees and Retirees	Total
	Teacher Employees	Retirees									
OPEB Obligation (Asset) at beginning of year	2,118,394	8,409,726	2,876,814	1,519,290	325,942	7,479,291	273,480	176,474	132,725	186,992	23,499,128
Annual Required Contribution	293,072	1,725,168	571,748	258,165	81,549	824,602	60,491	54,170	31,184	24,636	3,924,785
Interest on Net OPEB Obligation	78,871	271,767	93,315	50,635	9,810	293,938	8,586	4,935	4,077	6,535	822,469
Adjustment to the ARC	(118,383)	(407,904)	(140,059)	(75,999)	(14,725)	(441,180)	(12,886)	(7,408)	(6,119)	(9,809)	(1,234,472)
Amortization of Actuarial (Gains)/Losses	8,376	47,304	15,713	7,190	2,203	24,448	1,660	1,387	838	756	109,875
Annual OPEB Cost	261,936	1,636,335	540,717	239,991	78,837	701,808	57,851	53,084	29,980	22,118	3,622,657
Expected Employer Contribution	158,687	105,299	25,842	3,674	112	757,833	1,356	136	58	1,413	1,054,410
Contribution (Withdrawal) to/from Trust Fund over 30 Years	9,620	33,782	11,601	6,294	1,219	34,478	989	952	549	516	100,000
Total Expected Employer Payments	168,307	139,081	37,443	9,968	1,331	792,311	2,345	1,088	607	1,929	1,154,410
Increase (Decrease) in OPEB Obligation (Asset)	93,629	1,497,254	503,274	230,023	77,506	(90,503)	55,506	51,996	29,373	20,189	2,468,247
OPEB Obligation (Asset) at end of year	2,212,023	9,906,980	3,380,088	1,749,313	403,448	7,388,788	328,986	228,470	162,098	207,181	25,967,375
AAL as of July 1, 2016	3,670,839	12,888,734	4,425,960	2,401,373	465,161	13,154,435	377,305	363,031	209,442	196,750	38,153,030
Plan Assets as of July 1, 2016	25,292	118,949	41,596	22,261	4,126	128,372	3,555	3,277	1,978	1,866	351,272
Unfunded Actuarial Liability as of July 1, 2016	3,645,547	12,769,785	4,384,364	2,379,112	461,035	13,026,063	373,750	359,754	207,464	194,884	37,801,758

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

7. FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2015, the most recent valuation date, the plan was 0.69% funded. The actuarial liability for benefits was \$36,572,225, and the actuarial value of assets was \$250,887, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,321,338. The covered payroll (annual payroll of active employees covered by the plan) was \$ 19,023,211 and the ratio of the UAAL to the covered payroll was 190.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. EFFECT OF 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$50,970,456 or by 39.4% and the corresponding Normal Cost would increase to \$2,701,498 or by 62.9%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$26,124,409 or by 28.6% and the corresponding Normal Cost would decrease to \$925,525 or by 44.2%.

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

9. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method: Individual Entry Age Normal
 Investment Rate of Return: 3.50% per annum (previously 4.00%)
 Healthcare Trend Rates

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

General Inflation Assumption: 2.75% per annum
 Annual Compensation Increases: 3.00% per annum
 Actuarial Value of Assets: Market Value
 Amortization of UAAL: Level dollar amortization over 30 years
 Remaining Amortization Period: 24 years at July 1, 2015

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2015)

(continued)

10. Remaining Amortization Bases

The initial Actuarial Accrued Liability as of the date GASB 45 was adopted is amortized as a component of the Annual Required Contribution ("ARC"). The Unfunded Actuarial Accrued Liability at transition was amortized over a 30 year period and a flat dollar amortization of the Unfunded Actuarial Accrued Liability at transition. For years subsequent to the initial adoption of GASB 45, cumulative gains/losses are amortized on a level dollar basis over a 30 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year's ARC under GASB 45.

Changes in Unfunded Actuarial Liability Since Prior Valuation
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Expected Unfunded Actuarial Liability

1. Actuarial Accrued Liability at prior valuation date	38,407,572
2. Actuarial Value of Assets at prior valuation date	<u>50,489</u>
3. Unfunded Actuarial Accrued Liability at prior valuation date [1. - 2.]	38,357,083
4. Normal Cost for prior periods	3,813,508
5. Employer Contributions for prior periods	(2,048,237)
6. Interest to current valuation date	<u>3,281,443</u>
7. Expected Unfunded Actuarial Accrued Liability [3. + 4. + 5. + 6.]	43,403,797

Actual Unfunded Actuarial Liability

8. Actuarial Accrued Liability at current valuation date	36,572,225
9. Actuarial Value of Assets at current valuation date	<u>250,887</u>
10. Unfunded Actuarial Accrued Liability at current valuation date [8. - 9.]	36,321,338

Net Actuarial (Gain) / Loss from Plan Experience [10. - 7.] **(7,082,459)**

11. Unfunded Actuarial Accrued Liability at current valuation date [10.]	36,321,338
12. Remaining Initial Unfunded to be amortized	<u>36,642,462</u>
13. Actuarial (Gain) / Loss to be amortized: [11. - 12.]	(321,124)

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2015)
(continued)

Amortization of Initial Unfunded and Plan Experience under GASB 45						
Date Established	Description	Initial Amount	Initial Amortization Period	Remaining Balance at Valuation Date	Remaining Amortization Period	Annual Amortization Payment
July 1, 2009	GASB 45 Liability	29,616,372	30	36,642,462	24	2,204,666
July 1, 2015	Cumulative (Gain) / Loss	(321,124)	30	(321,124)	30	(16,871)
July 1, 2015	Adjustment to ARC	(21,086,376)	30	(21,086,376)	30	(1,107,724)
Total				15,234,962		1,080,071

11. Recognition of OPEB trust assets

The State of Massachusetts has recently passed legislation allowing municipal entities to establish a trust for Other Postemployment Benefits (“OPEB”) under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 45. To the best of our knowledge, Town of Medway has established an irrevocable trust for the purposes of prefunding liabilities under GASB 45.

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

12. Impact of Patient Protection and Affordable Care Act ("PPACA") Excise Tax

Under the Patient Protection and Affordable Care Act ("PPACA"), an excise tax will be imposed for tax years beginning after December 31, 2019 (formerly December 31, 2017, but amended by Consolidated Appropriations Act) for high cost employer sponsored health coverage. The law specifies a 40% excise tax, to be paid by the provider of such coverage, of the excess value beyond a basic dollar amount plus an additional "kicker" for qualified retirees or those engaged in a high risk profession. The threshold amounts for 2018 (original legislation) were \$10,200 for single coverage and \$27,500 for family coverage and a "kicker" amount of \$1,650 for single coverage and \$3,450 for family coverage. These threshold and kicker amounts are expected to be updated because of the Consolidated Appropriations Act before the tax takes effect in 2020, but currently the updated amounts have not been released.

The excise tax liability will vary significantly over time as it is highly leveraged with the basic threshold amount increased with general CPI and medical costs increasing with medical trend (generally higher). For purposes of the fiscal year ending June 30, 2016, the AAL for the excise tax is \$899,107 and the increase in annual OPEB Cost is \$146,156. Given your premiums through the 2015 fiscal year and the excise tax threshold, your single premiums are within 78.45% of the excise tax and your family premiums are within 35.08% of the excise tax. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.

EXHIBIT AFinancial Statement Disclosure

(As of July 1, 2015)

(continued)

13. Impact of Section 9A 1/2 of M.G.L. Chapter 32B

For employees who retire on or after January 1, 2011 whenever a retired employee or beneficiary receives a healthcare premium contribution from a governmental unit in a case where a portion of the retiree's creditable service is attributable to service in 1 or more other governmental units, the first governmental unit shall be reimbursed in full, in accordance with this paragraph, by the other governmental units for the portion of the premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable to each governmental unit. The other governmental units shall be charged based on their own contribution rate or the contribution rate of the first employer, whichever is lower.

For purposes of the valuation we have not attempted to value the impact of prior governmental service at other entities in the State of Massachusetts for current employees of the Town of Medway nor have we attempted to value the impact of prior Town of Medway employees currently working at other governmental entities in the State of Massachusetts.

EXHIBIT B

Reconciliation of Plan Participation
(As of July 1, 2015)

ACTIVE EMPLOYEES

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
A. Average Age at Hire	36.18	36.80
B. Average Service	11.03	11.10
C. Average Current Age	47.21	47.90

RETIRED EMPLOYEES & DEPENDENTS

	<u>July 1, 2015</u>	<u>July 1, 2013</u>
I. Retirees		
A. Under Age 65	32	28
B. Age 65 & Over	<u>220</u>	<u>124</u>
C. Total Retirees	252	152
II. Dependents of Retirees		
A. Under Age 65	9	11
B. Age 65 & Over	<u>7</u>	<u>54</u>
C. Total Retirees	16	65
III. Retirees & Dependents		
A. Under Age 65	41	39
B. Age 65 & Over	<u>227</u>	<u>178</u>
C. Total Retirees	268	217

EXHIBIT C

Projected Cash Flows (Open Group) - Pay-as-you-go Funding Approach

Total Medical, Dental & Life Insurance - Pay-as-you-go Funding - 3.50% discount rate

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of		III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Excess Employer Payments (beyond claims)
	July 1	II. Plan Assets as of July 1							Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]			
2016	36,572,225	250,887	36,321,338	1,658,506	2,204,666	738,023	(1,107,726)	(16,871)	3,476,596	21,086,376	963,846	100,000
2017	38,153,030	351,272	37,801,758	1,720,119	2,204,666	822,469	(1,234,472)	109,875	3,622,657	23,499,126	1,054,410	100,000
2018	39,839,885	465,301	39,374,584	1,783,740	2,204,666	908,858	(1,364,135)	239,538	3,772,667	25,967,373	1,144,888	100,000
2019	41,575,195	583,321	40,991,874	1,846,254	2,204,666	997,331	(1,496,927)	372,330	3,923,654	28,495,152	1,212,056	100,000
2020	43,377,388	705,472	42,671,916	1,912,733	2,204,666	1,088,736	(1,634,120)	509,523	4,081,538	31,106,750	1,272,627	100,000
2021	45,264,543	831,898	44,432,645	1,983,927	2,204,666	1,183,548	(1,776,428)	651,831	4,247,544	33,815,661	1,353,951	100,000
2022	47,493,253	962,749	46,530,504	2,078,751	2,204,666	1,281,324	(1,923,182)	798,585	4,440,144	36,609,254	1,438,978	100,000
2023	49,802,644	1,098,180	48,704,464	2,169,830	2,204,666	1,382,865	(2,075,589)	950,992	4,632,764	39,510,420	1,488,507	100,000
2024	52,247,775	1,238,351	51,009,424	2,271,380	2,204,666	1,489,414	(2,235,512)	1,110,915	4,840,863	42,554,677	1,593,600	100,000
2025	54,767,360	1,383,428	53,383,932	2,374,711	2,204,666	1,599,568	(2,400,846)	1,276,249	5,054,348	45,701,941	1,675,918	100,000
2026	57,368,713	1,533,583	55,835,130	2,477,960	2,204,666	1,714,314	(2,573,071)	1,448,474	5,272,343	48,980,372	1,777,323	100,000
2027	60,084,667	1,688,993	58,395,674	2,582,239	2,204,666	1,833,139	(2,751,420)	1,626,823	5,495,447	52,375,392	1,909,601	100,000
2028	62,805,688	1,849,843	60,955,845	2,686,371	2,204,666	1,955,144	(2,934,541)	1,809,944	5,721,584	55,861,237	2,000,175	100,000
2029	65,639,905	2,016,322	63,623,583	2,810,238	2,204,666	2,081,893	(3,124,784)	2,000,187	5,972,200	59,482,646	2,086,953	100,000
2030	68,474,234	2,188,628	66,285,606	2,920,309	2,204,666	2,214,376	(3,323,633)	2,199,036	6,214,754	63,267,892	2,216,334	100,000
2031	71,448,082	2,366,965	69,081,117	3,044,757	2,204,666	2,350,822	(3,528,427)	2,403,830	6,475,648	67,166,312	2,271,006	100,000
2032	74,664,451	2,551,544	72,112,907	3,177,724	2,204,666	2,494,483	(3,744,054)	2,619,457	6,752,276	71,270,954	2,386,119	100,000
2033	77,837,996	2,742,583	75,095,413	3,305,088	2,204,666	2,643,799	(3,968,167)	2,843,570	7,028,956	75,537,111	2,458,455	100,000
2034	81,142,809	2,940,308	78,202,501	3,444,949	2,204,666	2,800,267	(4,203,015)	3,078,418	7,325,285	80,007,612	2,512,656	100,000
2035	84,769,199	3,144,954	81,624,245	3,598,442	2,204,666	2,965,208	(4,450,582)	3,325,985	7,643,719	84,720,241	2,609,949	100,000
2036	88,299,031	3,356,762	84,942,269	3,746,583	2,204,666	3,137,891	(4,709,766)	3,585,169	7,964,543	89,654,010	2,679,090	100,000
2037	92,480,885	3,575,984	88,904,901	3,910,554	2,204,666	3,319,381	(4,982,171)	3,857,574	8,310,004	94,839,464	2,758,237	100,000
2038	96,804,994	3,802,878	93,002,116	4,076,973	2,204,666	3,510,193	(5,268,568)	4,143,971	8,667,235	100,291,231	2,906,143	100,000
2039	101,026,435	4,037,714	96,988,721	4,258,647	2,204,666	3,708,331	(5,565,960)	4,441,363	9,047,047	105,952,324	3,047,728	100,000
2040	105,645,986	4,280,769	101,365,217	4,449,269	0	3,914,808	(5,875,867)	4,751,270	9,471,270	111,851,642	3,221,187	100,000
2041	110,393,242	4,532,331	105,860,911	4,652,296	0	4,051,948	(6,081,706)	4,957,109	7,579,647	115,769,935	3,424,740	100,000
2042	115,251,155	4,792,698	110,458,457	4,866,772	0	4,193,869	(6,294,721)	5,170,124	7,936,044	119,824,842	3,606,991	100,000
2043	120,477,124	5,062,177	115,414,947	5,096,360	0	4,341,887	(6,516,885)	5,392,288	8,313,650	124,053,895	3,810,518	100,000
2044	125,832,726	5,341,088	120,491,638	5,336,859	0	4,495,996	(6,748,193)	5,623,596	8,708,258	128,457,028	3,920,885	100,000
2045	131,552,190	5,629,761	125,922,429	5,600,772	0	4,660,054	(6,994,433)	5,869,836	9,136,229	133,144,401	4,130,442	100,000
2046	137,531,046	5,928,538	131,602,508	5,870,025	0	4,831,756	(7,252,147)	7,252,147	10,701,781	144,400,259	4,251,709	100,000
2047	143,708,538	6,237,772	137,470,766	6,154,391	0	5,054,009	(7,585,734)	7,585,734	11,208,400	151,121,608	4,387,051	100,000

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding over 30 years at 7.00% discount rate using current funding schedule

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of July 1	II. Plan Assets as of July 1	III. Unfunded Accrued Actuarial Liability		IV. Normal Cost	V. Expected Amortization	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
			["AAL"]	["AAL"] - II.]									
2016	22,642,061	250,887	22,391,174		688,298	2,896,461	1,476,047	(1,588,108)	(1,073,327)	2,399,371	21,086,376	963,846	100,000
2017	23,705,815	FALSE	23,705,815		712,396	2,896,461	1,569,534	(1,688,692)	(972,743)	2,516,956	22,421,901	1,054,410	948,600
2018	24,798,998	948,600	23,850,398		737,014	2,896,461	1,605,510	(1,727,400)	(934,035)	2,577,550	23,419,909	1,144,888	948,600
2019	25,911,971	1,963,602	23,948,369		760,882	2,896,461	1,639,394	(1,763,855)	(897,580)	2,635,302	23,894,555	1,212,056	948,600
2020	27,065,871	3,049,654	24,016,217		785,932	2,896,461	1,672,620	(1,799,604)	(861,831)	2,693,578	24,366,906	1,272,627	948,600
2021	28,275,171	4,211,730	24,063,441		813,166	2,896,461	1,705,683	(1,835,179)	(826,256)	2,753,875	24,818,230	1,353,951	948,600
2022	29,671,256	5,455,151	24,216,105		849,513	2,896,461	1,737,277	(1,869,170)	(792,265)	2,821,816	25,252,468	1,438,978	948,600
2023	31,108,626	6,785,612	24,323,014		883,431	2,896,461	1,767,673	(1,901,875)	(759,560)	2,886,130	25,701,491	1,488,507	948,600
2024	32,637,259	8,209,205	24,428,054		921,919	2,896,461	1,799,104	(1,935,692)	(725,743)	2,956,049	26,115,340	1,593,600	948,600
2025	34,197,189	9,732,449	24,464,740		961,098	2,896,461	1,828,073	(1,966,861)	(694,574)	3,024,197	26,515,019	1,675,918	948,600
2026	35,802,946	11,362,320	24,440,626		999,405	2,896,461	1,856,051	(1,996,962)	(664,473)	3,090,482	26,879,578	1,777,323	948,600
2027	37,467,581	13,106,282	24,361,299		1,037,496	2,896,461	1,881,570	(2,024,420)	(637,015)	3,154,092	27,175,469	1,909,601	948,600
2028	39,110,935	14,972,322	24,138,613		1,074,840	2,896,461	1,902,282	(2,046,704)	(614,731)	3,212,148	27,438,842	2,000,175	948,600
2029	40,811,966	16,968,985	23,842,981		1,120,483	2,896,461	1,920,720	(2,066,540)	(594,895)	3,276,229	27,679,518	2,086,953	948,600
2030	42,496,250	19,105,414	23,390,836		1,160,004	2,896,461	1,937,567	(2,084,667)	(576,768)	3,332,597	27,847,181	2,216,334	948,600
2031	44,247,955	21,391,393	22,856,562		1,205,229	2,896,461	1,949,303	(2,097,294)	(564,141)	3,389,558	28,017,133	2,271,006	948,600
2032	46,154,091	23,837,391	22,316,700		1,254,319	2,896,461	1,961,199	(2,110,093)	(551,342)	3,450,544	28,132,958	2,386,119	948,600
2033	48,009,967	26,454,608	21,555,359		1,300,692	2,896,461	1,969,307	(2,118,817)	(542,618)	3,505,025	28,230,928	2,458,455	948,600
2034	49,959,089	29,255,031	20,704,058		1,352,222	2,896,461	1,976,165	(2,126,196)	(535,239)	3,563,413	28,333,085	2,512,656	948,600
2035	52,105,763	32,251,483	19,854,280		1,409,328	2,896,461	1,983,316	(2,133,889)	(527,546)	3,627,670	28,402,206	2,609,949	948,600
2036	54,183,618	35,457,687	18,725,931		1,464,012	2,896,461	1,988,155	(2,139,095)	(522,340)	3,687,193	28,461,709	2,679,090	948,600
2037	56,668,146	38,888,325	17,779,821		1,525,281	2,896,461	1,992,320	(2,143,577)	(517,858)	3,752,627	28,507,499	2,758,237	948,600
2038	59,251,010	42,559,108	16,691,902		1,587,242	2,896,461	1,995,525	(2,147,025)	(514,410)	3,817,793	28,470,549	2,906,143	948,600
2039	61,765,918	46,486,846	15,279,072		1,655,182	2,896,461	1,992,938	(2,144,242)	(517,193)	3,883,146	28,357,367	3,047,728	948,600
2040	64,507,361	50,689,525	13,817,836		1,726,638	0	1,985,015	(2,135,718)	(525,717)	1,050,218	25,237,798	3,221,187	948,600
2041	67,311,897	55,186,392	12,125,505		1,803,011	0	1,766,646	(1,900,769)	(759,580)	909,308	21,773,766	3,424,740	948,600
2042	70,140,747	59,998,039	10,142,708		1,883,648	0	1,524,163	(1,639,878)	(1,018,460)	749,473	17,967,648	3,606,991	948,600
2043	73,152,823	65,146,502	8,006,321		1,970,229	0	1,257,736	(1,353,223)	(1,303,135)	571,607	13,780,137	3,810,518	948,600
2044	76,208,383	70,655,357	5,553,026		2,060,983	0	964,610	(1,037,843)	(1,616,566)	371,184	9,281,836	3,920,885	948,600
2045	79,477,678	76,549,832	2,927,846		2,160,974	0	649,728	(699,056)	(1,953,437)	158,209	4,361,003	4,130,442	948,600
2046	82,849,258	82,856,920	(7,662)		2,262,781	0	305,271	(328,446)	339,270	2,578,876	2,695,832	4,251,709	(7,662)
2047	86,352,390	88,649,242	(2,296,852)		2,370,462	0	188,708	(203,036)	214,467	2,570,601	3,176,234	4,387,051	(2,296,852)

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding over 30 years at 7.00% discount rate using current funding schedule

Fiscal Year	I. Total Actuarial Accrued Liability ("AAL") as of July 1	II. Plan Assets as of July 1	III. Unfunded Accrued Actuarial Liability ("UAAL") [I. - II.]	IV. Normal Cost	V. Expected Amortization	VI. Interest on Net OPEB Obligation (Asset)	VII. Adjustment to ARC	VIII. Amortization of Actuarial (Gain) / Loss	IX. Expected Annual OPEB Expense [IV. + V. + VI. + VII. + VIII.]	X. OPEB Obligation (Asset) as of June 30	XI. Employer Share of Premiums / Claims	XII. Annual Funding / (Payments)
2016	22,642,061	250,887	22,391,174	688,298	2,896,461	1,476,047	(1,588,108)	(1,073,327)	2,399,371	21,086,376	963,846	100,000
2017	23,705,815	FALSE	23,705,815	712,396	2,896,461	1,569,534	(1,688,692)	(972,743)	2,516,956	22,421,901	1,054,410	735,700
2018	24,798,998	735,700	24,063,298	737,014	2,896,461	1,605,510	(1,727,400)	(934,035)	2,577,550	23,827,316	1,144,888	754,093
2019	25,911,971	1,541,292	24,370,679	760,882	2,896,461	1,639,394	(1,763,855)	(897,580)	2,635,302	24,477,617	1,212,056	772,945
2020	27,065,871	2,422,127	24,643,744	785,932	2,896,461	1,672,620	(1,799,604)	(861,831)	2,693,578	25,106,299	1,272,627	792,269
2021	28,275,171	3,383,945	24,891,226	813,166	2,896,461	1,705,683	(1,835,179)	(826,256)	2,753,875	25,694,147	1,353,951	812,076
2022	29,671,256	4,432,897	25,238,359	849,513	2,896,461	1,737,277	(1,869,170)	(792,265)	2,821,816	26,244,607	1,438,978	832,378
2023	31,108,626	5,575,578	25,533,048	883,431	2,896,461	1,767,673	(1,901,875)	(759,560)	2,886,130	26,789,043	1,488,507	853,187
2024	32,637,259	6,819,055	25,818,204	921,919	2,896,461	1,799,104	(1,935,692)	(725,743)	2,956,049	27,276,975	1,593,600	874,517
2025	34,197,189	8,170,906	26,026,283	961,098	2,896,461	1,828,073	(1,966,861)	(694,574)	3,024,197	27,728,874	1,675,918	896,380
2026	35,802,946	9,639,249	26,163,697	999,405	2,896,461	1,856,051	(1,996,962)	(664,473)	3,090,482	28,123,243	1,777,323	918,790
2027	37,467,581	11,232,786	26,234,795	1,037,496	2,896,461	1,881,570	(2,024,420)	(637,015)	3,154,092	28,425,974	1,909,601	941,760
2028	39,110,935	12,960,841	26,150,094	1,074,840	2,896,461	1,902,282	(2,046,704)	(614,731)	3,212,148	28,672,643	2,000,175	965,304
2029	40,811,966	14,833,404	25,978,562	1,120,483	2,896,461	1,920,720	(2,066,540)	(594,895)	3,276,229	28,872,482	2,086,953	989,437
2030	42,496,250	16,861,179	25,635,071	1,160,004	2,896,461	1,937,567	(2,084,667)	(576,768)	3,332,597	28,974,572	2,216,334	1,014,173
2031	44,247,955	19,055,635	25,192,320	1,205,229	2,896,461	1,949,303	(2,097,294)	(564,141)	3,389,558	29,053,597	2,271,006	1,039,527
2032	46,154,091	21,429,056	24,725,035	1,254,319	2,896,461	1,961,199	(2,110,093)	(551,342)	3,450,544	29,052,507	2,386,119	1,065,515
2033	48,009,967	23,994,605	24,015,362	1,300,692	2,896,461	1,969,307	(2,118,817)	(542,618)	3,505,025	29,006,924	2,458,455	1,092,153
2034	49,959,089	26,766,380	23,192,709	1,352,222	2,896,461	1,976,165	(2,126,196)	(535,239)	3,563,413	28,938,224	2,512,656	1,119,457
2035	52,105,763	29,759,484	22,346,279	1,409,328	2,896,461	1,983,316	(2,133,889)	(527,546)	3,627,670	28,808,502	2,609,949	1,147,443
2036	54,183,618	32,990,091	21,193,527	1,464,012	2,896,461	1,988,155	(2,139,095)	(522,340)	3,687,193	28,640,476	2,679,090	1,176,129
2037	56,668,146	36,475,526	20,192,620	1,525,281	2,896,461	1,992,320	(2,143,577)	(517,858)	3,752,627	28,429,334	2,758,237	1,205,532
2038	59,251,010	40,234,345	19,016,665	1,587,242	2,896,461	1,995,525	(2,147,025)	(514,410)	3,817,793	28,105,314	2,906,143	1,235,670
2039	61,765,918	44,286,419	17,479,499	1,655,182	2,896,461	1,992,938	(2,144,242)	(517,193)	3,883,146	27,674,170	3,047,728	1,266,562
2040	64,507,361	48,653,030	15,854,331	1,726,638	0	1,985,015	(2,135,718)	(525,717)	1,050,218	24,204,975	3,221,187	1,298,226
2041	67,311,897	53,356,968	13,954,929	1,803,011	0	1,766,646	(1,900,769)	(759,580)	909,308	20,358,861	3,424,740	1,330,682
2042	70,140,747	58,422,638	11,718,109	1,883,648	0	1,524,163	(1,639,878)	(1,018,460)	749,473	16,137,394	3,606,991	1,363,949
2043	73,152,823	63,876,172	9,276,651	1,970,229	0	1,257,736	(1,353,223)	(1,303,135)	571,607	11,500,435	3,810,518	1,398,048
2044	76,208,383	69,745,552	6,462,831	2,060,983	0	964,610	(1,037,843)	(1,616,566)	371,184	6,517,735	3,920,885	1,432,999
2045	79,477,678	76,060,740	3,416,938	2,160,974	0	649,728	(699,056)	(1,953,437)	158,209	1,076,678	4,130,442	1,468,824
2046	82,849,258	82,853,816	(4,558)	2,262,781	0	305,271	(328,446)	339,270	2,578,876	(591,597)	4,251,709	(4,558)

EXHIBIT D

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - Funding Annual Normal Cost - 3.50% discount rate											
Fiscal Year	I. Total Actuarial Accrued Liability ("AAL")	II. Normal Cost	III. Employer Share of Premiums / Claims including "implicit cost"	IV. Funding Normal Cost beyond claims	V. Total Funding Costs [III. + IV.]	VI. Present	VII. Present	VIII. Present Value at 3.50% of Total Funding Costs + VII.]	IX. Plan Assets at Beginning of year	X. Unfunded Accrued Actuarial Liability ["UAAL"] - IX.]	XI. Present Value at 3.50% of Unfunded Accrued Actuarial Liability ["UAAL"]
						Value at 3.50% of Employer Share of Premiums / Claims including "implicit cost"	Value at 3.50% of Funding beyond claims			Value at 3.50% of Total Funding Costs + VII.]	Value at 3.50% of Unfunded Accrued Actuarial Liability ["UAAL"]
2016	36,572,225	1,658,506	963,846	694,660	1,658,506	963,846	694,660	1,658,506	250,887	36,321,338	36,321,338
2017	38,153,030	1,720,119	1,054,410	665,709	1,720,119	1,018,754	643,197	1,661,951	954,328	37,198,702	35,940,775
2018	39,839,885	1,783,740	1,144,888	638,852	1,783,740	1,068,765	596,375	1,665,140	1,653,438	38,186,447	35,647,457
2019	41,575,195	1,846,254	1,212,056	634,198	1,846,254	1,093,205	572,010	1,665,215	2,350,160	39,225,035	35,378,734
2020	43,377,388	1,912,733	1,272,627	640,106	1,912,733	1,109,021	557,815	1,666,836	3,066,614	40,310,774	35,128,511
2021	45,264,543	1,983,927	1,353,951	629,976	1,983,927	1,139,990	530,423	1,670,413	3,814,051	41,450,492	34,900,202
2022	47,493,253	2,078,751	1,438,978	639,773	2,078,751	1,170,610	520,456	1,691,066	4,577,519	42,915,734	34,911,977
2023	49,802,644	2,169,830	1,488,507	681,323	2,169,830	1,169,953	535,514	1,705,467	5,377,505	44,425,139	34,917,758
2024	52,247,775	2,271,380	1,593,600	677,780	2,271,380	1,210,198	514,714	1,724,912	6,247,041	46,000,734	34,933,489
2025	54,767,360	2,374,711	1,675,918	698,793	2,374,711	1,229,673	512,726	1,742,399	7,143,467	47,623,893	34,943,125
2026	57,368,713	2,477,960	1,777,323	700,637	2,477,960	1,259,978	496,695	1,756,673	8,092,281	49,276,432	34,932,990
2027	60,084,667	2,582,239	1,909,601	672,638	2,582,239	1,307,973	460,721	1,768,694	9,076,148	51,008,519	34,938,066
2028	62,805,688	2,686,371	2,000,175	686,196	2,686,371	1,323,682	454,113	1,777,795	10,066,451	52,739,237	34,901,946
2029	65,639,905	2,810,238	2,086,953	723,285	2,810,238	1,334,406	462,471	1,796,877	11,104,973	54,534,932	34,869,862
2030	68,474,234	2,920,309	2,216,334	703,975	2,920,309	1,369,211	434,903	1,804,114	12,216,932	56,257,302	34,754,737
2031	71,448,082	3,044,757	2,271,006	773,751	3,044,757	1,355,542	461,845	1,817,387	13,348,500	58,099,582	34,679,095
2032	74,664,451	3,177,724	2,386,119	791,605	3,177,724	1,376,089	456,523	1,832,612	14,589,449	60,075,002	34,645,609
2033	77,837,996	3,305,088	2,458,455	846,633	3,305,088	1,369,860	471,747	1,841,607	15,891,685	61,946,311	34,516,719
2034	81,142,809	3,444,949	2,512,656	932,293	3,444,949	1,352,716	501,910	1,854,626	17,294,527	63,848,282	34,373,434
2035	84,769,199	3,598,442	2,609,949	988,493	3,598,442	1,357,580	514,170	1,871,750	18,832,128	65,937,071	34,297,543
2036	88,299,031	3,746,583	2,679,090	1,067,493	3,746,583	1,346,419	536,486	1,882,905	20,479,745	67,819,286	34,083,659
2037	92,480,885	3,910,554	2,758,237	1,152,317	3,910,554	1,339,320	559,532	1,898,852	22,264,029	70,216,856	34,095,262
2038	96,804,994	4,076,973	2,906,143	1,170,830	4,076,973	1,363,419	549,296	1,912,715	24,195,587	72,609,407	34,064,749
2039	101,026,435	4,258,647	3,047,728	1,210,919	4,258,647	1,381,491	548,892	1,930,383	26,213,263	74,813,172	33,911,736
2040	105,645,986	4,449,269	3,221,187	1,228,082	4,449,269	1,410,742	537,847	1,948,589	28,341,646	77,304,340	33,855,987
2041	110,393,242	4,652,296	3,424,740	1,227,556	4,652,296	1,449,168	519,437	1,968,605	30,561,686	79,831,556	33,780,483
2042	115,251,155	4,866,772	3,606,991	1,259,781	4,866,772	1,474,674	515,046	1,989,720	32,858,901	82,392,254	33,685,057
2043	120,477,124	5,096,360	3,810,518	1,285,842	5,096,360	1,505,201	507,923	2,013,124	35,268,744	85,208,380	33,658,353
2044	125,832,726	5,336,859	3,920,885	1,415,974	5,336,859	1,496,423	540,413	2,036,836	37,788,992	88,043,734	33,602,273
2045	131,552,190	5,600,772	4,130,442	1,470,330	5,600,772	1,523,093	542,181	2,065,274	40,527,581	91,024,609	33,565,157
2046	137,531,046	5,870,025	4,251,709	1,618,316	5,870,025	1,514,792	576,571	2,091,363	43,416,376	94,114,670	33,531,025

EXHIBIT D

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - Pay-as-you-go Funding

Fiscal Year	Number of Retirees, Spouses & Surviving Spouses	Total Actuarial Accrued Liability ("AAL")	Present Value at 3.50% of Total Actuarial Accrued Liability ("AAL")	Employer Share of Premiums / Claims including "implicit cost"	Present Value at 3.50% of Employer Share of Premiums / Claims including "implicit cost"
2016	268	36,572,225	36,572,225	963,846	963,846
2017	286	38,153,030	36,862,831	1,054,410	1,018,754
2018	300	39,839,885	37,190,959	1,144,888	1,068,765
2019	310	41,575,195	37,498,444	1,212,056	1,093,205
2020	320	43,377,388	37,800,888	1,272,627	1,109,021
2021	328	45,264,543	38,111,531	1,353,951	1,139,990
2022	334	47,493,253	38,635,792	1,438,978	1,170,610
2023	339	49,802,644	39,144,428	1,488,507	1,169,953
2024	342	52,247,775	39,677,564	1,593,600	1,210,198
2025	345	54,767,360	40,184,508	1,675,918	1,229,673
2026	347	57,368,713	40,669,760	1,777,323	1,259,978
2027	349	60,084,667	41,154,735	1,909,601	1,307,973
2028	350	62,805,688	41,563,755	2,000,175	1,323,682
2029	351	65,639,905	41,970,428	2,086,953	1,334,406
2030	351	68,474,234	42,302,135	2,216,334	1,369,211
2031	350	71,448,082	42,646,690	2,271,006	1,355,542
2032	349	74,664,451	43,059,430	2,386,119	1,376,089
2033	346	77,837,996	43,371,626	2,458,455	1,369,860
2034	342	81,142,809	43,684,135	2,512,656	1,352,716
2035	339	84,769,199	44,093,181	2,609,949	1,357,580
2036	335	88,299,031	44,376,081	2,679,090	1,346,419
2037	331	92,480,885	44,906,027	2,758,237	1,339,320
2038	327	96,804,994	45,416,124	2,906,143	1,363,419
2039	324	101,026,435	45,793,832	3,047,728	1,381,491
2040	322	105,645,986	46,268,413	3,221,187	1,410,742
2041	319	110,393,242	46,712,568	3,424,740	1,449,168
2042	316	115,251,155	47,119,014	3,606,991	1,474,674
2043	315	120,477,124	47,589,939	3,810,518	1,505,201
2044	313	125,832,726	48,024,606	3,920,885	1,496,423
2045	312	131,552,190	48,509,627	4,130,442	1,523,093
2046	311	137,531,046	48,999,342	4,251,709	1,514,792
2047	310	143,708,538	49,468,840	4,387,051	1,510,156
2048	309	150,485,302	50,049,863	4,544,669	1,511,510
2049	308	157,357,925	50,565,823	4,671,630	1,501,194
2050	309	164,987,283	51,224,600	4,831,070	1,499,932
2051	309	173,090,884	51,923,260	5,005,101	1,501,414
2052	309	181,308,278	52,549,071	5,111,832	1,481,576
2053	309	190,272,910	53,282,429	5,258,278	1,472,484
2054	309	199,634,977	54,013,627	5,363,184	1,451,073
2055	308	209,807,096	54,846,198	5,550,596	1,450,995

EXHIBIT E

GLOSSARY

AAL – Actuarial Accrued Liability. That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Accrual Accounting - A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarial Value of Assets – The value of cash, investments, other assets and property belonging to an OPEB trust, pension fund or similar entity, as used by the actuary for the purpose of actuarial valuation. Some funds may be restricted for other purposes, and “smoothing” of investment gains and losses often make the actuarial value of assets different from the market value of assets.

Annual Required Contribution – Normal Cost plus an amortization of the funding shortfall over a period of no more than 30 years.

Cash Basis Accounting - A system of accounting in which revenues are recorded when actually received and outlays are recorded when payment is made.

Discount Rate – The interest rate used to calculate present value of a series of future cash flows. Under GASB 45, the rate should be “long term expected yield on the investments that are expected to be used to pay benefits as they come due. These would be plan investments for a funded plan, the employer’s investments for a pay as you go plan [e.g. short term county investment pool], or a weighted average of expected plan and employer investments for a plan that is partially funded”.

FASB – Financial Accounting Standards Board. “Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting”.

GASB - Government Accounting Standards Board. “The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities.”

EXHIBIT E**GLOSSARY***(continued)*

GFOA – Government Finance Officers Association. “GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.”

Implicit Subsidy – “The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.”

Irrevocable Contribution – “Irrevocably transferred assets to a qualifying trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator. The preceding criteria preclude counting as [irrevocable] contributions (a) designations of net assets of a governmental or proprietary fund to be used for OPEB or (b) internal transfers of assets to a separate governmental or proprietary fund for the same purpose. Rather, such actions should be regarded as earmarking of employer assets.”

Level Dollar Amortization – Funding a shortfall in OPEB assets with equal dollar payments over a designated number of years (no more than 30 years). The present value of the level payments equals the present value of unfunded liabilities, the UAAL.

Level Percent of Payroll Amortization – Funding a shortfall in OPEB assets as a level percent of payroll over a designated number of years (no more than 30 years). The present value of the payments equals the present value of unfunded liabilities, the UAAL. Level percent of payroll typically has lower payments in the early years than level dollar amortization. When using level payroll amortization, employee count is assumed to be constant, and the payroll differences arise from overall wage trends.

EXHIBIT E**GLOSSARY***(continued)*

Normal Cost - The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Normal cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

NOA - Net OPEB Asset. The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.

NOO - Net OPEB Obligation. The cumulative difference since the effective date of GASB Statement number 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

OPEB - Other Post Employment Benefits

OPEB Trust - An entity other than a pension or retirement system which manages OPEB assets. In many respects it is similar to a pension fund for OPEB. For reasons detailed in GASB 45, contributions to an OPEB trust should be irrevocable in order to obtain the most favorable accounting treatment.

Pay-as-you-go funding - Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

POB - Pension Obligation Bond. Generally yielding taxable interest, POBs are issued to help fund a previously unfunded or underfunded pension liability.

UAAL - Unfunded Accrued Actuarial Liability. Actuarial Accrued Liability minus the Actuarial Value of Assets.

Town of Medway



PRESENTATION OF GASB 45 RESULTS

NOVEMBER 7, 2016

Odyssey Advisors

- Actuaries & Management Consultants – founded in 1998
- Provide actuarial consulting & valuation services to over 300 municipal entities including over 250 in Massachusetts including Braintree, Plainville, Bellingham, and Stoughton
- Offices in Connecticut & Nevada – clients in 37 States & Europe
- Primarily focused on retirement plans
 - Retiree Medical (GASB 45/75 & FASB 106)
 - Defined Benefit Plans (GASB 67/68 & FASB 87/88/132/158)
 - Defined Contribution Plans (401(k), 403(b), 457, ESOP, etc.)

GASB 45 Results

	<u>7/1/2015</u>		<u>7/1/2013</u>
•AAL –	36,572,225	•AAL –	38,407,572
•Assets –	<u>250,887</u>	•Assets –	<u>50,489</u>
•UAAL –	36,321,338	•UAAL –	38,357,083

GASB 45 Results

<u>FY 2016</u>		<u>FY 2014</u>	
•Normal Cost –	1,658,506	•Normal Cost –	1,906,754
•Net OPEB Expense –	3,476,598	•Net OPEB Expense –	3,940,458
•Employer Share of Costs –	963,846	•Employer Share of Costs –	925,505
•Payments to OPEB Trust –	<u>100,000</u>	•Payments to OPEB Trust –	<u>50,000</u>
•Total Employer Contribution –	1,063,846	•Total Employer Contribution –	975,505

GASB 45 Results

- Premiums for Retiree (Senior) Medical plans increased less than expected
 - Had been expected to increase by 16%
- Discount Rate decreased (from 4.00% to 3.50% to reflect lower rates in the market)
 - Increased Liabilities by \$2.5 million
- More conservative morality table (as requested by PERAC)
 - Increased liabilities by \$2.2 million

Actuarial Assumptions

- Interest Rate – 3.50% (previously 4.00%)
- Termination Rates
 - Probability of leaving employment each year prior to retirement
- Retirement Rates
 - Percentage of retirement eligible active employees who retire each year
- Election Percentage – 100%
 - Percentage of those eligible who elect to receive benefits in retirement
- Healthcare Cost Inflation – 5.00% per year (this may need to be revisited for your next valuation given recent trends)

Comparison to Other Odyssey Clients – neighboring towns

	Total Annual Normal Cost (annual benefit accrual)	Number of Benefit Eligible Actives	Per Eligible Active Participant	Unfunded Actuarial Liability	Unfunded Actuarial Liability as a % of Payroll	Benefit Payments	Number of Retirees /Spouses	Per Covered Retiree /Spouse	Funded Ratio
Town of Medway	1,658,506	280	5,923	36,321,338	191%	963,846	268	3,596	0.69%
Town of Braintree	6,663,630	1,282	5,198	169,823,319	208%	4,568,139	863	5,293	3.28%
Town of Dover	201,654	148	1,363	2,079,665	N/A	215,396	67	3,215	65.11%
Town of Plainville	771,170	197	3,915	16,373,674	152%	504,571	117	4,313	0.09%
Town of Holbrook	1,450,113	319	4,546	39,721,372	198%	1,533,422	287	5,343	0.14%
Town of Bellingham	2,469,231	471	5,243	50,600,428	190%	1,139,795	262	4,350	0.79%
Town of Norfolk	737,498	254	2,904	15,344,017	94%	463,926	122	3,803	0.00%
Town of Stoughton	3,781,499	777	4,867	81,356,472	N/A	2,249,210	514	4,376	0.00%
Massachusetts Average (Odyssey Clients only)	724,226	173	4,175	17,347,088	187%	557,072	118	4,704	3.35%

Comparison to Other Odyssey Clients – similar population size

	Total Annual Normal Cost (annual benefit accrual)	Number of Benefit Eligible Actives	Per Eligible Active Participant	Unfunded Actuarial Liability	Unfunded Actuarial Liability as a % of Payroll	Benefit Payments	Number of Retirees /Spouses	Per Covered Retiree /Spouse	Funded Ratio
Town of Medway	1,658,506	280	5,923	36,321,338	191%	963,846	268	3,596	0.69%
Town of West Bridgewater	1,087,979	251	4,335	25,232,404	N/A	835,495	186	4,492	0.04%
Town of Hopedale	1,106,662	261	4,240	20,427,351	168%	487,809	111	4,395	0.00%
Town of Monson	750,117	264	2,841	20,308,213	185%	605,258	154	3,930	0.58%
Town of Ware	956,527	276	3,466	23,640,326	179%	878,377	199	4,414	0.04%
Town of Abington	1,269,982	281	4,520	40,805,252	173%	1,527,903	329	4,644	0.31%
Town of Southborough	1,751,179	355	4,933	29,073,161	N/A	652,118	161	4,050	1.15%
Town of Millis	966,487	307	3,148	20,281,374	N/A	691,462	156	4,432	0.00%
Massachusetts Average (Odyssey Clients only)	724,226	173	4,175	17,347,088	187%	557,072	118	4,704	3.35%

Normal Cost per Active Employee

Town of Medway Normal Cost per Capita as of July 1, 2015

	General Government Employees	Teacher Employees	School Non- Teacher Employees	Police Employees	Fire Employees	Water Enterprise Employees	Ambulance Enterprise Employees	Sewer Enterprise Employee s	Solid Waste Enterprise Employee s	Total
I. Normal Cost	\$ 137,801	\$ 947,254	\$ 305,053	\$ 114,228	\$ 53,145	\$ 37,571	\$ 32,160	\$ 18,498	\$ 12,796	\$1,658,506
II. Eligible Actives	27	147	66	18	6	6	4	3	3	280
III. Normal Cost per Eligible Active [I. / II.]	\$ 5,104	\$ 6,444	\$ 4,622	\$ 6,346	\$ 8,858	\$ 6,262	\$ 8,040	\$ 6,166	\$ 4,265	\$ 5,923

Affordable Care Act and Excise Tax

- Premiums above \$10,200 for Individual plans and \$27,500 (these thresholds will increase annually by CPI) will be taxed at 40% starting in 2020 (previously 2018, but amended by Consolidated Appropriations Act of 2016)
- An analysis conducted by Towers Watson in September 2014 predicted that 48% of firms surveyed are likely to trigger the tax in 2018 and 82% by 2023 with current plan designs.

Transition to GASB 75

- Largely mirrors GASB 67 and 68 for pension plans
- Effective for your 2018 fiscal year
- Change in actuarial cost method will generally increase liabilities with a small decrease in normal cost
- Requires increased disclosure and will tie interest rates used in the valuation to the plan's underlying investment and funding policy
- May pressure entities to adopt formal funding policies

What Can You Do to Get Ready?

- Talk with you Auditors and Actuaries
- Learn in more depth about upcoming changes through Odyssey's series of white papers at www.gasb75.com

Questions?

AGENDA

ITEM #2

**Approval – Grant Expenditure – 911
Support and Incentive Grant - \$ 30,194**

Associated backup materials attached:

- Notice of Grant Award

Proposed Motion: I move that the Board authorize the expenditure of the 911 Support and Incentive Grant in the amount of \$30,194.

**TOWN OF MEDWAY
NOTICE OF GRANT AWARD**

DEPARTMENT: Police and Fire Communications DATE: 11/1/2016

PERSON RESPONSIBLE FOR GRANT EXPENDITURE: Chief Allen M. Tingley/LT William Boultenhouse

NAME OF GRANT: 911 Support and Incentive Grant

GRANTOR: State 911

GRANT AMOUNT: 30,194.00

GRANT PERIOD: 10/31/2016 - 6/30/2017

SCOPE OF GRANT/
ITEMS FUNDED Salary reimbursement for 911 certified dispatchers
for required training classes

IS A POSITION BEING
CREATED: No

IF YES: CAN FRINGE BENEFITS BE PAID FROM GRANT? _____

ARE MATCHING TOWN
FUNDS REQUIRED? No

IF MATCHING IS NON-MONETARY (MAN HOURS, ETC.) PLEASE SPECIFY:
No

IF MATCHING IS MONETARY PLEASE GIVE ACCOUNT NUMBER AND DESCRIPTION OF TOWN FUNDS
TO BE USED:

N/A

ANY OTHER EXPOSURE TO TOWN?
No

IS THERE A DEADLINE FOR BOARD OF SELECTMEN APPROVAL: As soon as possible

APPROVAL SIGNATURES _____

DATE _____

**DEPARTMENT HEAD MUST SUBMIT THIS FORM, A COPY OF THE GRANT APPROVAL, AND A COVER
LETTER TO THE SELECTMEN'S OFFICE FOR APPROVAL OF DEPARTMENT TO EXPEND
THE FUNDS RECEIVED FOR THE PURPOSE OF THE GRANT**

ONCE APPROVED - ORIGINAL TO TOWN ACCOUNTANT



The Commonwealth of Massachusetts
EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY
STATE 911 DEPARTMENT

151 Campanelli Drive, Suite A ~ Middleborough, MA 02346
Tel: 508-828-2911 ~ TTY: 508-828-4572 ~ Fax: 508-828-2585
www.mass.gov/e911



CHARLES D. BAKER
Governor

DANIEL BENNETT
Secretary of Public Safety
and Security

FRANK POZNIAK
Executive Director

October 31, 2016

Lieutenant William K. Boultenhouse
Medway Police Department
315 Village Street
Medway, MA 02053

Dear Lieutenant Boultenhouse:

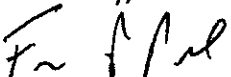
The Commonwealth of Massachusetts, State 911 Department would like to thank you for participating in the **FY 2017 State 911 Department Support and Incentive Grant** program.

For your files, attached please find a copy of the executed contract and the final approved Appendix A: Personnel List for your grant. Please note your contract start date is **October 31, 2016** and will run through June 30, 2017. Please keep in mind that there shall be no reimbursement for costs incurred prior to the effective date of the contract and all goods and services **MUST** be received on or before June 30, 2017.

Reimbursement requests should be submitted to the Department within **thirty (30) days** of the date on which the cost is incurred. We have made the request for payment forms available on our website www.mass.gov/E911. For any questions related to this process, please contact Michelle Hallahan at 508-821-7216. Please note that funding of reimbursement requests received more than three (3) months after the close of the fiscal year under which costs were incurred cannot be guaranteed.

If, in the future, you would like to make any changes to the authorized signatory, the contract manager, and/or the budget worksheet, please e-mail those proposed changes to 911DeptGrants@state.ma.us. Grantees are strongly encouraged to submit final, year-end budget modification requests on or before April 14, 2017.

Sincerely,


Frank P. Pozniak
Executive Director

cc: FY 2017 Support and Incentive Grant File



COMMONWEALTH OF MASSACHUSETTS ~ STANDARD CONTRACT FORM

This form is jointly issued and published by the Executive Office for Administration and Finance (ANF), the Office of the Comptroller (CTR) and the Operational Services Division (OSD) as the default contract for all Commonwealth Departments when another form is not prescribed by regulation or policy. Any changes to the official printed language of this form shall be void. Additional non-conflicting terms may be added by Attachment. Contractors may not require any additional agreements, engagement letters, contract forms or other additional terms as part of this Contract without prior Department approval. Click on hyperlinks for definitions, instructions and legal requirements that are incorporated by reference into this Contract. An electronic copy of this form is available at www.mass.gov/osc under [Guidance For Vendors - Forms](#) or www.mass.gov/osd under [OSD Forms](#).

CONTRACTOR LEGAL NAME: <u>Town of Medway</u> (and d/b/a): <u>Medway Police Department</u>		COMMONWEALTH DEPARTMENT NAME: <u>State 911 Department</u> MMARS Department Code: <u>EPS</u>	
Legal Address: <u>(W-9, W-4,T&C)/54 Village St. Medway, MA 02053</u>		Business Mailing Address: <u>151 Campanelli Drive, Suite A, Middleborough, MA 02346</u>	
Contract Manager: <u>Allen Tingley Chief of Police</u>		Billing Address (if different):	
E-Mail: <u>Amtingley@medwaypolice.com</u>		Contract Manager: <u>Cindy Reynolds</u>	
Phone: <u>508-533-3212</u>	Fax: <u>508-533-3216</u>	E-Mail: <u>911DeptGrants@state.ma.us</u>	
Contractor Vendor Code: <u>VC6000191877</u>		Phone: <u>508-821-7299</u>	Fax: <u>508-828-2585</u>
Vendor Code Address ID (e.g. "AD001"): <u>AD001</u> (Note: The Address ID must be set up for EFT payments.)		MMARS Doc ID(s): <u>CT SUPG</u>	
RFR/Procurement or Other ID Number: <u>FY2017 SUPG</u>			

<input checked="" type="checkbox"/> NEW CONTRACT	<input type="checkbox"/> CONTRACT AMENDMENT
PROCUREMENT OR EXCEPTION TYPE: (Check one option only) <input type="checkbox"/> <u>Statewide Contract</u> (OSD or an OSD-designated Department) <input type="checkbox"/> <u>Collective Purchase</u> (Attach OSD approval, scope, budget) <input checked="" type="checkbox"/> <u>Department Procurement</u> (Includes State or Federal grants 815 CMR 2.00) (Attach RFR and Response or other procurement supporting documentation) <input type="checkbox"/> <u>Emergency Contract</u> (Attach justification for emergency, scope, budget) <input type="checkbox"/> <u>Contract Employee</u> (Attach <u>Employment Status Form</u> , scope, budget) <input type="checkbox"/> <u>Legislative/Legal or Other:</u> (Attach authorizing language/justification, scope and budget)	Enter Current Contract End Date <u>Prior</u> to Amendment: <u> </u> , 20 <u> </u> Enter Amendment Amount: \$ <u> </u> . (or "no change") AMENDMENT TYPE: (Check one option only. Attach details of Amendment changes.) <input type="checkbox"/> <u>Amendment to Scope or Budget</u> (Attach updated scope and budget) <input type="checkbox"/> <u>Interim Contract</u> (Attach justification for Interim Contract and updated scope/budget) <input type="checkbox"/> <u>Contract Employee</u> (Attach any updates to scope or budget) <input type="checkbox"/> <u>Legislative/Legal or Other:</u> (Attach authorizing language/justification and updated scope and budget)

The following COMMONWEALTH TERMS AND CONDITIONS (T&C) has been executed, filed with CTR and is incorporated by reference into this Contract.
 Commonwealth Terms and Conditions Commonwealth Terms and Conditions For Human and Social Services

COMPENSATION: (Check ONE option): The Department certifies that payments for authorized performance accepted in accordance with the terms of this Contract will be supported in the state accounting system by sufficient appropriations or other non-appropriated funds, subject to intercept for Commonwealth owed debts under 815 CMR 9.00.
 Rate Contract (No Maximum Obligation. Attach details of all rates, units, calculations, conditions or terms and any changes if rates or terms are being amended.)
 Maximum Obligation Contract Enter Total Maximum Obligation for total duration of this Contract (or new Total if Contract is being amended). \$ 30,194.00

PROMPT PAYMENT DISCOUNTS (PPD): Commonwealth payments are issued through EFT 45 days from invoice receipt. Contractors requesting accelerated payments must identify a PPD as follows: Payment issued within 10 days % PPD; Payment issued within 15 days % PPD; Payment issued within 20 days % PPD; Payment issued within 30 days % PPD. If PPD percentages are left blank, identify reason: agree to standard 45 day cycle statutory/legal or Ready Payments (G.L. c. 29, § 23A); only initial payment (subsequent payments scheduled to support standard EFT 45 day payment cycle. See Prompt Pay Discounts Policy.)

BRIEF DESCRIPTION OF CONTRACT PERFORMANCE or REASON FOR AMENDMENT: (Enter the Contract title, purpose, fiscal year(s) and a detailed description of the scope of performance or what is being amended for a Contract Amendment. Attach all supporting documentation and justifications.) For disbursement of funds under the State 911 Department FY2017 PSAP and Regional Emergency Communication Center Support and Incentive Grant as authorized and awarded in compliance with program guidelines and grantee's approved application.

ANTICIPATED START DATE: (Complete ONE option only) The Department and Contractor certify for this Contract, or Contract Amendment, that Contract obligations:
 1. may be incurred as of the Effective Date (latest signature date below) and no obligations have been incurred prior to the Effective Date.
 2. may be incurred as of , 20 , a date LATER than the Effective Date below and no obligations have been incurred prior to the Effective Date.
 3. were incurred as of , 20 , a date PRIOR to the Effective Date below, and the parties agree that payments for any obligations incurred prior to the Effective Date are authorized to be made either as settlement payments or as authorized reimbursement payments, and that the details and circumstances of all obligations under this Contract are attached and incorporated into this Contract. Acceptance of payments forever releases the Commonwealth from further claims related to these obligations.

CONTRACT END DATE: Contract performance shall terminate as of June 30, 2017, with no new obligations being incurred after this date unless the Contract is properly amended, provided that the terms of this Contract and performance expectations and obligations shall survive its termination for the purpose of resolving any claim or dispute, for completing any negotiated terms and warranties, to allow any close out or transition performance, reporting, invoicing or final payments, or during any lapse between amendments.

CERTIFICATIONS: Notwithstanding verbal or other representations by the parties, the "Effective Date" of this Contract or Amendment shall be the latest date that this Contract or Amendment has been executed by an authorized signatory of the Contractor, the Department, or a later Contract or Amendment Start Date specified above, subject to any required approvals. The Contractor makes all certifications required under the attached Contractor Certifications (incorporated by reference if not attached hereto) under the pains and penalties of perjury, agrees to provide any required documentation upon request to support compliance, and agrees that all terms governing performance of this Contract and doing business in Massachusetts are attached or incorporated by reference herein according to the following hierarchy of document precedence, the applicable Commonwealth Terms and Conditions, this Standard Contract Form including the Instructions and Contractor Certifications, the Request for Response (RFR) or other solicitation, the Contractor's Response, and additional negotiated terms, provided that additional negotiated terms will take precedence over the relevant terms in the RFR and the Contractor's Response only if made using the process outlined in 801 CMR 21.07, incorporated herein, provided that any amended RFR or Response terms result in best value, lower costs, or a more cost effective Contract.

AUTHORIZING SIGNATURE FOR THE CONTRACTOR:
 X: Allen Tingley Date:
 (Signature and Date Must Be Handwritten At Time of Signature)
 Print Name: Allen M Tingley
 Print Title: Chief of Police

AUTHORIZING SIGNATURE FOR THE COMMONWEALTH:
 X: Frank Pozniak Date: 10/31/16
 (Signature and Date Must Be Handwritten At Time of Signature)
 Print Name: Frank Pozniak
 Print Title: Executive Director

AGENDA

ITEM #3

**Contract Approval – TNT Energy for
Installation of Energy Efficient Lighting in
Library - \$31,882**

Associated backup materials attached:

- Memo from Bob Weiss, Energy Manager
- Contract

Proposed Motion: I move that the Board authorize the Chairman to execute a contract with TNT Energy for the installation of energy efficient lighting in the Library in an amount not to exceed \$31,882.

Energy Manager
Robert Weiss



Medway Town Hall
155 Village Street
Medway, MA 02053
Phone: (508) 321-4871
Email:
rweiss@townofmedway.org

TOWN OF MEDWAY

To: Glenn Trindade, Chairman, Board of Selectmen

From: Robert Weiss, Energy Manager

Re: Contracts Funded by the Green Communities Competitive Grant, 2016

Date: November 7, 2016

Attached, for the Board's approval, are two contracts for retrofitting lights at Medway's Public Library and the Town's Fire Station #1. These projects are funded by the Green Communities Competitive Grant, which was awarded to the Town earlier this year. In all, four projects will be completed under the Grant. The Board has already approved one of these projects, for an energy management system at the Police Headquarters.

→ The Lighting and Controls Retrofit at Medway Public Library is a \$31,882.00 project, of which, \$26,708 will be paid for out of the Green Communities Grant and the \$5,174.00 balance will come from a rebate from the Eversource utility incentive program. The Lighting and Controls Retrofit at Medway Fire Department Station #1 is a \$14,332.00 project paid for by \$12,386 of grant funding and \$1,946.00 from the utility incentive program. No Town funds will be expended on the projects. The projects are estimated to create a 54% energy savings to the Library and a 64% energy savings for the Fire Station. These savings will result in significantly lower electric bills, as well as fewer greenhouse gas and carbon emissions for both buildings.

The contract for the final project, the LED replacements of the Town's remaining streetlights will be coming in for the Board's approval in the next couple weeks.

Below is the overall grant budget.

Building Name and/or Location	Project Name (description) [1, 7]	Total Project Cost (\$) [4]	GC Grant Funding (\$) [5]	Utility Incentives (\$)	Other Grants (please list source in column N) (\$)	Town Contribution (\$)	Funding Source(s) for Other Grants and Town Contribution
Various Streets in Town	Streetlights Conversion to LEDs	\$108,000.00	\$89,988.08	\$18,011.92	\$0.00	\$0.00	\$0.00
Medway Police Department Headquarters	Install an Energy Management System	\$96,968.00	\$84,382.00	\$12,585.00	\$0.00	\$0.00	\$0.00
Medway Fire Station #1	Retrofit Lights with LEDs and Install New Sensors	\$14,332.00	\$12,386.00	\$1,946.00	\$0.00	\$0.00	\$0.00
Medway Library	Retrofit Lights with LEDs and Install New Sensors	\$31,882.00	\$26,708.00	\$5,174.00	\$0.00	\$0.00	\$0.00
MEDWAY		\$251,182.00	\$213,464.08	\$37,716.92	\$0.00	\$0.00	N/A

ENERGY MANAGEMENT SERVICES – M.G.L. c. 25A, § 14

Lighting and Controls Retrofit at Medway Public Library

This Energy Management Services Contract (hereinafter “Contract” or “Agreement”) is made and entered into as of _____, 2016 (“Effective Date”) by and between TNT ENERGY (hereinafter “ESCO”), a Massachusetts business entity having its principal offices at 407 South Street East, Raynham, MA 02767, and the Town/City of MEDWAY, Massachusetts (hereinafter the “Customer”), a municipal corporation and a political subdivision of the Commonwealth of Massachusetts, having its principal offices at 155 Village St, Medway, MA for the purpose of furnishing and assuring the performance of certain energy conservation measures at the buildings, facilities and properties (“Facilities”) identified in the scope of work attached hereto as **Exhibit A**.

WHEREAS, Customer has been designated a Green Community by the Massachusetts Department of Energy Resources (“DOER”) and, as such, has been awarded a grant by the DOER for use with DOER-approved projects (“DOER Grant”);

WHEREAS, based upon its audit of various Customer facilities and the energy usage associated with such facilities, ESCO has identified energy conservation measures which, if implemented, will reduce Customer’s energy usage, all as reflected in ESCO’s March, 2016 (revised) Green Communities Energy Reduction Plan (the “Technical Audit”) prepared for Customer, a copy of which is incorporated herein by reference;

WHEREAS, in reliance upon the Technical Audit, Customer has agreed to authorize ESCO to construct and implement certain of the proposed energy conservation measures, as reflected in this Agreement;

WHEREAS, the Parties understand that payment by the Town for ESCO’s work under this Contract shall be made solely from the DOER Grant, and therefore, said payment by the Town is limited to the amount of said grant, and subject to DOER’s approval, with the remaining costs, if any, to be paid as set forth herein;

NOW, THEREFORE, in exchange for the promises set forth herein, and for such other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

Key terms used and capitalized within this contract are defined as follows:

Agreement, Contract, or Contract Documents – This term refers to this Contract and all documents attached to and incorporated by reference in the Contract, and to any amendments to this Contract signed by the Parties after execution of the Contract.

Energy Baseline – The energy baseline is a calculation or measure of each type of energy consumed in existing facilities prior to the installation of energy conservation measures. The Energy Baseline is shown in the Technical Audit.

Energy Conservation/Efficiency Measure or “ECM” - An activity or set of activities designed to increase the energy conservation or efficiency of all or any part of a facility, including, but

not limited to, the installation of new equipment or the modification of or alteration to existing equipment to reduce energy costs by improving efficiency.

Energy Savings – The reduction of energy consumption or demand resulting from ECM(s) determined by comparing the energy baseline with the energy consumed (or energy demand) after the ESCO has implemented the ECM(s). The Energy Savings is shown in the Technical Audit.

Hazardous Waste – This term has the meaning prescribed by 310 CMR 30.000

Substantial Completion Date – The date on which the ECMs are (i) substantially complete and (ii) capable of producing savings substantially equal to or greater than the energy savings, which date shall be certified by the ESCO in writing to Customer.

ARTICLE 2: PRICE & CONTRACT TERM

2.1 Total Project Cost and Price

The “total project cost,” as such term is defined in G.L. c. 25A, § 14(a), for this Contract is \$31,882.00, which shall be paid as follows: Subject to the terms of this Contract, the available amount of the DOER Grant, and DOER approval for expenditure of DOER Grant funds, Customer shall pay ESCO no more than \$26,708.00 (“Contract Price”) for the work performed by ESCO in accordance with the terms of this Contract. The remaining project costs shall be paid to ESCO directly by Eversource in the form of incentives and payments from Eversource’s on-bill repayment program in the amounts indicated in **Exhibit B**.

Except for sales taxes that are exempt under the Massachusetts Sales Act, ESCO shall be responsible for paying all taxes, fees, and charges related to the work. It shall also be the responsibility of ESCO to obtain and pay for all permits, licenses and governmental approvals required for the work, including, but not limited to, building permits and approval of DOER for use of DOER Grant funds to pay for work performed by ESCO, and approval of DOER, if required, of each ECM proposed by ESCO in **Exhibit A**.

2.2 Payment Terms

On a monthly basis, ESCO shall submit applications for payment to Customer for portions of the Contract Price corresponding to the work performed for the applicable month. By submitting an application for payment, Contractor hereby agrees that it shall be deemed to have certified that all of the work for which payment is sought was completed in accordance with all permits, governmental approvals, applicable laws and regulations, and the terms of this Contract, and that ESCO has obtained the approval of DOER for use of the DOER Grant funds to pay for the work that is the subject of each application. Subject to the terms of this Contract, Customer shall pay all undisputed amounts requested in the application within thirty (30) days of Customer’s receipt of a proper application for payment. (Do the contractors need to get written approval from DOER?)

2.3 Contract Term

Unless terminated earlier in accordance with the provisions of this Contract, the term of this Contract shall be 90 days from the Effective Date.

ARTICLE 3: THE WORK

3.1 Time for Performance and Final Completion

ESCO shall commence work within ten (10) days of the Effective Date. ESCO shall substantially complete all work, as reasonably determined by Customer, within 120 days after commencing said work, subject to extensions if and as permitted by this Contract. After Substantial Completion, all remaining work shall be completed within 45 days. ESCO shall, within seven (7) days of the Effective Date, provide a project schedule subject to Customer's approval, which shall not be unreasonably withheld. The work must be performed in a continuous, uninterrupted manner between the hours of 8:00 AM and 4:30 PM, Monday through Friday, provided, however, that work may be otherwise scheduled at the Town's election, and in accordance with a schedule to be agreed to by the Parties, to avoid or minimize interference and inconvenience to the occupants of Customer's buildings, including school buildings.

3.2 Scope of Work

The scope of the work shall include all work necessary, incidental and appropriate to accomplish the ECMs contained in **Exhibit A**. ESCO shall perform, supervise, direct and oversee the work using its best ability, skill, attention, and oversight, and in accordance with all applicable local, state and federal laws and regulations (including, but not limited to, the Massachusetts Prevailing Wage Law), prudent industry practices, standards implied by law, permits, governmental approvals, and manufacturers' warranties, if any.

3.3 Construction Procedures, Changes to Work and Coordination

ESCO shall be solely responsible for construction means, methods, techniques, sequences, and procedures. No changes to the work may be made by ESCO without the advance written approval of Customer.

ESCO shall promptly correct any work that does not conform with the terms of the Contract. If ESCO fails within seven (7) days of receipt of notice from Customer to commence, and thereafter diligently pursue, a correction of any such non-conforming work, Customer may (i) cause such work to be corrected and deduct all costs and expenses incurred in connection therewith, including fees of architect, engineers and lawyers, from amounts otherwise payable to the ESCO and/or (ii) terminate this Agreement. The foregoing notwithstanding, in the event any non-conformity threatens public health or safety, ESCO shall correct the conformity immediately with or without notice from Customer.

ESCO shall coordinate all work with utilities if and as required at no additional cost or expense to Customer.

3.4 Coordination with Maintenance Staff

ESCO shall coordinate all work and fully cooperate with Customer's maintenance personnel, and shall train such personnel in the operation and maintenance of all ECMs, equipment, material and products installed under this Contract. ESCO shall provide a preventive maintenance schedule and procedures

for such equipment.

3.5 Material and Equipment Installed

All ECMs, equipment, products and material installed under this Contract shall be subject to Customer's approval. No substitution of any material, product or equipment specified in the Contract shall be made without the advance written approval of Customer, and to be eligible for approval, any such substitution shall be at least equal to the specified material, product or equipment in quality, finish, durability, serviceability and performance for the purpose intended, as determined by Customer.

If applicable, ESCO shall prepare and furnish for Customer's approval at least three (3) maintenance manuals for all ECMs and equipment installed under this Contract.

3.6 Removal of Debris and Waste

ESCO will be responsible for proper disposal of construction debris and non-hazardous waste generated by or resulting from its work. ESCO shall not introduce any Hazardous Materials on, in or about the Facilities. Unless otherwise provided in **Exhibit A**, ESCO shall not be responsible for the removal of Hazardous Materials, if any, that existed on the Facilities before the date of this Contract, provided that ESCO has not exacerbated or caused a release or discharge of such materials during the work. In the event ESCO encounters such materials, it shall notify Customer immediately. The foregoing notwithstanding, ESCO shall be responsible for the proper removal, management, disposal and recycling of any polychlorinated biphenyl ballasts and mercury lamps, switches, or thermostats.

3.7 Subcontracting

ESCO may not subcontract any part of the work without the advance written approval of the Customer, which shall not be unreasonably withheld, conditioned or delayed, provided that no such approval shall constitute an approval of a subcontractor under in G.L. c. 30, § 39F. ESCO shall be responsible for all of the conduct, acts and omissions of its subcontractors, suppliers, employees, agents, representatives, and other persons for whom ESCO is responsible. Nothing in this Contract shall create any contractual relationship between any such subcontractor, supplier, employee, agent, representative or person and Customer.

3.8 Delays

If ESCO is delayed in the commencement or completion of any part of the work due to events beyond ESCO's control (and thus without the fault or negligence of the ESCO), including but not limited to fire, flood, or unavoidable casualties, it must notify Customer of the delay in writing within ten (10) days of the commencement of the event resulting or expected to result in delay. Such notice must include a reasonably detailed explanation of the cause and anticipated extent of the delay, and the extension requested, if any, to the time for completion of the work set forth in Section 3.1. ESCO shall have no claim for additional compensation on account of any delays, including, but not limited to, delays allegedly caused by Customer, and an extension of time, if any, shall be ESCO's sole remedy for any delays. Failure of ESCO to request a time extension in accordance with this Section shall result in the waiver of any claim for such extension. Any decision on ESCO's request for a time

extension shall be final and binding in accordance with Section 7.1 (Dispute Resolution and Claims).

3.9 Equipment Location and Access

The buildings and facilities identified in **Exhibit A** (the "Facilities") will be occupied during the work. ESCO shall therefore take all necessary and appropriate precautions to ensure the safety and convenience of occupants during the work.

The ESCO is responsible for the security and risk of loss of partially completed work, and for materials and equipment stored at Customer properties. Only materials and equipment intended and necessary for immediate use shall be brought into the Facilities. Equipment and unused materials shall be removed from each Facility by the end of each workday. Customer shall provide without charge a mutually satisfactory location or locations, if available, for the storage of materials and equipment.

Flammables and combustibles shall not be stored on the Facilities.

3.10 Utilities

To the extent water, heat and utilities exist at the Facilities and are available for use, Customer shall allow such water, heat, and utilities to be reasonably consumed by the ESCO without charge for performance of the work. The foregoing notwithstanding, Customer shall not be responsible to install or pay for any facilities or modifications not already in existence that are necessary to access such water, heat, and utilities during the work.

3.11 Concealed or Unknown Conditions

ESCO shall not be eligible for additional compensation or extensions of time to complete the work for any subsurface or latent physical conditions of which ESCO knew or should have known, or which do not differ materially or substantially from conditions reflected in the Contract or of which ESCO knew or should have known.

3.12 Shutdown of Services

ESCO hereby acknowledges that continuous operation of services, including, but not limited to, heat, water, electricity, gas, sanitary facilities, elevators, fire alarms or protections, and access to the Facilities, including common areas, are essential to the operation of the Facilities. If any such service or access is to be discontinued for any period of time in order to perform the work, ESCO shall give the Customer written notice as far in advance as practicable, but in no event less than seven (7) days in advance. Such discontinuation shall be subject to Customer's approval, which shall not be unreasonably withheld, but may be conditioned by requiring the ESCO to provide and pay for temporary services, or by imposing a time limit on any discontinuation. With respect to fire alarm or other fire protections, if Customer approves a shutdown of such protections, ESCO shall also, in advance, notify the local fire department of any shutdown of service and notify the fire department when such service is restored.

3.13 Indemnification and Limitation of Liability

ESCO shall be responsible for the work and take all precautions for preventing injuries to persons and

damage to property in or about the work and Facilities, and for all losses, claims, costs, expenses, including reasonable attorneys' fees, damages and other liabilities resulting or arising from the work. ESCO shall pay or cause payment to be made for all labor performed or furnished and for all material used or employed in carrying out this Contract. In addition to, and not in limitation of, any other rights and remedies available to Customer under this Contract, at law or in equity, ESCO shall defend, indemnify and hold harmless the Customer, their employees, officials and agents from and against any and all third-party claims relating to:

1. Labor performed or furnished and materials used or employed for the work;
2. Inventions, patents and patent rights used in and in doing the work;
3. Injuries to any person caused, in whole or in part, directly or indirectly, by ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible;
4. Damage to property, including the Facilities and the work, caused, in whole or in part, directly or indirectly, by ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible; and
5. Any act, omission, or fault or neglect of the ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible.

The indemnification obligation includes the payment of reasonable attorneys' fees incurred by Customer in connection with any such claims.

3.14 Criminal Offender Record Information. If the Facilities constitute, in whole or in part, school property, the following shall apply:

In accordance with G.L. c. 71, § 38R, and G.L. c. 6, §178KD et seq., and any regulations promulgated pursuant thereto, Customer may request and obtain all available criminal offender record information, national fingerprint-based criminal background checks, and information maintained by the Sex Offender Registry Board (collectively, "C/SORI") for all persons who may perform work or services on school grounds and have direct and unmonitored contact with children. ESCO shall require all individuals, employees, agents, contractors or others working on behalf of ESCO who will be involved in the work or services under this Agreement (and any Contract) to complete and sign a Request Form (or other documents) to obtain C/SORI if, in the sole determination of the Customer, some or all such persons may have direct and unmonitored contact with children during the work or services. If, based on the result of a C/SORI check, Customer determines, in its sole discretion, to exclude any person from furnishing work or services pursuant to this Agreement, ESCO shall ensure that such person is not given access to the Facilities and is prohibited from working under this Agreement (and any Contract).

Notwithstanding the foregoing parts of this section:

As between ESCO and Customer, ESCO shall be solely responsible for the acts and omissions of its employees, agents, contractors and other persons performing services under this Agreement for or on behalf of ESCO. In addition, Customer's exercise or failure to exercise its rights under this Agreement

to conduct C/SORI checks and/or to exclude persons from the Facilities and from working under this Agreement shall relieve ESCO of its obligations thereunder, nor act to waive any of the rights, remedies and defenses available to the Customer under this Agreement, at law and in equity. Furthermore, Customer may, notwithstanding anything to the contrary in this Contract, including without limitation Article 5, terminate this Contract immediately for any failure of ESCO to strictly comply with this section.

ARTICLE 4: PERFORMANCE AND EVALUATION OF COMPLETED WORK

4.1 Workmanship and Equipment Warranty

ESCO hereby assigns to the Customer all warranties of all equipment, products and materials used in the work. In addition to and not in limitation of any other rights and remedies available to Customer under the Contract, at law or in equity, and in addition to and not in lieu or limitation of any applicable statutory limitations periods or manufacturers' warranties, ESCO warrants that, for a period of one year from the date of final completion of the work, as determined by Customer ("Warranty Period"), all equipment, products, materials and the work shall be free from defects in material, manufacture, workmanship and performance, and agrees that if a defect occurs within the Warranty Period, ESCO shall promptly correct and pay for correction of all defects including replacement or repair and all parts and labor.

4.2 Representations and Warranties of ESCO

ESCO represents and warrants as follows:

1. ESCO has performed an "ASHRAE Level 2" audit of the Facilities in accordance with the standards, criteria and recommendations of the American Society of Heating, Refrigeration and Air-Conditioning Engineers ("ASHRAE"), and has determined, based upon the energy savings objectives established by Customer and the limit of DOER Grant funds available for the work, that an "ASHRAE Level 3" audit is neither recommended nor necessary to identify no-cost and low-cost energy savings opportunities and provide ECM recommendations for the Facilities;
2. To the best of ESCO's knowledge, the utility incentives referenced in **Exhibit B**, if any, are reasonably accurate and available as of the Effective Date;
3. To the extent that **Exhibit A** specifies particular products, the energy ratings of such products were accurately used in the calculation of energy and water savings estimates set forth in the Technical Audit;
4. Neither it nor its officers or employees has a financial interest, direct or indirect, in any manufacturer, dealer or distributor of equipment, materials, products or commodities referenced in the Contract or used or incorporated in the work and Facilities, or any interest which would violate G.L. c. 268A, as amended or superseded, whether or not ESCO is subject to said chapter;
5. The "Baseline Energy Usage Overview," the "ECM Savings Overview," and the "ECM Cost and Return on Investment Analysis" that are included in the Technical Audit, and copies of which are attached

hereto as **Exhibit C**, are reasonably accurate and were developed in accordance with all applicable ASHRAE standards, and ESCO's Energy Savings calculations are based on valid and reasonably accurate assumptions, projections and baselines that best represent the true value of future energy or operational savings for the Facility;

7. ESCO is a qualified vendor in Columbia Gas's Project Expediter Program and is eligible to provide energy management services under G.L. c. 25A, § 14(a); and

8. The ECM's set forth in Exhibit A constitute qualified energy conservation projects under G.L. c. 25A, § 14(a), and are included in the local electric utility's current efficiency plan developed by the utility pursuant to G.L. c. 25, § 21.

ARTICLE 5: EVENTS OF DEFAULT

5.1 The following events or conditions shall constitute an Event of Default by the ESCO and shall give the Customer the right, without an election of remedies, to proceed pursuant to Section 7.01 and/or terminate this Contract by delivery of written notice of termination, upon which event the ESCO shall be liable to the Customer for any and all damages sustained by the Customer:

1. Any representation or warranty made by the ESCO in this Contract which was false or misleading in any material respect when made;
2. The voluntary or involuntary filing of bankruptcy by/against the ESCO or an involuntary assignment for the benefit of creditors, or the liquidation of the ESCO;
3. Any failure by the ESCO to perform or comply with any other material term or condition of this Contract, unless ESCO promptly commences and diligently pursues a cure to completion within thirty (30) days after receipt of written notice of the default from Customer, or if a cure cannot reasonably be completed in thirty (30) days, within and not to exceed ninety (90) days from receipt of notice.

ARTICLE 6: INSURANCE & BONDS

6.1 Workers' Compensation Insurance

ESCO shall provide during the life of this Contract Worker's Compensation Insurance in accordance with the Worker's Compensation Act of the Commonwealth of Massachusetts (M.G.L. c149 § 34A and M.G.L. c152) as follows:

Workers Compensation Coverage A	Statutory Minimum
Employer's Liability Coverage B	\$500,000 each accident
\$500,000 disease per employee	
\$500,000 disease policy	

6.2 Comprehensive General Liability

ESCO shall provide Comprehensive General Liability with the following minimum coverage with

respect to the work and other operations performed by ESCO and its employees, subcontractors, supplier's agents and invitees:

Bodily Injury and Property Damage \$1,000,000 aggregate	\$1,000,000 each occurrence, \$1,000,000 aggregate
Products & Completed Operations	\$1,000,000 aggregate
Personal & Advertising Injury	\$1,000,000 each occurrence

This policy shall include coverage relating to explosion, collapse, and underground property damage and contractual liability coverage. ESCO shall provide a separate "Owners and ESCO's Protective Liability" policy in the name of the Customer at the same limits listed above. The completed operations coverage shall be maintained for a period of two (2) years after the Substantial Completion Date.

6.3 Vehicle Liability

ESCO shall provide the following minimum coverage with respect to the operations of the any employee, including coverage for owned, non-owned, and hired vehicles:

Bodily Injury	\$1,000,000 each
person Property Damage	\$1,000,000 each
accident Combined Single Limit	\$1,000,000

6.4 Property Coverage

ESCO shall provide the following coverage against loss or damage by fire and against loss or damage covered by the special perils insurance endorsement on all work:

Special Perils	80% of Contract Price minimum
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Upon completion of work, ESCO shall provide an installation floater, in the full amount of the Contract Price, for the requirements set forth above. The policy or policies shall specifically state that they are for the benefit and payable to Customer, the ESCO, and all persons furnishing labor or labor and materials for the work, as their interests may appear.

6.5 Customer as Additional Insured

The Customer shall be named as additional insured on the ESCO's liability policies.

6.6 Certificates of Insurance

Certificates of insurance, acceptable to the Customer, shall be submitted to Customer prior to the signing of this Contract and shall be renewed upon expiration of ESCO's insurance policies referenced above. Certificates shall indicate that the insurance required by sections 6.1 through 6.5 is in effect. If ESCO fails to maintain such insurance during the term of this Contract, it shall be responsible for all costs, losses, damages and expenses (including reasonable attorneys' fees) arising from such failure, including, but not limited to, losses that would have otherwise been covered

under such insurance had it been maintained. Certificates shall note the thirty (30) day cancellation notice requirement of Section 6.7. All policies shall be issued by companies qualified to do business in Massachusetts and satisfactory to Customer.

6.7 Cancellation of Insurance

Cancellation of any insurance required by this Contract, whether by the insurer or the insured, shall not be valid unless written notice thereof is given by the party proposing cancellation to Customer at least thirty (30) days prior to the effective date thereof, provided that such cancellation, even with the requisite notice to Customer, shall constitute a material breach of this Contract unless renewed or replaced before such cancellation.

ARTICLE 7: MISCELANEOUS

7.1 Dispute/Claim Resolution

Disputes arising under this Contract, including but not limited to disputes regarding changes in and interpretations of the terms or scope of the Contract and denials of or failures to act upon claims for payment for extra work or materials shall be resolved according to the following procedures:

1. All claims and disputes by the ESCO shall be made in writing and submitted to the Customer for a written decision within ten (10) days of the commencement of the event giving rise to the claim or dispute.
2. ESCO shall continue to perform all work, including any disputed work, pending and notwithstanding any disputes or claims.
3. Within thirty (30) days of submission of the dispute or claim to the Customer, Customer shall issue a written decision on the claim or dispute. Any failure of Customer to issue a decision within such period shall be deemed a denial of the claim or dispute. The decision of Customer shall be final unless arbitrary, capricious or illegal.
4. If Customer is dissatisfied with Customer's decision, it may, subject to the last sentence of subparagraph 3 above, pursue a legal remedy in the appropriate state court in the county within which Customer's principal office is located within 90 days following completion of all work, failing which any claim of Customer shall be deemed waived.

Notwithstanding the foregoing, nothing in this Section 7.1 shall prevent a Party from terminating this Agreement in accordance with its terms.

7.2 Conditions Beyond Control of the Parties

Subject to the claims process set forth in Section 3.8 of this Agreement: Except as otherwise provided herein, if either Party is unable to carry out any material obligation under this Contract due to events beyond its reasonable control, such as insurrections, riots, fires, explosions or floods, this Contract shall remain in effect but the affected party's obligations shall be suspended until the uncontrollable event terminates or is resolved, provided that the Party whose performance is affected by such event shall exercise reasonably diligent efforts to mitigate and, if practicable, overcome the

effects of such event, and provided further that if such suspension continues for 90 calendar days notwithstanding any efforts to mitigate or overcome the effects of the event, either Party may terminate this Contract subject to any obligations and liabilities that arose prior to the date of termination.

7.3 Access and Inspection

Customer shall have constant access to inspect the work and, upon reasonable advance notice to ESCO, the books, records, and other data created and/or received by ESCO pursuant to this Contract. Records shall be kept by ESCO on a generally recognized accounting basis and all data and calculations shall be kept on file in legible form. Subject to the Massachusetts Public Records Law, all such books, records and data shall be saved or archived for a period of three (3) years after final completion of all work and shall be made available within Massachusetts to Customer for any inspection requested by Customer under this section. Before destruction of any such books, records or data, ESCO shall give Customer ninety (90) days written notice of such destruction, and Customer may, in its discretion and at its cost, make arrangements for the transfer or copying of such books, records or data to/by Customer.

7.4 Ownership of Documents

All drawings, documents, reports and other materials prepared by ESCO specifically in performance of this Contract shall become the property of the Customer upon the expiration or earlier termination of the Contract.

7.5 Certifications Required by Law

ESCO certifies as follows:

1. **Certificate of Authorization:** If ESCO is a corporation, each person executing this Contract on behalf of the ESCO hereby covenants, represents and warrants that ESCO is a duly incorporated or duly qualified (if foreign) corporation and is authorized to do business in Massachusetts (evidence thereof to be supplied to Customer upon execution of Contract); and that each person executing this Contract on behalf of the ESCO is an officer of ESCO and is duly authorized to execute, acknowledge and deliver this Contract to the Customer (and a copy of a corporate resolution to this effect shall be supplied to Customer upon execution of Contract).
2. **Tax Compliance Certification:** Pursuant to G.L. c. 62C § 49A(b), ESCO hereby certifies, under the penalties of perjury, that it has complied with any and all applicable state laws relating to taxes, reporting of employees and contractors, and the withholding and remitting of child support.
3. **Certificate of Non-collusion:** The undersigned certifies under penalties of perjury that this Contract has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity of group of individuals.
4. **Foreign Corporation:** If a foreign corporation, ESCO hereby certifies that it is in compliance with G.L. c. 156D §§ 15.03 and 15.07 (as amended or superseded).

7.6 Assignment

ESCO shall not assign, transfer, convey, or otherwise dispose of this Contract, or any part hereof, or its right, title or interest in the Contract or any part thereof, without the prior written consent of the Customer. ESCO shall not assign by power-of-attorney, or otherwise, any of the moneys due or to become due and payable under this Contract, without the prior written consent of the Customer.

7.7 Applicable Law and Severability

This Contract is made and shall be interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts. If any provision of this Contract shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement; otherwise this Contract shall be construed as if such provision had never been made part thereof.

7.8 Complete Agreement

This Contract, together with any documents incorporated herein by attachment as an exhibit or by reference, shall constitute the entire and exclusive Contract between both parties and supersedes and terminates all prior arrangements, understandings and agreements, whether oral or written, and this Contract may not be amended or modified except in writing and executed by the Customer and the ESCO.

The failure of either the ESCO or the Customer to insist upon the strict performance of any term or condition hereof shall not constitute or be construed as a waiver or relinquishment of either party's right to thereafter enforce the same in accordance with this Contract.

7.9 Reasonable Cooperation

The parties shall reasonably cooperate during the term of this Contract, including with the execution and delivery of any additional documents that may be reasonably necessary to effectuate the provisions of this Contract.

7.10 Customer Approvals

Notwithstanding anything to the contrary in this Contract, wherever in this Contract Customer is required or permitted to review, approve or disapprove, accept or reject any document, information, work, or other thing, and whenever such review, approval etc. is given whether or not required or permitted in this Contract, neither such review, approval or disapproval, acceptance or rejection, nor any lack thereof, shall act as a waiver of any rights, defenses or remedies available to Customer or relieve ESCO of its duties and obligations under this Contract.

SIGNATURES

IN WITNESS THEREOF, the parties have each caused this Agreement to be executed in triplicate on the dates set forth below (the last of which shall be considered the date of execution hereof) by their duly authorized representatives.

ESCO - INT ENERGY LLC

By: 

Printed Name: Timothy M Blanchard

Printed Title: President

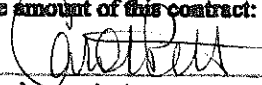
TOWN
By its Board of
Selectmen _____

By:

Printed Name:

Printed Title: Chairmen, Medway Board
of Selectmen

I certify that an appropriation is available
in the amount of this contract:



Town Accountant

Dated: 6/13/16

2310422 5383

Approved as to Form:



Town Counsel

EXHIBIT A
FACILITIES AND SCOPE OF WORK



August 18, 2016

Robert Weiss
Energy Manager
Town of Medway
155 Village Street
Medway, MA

Re: Library Lighting Efficiency Upgrades

Dear Bob,

TNT Energy is pleased to provide a proposal for upgrading the lighting throughout the facility with new high efficiency LED lighting and controls. The following is the proposed scope of work that goes along with the detailed line by line retrofit.

Scope of work:

1. Retrofit existing fixtures with LED retrofit kits per the attached line by line scope of work.
2. Replace existing fixtures with new LED fixtures per the attached line by line scope of work.
3. Furnish and install new lighting controls per the attached line by line scope of work.
4. Recycle lamps and ballasts as required.
5. Remove from premises all trash and debris.
6. Provide all labor and materials required for a complete installation.
7. Provide all start up and commissioning of lighting controls.
8. Provide training for all control systems for future adjustments.
9. Permits and fees for associated work.

Clarifications:

1. All labor to be non-union, prevailing rate
2. All work to be performed during normal working hours.
3. Only work as outlined in the attached scope of work is included in this contract. If additional work is discovered or required, a change order will be presented for pre-approval before any additional work is performed.
4. Incentive shown is estimated based on custom municipal incentives, and needs to be submitted to the utility for pre-approval.



Project Financial Analysis:

Total project Cost:	\$ 31,882.00
Estimated Utility Incentive:	\$ 5,174.00
Project net cost:	\$ 26,708.00
Estimated existing kWh for lighting	38,675 kWh
Estimated energy savings from Energy Efficiency Measures	20,694 kWh
Estimated lighting kWh reduction	53.5 %

Payment Terms:

Upon signing contract (audit and design)	\$ 8,000.00
Delivery of materials to site	\$ 8,000.00
Installation of materials	\$ 15,882.00
Utility Incentive Credit	(\$ 5,174.00)

- All invoices are due upon receipt

Accepted by:

Name (print) Robert Weiss who is authorized to accept the terms and conditions herein.

Signature: Robert Weiss Title: Energy Manager

Date: Aug 19, 2016



Town Of Medway Library

Updated 08-05-16

Location Description	Qty	Existing Description	Qty	Proposed Description
Basement Hallway	11	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	11	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Hallway	1	Recessed Can With (2) 26w Compact Fluorescent Lamp	1	Replace (2) Cfl's With (2) 8.5w Led Horizontal Pl Lamps (3000k)
Basement Cole Room	34	Recessed Can With (3) 26w Compact Fluorescent Lamp	34	Replace (3) Cfl's With (3) 8.5w Led Horizontal Pl Lamps (3000k)
Basement Closet	2	3' Wrap With (2) 25w Lamp (s)	2	Replace Lamp(s) And Ballast With (2) 9w T8 Led Lamp & High Efficiency "I" Ballast
Basement Storage - Maker Rm	56	4' Wrap With (2) 32w Lamp (s)	56	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Server (I T)	2	4' Wrap With (2) 32w Lamp (s)	2	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Conference (lounge)	4	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	4	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Conference (lounge)	2	Recessed Can With (2) 26w Compact Fluorescent Lamp	2	Replace (2) Cfl's With (2) 8.5w Led Horizontal Pl Lamps (3000k)
Basement Conference (lounge)	1		1	Ceiling Sensor Passive Infrared Low Voltage
Basement Mechanical /	1	4'surface Mount With (3) 32w Lamp (s) Prismatic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Library (conf Rm)	4	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	4	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Library (conf Rm)	1		1	Wall Sensor Passive Infrared
Basement Staff Workroom	6	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	6	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Staff Workroom	1		1	Ceiling Sensor Passive Infrared Low Voltage
Basement Lounge (kitchen)	3	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Lounge (kitchen)	1		1	Ceiling Sensor Passive Infrared Low Voltage
Basement Closet (kitchen)	1	3' Wrap With (2) 25w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 9w T8 Led Lamp & High Efficiency "I" Ballast
Basement Closet (custodian)	2	4'surface Mount With (3) 32w Lamp (s) Prismatic	2	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Bathroom	1	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)



Town Of Medway Library

Updated 08-05-16

Location Description	Qty	Existing Description	Qty	Proposed Description
Basement Bathroom	1		1	Ceiling Sensor Passive Infrared Low Voltage
Basement Bathroom	1	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Bathroom	1		1	Ceiling Sensor Passive Infrared Low Voltage
Basement Closet (furnace)	1	3' Wrap With (2) 25w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 9w T8 Led Lamp & High Efficiency "I" Ballast
Basement Work Room (story)	11	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	11	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast (3000k)
Basement Work Room (story)	1		1	(2) Ceiling Sensor Passive Infrared Low Voltage
Basement Mechanical /	1	4'surface Mount With (3) 32w Lamp (s) Prismatic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Closet	1	4' 2x4 Troffer With (3) 32w Lamp (s) Prismatic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Closet	1		1	Wall Sensor Passive Infrared
Basement Storage	1	4' 2x4 Troffer With (3) 32w Lamp (s) Prismatic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
Basement Storage	1		1	Wall Sensor Passive Infrared
1st Library	54	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	54	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Library	11	Recessed Can With (2) 26w Compact Fluorescent Lamp	11	Replace (2) Cfl's With (2) 8.5w Led Horizontal Pl Lamps
1st Library	6	Track Head With (1) 13w Compact Fluorescent Lamp	6	Replace Existing Lamp With 10.5w Br30 Led Lamp
1st Young Adult Area	5	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	5	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Young Adult Area	1		1	Wall Sensor Passive Infrared
1st Library Director	2	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	2	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Library Director	1		1	Ceiling Sensor Passive Infrared Low Voltage
1st Historical Room	4	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	4	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast



Town Of Medway Library

Updated 08-05-16

Location Description	Qty	Existing Description	Qty	Proposed Description
1st Historical Room	1		1	Ceiling Sensor Passive Infrared Low Voltage
1st Closet	1	4' Strip With (1) 32w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Library Desk	3	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Children's Library	11	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	11	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Children's Library	1	Recessed Can With (3) 26w Compact Fluorescent Lamp	1	Replace (3) Cfl's With (3) 8.5w Led Horizontal PI Lamps
1st Attic	1	Recessed Can With (2) 26w Compact Fluorescent Lamp	1	Replace (2) Cfl's With (2) 8.5w Led Horizontal PI Lamps
1st Attic	4	Keyless Socket With (1)23wcompact Fluorescent Lamp	4	Replace Existing Lamp With 11w A19 Led Lamp
1st Closet (keys)	1	4' 2x4 Troffer With (3) 32w Lamp (s) Prismatic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Children's Librarian	1	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Children's Librarian	1		1	Wall Sensor Passive Infrared
1st Bathroom	1	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Bathroom	1		1	Wall Sensor Passive Infrared
1st Bathroom	1	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	1	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Bathroom	1		1	Wall Sensor Passive Infrared
1st Open Library Fiction	44	4' 2x4 Troffer With (3) 28w Lamp (s) Parabolic	44	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Open Library Fiction	3	Recessed Can With (2) 26w Compact Fluorescent Lamp	3	Replace (2) Cfl's With (2) 8.5w Led Horizontal PI Lamps
1st Open Library Fiction	9	Track Head With (1) 13w Compact Fluorescent Lamp	9	Replace Existing Lamp With 10.5w Br30 Led Lamp
1st Open Library Fiction	2	Decorative Hanging With (6) 36w Biax Lamps	2	Do Not Do Anything To This Fixture
1st Open Library Fiction	2	Decorative Hanging With (4) 26w Compact Fluorescent Lamps	2	Do Not Do Anything To This Fixture



Town Of Medway Library

Updated 08-05-16

Location Description	Existing Description	Proposed Description
---------------------------------	---------------------------------	---------------------------------

1st
Open Library Fiction

6 Track Head With (1) 12w Led Br30

6 Do Not Do Anything To This Fixture

EXHIBIT B

NATIONAL GRID INCENTIVES & ON-BILL FINANCING PAYMENTS

Eversource

Project Id: NR161015

Project Status: Preapproved

Expected Completion Date: 11/01/2016

Payment Approval Date:

Incentive Recipient: Check to Vendor

Installation Contractor Information

Installed By: TNT ENERGY, LLC

Contact Person: HUGH LEAHY

Telephone: (508)802-4885

Customer Information

Electric PA:	Eversource	Elec Acct No:	25628111004
Gas PA:	N/A	Gas Acct No:	
Facility Name:	MEDWAY LIBRARY-LIGHTING PROJECT		
Street Address:	26 HIGH ST		
City:	MEDWAY	State:	MA
Contact Person:	ROBERT WEISS	Zip:	02053
Email Address:	RWEISS@TOWNOFMEDWAY.ORG	Telephone:	(508)630-5277

Savings and Incentives Summary

Application Type	Electric Incentive	Gas Incentive	Total Incentive	Gross Annual kWh Savings	Therm Savings
Custom Application	\$5,174.00	\$0.00	\$5,174.00	20,833	0
Enhanced Incentive	\$0.00	\$0.00	\$0.00		
Total	\$5,174.00	\$0.00	\$5,174.00	20,833	0

TO: ROBERT WEISS
MEDWAY LIBRARY-LIGHTING PROJECT
45 HOLLISTON ST, MEDWAY, MA 02053

FROM: Steven Grattan, Energy Efficiency Consultant, Eversource
Steven.Grattan@eversource.com
781-441-8243

DATE: 09/20/2016

SUBJECT: Retrofit Program Customer Pre-Approval for **Project# NR161015**

Congratulations! Eversource has pre-approved your Retrofit Program application for **MEDWAY LIBRARY-LIGHTING PROJECT**. If the energy efficiency measures are installed as proposed, your project will qualify for an incentive payment from Eversource in the amount of **\$5,174.00**. The payment will be **in the form of a check paid to the order of TNT ENERGY, LLC**. For additional project details, please refer to the enclosed customer report.

Eversource's incentive payment for this project is subject to the Terms and Conditions a copy of which is provided with this pre-approval letter. In the event that a custom application is submitted, minimum equipment and operation requirements of the proposed measures, as detailed in the enclosed Minimum Requirements Document, must be addressed and satisfied.

Project completion Date- Our records indicate that this project is expected to be completed by **NOVEMBER 01, 2016**. If at any time the project's completion date is delayed beyond the original expected completion date indicated on your application, please contact the Energy Efficiency Consultant listed in the body of this letter so that a revised project expected completion date is communicated. Informing Eversource ensures that the pre-approved incentive remains in good standing.

Pre-Approval Expiration Date - This pre-approval letter expires 180 days from the date of pre-approval.

Completed Application - The application form must be complete, and paid invoices (with both material and labor costs) as well as other documentation for all installed measures must be attached.

At Project Completion:

1. Contact the Energy Efficiency Consultant at the email or phone number above.
2. Sign the original Application in the Post Installation section and send it to the Energy Efficiency Consultant.
3. Send the Energy Efficiency Consultant all Paid Invoices associated with the project, including both labor and materials.

Post-Installation Verification - An Eversource representative will conduct a post-installation verification of the newly installed equipment to ensure that the installation is consistent with sound engineering practices and the pre-approved application.

Please contact Eversource as soon as the project has been completed to ensure that a post-inspection of the installed measures is scheduled in a timely manner. The incentive payment will be issued once the application is complete, the equipment is installed and operating, and proof of purchase is submitted to Eversource at the above address.

At Eversource, we're committed to delivering great service. Please contact me should you have any questions or if I may be of any further assistance. Thank you and have a great day.





TNT Energy, LLC Terms and conditions

Proposal Period

TNT Energy proposals are valid for a period of 90 days. After 90 days, TNT Energy reserves the right to review the estimates and revise the price.

The Work

TNT Energy submits this proposal, which includes this term sheet and the scope of work to be installed, as a turnkey proposal. All materials will be new and licensed and insured, professional subcontractors will perform the installation. All work will meet all State and Local code requirements. All permits and fees are included as part of this proposal.

Labor Basis and Installation Time

TNT Energy is providing this proposal based on non-union, non-prevailing wage labor and with the hours of installation being 1st shift from 7:00am to 3:30pm. Anything outside of these specifications will need to be addressed on a client-by-client basis.

Access of Premises

TNT Energy anticipates coordination of the facility by the client during the installation in order to adhere to a set schedule, maximize productivity and minimize disruption. The client will facilitate the coordination of delicate or secure areas in order for the work to be completed.

Material Storage

TNT Energy requests that the client provides a safe, secure storage area for the materials while they are waiting to be installed.

Housekeeping and Disposal

TNT Energy will install a project with the highest regard for the Owner's property. The subcontractors will remove large trash items daily and leave the working area "broom swept" at the close of each day.

Changes in Scope

Although TNT Energy conducts detailed and thorough surveys, each project will have minor variations to the original scope of work during construction. If an anticipated change in scope will change the project's performance or estimated payback period, TNT Energy will submit the changes to the client for approval prior to the implementation of these changes.

Sales Taxes

Sales tax is not included on all materials purchased and installed on this project. The town of Medway is required to provide a tax exempt certificate prior to ordering materials.

Indemnification

To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by TNT Energy, it will indemnify and hold harmless the client and its employees from and against claims, damages, losses and expenses, including but not limited to attorneys' fees arising out of or resulting from performance of the work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts or omissions of TNT Energy or its subcontractor or anyone directly or indirectly employed by them.

Claims and Disputes

The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or arbitration.

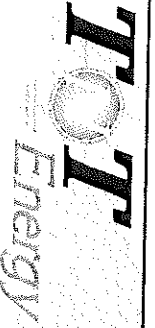
Unforeseen Conditions

TNT Energy cannot take responsibility for certain conditions that are unforeseen during the proposal process. Items such as existing code violations, asbestos in facility, and old or deteriorating wiring are conditions that might be unknown to all parties until actual construction takes place. TNT Energy will make every effort to identify any questionable conditions at the beginning of the process.

EXHIBIT C

**BASELINE ENERGY USAGE OVERVIEW, ECM SAVINGS OVERVIEW, AND ECM COST
AND RETURN ON INVESTMENT ANALYSIS**

486076/9001/0071



Medway ECM Summary Sheet

8/5/2016

ECM #	Location / Measure Description	Electric Savings (kWh)	Electric Savings (\$)	Gas Savings (Therms)	Gas Savings (\$)	Oil Savings (gal)	Oil Savings (\$)	Annual Energy Savings	O&M Savings	Total Annual Savings	Measure Cost	Estimated Utility Incentive	Customer Cost	Simple Payback (Years)
1	Fire Station #1 / LED Lighting retrofit	7,785	\$ 1,323	0	\$ -	0	\$ -	\$ 1,323	\$ 1,500	\$ 2,823	\$ 14,332	\$ 1,946	\$ 12,386	4.39
2	Library / LED Lighting Retrofit	20,694	\$ 3,518	0	\$ -	0	\$ -	\$ 3,518	\$ 3,000	\$ 6,518	\$ 31,881	\$ 5,174	\$ 26,708	4.10
Totals		28,479	\$ 4,841	0	\$ -	0	\$ -	\$ 4,841	\$ 4,500	\$ 9,341	\$ 46,213	\$ 7,120	\$ 39,093	4.18

CERTIFICATE OF AUTHORITY

At a duly authorized meeting of the Board of Directors of the

TNT ENERGY LLC held on 9/22/02 it
(Name of Corporation) (Date)

Was voted that:

Timothy Blanchard President
(Name) (Officer)

Of this company, he and he/she hereby is authorized to execute contracts and bonds in the name and on behalf of said company, and affix its corporate seal hereto; and such execution of any contract or obligation in this company's name on its behalf by such

Timothy Blanchard under seal of the company,
(Officer)

Shall be valid and binding upon this company.

A true copy,

ATTEST: Michael D. Deffey

TITLE: PROGRAM DIRECTOR

PLACE OF BUSINESS: Raynham, MA 02767

DATE OF THIS CONTRACT: 9/30/16

I hereby certify that I am the clerk of the TNT ENERGY LLC
(Name of Corporation)

And that Timothy Blanchard is duly elected President
(NAME) (POSITION)

Of said company, and that the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

Michael D. Deffey
(CLERK)

CORPORATE SEAL:

CERTIFICATE OF COMPLIANCE WITH
MASSACHUSETTS TAX LAWS

Pursuant to Massachusetts General Law Chapter 62C, Section 49A, the undersigned acting on behalf of the Contractor*, certify under penalties of perjury that to the best knowledge and belief, the Contractor* is in compliance with all laws of the Commonwealth relating to taxes, reporting of employee and contractors, and withholding and remitting child support.

Individual

Signature _____ Date _____

Name (please print or type) _____ Social Security Number _____

Corporate

ENERGY SOURCE
Corporate Name (please print or type)

[Signature] _____ 9-16-16
Signature of Corporate Officer _____ Date _____

HUGH LEAHY _____ DIRECTOR OF OPERATIONS
Name of Corporate Officer (please print or type) _____ Title _____

27-3908083
Taxpayer Identification Number _____

* As used in this certification, the word "Contractor" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



Town of Medway, Massachusetts 02053


CERTIFICATE OF NON-COLLUSION

REVENUE ENFORCEMENT AND PROTECTION ACT

Massachusetts General Laws, Chapter 701 of the Acts of 1983, requires that each bidder must certify as follows:

CERTIFICATE OF NON-COLLUSION

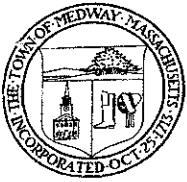
The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



Signature of individual submitting bid or proposal

ENERGY SOURCE

Name of Business (please type or print)



Town of Medway
155 VILLAGE STREET
MEDWAY, MASSACHUSETTS 02053

SOLE SOURCE JUSTIFICATION

DATE: Sept 26, 2016

DEPARTMENT: Energy Manager

SIGNATURE: Robert S Weiss

DESCRIPTION:

Upgrading the lighting throughout the Medway Public Library with new high efficiency LED lighting and controls.

VENDOR NAME & ADDRESS:

TNT Energy
407 South Street East, Unit A2
Raynham, MA 02767

AMOUNT: \$26,708.00

JUSTIFICATION:

MGL Section 14 of Chapter 25A (Division of Energy Services) of Title II Part I:

Section 14. (a) A state agency, building authority or local governmental body may contract for energy conservation projects that have a total project cost of \$100,000 or less, directly and without further solicitation, with electric and gas utilities, their subcontractors and other providers of such energy conservation projects authorized under sections 19 and 21 of chapter 25 and section 11G.

(b) For purposes of this section, "total project cost" shall mean all construction costs of an energy conservation project, whether borne by the utility, agency, authority or body including, without limitation, the costs associated with equipment purchase and installation of such equipment. Ancillary services provided at no cost by utilities, such as auditing and design, shall not be considered part of project cost.

(c) A state agency, building authority or local governmental body may pay for such energy conservation projects through additions to their monthly utility bills.

(d) Sections 44A to 44M, inclusive, of chapter 149 and section 39M of chapter 30 shall not apply to contracts entered into under this section.

AGENDA

ITEM #4

**Contract Approval – TNT Energy for
Installation of Energy Efficient Lighting in
Fire Station #1 - \$14,332**

Associated backup materials attached:

- Memo from Bob Weiss, Energy Manager
- Contract

Proposed Motion: I move that the Board authorize the Chairman to execute a contract with TNT Energy for the installation of energy efficient lighting in the Fire Station in an amount not to exceed \$14,332.

Energy Manager
Robert Weiss



Medway Town Hall
155 Village Street
Medway, MA 02053
Phone: (508) 321-4871
Email:
rweiss@townofmedway.org

TOWN OF MEDWAY

To: Glenn Trindade, Chairman, Board of Selectmen

From: Robert Weiss, Energy Manager

Re: Contracts Funded by the Green Communities Competitive Grant, 2016

Date: November 7, 2016

Attached, for the Board's approval, are two contracts for retrofitting lights at Medway's Public Library and the Town's Fire Station #1. These projects are funded by the Green Communities Competitive Grant, which was awarded to the Town earlier this year. In all, four projects will be completed under the Grant. The Board has already approved one of these projects, for an energy management system at the Police Headquarters.

The Lighting and Controls Retrofit at Medway Public Library is a \$31,882.00 project, of which, \$26,708 will be paid for out of the Green Communities Grant and the \$5,174.00 balance will come from a rebate from the Eversource utility incentive program. The Lighting and Controls Retrofit at Medway Fire Department Station #1 is a \$14,332.00 project paid for by \$12,386 of grant funding and \$1,946.00 from the utility incentive program. No Town funds will be expended on the projects. The projects are estimated to create a 54% energy savings to the Library and a 64% energy savings for the Fire Station. These savings will result in significantly lower electric bills, as well as fewer greenhouse gas and carbon emissions for both buildings.

The contract for the final project, the LED replacements of the Town's remaining streetlights will be coming in for the Board's approval in the next couple weeks.

Below is the overall grant budget.

Building Name and/or Location	Project Name (description) [1, 7]	Total Project Cost (\$) [4]	GC Grant Funding (\$) [5]	Utility Incentives (\$)	Other Grants (please list source in column N) (\$)	Town Contribution (\$)	Funding Source(s) for Other Grants and Town Contribution
Various Streets in Town	Streetlights Conversion to LEDs	\$108,000.00	\$89,988.08	\$18,011.92	\$0.00	\$0.00	\$0.00
Medway Police Department Headquarters	Install an Energy Management System	\$96,968.00	\$84,382.00	\$12,585.00	\$0.00	\$0.00	\$0.00
Medway Fire Station #1	Retrofit Lights with LEDs and Install New Sensors	\$14,332.00	\$12,386.00	\$1,946.00	\$0.00	\$0.00	\$0.00
Medway Library	Retrofit Lights with LEDs and Install New Sensors	\$31,882.00	\$26,708.00	\$5,174.00	\$0.00	\$0.00	\$0.00
MEDWAY		\$251,182.00	\$213,464.08	\$37,716.92	\$0.00	\$0.00	N/A

ENERGY MANAGEMENT SERVICES – M.G.L. c. 25A, § 14
Lighting and Controls Retrofit at Medway Fire Department Station #1

This Energy Management Services Contract (hereinafter “Contract” or “Agreement”) is made and entered into as of _____, 2016 (“Effective Date”) by and between **TNT ENERGY** (hereinafter “ESCO”), a Massachusetts business entity having its principal offices at 407 South Street East, Raynham, MA 02767, and the Town/City of MEDWAY, Massachusetts (hereinafter the “Customer”), a municipal corporation and a political subdivision of the Commonwealth of Massachusetts, having its principal offices at 155 Village St, Medway, MA for the purpose of furnishing and assuring the performance of certain energy conservation measures at the buildings, facilities and properties (“Facilities”) identified in the scope of work attached hereto as **Exhibit A**.

WHEREAS, Customer has been designated a Green Community by the Massachusetts Department of Energy Resources (“DOER”) and, as such, has been awarded a grant by the DOER for use with DOER-approved projects (“DOER Grant”);

WHEREAS, based upon its audit of various Customer facilities and the energy usage associated with such facilities, ESCO has identified energy conservation measures which, if implemented, will reduce Customer’s energy usage, all as reflected in ESCO’s March, 2016 (revised) Green Communities Energy Reduction Plan (the “Technical Audit”) prepared for Customer, a copy of which is incorporated herein by reference;

WHEREAS, in reliance upon the Technical Audit, Customer has agreed to authorize ESCO to construct and implement certain of the proposed energy conservation measures, as reflected in this Agreement;

WHEREAS, the Parties understand that payment by the Town for ESCO’s work under this Contract shall be made solely from the DOER Grant, and therefore, said payment by the Town is limited to the amount of said grant, and subject to DOER’s approval, with the remaining costs, if any, to be paid as set forth herein;

NOW, THEREFORE, in exchange for the promises set forth herein, and for such other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

Key terms used and capitalized within this contract are defined as follows:

Agreement, Contract, or Contract Documents – This term refers to this Contract and all documents attached to and incorporated by reference in the Contract, and to any amendments to this Contract signed by the Parties after execution of the Contract.

Energy Baseline – The energy baseline is a calculation or measure of each type of energy consumed in existing facilities prior to the installation of energy conservation measures. The Energy Baseline is shown in the Technical Audit.

Energy Conservation/Efficiency Measure or “ECM” - An activity or set of activities designed to increase the energy conservation or efficiency of all or any part of a facility, including, but

not limited to, the installation of new equipment or the modification of or alteration to existing equipment to reduce energy costs by improving efficiency.

Energy Savings – The reduction of energy consumption or demand resulting from ECM(s) determined by comparing the energy baseline with the energy consumed (or energy demand) after the ESCO has implemented the ECM(s). The Energy Savings is shown in the Technical Audit.

Hazardous Waste – This term has the meaning prescribed by 310 CMR 30.000

Substantial Completion Date – The date on which the ECMs are (i) substantially complete and (ii) capable of producing savings substantially equal to or greater than the energy savings, which date shall be certified by the ESCO in writing to Customer.

ARTICLE 2: PRICE & CONTRACT TERM

2.1 Total Project Cost and Price

The “total project cost,” as such term is defined in G.L. c. 25A, § 14(a), for this Contract is \$14,332.00, which shall be paid as follows: Subject to the terms of this Contract, the available amount of the DOER Grant, and DOER approval for expenditure of DOER Grant funds, Customer shall pay ESCO no more than \$12,386.00 (“Contract Price”) for the work performed by ESCO in accordance with the terms of this Contract. The remaining project costs shall be paid to ESCO directly by Eversource in the form of incentives and payments from Eversource’s on-bill repayment program in the amounts indicated in **Exhibit B**.

Except for sales taxes that are exempt under the Massachusetts Sales Act, ESCO shall be responsible for paying all taxes, fees, and charges related to the work. It shall also be the responsibility of ESCO to obtain and pay for all permits, licenses and governmental approvals required for the work, including, but not limited to, building permits and approval of DOER for use of DOER Grant funds to pay for work performed by ESCO, and approval of DOER, if required, of each ECM proposed by ESCO in **Exhibit A**.

2.2 Payment Terms

On a monthly basis, ESCO shall submit applications for payment to Customer for portions of the Contract Price corresponding to the work performed for the applicable month. By submitting an application for payment, Contractor hereby agrees that it shall be deemed to have certified that all of the work for which payment is sought was completed in accordance with all permits, governmental approvals, applicable laws and regulations, and the terms of this Contract, and that ESCO has obtained the approval of DOER for use of the DOER Grant funds to pay for the work that is the subject of each application. Subject to the terms of this Contract, Customer shall pay all undisputed amounts requested in the application within thirty (30) days of Customer’s receipt of a proper application for payment. (Do the contractors need to get written approval from DOER?)

2.3 Contract Term

Unless terminated earlier in accordance with the provisions of this Contract, the term of this Contract shall be 90 days from the Effective Date.

ARTICLE 3: THE WORK

3.1 Time for Performance and Final Completion

ESCO shall commence work within ten (10) days of the Effective Date. ESCO shall substantially complete all work, as reasonably determined by Customer, within 120 days after commencing said work, subject to extensions if and as permitted by this Contract. After Substantial Completion, all remaining work shall be completed within 45 days. ESCO shall, within seven (7) days of the Effective Date, provide a project schedule subject to Customer's approval, which shall not be unreasonably withheld. The work must be performed in a continuous, uninterrupted manner between the hours of 8:00 AM and 4:30 PM, Monday through Friday, provided, however, that work may be otherwise scheduled at the Town's election, and in accordance with a schedule to be agreed to by the Parties, to avoid or minimize interference and inconvenience to the occupants of Customer's buildings, including school buildings.

3.2 Scope of Work

The scope of the work shall include all work necessary, incidental and appropriate to accomplish the ECMs contained in **Exhibit A**. ESCO shall perform, supervise, direct and oversee the work using its best ability, skill, attention, and oversight, and in accordance with all applicable local, state and federal laws and regulations (including, but not limited to, the Massachusetts Prevailing Wage Law), prudent industry practices, standards implied by law, permits, governmental approvals, and manufacturers' warranties, if any.

3.3 Construction Procedures, Changes to Work and Coordination

ESCO shall be solely responsible for construction means, methods, techniques, sequences, and procedures. No changes to the work may be made by ESCO without the advance written approval of Customer.

ESCO shall promptly correct any work that does not conform with the terms of the Contract. If ESCO fails within seven (7) days of receipt of notice from Customer to commence, and thereafter diligently pursue, a correction of any such non-conforming work, Customer may (i) cause such work to be corrected and deduct all costs and expenses incurred in connection therewith, including fees of architect, engineers and lawyers, from amounts otherwise payable to the ESCO and/or (ii) terminate this Agreement. The foregoing notwithstanding, in the event any non-conformity threatens public health or safety, ESCO shall correct the conformity immediately with or without notice from Customer.

ESCO shall coordinate all work with utilities if and as required at no additional cost or expense to Customer.

3.4 Coordination with Maintenance Staff

ESCO shall coordinate all work and fully cooperate with Customer's maintenance personnel, and shall train such personnel in the operation and maintenance of all ECMs, equipment, material and products installed under this Contract. ESCO shall provide a preventive maintenance schedule and procedures

for such equipment.

3.5 Material and Equipment Installed

All ECMs, equipment, products and material installed under this Contract shall be subject to Customer's approval. No substitution of any material, product or equipment specified in the Contract shall be made without the advance written approval of Customer, and to be eligible for approval, any such substitution shall be at least equal to the specified material, product or equipment in quality, finish, durability, serviceability and performance for the purpose intended, as determined by Customer.

If applicable, ESCO shall prepare and furnish for Customer's approval at least three (3) maintenance manuals for all ECMs and equipment installed under this Contract.

3.6 Removal of Debris and Waste

ESCO will be responsible for proper disposal of construction debris and non-hazardous waste generated by or resulting from its work. ESCO shall not introduce any Hazardous Materials on, in or about the Facilities. Unless otherwise provided in **Exhibit A**, ESCO shall not be responsible for the removal of Hazardous Materials, if any, that existed on the Facilities before the date of this Contract, provided that ESCO has not exacerbated or caused a release or discharge of such materials during the work. In the event ESCO encounters such materials, it shall notify Customer immediately. The foregoing notwithstanding, ESCO shall be responsible for the proper removal, management, disposal and recycling of any polychlorinated biphenyl ballasts and mercury lamps, switches, or thermostats.

3.7 Subcontracting

ESCO may not subcontract any part of the work without the advance written approval of the Customer, which shall not be unreasonably withheld, conditioned or delayed, provided that no such approval shall constitute an approval of a subcontractor under in G.L. c. 30, § 39F. ESCO shall be responsible for all of the conduct, acts and omissions of its subcontractors, suppliers, employees, agents, representatives, and other persons for whom ESCO is responsible. Nothing in this Contract shall create any contractual relationship between any such subcontractor, supplier, employee, agent, representative or person and Customer.

3.8 Delays

If ESCO is delayed in the commencement or completion of any part of the work due to events beyond ESCO's control (and thus without the fault or negligence of the ESCO), including but not limited to fire, flood, or unavoidable casualties, it must notify Customer of the delay in writing within ten (10) days of the commencement of the event resulting or expected to result in delay. Such notice must include a reasonably detailed explanation of the cause and anticipated extent of the delay, and the extension requested, if any, to the time for completion of the work set forth in Section 3.1. ESCO shall have no claim for additional compensation on account of any delays, including, but not limited to, delays allegedly caused by Customer, and an extension of time, if any, shall be ESCO's sole remedy for any delays. Failure of ESCO to request a time extension in accordance with this Section shall result in the waiver of any claim for such extension. Any decision on ESCO's request for a time

extension shall be final and binding in accordance with Section 7.1 (Dispute Resolution and Claims).

3.9 Equipment Location and Access

The buildings and facilities identified in **Exhibit A** (the "Facilities") will be occupied during the work. ESCO shall therefore take all necessary and appropriate precautions to ensure the safety and convenience of occupants during the work.

The ESCO is responsible for the security and risk of loss of partially completed work, and for materials and equipment stored at Customer properties. Only materials and equipment intended and necessary for immediate use shall be brought into the Facilities. Equipment and unused materials shall be removed from each Facility by the end of each workday. Customer shall provide without charge a mutually satisfactory location or locations, if available, for the storage of materials and equipment.

Flammables and combustibles shall not be stored on the Facilities.

3.10 Utilities

To the extent water, heat and utilities exist at the Facilities and are available for use, Customer shall allow such water, heat, and utilities to be reasonably consumed by the ESCO without charge for performance of the work. The foregoing notwithstanding, Customer shall not be responsible to install or pay for any facilities or modifications not already in existence that are necessary to access such water, heat, and utilities during the work.

3.11 Concealed or Unknown Conditions

ESCO shall not be eligible for additional compensation or extensions of time to complete the work for any subsurface or latent physical conditions of which ESCO knew or should have known, or which do not differ materially or substantially from conditions reflected in the Contract or of which ESCO knew or should have known.

3.12 Shutdown of Services

ESCO hereby acknowledges that continuous operation of services, including, but not limited to, heat, water, electricity, gas, sanitary facilities, elevators, fire alarms or protections, and access to the Facilities, including common areas, are essential to the operation of the Facilities. If any such service or access is to be discontinued for any period of time in order to perform the work, ESCO shall give the Customer written notice as far in advance as practicable, but in no event less than seven (7) days in advance. Such discontinuation shall be subject to Customer's approval, which shall not be unreasonably withheld, but may be conditioned by requiring the ESCO to provide and pay for temporary services, or by imposing a time limit on any discontinuation. With respect to fire alarm or other fire protections, if Customer approves a shutdown of such protections, ESCO shall also, in advance, notify the local fire department of any shutdown of service and notify the fire department when such service is restored.

3.13 Indemnification and Limitation of Liability

ESCO shall be responsible for the work and take all precautions for preventing injuries to persons and

damage to property in or about the work and Facilities, and for all losses, claims, costs, expenses, including reasonable attorneys' fees, damages and other liabilities resulting or arising from the work. ESCO shall pay or cause payment to be made for all labor performed or furnished and for all material used or employed in carrying out this Contract. In addition to, and not in limitation of, any other rights and remedies available to Customer under this Contract, at law or in equity, ESCO shall defend, indemnify and hold harmless the Customer, their employees, officials and agents from and against any and all third-party claims relating to:

1. Labor performed or furnished and materials used or employed for the work;
2. Inventions, patents and patent rights used in and in doing the work;
3. Injuries to any person caused, in whole or in part, directly or indirectly, by ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible;
4. Damage to property, including the Facilities and the work, caused, in whole or in part, directly or indirectly, by ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible; and
5. Any act, omission, or fault or neglect of the ESCO or its subcontractors or suppliers, or any of their employees, representatives, agents, and anyone for whom any of them is responsible.

The indemnification obligation includes the payment of reasonable attorneys' fees incurred by Customer in connection with any such claims.

3.14 Criminal Offender Record Information. If the Facilities constitute, in whole or in part, school property, the following shall apply:

In accordance with G.L. c. 71, § 38R, and G.L. c. 6, §178KD et seq., and any regulations promulgated pursuant thereto, Customer may request and obtain all available criminal offender record information, national fingerprint-based criminal background checks, and information maintained by the Sex Offender Registry Board (collectively, "C/SORI") for all persons who may perform work or services on school grounds and have direct and unmonitored contact with children. ESCO shall require all individuals, employees, agents, contractors or others working on behalf of ESCO who will be involved in the work or services under this Agreement (and any Contract) to complete and sign a Request Form (or other documents) to obtain C/SORI if, in the sole determination of the Customer, some or all such persons may have direct and unmonitored contact with children during the work or services. If, based on the result of a C/SORI check, Customer determines, in its sole discretion, to exclude any person from furnishing work or services pursuant to this Agreement, ESCO shall ensure that such person is not given access to the Facilities and is prohibited from working under this Agreement (and any Contract).

Notwithstanding the foregoing parts of this section:

As between ESCO and Customer, ESCO shall be solely responsible for the acts and omissions of its employees, agents, contractors and other persons performing services under this Agreement for or on behalf of ESCO. In addition, Customer's exercise or failure to exercise its rights under this Agreement

to conduct C/SORI checks and/or to exclude persons from the Facilities and from working under this Agreement shall relieve ESCO of its obligations thereunder, nor act to waive any of the rights, remedies and defenses available to the Customer under this Agreement, at law and in equity. Furthermore, Customer may, notwithstanding anything to the contrary in this Contract, including without limitation Article 5, terminate this Contract immediately for any failure of ESCO to strictly comply with this section.

ARTICLE 4: PERFORMANCE AND EVALUATION OF COMPLETED WORK

4.1 Workmanship and Equipment Warranty

ESCO hereby assigns to the Customer all warranties of all equipment, products and materials used in the work. In addition to and not in limitation of any other rights and remedies available to Customer under the Contract, at law or in equity, and in addition to and not in lieu or limitation of any applicable statutory limitations periods or manufacturers' warranties, ESCO warrants that, for a period of one year from the date of final completion of the work, as determined by Customer ("Warranty Period"), all equipment, products, materials and the work shall be free from defects in material, manufacture, workmanship and performance, and agrees that if a defect occurs within the Warranty Period, ESCO shall promptly correct and pay for correction of all defects including replacement or repair and all parts and labor.

4.2 Representations and Warranties of ESCO

ESCO represents and warrants as follows:

1. ESCO has performed an "ASHRAE Level 2" audit of the Facilities in accordance with the standards, criteria and recommendations of the American Society of Heating, Refrigeration and Air-Conditioning Engineers ("ASHRAE"), and has determined, based upon the energy savings objectives established by Customer and the limit of DOER Grant funds available for the work, that an "ASHRAE Level 3" audit is neither recommended nor necessary to identify no-cost and low-cost energy savings opportunities and provide ECM recommendations for the Facilities;
2. To the best of ESCO's knowledge, the utility incentives referenced in **Exhibit B**, if any, are reasonably accurate and available as of the Effective Date;
3. To the extent that **Exhibit A** specifies particular products, the energy ratings of such products were accurately used in the calculation of energy and water savings estimates set forth in the Technical Audit;
4. Neither it nor its officers or employees has a financial interest, direct or indirect, in any manufacturer, dealer or distributor of equipment, materials, products or commodities referenced in the Contract or used or incorporated in the work and Facilities, or any interest which would violate G.L. c. 268A, as amended or superseded, whether or not ESCO is subject to said chapter;
5. The "Baseline Energy Usage Overview," the "ECM Savings Overview," and the "ECM Cost and Return on Investment Analysis" that are included in the Technical Audit, and copies of which are attached

hereto as **Exhibit C**, are reasonably accurate and were developed in accordance with all applicable ASHRAE standards, and ESCO's Energy Savings calculations are based on valid and reasonably accurate assumptions, projections and baselines that best represent the true value of future energy or operational savings for the Facility;

7. ESCO is a qualified vendor in Columbia Gas's Project Expediter Program and is eligible to provide energy management services under G.L. c. 25A, § 14(a); and

8. The ECM's set forth in Exhibit A constitute qualified energy conservation projects under G.L. c. 25A, § 14(a), and are included in the local electric utility's current efficiency plan developed by the utility pursuant to G.L. c. 25, § 21.

ARTICLE 5: EVENTS OF DEFAULT

5.1 The following events or conditions shall constitute an Event of Default by the ESCO and shall give the Customer the right, without an election of remedies, to proceed pursuant to Section 7.01 and/or terminate this Contract by delivery of written notice of termination, upon which event the ESCO shall be liable to the Customer for any and all damages sustained by the Customer:

1. Any representation or warranty made by the ESCO in this Contract which was false or misleading in any material respect when made;
2. The voluntary or involuntary filing of bankruptcy by/against the ESCO or an involuntary assignment for the benefit of creditors, or the liquidation of the ESCO;
3. Any failure by the ESCO to perform or comply with any other material term or condition of this Contract, unless ESCO promptly commences and diligently pursues a cure to completion within thirty (30) days after receipt of written notice of the default from Customer, or if a cure cannot reasonably be completed in thirty (30) days, within and not to exceed ninety (90) days from receipt of notice.

ARTICLE 6: INSURANCE & BONDS

6.1 Workers' Compensation Insurance

ESCO shall provide during the life of this Contract Worker's Compensation Insurance in accordance with the Worker's Compensation Act of the Commonwealth of Massachusetts (M.G.L. c149 § 34A and M.G.L. c152) as follows:

Workers Compensation Coverage A	Statutory Minimum
Employer's Liability Coverage B	\$500,000 each accident
\$500,000 disease per employee	
\$500,000 disease policy	

6.2 Comprehensive General Liability

ESCO shall provide Comprehensive General Liability with the following minimum coverage with

respect to the work and other operations performed by ESCO and its employees, subcontractors, supplier's agents and invitees:

Bodily Injury and Property Damage \$1,000,000 aggregate	\$1,000,000 each occurrence,
Products & Completed Operations	\$1,000,000 aggregate
Personal & Advertising Injury	\$1,000,000 each occurrence

This policy shall include coverage relating to explosion, collapse, and underground property damage and contractual liability coverage. ESCO shall provide a separate "Owners and ESCO's Protective Liability" policy in the name of the Customer at the same limits listed above. The completed operations coverage shall be maintained for a period of two (2) years after the Substantial Completion Date.

6.3 Vehicle Liability

ESCO shall provide the following minimum coverage with respect to the operations of the any employee, including coverage for owned, non-owned, and hired vehicles:

Bodily Injury	\$1,000,000 each
person Property Damage	\$1,000,000 each
accident Combined Single Limit	\$1,000,000

6.4 Property Coverage

ESCO shall provide the following coverage against loss or damage by fire and against loss or damage covered by the special perils insurance endorsement on all work:

Special Perils	80% of Contract Price minimum
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Upon completion of work, ESCO shall provide an installation floater, in the full amount of the Contract Price, for the requirements set forth above. The policy or policies shall specifically state that they are for the benefit and payable to Customer, the ESCO, and all persons furnishing labor or labor and materials for the work, as their interests may appear.

6.5 Customer as Additional Insured

The Customer shall be named as additional insured on the ESCO's liability policies.

6.6 Certificates of Insurance

Certificates of insurance, acceptable to the Customer, shall be submitted to Customer prior to the signing of this Contract and shall be renewed upon expiration of ESCO's insurance policies referenced above. Certificates shall indicate that the insurance required by sections 6.1 through 6.5 is in effect. If ESCO fails to maintain such insurance during the term of this Contract, it shall be responsible for all costs, losses, damages and expenses (including reasonable attorneys' fees) arising from such failure, including, but not limited to, losses that would have otherwise been covered

under such insurance had it been maintained. Certificates shall note the thirty (30) day cancellation notice requirement of Section 6.7. All policies shall be issued by companies qualified to do business in Massachusetts and satisfactory to Customer.

6.7 Cancellation of Insurance

Cancellation of any insurance required by this Contract, whether by the insurer or the insured, shall not be valid unless written notice thereof is given by the party proposing cancellation to Customer at least thirty (30) days prior to the effective date thereof, provided that such cancellation, even with the requisite notice to Customer, shall constitute a material breach of this Contract unless renewed or replaced before such cancellation.

ARTICLE 7: MISCELANEOUS

7.1 Dispute/Claim Resolution

Disputes arising under this Contract, including but not limited to disputes regarding changes in and interpretations of the terms or scope of the Contract and denials of or failures to act upon claims for payment for extra work or materials shall be resolved according to the following procedures:

1. All claims and disputes by the ESCO shall be made in writing and submitted to the Customer for a written decision within ten (10) days of the commencement of the event giving rise to the claim or dispute.
2. ESCO shall continue to perform all work, including any disputed work, pending and notwithstanding any disputes or claims.
3. Within thirty (30) days of submission of the dispute or claim to the Customer, Customer shall issue a written decision on the claim or dispute. Any failure of Customer to issue a decision within such period shall be deemed a denial of the claim or dispute. The decision of Customer shall be final unless arbitrary, capricious or illegal.
4. If Customer is dissatisfied with Customer's decision, it may, subject to the last sentence of subparagraph 3 above, pursue a legal remedy in the appropriate state court in the county within which Customer's principal office is located within 90 days following completion of all work, failing which any claim of Customer shall be deemed waived.

Notwithstanding the foregoing, nothing in this Section 7.1 shall prevent a Party from terminating this Agreement in accordance with its terms.

7.2 Conditions Beyond Control of the Parties

Subject to the claims process set forth in Section 3.8 of this Agreement: Except as otherwise provided herein, if either Party is unable to carry out any material obligation under this Contract due to events beyond its reasonable control, such as insurrections, riots, fires, explosions or floods, this Contract shall remain in effect but the affected party's obligations shall be suspended until the uncontrollable event terminates or is resolved, provided that the Party whose performance is affected by such event shall exercise reasonably diligent efforts to mitigate and, if practicable, overcome the

effects of such event, and provided further that if such suspension continues for 90 calendar days notwithstanding any efforts to mitigate or overcome the effects of the event, either Party may terminate this Contract subject to any obligations and liabilities that arose prior to the date of termination.

7.3 Access and Inspection

Customer shall have constant access to inspect the work and, upon reasonable advance notice to ESCO, the books, records, and other data created and/or received by ESCO pursuant to this Contract. Records shall be kept by ESCO on a generally recognized accounting basis and all data and calculations shall be kept on file in legible form. Subject to the Massachusetts Public Records Law, all such books, records and data shall be saved or archived for a period of three (3) years after final completion of all work and shall be made available within Massachusetts to Customer for any inspection requested by Customer under this section. Before destruction of any such books, records or data, ESCO shall give Customer ninety (90) days written notice of such destruction, and Customer may, in its discretion and at its cost, make arrangements for the transfer or copying of such books, records or data to/by Customer.

7.4 Ownership of Documents

All drawings, documents, reports and other materials prepared by ESCO specifically in performance of this Contract shall become the property of the Customer upon the expiration or earlier termination of the Contract.

7.5 Certifications Required by Law

ESCO certifies as follows:

1. **Certificate of Authorization:** If ESCO is a corporation, each person executing this Contract on behalf of the ESCO hereby covenants, represents and warrants that ESCO is a duly incorporated or duly qualified (if foreign) corporation and is authorized to do business in Massachusetts (evidence thereof to be supplied to Customer upon execution of Contract); and that each person executing this Contract on behalf of the ESCO is an officer of ESCO and is duly authorized to execute, acknowledge and deliver this Contract to the Customer (and a copy of a corporate resolution to this effect shall be supplied to Customer upon execution of Contract).
2. **Tax Compliance Certification:** Pursuant to G.L. c. 62C § 49A(b), ESCO hereby certifies, under the penalties of perjury, that it has complied with any and all applicable state laws relating to taxes, reporting of employees and contractors, and the withholding and remitting of child support.
3. **Certificate of Non-collusion:** The undersigned certifies under penalties of perjury that this Contract has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity of group of individuals.
4. **Foreign Corporation:** If a foreign corporation, ESCO hereby certifies that it is in compliance with G.L. c. 156D §§ 15.03 and 15.07 (as amended or superseded).

7.6 Assignment

ESCO shall not assign, transfer, convey, or otherwise dispose of this Contract, or any part hereof, or its right, title or interest in the Contract or any part thereof, without the prior written consent of the Customer. ESCO shall not assign by power-of-attorney, or otherwise, any of the moneys due or to become due and payable under this Contract, without the prior written consent of the Customer.

7.7 Applicable Law and Severability

This Contract is made and shall be interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts. If any provision of this Contract shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement; otherwise this Contract shall be construed as if such provision had never been made part thereof.

7.8 Complete Agreement

This Contract, together with any documents incorporated herein by attachment as an exhibit or by reference, shall constitute the entire and exclusive Contract between both parties and supersedes and terminates all prior arrangements, understandings and agreements, whether oral or written, and this Contract may not be amended or modified except in writing and executed by the Customer and the ESCO.

The failure of either the ESCO or the Customer to insist upon the strict performance of any term or condition hereof shall not constitute or be construed as a waiver or relinquishment of either party's right to thereafter enforce the same in accordance with this Contract.

7.9 Reasonable Cooperation

The parties shall reasonably cooperate during the term of this Contract, including with the execution and delivery of any additional documents that may be reasonably necessary to effectuate the provisions of this Contract.

7.10 Customer Approvals

Notwithstanding anything to the contrary in this Contract, wherever in this Contract Customer is required or permitted to review, approve or disapprove, accept or reject any document, information, work, or other thing, and whenever such review, approval etc. is given whether or not required or permitted in this Contract, neither such review, approval or disapproval, acceptance or rejection, nor any lack thereof, shall act as a waiver of any rights, defenses or remedies available to Customer or relieve ESCO of its duties and obligations under this Contract.

SIGNATURES

IN WITNESS THEREOF, the parties have each caused this Agreement to be executed in triplicate on the dates set forth below (the last of which shall be considered the date of execution hereof) by their duly authorized representatives.

ESCO - INT ENERGY LLC

By: 

Printed Name: Timothy M Blanchard

Printed Title: President

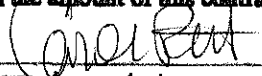
TOWN
By its Board of
Selectmen _____

By:

Printed Name:

Printed Title: Chairmen, Medway Board
of Selectmen

I certify that an appropriation is available
in the amount of this contract:

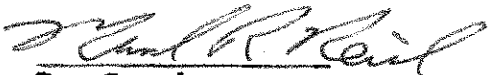


Town Accountant

Dated: 10/13/16

2310222 5383

Approved as to Form:



Town Counsel

EXHIBIT A
FACILITIES AND SCOPE OF WORK



August 18, 2016

Robert Weiss
Energy Manager
Town of Medway
155 Village Street
Medway, MA

Re: Fire Station Lighting Efficiency Upgrades

Dear Bob,

TNT Energy is pleased to provide a proposal for upgrading the lighting throughout the facility with new high efficiency LED lighting and controls. The following is the proposed scope of work that goes along with the detailed line by line retrofit.

Scope of work:

1. Retrofit existing fixtures with LED retrofit kits per the attached line by line scope of work.
2. Replace existing fixtures with new LED fixtures per the attached line by line scope of work.
3. Furnish and install new lighting controls per the attached line by line scope of work.
4. Recycle lamps and ballasts as required.
5. Remove from premises all trash and debris.
6. Provide all labor and materials required for a complete installation.
7. Provide all start up and commissioning of lighting controls.
8. Provide training for all control systems for future adjustments.
9. Permits and fees for associated work.

Clarifications:

1. All labor to be non-union, prevailing rate
2. All work to be performed during normal working hours.
3. Only work as outlined in the attached scope of work is included in this contract. If additional work is discovered or required, a change order will be presented for pre-approval before any additional work is performed.
4. Incentive shown is estimated based on custom municipal incentives, and needs to be submitted to the utility for pre-approval.



Project Financial Analysis:

Total project Cost:	\$ 14,332.00
Estimated Utility Incentive:	\$ 1,946.00
Project net cost:	\$ 12,386.00
Estimated existing kWh for lighting	12,073 kWh
Estimated energy savings from Energy Efficiency Measures	7,785 kWh
Estimated lighting kWh reduction	64.5 %

Payment Terms:

Upon signing contract (audit and design)	\$ 4,000.00
Delivery of materials to site	\$ 4,000.00
Installation of materials	\$ 6,332.00
Utility Incentive Credit	(\$ 1,946.00)

- All invoices are due upon receipt

Accepted by:

Name (print) Robert Weiss who is authorized to accept the terms and conditions herein.

Signature: Robert Weiss Title: Energy Manager

Date: Aug 19, 2016



TNT Energy, LLC Terms and conditions

Proposal Period

TNT Energy proposals are valid for a period of 90 days. After 90 days, TNT Energy reserves the right to review the estimates and revise the price.

The Work

TNT Energy submits this proposal, which includes this term sheet and the scope of work to be installed, as a turnkey proposal. All materials will be new and licensed and insured, professional subcontractors will perform the installation. All work will meet all State and Local code requirements. All permits and fees are included as part of this proposal.

Labor Basis and Installation Time

TNT Energy is providing this proposal based on non-union, non-prevailing wage labor and with the hours of installation being 1st shift from 7:00am to 3:30pm. Anything outside of these specifications will need to be addressed on a client-by-client basis.

Access of Premises

TNT Energy anticipates coordination of the facility by the client during the installation in order to adhere to a set schedule, maximize productivity and minimize disruption. The client will facilitate the coordination of delicate or secure areas in order for the work to be completed.

Material Storage

TNT Energy requests that the client provides a safe, secure storage area for the materials while they are waiting to be installed.

Housekeeping and Disposal

TNT Energy will install a project with the highest regard for the Owner's property. The subcontractors will remove large trash items daily and leave the working area "broom swept" at the close of each day.

Changes in Scope

Although TNT Energy conducts detailed and thorough surveys, each project will have minor variations to the original scope of work during construction. If an anticipated change in scope will change the project's performance or estimated payback period, TNT Energy will submit the changes to the client for approval prior to the implementation of these changes.

Sales Taxes

Sales tax is not included on all materials purchased and installed on this project. The town of Medway is required to provide a tax exempt certificate prior to ordering materials.

Indemnification

To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by TNT Energy, it will indemnify and hold harmless the client and its employees from and against claims, damages, losses and expenses, including but not limited to attorneys' fees arising out of or resulting from performance of the work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts or omissions of TNT Energy or its subcontractor or anyone directly or indirectly employed by them.

Claims and Disputes

The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or arbitration.

Unforeseen Conditions

TNT Energy cannot take responsibility for certain conditions that are unforeseen during the proposal process. Items such as existing code violations, asbestos in facility, and old or deteriorating wiring are conditions that might be unknown to all parties until actual construction takes place. TNT Energy will make every effort to identify any questionable conditions at the beginning of the process.



Town Of Medway Fire Station #1

Updated 08-05-16

Location Description	Qty	Existing Description	Qty	Proposed Description
1st Fire Apparatus	25	8' Industrial With (2) 86w Ho Lamp(s)	25	Retrofit Existing Fixture With 8' Reflector Kit W/ (4) 12w Led T8's And "h" Ballast
1st Fire Apparatus	1	4' Industrial With (2) 40w Lamp (s)	1	Retrofit Existing Fixture With 4' Reflector Kit W/ (2) 12w Led T8's And "h" Ballast
1st Fire Apparatus	1		6	Ceiling Sensor Passive Infrared Low Voltage
1st Back Stairs	3	Led Fixture	3	Do Not Do Anything To This Fixture
1st Storage	2	4' Industrial With (2) 34w Lamp (s)	2	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Storage	1	2' Strip With (1) 20w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 7.5w T8 Led Lamp & High Efficiency "I" Ballast
1st Storage	1	2' Strip With (1) 20w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 7.5w T8 Led Lamp & High Efficiency "I" Ballast
1st Mechanical /	1	4' Industrial With (2) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Storage	1	4' Industrial With (2) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Mechanical /	2	4' Industrial With (2) 34w Lamp (s)	2	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Bathroom	1	4' Wrap With (2) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Hallway	2	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	2	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Hallway	3	Track Head With (1) 60w R30 Lamp	3	Do Not Do Anything To This Fixture
1st Bathroom	1	4' Wrap With (2) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Office	3	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Office	1		1	Ceiling Sensor Passive Infrared Low Voltage
1st Storage	1	4' Strip With (1) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Stairs	1	4' Wrap With (2) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
1st Stairs	2	4' 2x4 Troffer With (4) 32w Lamp (s) Prismatic	2	Replace Lamp(s) And Ballast With (4) 12w T8 Led Lamp & High Efficiency "I" Ballast



Town Of Medway Fire Station #1

Updated 08-05-16

Location Description	Existing Qty	Existing Description	Proposed Qty	Proposed Description
2nd Office	3	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Office	1		1	Ceiling Sensor Passive Infrared Low Voltage
2nd Closet	1	2' Strip With (1) 20w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 7.5w T8 Led Lamp & High Efficiency "I" Ballast
2nd Hallway	5	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	5	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Office	3	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Office	1		1	Ceiling Sensor Passive Infrared Low Voltage
2nd Closet	1	2' Strip With (1) 20w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 7.5w T8 Led Lamp & High Efficiency "I" Ballast
2nd Office	3	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	3	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Office	1		1	Ceiling Sensor Passive Infrared Low Voltage
2nd Closet	1	2' Strip With (1) 20w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 7.5w T8 Led Lamp & High Efficiency "I" Ballast
2nd Lounge (meeting Rm)	9	4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	9	Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Lounge (meeting Rm)	1	4' Strip With (1) 34w Lamp (s)	1	Replace Lamp(s) And Ballast With (1) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Lounge (meeting Rm)	1		1	Ceiling Sensor Passive Infrared Low Voltage
2nd Closet	1	Keyless Socket W (1) 60w Lamp	1	Replace Existing Lamp With 11w A19 Led Lamp
2nd Closet	1	Keyless Socket W (1) 60w Lamp	1	Replace Existing Lamp With 11w A19 Led Lamp
2nd Laundry	1	Drum With (2) 13w Compact Fluorescent Lamp	1	Do Not Do Anything To This Fixture
2nd Bathroom	1	4' Wrap With (2) 32w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Bathroom	1	4' Wrap With (2) 32w Lamp (s)	1	Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Exercise Bathroom	1	Recessed Can With (1) 13w Compact Fluorescent Lamp	1	Replace Existing Lamp With 8w A19 Led Lamp



**Town Of Medway Fire
Station #1**

Updated 08-05-16

Location Description	Existing Description	Proposed Description
2nd Exercise Bathroom	1 Decorative Wall With (3) 13 W Cf Candelabra Base Lamp	3 Replace Existing Lamp With 8w A19 Led Lamp
2nd Lounge (kitchen)	6 4' 2x4 Troffer With (3) 32w Lamp (s) Parabolic	6 Replace Lamp(s) And Ballast With (3) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Lounge (kitchen)	1	1 Ceiling Sensor Passive Infrared Low Voltage
2nd Exercise Room	4 4' 2x4 Troffer With (4) 32w Lamp (s) Parabolic	4 Replace Lamp(s) And Ballast With (4) 12w T8 Led Lamp & High Efficiency "I" Ballast
2nd Exercise Room	1 4' Wrap With (2) 32w Lamp (s)	1 Replace Lamp(s) And Ballast With (2) 12w T8 Led Lamp & High Efficiency "I" Ballast

EXHIBIT B

NATIONAL GRID INCENTIVES & ON-BILL FINANCING PAYMENTS

Eversource

TO: ROBERT WEISS
MEDWAY FIRE STATION-44 MILFORD ST LIGHTING PROJECT
44 HOLLISTON ST, MEDWAY, MA 02053

FROM: Steven Grattan, Energy Efficiency Consultant, Eversource
Steven.Grattan@eversource.com
781-441-8243

DATE: 08/30/2016

SUBJECT: Retrofit Program Customer Pre-Approval for **Project# NR161014**

Congratulations! Eversource has pre-approved your Retrofit Program application for **MEDWAY FIRE STATION-44 MILFORD ST LIGHTING PROJECT**. If the energy efficiency measures are installed as proposed, your project will qualify for an incentive payment from Eversource in the amount of **\$1,946.00**. The payment will be in the form of a **check paid to the order of TNT ENERGY, LLC**. For additional project details, please refer to the enclosed customer report.

Eversource's incentive payment for this project is subject to the Terms and Conditions a copy of which is provided with this pre-approval letter. In the event that a custom application is submitted, minimum equipment and operation requirements of the proposed measures, as detailed in the enclosed Minimum Requirements Document, must be addressed and satisfied.

Project completion Date- Our records indicate that this project is expected to be completed by **NOVEMBER 01, 2016**. If at any time the project's completion date is delayed beyond the original expected completion date indicated on your application, please contact the Energy Efficiency Consultant listed in the body of this letter so that a revised project expected completion date is communicated. Informing Eversource ensures that the pre-approved incentive remains in good standing.

Pre-Approval Expiration Date - This pre-approval letter expires 180 days from the date of pre-approval.

Completed Application - The application form must be complete, and paid invoices (with both material and labor costs) as well as other documentation for all installed measures must be attached.

At Project Completion:

1. Contact the Energy Efficiency Consultant at the email or phone number above.
2. Sign the original Application in the Post Installation section and send it to the Energy Efficiency Consultant.
3. Send the Energy Efficiency Consultant all Paid Invoices associated with the project, including both labor and materials.

Post-Installation Verification - An Eversource representative will conduct a post-installation verification of the newly installed equipment to ensure that the installation is consistent with sound engineering practices and the pre-approved application.

Please contact Eversource as soon as the project has been completed to ensure that a post-inspection of the installed measures is scheduled in a timely manner. The incentive payment will be issued once the application is complete, the equipment is installed and operating, and proof of purchase is submitted to Eversource at the above address.

At Eversource, we're committed to delivering great service. Please contact me should you have any questions or if I may be of any further assistance. Thank you and have a great day.



Project Id: NR161014

Project Status: Preapproved

Expected Completion Date: 11/01/2016

Payment Approval Date:

Incentive Recipient: Check to Vendor

Installation Contractor Information

Installed By: TNT ENERGY, LLC

Contact Person: HUGH LEAHY

Telephone: (508)802-4885

Customer Information

Electric PA:	Eversource			Elec Acct No:	25627361006
Gas PA:	N/A			Gas Acct No:	
Facility Name:	MEDWAY FIRE STATION-44 MILFORD ST LIGHTING PROJECT				
Street Address:	44 MILFORD ST FIRE				
City:	MEDWAY	State:	MA	Zip:	02053
Contact Person:	ROBERT WEISS			Telephone:	(508)533-3213
Email Address:	RWEISS@TOWNOFMEDWAY.ORG				

Savings and Incentives Summary

Application Type	Electric Incentive	Gas Incentive	Total Incentive	Gross Annual kWh Savings	Therm Savings
Custom Application	\$1,946.00	\$0.00	\$1,946.00	7,799	0
Enhanced Incentive	\$0.00	\$0.00	\$0.00		
Total	\$1,946.00	\$0.00	\$1,946.00	7,799	0

Customer Information

Facility Name: Medway Fire Station Phone: 508-630-5277
Contact Person: Robert Weiss Fax: _____
Facility Address: 44 Milford Street City: Medway Zip: 02053
Mailing Address (if different): 45 Holliston Street City: Medway Zip: 02053
Electric Account # (or copy of Electric Bill): 2562-736-1006 Gas Account #: _____
Contact Email Address: rweiss@townofmedway.org Square Footage of Facility: _____

Primary Use

Elementary School Middle School High School Water / Wastewater Street Lights Warehouse Multi-family
 Office Other: Fire Station

End Use

Lighting HVAC Motor Process Refrigeration Compressed Air
 Drives on HVAC Comprehensive Design Comprehensive Chiller Energy Management System Other _____

Payment Method

Check (Please circle one: Incorporated, Not Incorporated, Exempt) Account Credit
 Check to installer (Must be registered with Eversource) Company name: TNT Energy LLC

Vendor Information

Vendor: TNT Energy LLC Contact: Hugh Leahy Phone: 508-245-3648
Address: 407 South Street East, Unit A2 Email Address: hughleahy@tntenrgy.net

Financing Option

Total Cost: \$ 14,332.00 Eversource Contribution: \$ 1,946.00 Customer Contribution: \$ 12,386.00

Would you like to finance your portion of the project cost? If so, please note that you will receive a separate monthly bill for your financed portion in addition to your regular monthly electric bill.

- No, I will pay the Contractor directly in full.
 Yes, I would like to finance my portion of the project cost.
 12 months at \$ _____ per month
 _____ months* at \$ _____ per month

Bill to: Electric bill address Mailing address above

*Eversource will finance projects up to 24 months, based on project eligibility and program funding.

Project Description

Basic lighting upgrades to LED and adding occupancy sensors in areas that currently do not have sensors.

Customer Acknowledgement

Expected completion date: 11-1-2016

Pre-Installation - I certify that all statements made in this application are correct to the best of my knowledge and that I have read and agree to the Terms and Conditions on the back of the form.

Signature: Robert Weiss Name (print): Robert Weiss Date: 8-23-2016

Post-Installation - I certify that I have seen the ECMs that have been installed and I am satisfied with their installation.

Signature: _____ Name (print): _____ Date: _____

TERMS AND CONDITIONS

- 1. Customer Eligibility.** The Program is available to all non-residential customers in the service territory of either Boston Edison Company, Commonwealth Electric Company or Cambridge Electric Light Company (individually, "the Company") that contribute to the energy conservation fund.
- 2. Rebates.** Subject to these Terms and Conditions ("T&Cs"), the Company will pay rebates to eligible Customers for the installation of those electric conservation measures ("ECMs") described within this work-sheet and site-specific custom measures that are approved by the Company.
- 3. Program Changes, Suspension & Cancellation.** The Program and these T&Cs may be changed by the Company at any time without notice. Pre-approved applications will be processed to completion under the T&Cs in effect at the time of the pre-approval by the Company. Submission of a completed application does not entitle the Customer to program participation. Entitlement to program participation can only occur after the Company has signed a copy of the application and granted pre-approval.
- 4. Customer Application and Analysis.** The Company reserves the right to reject or modify any calculations of energy saving potential of the proposed ECMs, based on the Company's own analysis.
- 5. Pre-Approval and Pre-Installation.** Survey The Company is not bound to pay any rebates unless the Company pre-approves the ECMs proposed by the Customer and completes a satisfactory pre-installation survey of the Customer's facilities. The Company reserves complete discretion to approve or disapprove any proposed ECMs.
- 6. Authorization.** The Company will have no obligation to pay rebates for any ECMs installed prior to the issuance of the Company's written authorization.
- 7. Limited Scope of Review.** Review of design and inspection of installations by the Company is limited solely to determining whether program conditions have been met and shall not constitute an assumption by the Company of any liability with respect to the ECMs.
- 8. Rebate Amounts.** The Company reserves the right to lower the rebate amount if the quantity and/or cost of ECMs actually installed by the Customer differs from the preapproved amounts. The Company shall be entitled to a refund for rebates paid if, at any time, it determines that the ECMs were not actually and properly installed or have subsequently been disconnected.
- 9. Installation Schedule Requirements.** If the Customer has not completed installation of the ECMs within the following time periods, the Company reserves the right, at its complete discretion, to cancel the application: 180 days from the pre-approval date for the Business Solutions and Small Business Solutions programs and 12 months from the pre-approval date for the Construction Solutions Program.
- 10. Vendor Selection.** The Company has the right to exclude a vendor or contractor from participation in this program.
- 11. Post-Installation Verification.** The Company is not bound to pay any rebates until it has performed a satisfactory post-installation verification of the installation, including a verification that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training.
- 12. Installation Cost.** Prior to the Company's verification of the Customer's installation and at any other time upon the Company's request, the Customer shall give the Company copies of all itemized invoices (including all materials, labor, and equipment discounts) reflecting the costs of purchasing and installing the ECMs. The Company will recognize installation costs only to the extent that they are reasonable and actually incurred by the Customer.
- 13. Removal of Equipment.** The Customer agrees, as a condition of participation in the program, to remove and dispose of the equipment being replaced by the ECMs in accordance with all legal requirements. The Customer agrees not to install any of this equipment in the service territory of the Company or its affiliates.
- 14. Review of Specifications, Submittals and Drawings.** The Customer will provide the Company with a copy of the specifications for the construction of the Facility that will be provided to its construction contractors. Such specifications must include the ECMs. The Company may refuse to pay rebates if the specifications do not adequately provide for installation of the ECMs consistent with good engineering and energy-efficient design practices. Customer will, upon request by the Company, provide a copy of the as-built drawings and equipment submittals for the Facility. The Company may refuse to pay rebates if the final submittals and drawings do not adequately reflect the installation of the ECMs consistent with the original design intent as identified on the Customer application and worksheets.
- 15. Rebate Payments.** The Company expects to pay the rebate within thirty (30) days after satisfactory post installation verification and verification of installation costs. The Customer may direct that rebates be paid directly to the Customer's contractor. The Customer is solely responsible for declaring and paying all taxes applicable to the benefit derived by the Customer from participation in the program.
- 16. Follow-up Visits.** With advance notice, the Company reserves the right (but shall have no obligation) to make a reasonable number of follow-up visits to Customer's Facility during the 36 months following the Actual Completion Date noted on page 1 of this application to provide the Company with an opportunity to review the operation of the ECMs for program evaluation purposes.
- 17. Limitation of Liability.** The Company's liability will be limited to paying the rebates specified in this agreement. Neither the Company nor any of its affiliates shall be liable to the Customer for any direct, indirect, consequential or incidental damages, regardless of the theory of recovery, caused by or arising from any activities associated with this program.
- 18. No Warranties.** The Company does not endorse, guarantee, or warrant any particular manufacturer, contractor or product, and the Company EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE for any product or services. The Customer acknowledges that neither the Company nor any of its consultants are responsible for assuring that the design, engineering and construction of the Facility or installation of the ECMs is proper or complies with any particular laws (including patent laws), codes, or industry standards. The Company makes no representations or warranties of any kind regarding the results to be achieved by the ECMs or the adequacy or safety of such measures.
- 19. Obligations of the Parties.** Customer acknowledges that Vendor is not an agent, contractor or subcontractor of the Company, and is an independent contractor engaged by the Customer, and that the Company does not manage or control the Vendor's performance. The Company shall have no liability for Vendor's failure or delay to perform, or for failure of the ECMs to function, or for any personal injury (including death) or property damage caused by Vendor or the ECMs, and Customer agrees to waive and release all claims related to the foregoing against the Company and its affiliates. The Company shall have no obligation to perform any of the Vendor's work, or to maintain, remove, repair or replace the ECMs.
- 20. Compliance with Laws.** The Customer is responsible for obtaining any and all necessary licenses and permits related to the installation of ECMs and agrees to comply with all federal, state and local laws and regulations with regard to installation of ECMs, including, but not limited to, M.G.L.c. 143, § 3L.
- 21. Miscellaneous.** These T&Cs and this program application constitute the entire agreement between the parties and supersede all other communications and representations. Paragraph headings are for the convenience of the parties only and are not to be construed as part of these T&Cs. If any provision of the T&Cs is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining T&Cs shall remain in full force and effect in accordance with their terms.
- 22. Energy Benefits.** The Company is entitled to 100% of the energy benefits associated with the ECMs, excluding the value of energy cost savings realized by the Customer, but including all rights to all associated ISO-NE Energy, Capacity and Reserves Products, and the Customer agrees to provide the Company with such further documentation as the Company may request to confirm the Company's ownership of such benefits and Products.

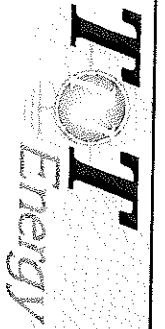
For Eversource administrative use only:

Required Inspections: Pre-Inspection date: _____	Inspector: _____	
Post Inspection date: _____	Inspector: _____	
Approvals: Pre-approval date: _____	Program manager: _____	Pre-approved Incentive: _____
Final approval date: _____	Program manager: _____	Final Incentive: _____

EXHIBIT C

**BASELINE ENERGY USAGE OVERVIEW, ECM SAVINGS OVERVIEW, AND ECM COST
AND RETURN ON INVESTMENT ANALYSIS**

486076/9001/0071



Medway ECM Summary Sheet

8/5/2016

ECM #	Location / Measure Description	Electric Savings (KWh)	Electric Savings (\$)	Gas Savings (Therms)	Gas Savings (\$)	Oil Savings (Gal)	Oil Savings (\$)	Annual Energy Savings	O&M Savings	Total Annual Savings	Measure Cost	Estimated Utility Incentive	Customer Cost	Simple Payback (Years)
1	Fire Station #1 / LED Lighting retrofit	7,785	\$ 1,323	0	\$ -	0	\$ -	\$ 1,323	\$ 1,500	\$ 2,823	\$ 14,332	\$ 1,946	\$ 12,386	4.39
2	Library / LED Lighting Retrofit	20,694	\$ 3,518	0	\$ -	0	\$ -	\$ 3,518	\$ 3,000	\$ 6,518	\$ 31,881	\$ 5,174	\$ 26,708	4.10
Totals		28,479	\$ 4,841	0	\$ -	0	\$ -	\$ 4,841	\$ 4,500	\$ 9,341	\$ 46,213	\$ 7,120	\$ 39,093	4.18

**CERTIFICATE OF COMPLIANCE WITH
MASSACHUSETTS TAX LAWS**

Pursuant to Massachusetts General Law Chapter 62C, Section 49A, the undersigned acting on behalf of the Contractor*, certify under penalties of perjury that to the best knowledge and belief, the Contractor* is in compliance with all laws of the Commonwealth relating to taxes, reporting of employee and contractors, and withholding and remitting child support.

Individual

Signature Date

Name (please print or type) Social Security Number

Corporate

ENERGY SOURCE

Corporate Name (please print or type)

[Signature] 9-16-16

Signature of Corporate Officer Date

HUGH LEAHY DIRECTOR OF OPERATIONS

Name of Corporate Officer (please print or type) Title

27-3908083

Taxpayer Identification Number

* As used in this certification, the word "Contractor" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



Town of Medway, Massachusetts 02053

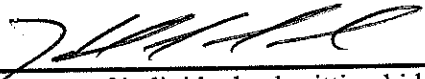
CERTIFICATE OF NON-COLLUSION

REVENUE ENFORCEMENT AND PROTECTION ACT


Massachusetts General Laws, Chapter 701 of the Acts of 1983, requires that each bidder must certify as follows:

CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.



Signature of individual submitting bid or proposal



Name of Business (please type or print)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER BB&T Insurance Services, Inc. P. O. Box 11148 5925 Carnegie Blvd Suite 400 Charlotte, NC 28220	CONTACT NAME: NC Certificate Team
	PHONE (A/C, No, Ext): 704 954-3000 FAX (A/C, No): 888-751-3197 E-MAIL ADDRESS: ccerteam@bbandt.com
INSURED Revolution Lighting Technologies Inc. Energy Source LLC 177 Broad St 12th Floor Stamford, CT 06901	INSURER(S) AFFORDING COVERAGE INSURER A : Hartford Underwriters Insurance NAIC # 30104
	INSURER B : Hartford Casualty Insurance Com 29424
	INSURER C : Sentinel Insurance Company Ltd 11000
	INSURER D :
	INSURER E :
	INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:		22UUNNA1458	01/28/2016	01/28/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/>		22UUNNA1458	01/28/2016	01/28/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000		22RHUNA1477	01/28/2016	01/28/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) <input checked="" type="checkbox"/> N N/A If yes, describe under DESCRIPTION OF OPERATIONS below		22WBCP4525	01/28/2016	01/28/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

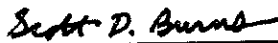
**** Workers Comp Information ****

Workers Compensation coverage applies for this certificate as the policy states for section 3A and 3C but regardless does not apply for any of the following monopolistic states: ND, WY, OH, WA

Project: Medway Fire Department Station 1

Certificate Holder is additional insured under General Liability as per written agreement with the insured.

30 day notice of cancellation except 10 days for non-payment of premium.

CERTIFICATE HOLDER Town of Medway 155 Village Street Medway, MA 02053	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



Town of Medway
155 VILLAGE STREET
MEDWAY, MASSACHUSETTS 02053

SOLE SOURCE JUSTIFICATION

DATE: Sept 26, 2016

DEPARTMENT: Energy Manager

SIGNATURE: Robert S Weiss

DESCRIPTION:

Upgrading the lighting throughout the Medway Fire Station #1 with new high efficiency LED lighting and controls.

VENDOR NAME & ADDRESS:

TNT Energy
407 South Street East, Unit A2
Raynham, MA 02767

AMOUNT: \$12,386.00

JUSTIFICATION:

MGL Section 14 of Chapter 25A (Division of Energy Services) of Title II Part I:

Section 14. (a) A state agency, building authority or local governmental body may contract for energy conservation projects that have a total project cost of \$100,000 or less, directly and without further solicitation, with electric and gas utilities, their subcontractors and other providers of such energy conservation projects authorized under sections 19 and 21 of chapter 25 and section 11G.

(b) For purposes of this section, "total project cost" shall mean all construction costs of an energy conservation project, whether borne by the utility, agency, authority or body including, without limitation, the costs associated with equipment purchase and installation of such equipment. Ancillary services provided at no cost by utilities, such as auditing and design, shall not be considered part of project cost.

(c) A state agency, building authority or local governmental body may pay for such energy conservation projects through additions to their monthly utility bills.

(d) Sections 44A to 44M, inclusive, of chapter 149 and section 39M of chapter 30 shall not apply to contracts entered into under this section.

AGENDA

ITEM #5

**Consideration of Appointment- Community
Preservation Committee - At Large Member
(1 Position) –**

Tom Emero, Debi Rossi, Dayna Gill, Rori Stumpf

Associated backup materials attached:

- Letters of Interest
- Resumes

AGENDA

ITEM #6

Discussion - Ambulance Billing Rates

Associated backup materials attached:

- EMS Cost Comparison, FY12 – FY17
- Community Comparisons
- Write Offs & Account Receivables
- Projected Revenue – Current Rates
- Projected Revenue – New Rates

Proposed Motion: I move that the Board approve an increase in the Town's ambulance transport rates to \$1,650 for BLS, \$2,150 for ALS 1, and \$2,800 for ALS 2.

EMS Costs FY2012 - FY2017

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY17 Budget</u>
Salaries	143,030	216,547	352,902	370,401	408,637	412,173
Expenses	112,775	115,017	167,794	163,026	146,946	185,012
Debt	-	44,460	35,700	35,100	34,200	38,300
IDC	46,801	67,199	101,905	76,790	104,857	128,979
	302,606	443,223	658,301	645,317	694,640	764,464
% Increase		46.5%	48.5%	-2.0%	7.6%	10.1%
				Total Percentage Increase		152.6%

EMS Revenues FY2012 - FY2017

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY17 Budget</u>
Revenues	371,608	430,177	465,185	530,302	508,303	536,000
% Increase		15.8%	8.1%	14.0%	-4.1%	5.4%
				Total Percentage Increase		44.2%

Other Sources:

GF Transfers		40,000	169,654	176,381	150,000	150,000
CPE Program				26,471	26,262	
Retained Earnings			40,366	20,000	60,000	78,464

Pro EMS Ambulance Fee Comparison

Last updated: 8/18/2016

	BLS Emgcy	ALS 1 Emgcy	ALS 2 Emgcy
Billerica	1,159.88	2,185.17	3,564.71
Cambridge/Pro	1,695.00	2,150.00	2,795.00
Cataldo *	1,210.00	1,910.00	2,210.00
Chelmsford/Trinity	1,430.00	1,700.00	2,460.00
Foxborough Fire	1,360.94	1,938.12	3,326.48
Natick	1,250.00	1,695.00	2,150.00
Middleton Fire	1,350.00	2,200.00	3,300.00
Norwell	1,250.00	1,650.00	2,150.00
Melrose Fire	1,750.00	2,150.00	2,725.00
Abington	1,250.00	1,695.00	2,150.00
Lexington	1,251.00	1,515.00	2,056.00
North Reading Fire	1,250.00	1,650.00	1,850.00
Winchester	1,250.70	2,082.30	3,225.20
Westford	1,250.00	1,695.00	2,150.00
Medway - Current	1,250.00	1,695.00	2,150.00

*Cataldo is a private ambulance serving the following communities:

Chelsea
 Everett
 Lynn
 Malden
 Marblehead
 Newburyport
 Newton
 Peabody
 Revere
 Salem
 Salisbury
 Saugus
 West Newbury
 Waltham

<i>Average Rates</i>	1,330.50	1,860.71	2,550.83
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Medway - Proposed	1,650.00	2,150.00	2,800.00
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Norwood Fire Ambulance Fee Comparison

Last updated: 4/2016

Medfield	1,250.00	1,950.00	3,010.00
Bellingham	1,198.00	1,422.00	2,059.00
Canton	1,204.00	1,429.00	2,069.00
Sharon	1,204.00	1,429.00	2,069.00

Pro EMS

FY2016

<i>Write-Offs's:</i>	41,516.00	7.10% of Net Charges
FY2015		6.30% of Net Charges
FY2014		10.70% of Net Charges

Accounts Receivables: 95,755

<i>Aging:</i>	Current	43,905
	31-60	17,347
	61-90	11,693
	91-120	8,578
	121-180	4,673
	Over 180	9,559

Medway EMS System Projected Revenue

Projected using Current Rates



of Transports
715

BLS 40.0%
 ALS-1 59.0%
 ALS-2 1.0%

Insurance

% of Cust	Collection Rate		Current Rate	Net Rate Projected	Transports	Totals
41.0%	70.0%	BLS	\$1,250.00	\$875.00	117	\$102,603
		ALS-1	\$1,695.00	\$1,186.50	173	\$205,215
		ALS-2	\$2,150.00	\$1,505.00	3	\$4,412

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$28.00	6	\$117.60	\$34,474.44

Payor Total \$346,704

Bill Patient

% of Cust	Collection Rate		Current Rate	Net Rate Projected	Transports	Totals
2.0%	5.0%	BLS	\$1,250.00	\$62.50	6	\$358
		ALS-1	\$1,695.00	\$84.75	8	\$715
		ALS-2	\$2,150.00	\$107.50	0	\$15

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$28.00	6	\$8.40	\$120.12

Payor Total \$1,208

Medicare/Medicaid

% of Cust	Collection Rate		Rate	Net Rate Projected	Transports	Totals
45.0%	90.0%	BLS	\$401.35	\$361.22	129	\$46,488
		ALS-1	\$476.61	\$428.95	190	\$81,428
		ALS-2	\$689.82	\$620.84	3	\$1,998

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$7.24	6	\$39.10	\$12,579.14

Payor Total \$142,494

Medicaid

% of Cust	Collection Rate		Rate	Net Rate Projected	Transports	Totals
12.0%	85.0%	BLS	\$236.27	\$200.83	34	\$6,892
		ALS-1	\$280.57	\$238.48	51	\$12,073
		ALS-2	\$406.09	\$345.18	1	\$296

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$2.93	6	\$14.94	\$1,282.11

Payor Total \$20,543

Total EMS System Projected Revenue \$511,069

Medway EMS System Projected Revenue

Projected using Updated Rates



# of Transports	BLS	40.0%
715	ALS-1	59.0%
	ALS-2	1.0%

Insurance

% of Cust	Collection Rate		Proposed Rate	Net Rate Projected	Transports	Totals
41.0%	70.0%	BLS	\$1,650.00	\$1,155.00	117	\$135,435
		ALS-1	\$2,150.00	\$1,505.00	173	\$260,303
		ALS-2	\$2,800.00	\$1,960.00	3	\$5,746

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$40.00	6	\$168.00	\$49,249.20

Payor Total \$450,733

Bill Patient

% of Cust	Collection Rate		Proposed Rate	Net Rate Projected	Transports	Totals
2.0%	5.0%	BLS	\$1,650.00	\$82.50	6	\$472
		ALS-1	\$2,150.00	\$107.50	8	\$907
		ALS-2	\$2,800.00	\$140.00	0	\$20

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$40.00	6	\$12.00	\$171.60

Payor Total \$1,570

Medicare/Medicaid

% of Cust	Collection Rate		Rate (no change)	Net Rate Projected	Transports	Totals
45.0%	90.0%	BLS	\$401.35	\$361.22	129	\$46,488
		ALS-1	\$476.61	\$428.95	190	\$81,428
		ALS-2	\$689.82	\$620.84	3	\$1,998

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$7.24	6	\$39.10	\$12,579.14

Payor Total \$142,494

Medicaid

% of Cust	Collection Rate		Rate (no change)	Net Rate Projected	Transports	Totals
12.0%	85.0%	BLS	\$236.27	\$200.83	34	\$6,892
		ALS-1	\$280.57	\$238.48	51	\$12,073
		ALS-2	\$406.09	\$345.18	1	\$296

\$ per Mile	Ave Miles	Total per Transport	Mileage
\$2.93	6	\$14.94	\$1,282.11

Payor Total \$20,543

Total EMS System Projected Revenue \$615,512

AGENDA

ITEM #7

**Discussion – Potential Donation of Land on
Summer Street**

No associated backup materials.

AGENDA

ITEM #8

Banner Display Request – “Dodging4School” Dodgeball Tournament

Associated backup materials attached:

- Banner Display Request Form
- Picture of Banner to be Displayed


Proposed Motion: I move that the Board approve the hanging of a banner for the “Dodging 4school” dodgeball tournament as requested.

TOWN OF MEDWAY Banner Display Request

Organization Name: Medway Foundation for Education
 Event for which banner is displayed: "Dodging 4 school" dodgeball tournament
 Date(s) of event: March 18 2017
 Dates Requested (max. 2 weeks): Feb 19 - March 4
 Applicant Name/Responsible Party: Susan OLSON
 Address/Telephone: 6 Goldenrod Dr Medway
781 589-1961

Use this space to illustrate banner message, including logos and sponsor(s), or include attachment:
1. Fee of \$60 is due within seven (7) days of booking and prior to the banner display (see policy for exception). Checks should be made payable to the Town of Medway .
2. If cost to hang and remove banner exceeds \$60, applicant will be invoiced for the balance, and must be paid within thirty (30) days of invoice date.
3. Banners must be dropped off at Town Hall between seven (7) and two (2) days prior to the scheduled display.
4. Banner will be displayed as permitted herein, unless circumstances, such as weather, scheduling changes or staff availability cause delays.
5. Banner must be in good condition, and may be rejected if in poor condition or deemed a safety hazard.
6. Banners must be picked up at Town Hall within seven (7) days of being notified it has been taken down. Banners not claimed within fourteen days (14) may be discarded.
7. Dates may be booked no later than one year in advance of booking.
8. Length of banner should be between twenty (20) and twenty-five (25) feet.
9. Minimum standards for banner: 19 oz. banner vinyl, webbed, hemmed, grommets, "D" rings, reinforced corners, and wind holes.
10. Banners will be displayed only at the approved location on Main Street (at Medway Plaza).
11. In the event of a Town Meeting or Election, the Town's banner will take precedence over an approved request.

I acknowledge that I have received a copy of the Banner Display Policy and agree to any and all conditions therein.

Susan OLSON  10/19/16
 Name Signature Date

BOS Approval: 1/20/15;
 Amended: 3/21/16

Mail to: Town Administrator's Office, 155 Village St, Medway, MA 02053
 Email to: ta@townofmedway.org; Fax to: 508-321-4988



Help is here.
1.866.614.8002

Sign In
My Account

Cart

All Products

Business Cards

Marketing Materials

Signs & Posters

Invitations & Stationery

Clothing & Bags

Digital Marketing

BANNERS

Configure product

Customize design

Add accessories

Edit



Things to check for:

- Information is accurate and spelled correctly
- Text is legible and contrasts against background
- Images are clear and don't appear blurry
- Nothing is overlapping or too close to the margins

I have reviewed and approve my design.

Next

Need help customizing your design?

AGENDA

ITEM #9

Approval – One-day Liquor License Requests

1. Cyndy Shea- Thayer Homestead – November 12, 2016
2. Holiday Mish Mash – Thayer Homestead- December 2, 2016
3. Danielle Brouder Bryne – Thayer Homestead – January 14, 2017
4. Justine Rovedo – Thayer Homestead – January 15, 2017

Associate backup materials attached:

- Applications
- Police Chief's Recommendations

Proposed Motion: I move that the Board approve one day liquor licenses for Cyndy Shea, Holiday Mish Mash, Danielle Brouder Bryne and Justine Rovedo for their events to be held at the Thayer Homestead on November 21 & December 2, 2016 and January 14 & January 15, 2017, subject to Police Chief's recommendations and proof of appropriate insurance coverage.



Town of Medway

BOARD OF SELECTMEN

155 Village Street, Medway MA 02053
Ph. (508) 533-3264 Fax: (508) 321-4899

APPLICATION FOR SPECIAL ONE-DAY LIQUOR LICENSE

MGL c.138, §14

Application for the purpose of selling or dispensing the following beverages permitted by law. A Section 12 license holder may not also be granted a Section 14 (one-day) license unless event is held at a separate location. A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. Purchase must be made from a licensed wholesaler/importer, manufacturer, farmer-winery/brewery, or special permit holder.

For Profit Businesses are eligible for wine and malt license only.

Application must be submitted at least two weeks prior to event.

Fee: \$0

All Alcohol _____ Wine and Malt

Event Birthday Party

Event Location Thayer House

Event Date 11/2/16

Event Hours 5-11 (No later than 1:00 AM; Last call 12:30 AM)

Name of Organization/Applicant Cyndy Shea

Address [REDACTED]

FID# _____

Non-Profit Organization Y _____ N

Attach non-profit certificate of exemption

Is event open to the general public? Y _____ N

Estimated attendance 50-60

Will there be an age restriction? Y _____ N

Minimum age allowed:

How, where and by whom will ID's be checked? _____

Is there a charge for the beverages? Y _____ N

Price structure: _____

Alcohol server(s) _____

Attach Proof of Alcohol Server Training _____

Provisions for Security, Detail Officer _____

Does the applicant have knowledge of State liquor laws? Y N _____

Experience waitress _____

The following may be required:

Police Dept. – Detail; Fire Dept. – Detail; Board of Health – Food Permit; Building Dept. – Tent Permit

Date of Application 10/25/16

Applicant's Signature Cyndy Shea

Applicant's Name Cyndy Shea

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department _____
315 Village St _____ Date

Fire Department _____
44 Milford St _____ Date

Board of Health _____
Town Hall, 1st Fl _____ Date

Building Department _____
Town Hall, 1st Fl _____ Date



Medway Police Department

315 Village Street
Medway, MA 02053

Phone: 508-533-3212
FAX: 508-533-3216
Emergency: 911

Allen M. Tingley
Chief of Police

October 26, 2016

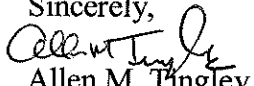
To: Michael Boynton
Town Administrator

From: Allen M. Tingley
Chief of Police

Re: One day liquor license- Thayer Property- Birthday Party

I have reviewed the request from Cindy Shea for a one day liquor license for a birthday party, to be held at the Thayer House, 2B Oak Street, on November 12, 2016. I approve of the issuance of this one day liquor license with the stipulation that the alcoholic beverages are purchased from a licensed alcohol wholesale distributor, as indicated on the license application and the Town of Medway's Alcohol Policy, there will be no on-street parking on Mechanic Street and Oak Street and that a responsible adult will be checking ID's of individuals being served alcohol at the party.

Sincerely,


Allen M. Tingley
Chief of Police



Town of Medway

BOARD OF SELECTMEN

155 Village Street, Medway MA 02053
Ph. (508) 533-3264 Fax: (508) 321-4899

APPLICATION FOR SPECIAL ONE-DAY LIQUOR LICENSE

MGL c.138, §14

Application for the purpose of selling or dispensing the following beverages permitted by law. A Section 12 license holder may not also be granted a Section 14 (one-day) license unless event is held at a separate location. A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. Purchase must be made from a licensed wholesaler/importer, manufacturer, farmer-winery/brewery, or special permit holder.

For Profit Businesses are eligible for wine and malt license only.

Application must be submitted at least two weeks prior to event.

Fee: \$0

All Alcohol Wine and Malt

Event Medway Holiday Mishmash

Name of Organization/Applicant _____

Address PO Box 40, Medway, MA 02053

FID# _____

Phone () _____ Fax () _____ Email _____

Non-Profit Organization Y N

Attach non-profit certificate of exemption

Event Location Thayer House

Event Date 12-2-2016

Event Hours (No later than 1:00 AM; Last call 12:30 AM)

Is event open to the general public? Y N

Estimated attendance 114

Will there be an age restriction? Y N

Minimum age allowed:

How, where and by whom will ID's be checked? Special Occasion Servers

Is there a charge for the beverages? Y N

Price structure: Beer \$3.00, wine \$4.00, mixed drinks \$5.00

Alcohol server(s)

Attach Proof of Alcohol Server Training

Special Occasion Servers

Provisions for Security, Detail Officer Police detail from 7:30 - 11:30

Does the applicant have knowledge of State liquor laws? Y N

Experience _____

The following may be required:

Police Dept. - Detail; Fire Dept. - Detail; Board of Health - Food Permit; Building Dept. - Tent Permit

Date of Application 10-14-16

Applicant's Signature Laura Diminico

Applicant's Name _____

Address _____
Phone _____

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department _____
315 Village St _____ Date

Fire Department _____
44 Milford St _____ Date

Board of Health _____
Town Hall, 2nd Fl _____ Date

Building Department _____
Town Hall, 1st Fl _____ Date



Medway Police Department

315 Village Street
Medway, MA 02053

Phone: 508-533-3212
FAX: 508-533-3216
Emergency: 911

Allen M. Tingley
Chief of Police

September 12, 2016

To: Michael Boynton
Town Administrator

From: Allen M. Tingley
Chief of Police

Re: One-Day Liquor request – Thayer House – Medway Holiday Mish Mash Fundraiser

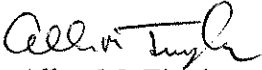
I have reviewed the application for the ^{one} day liquor license request for the Medway Holiday Mish Mash Fundraiser scheduled for December 2, 2016 at the Thayer House.

I approve of the issuing of the permits with the following condition.

There will be no on-street parking on either side of Oak Street or Mechanic Street. Additional parking may be found at the Choate Park complex and in the rear parking lot off of Winthrop Street.

The serving of the beer and wine and alcohol will comply with the standards set forth in the Town of Medway's liquor policy for a one day alcoholic beverage license. Alcohol service will be provided by Special Occasions Servers.

Respectfully Submitted


Allen M. Tingley
Chief of Police

How, where and by whom will ID's be checked? Dannielle Byrne - host, at the venue
will check ids

Is there a charge for the beverages? Y _____ N X
Price structure: _____

Alcohol server(s) _____
Attach Proof of Alcohol Server Training
n/a

Provisions for Security, Detail Officer n/a

Does the applicant have knowledge of State liquor laws? Y X N _____

Experience _____

The following may be required:

Police Dept. – Detail; Fire Dept. – Detail; Board of Health – Food Permit; Building Dept. – Tent Permit

Date of Application 9/22/16

Applicant's Signature Dannielle Byrne

Applicant's Name Dannielle Brodeur Byrne

Address



Phone

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department _____
315 Village St _____ Date

Fire Department _____
44 Milford St _____ Date

Board of Health _____
Town Hall, 2nd Fl _____ Date

Building Department _____
Town Hall, 1st Fl _____ Date



Medway Police Department

315 Village Street
Medway, MA 02053

Phone: 508-533-3212
FAX: 508-533-3216
Emergency: 911

Allen M. Tingley
Chief of Police

October 5, 2016

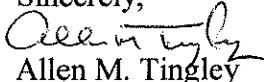
To: Michael Boynton
Town Administrator

From: Allen M. Tingley
Chief of Police

Re: One day liquor license- Thayer Property- Baby Shower

I have reviewed the request from Dannielle Brouder Byrne for a one day liquor license for a baby shower, to be held at the Thayer House, 2B Oak Street, on January 14, 2017. I approve of the issuance of this one day liquor license with the stipulation that the alcohol will be purchased from a licensed alcohol wholesale distributor, as indicated on the license application and the Town of Medway's Alcohol Policy and that a responsible adult with some knowledge of Mass Liquor Laws will be checking ID's of individuals being served alcohol at the shower. There will be no on-street parking on Mechanic Street and Oak Street.

Sincerely,


Allen M. Tingley
Chief of Police



Town of Medway

BOARD OF SELECTMEN

155 Village Street, Medway MA 02053
Ph. (508) 533-3264 Fax: (508) 321-4899

APPLICATION FOR SPECIAL ONE-DAY LIQUOR LICENSE

MGL c.138, §14

Application for the purpose of selling or dispensing the following beverages permitted by law. A Section 12 license holder may not also be granted a Section 14 (one-day) license unless event is held at a separate location. A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. Purchase must be made from a licensed wholesaler/importer, manufacturer, farmer-winery/brewery, or special permit holder.

For Profit Businesses are eligible for wine and malt license only.

Application must be submitted at least two weeks prior to event.

Fee: \$50 (May be waived at Board of Selectmen's discretion)

All Alcohol _____ Wine and Malt - Champagne Only (Mimosa Bar)

Event Bridal Shower - Host: Justine Rovedo

Name of Organization/Applicant Pranzi Catering & Events

Address _____

FID# 542

Phone (408) _____

Non-Profit Organization Y _____ N

Attach non-profit certificate of exemption

Event Location Thayer Homestead, 2B Oak Street, Medway, MA 02053

Event Date 1/15/2017

Event Hours (No later than 1:00 AM; Last call 12:30 AM) 10:30 a.m. - 3:30 p.m.

Is event open to the general public? Y _____ N

Estimated attendance 70

Will there be an age restriction? Y _____ N

Minimum age allowed:

How, where and by whom will ID's be checked? TIPS Certified Bartender at Bar

Is there a charge for the beverages? Y _____ N

Price structure: _____

Alcohol server(s)

Attach Proof of Alcohol Server Training

TIPS Certified Bartenders & Servers - Certificates can be supplied upon request.

Provisions for Security, Detail Officer _____

Does the applicant have knowledge of State liquor laws? Y N _____

Experience Caterer - Class P Liquor License Holder

The following may be required:

Police Dept. – Detail; Fire Dept. – Detail; Board of Health – Food Permit; Building Dept. – Tent Permit

Date of Application 10/13/2016

Applicant's Signature Marissa Renzi

Applicant's Name Marissa Renzi

Address [REDACTED]

Phone (40) [REDACTED]

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department _____
315 Village St _____ Date

Fire Department _____
44 Milford St _____ Date

Board of Health _____
Town Hall, 2nd Fl _____ Date

Building Department _____
Town Hall, 1st Fl _____ Date



Medway Police Department

315 Village Street
Medway, MA 02053

Phone: 508-533-3212
FAX: 508-533-3216
Emergency: 911

Allen M. Tingley
Chief of Police

October 14, 2016

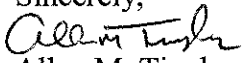
To: Michael Boynton
Town Administrator

From: Allen M. Tingley
Chief of Police

Re: One day liquor license- Thayer Property- Bridal Shower

I have reviewed the request from Justine Rovedo for a one day liquor license for a bridal shower, to be held at the Thayer House, January 15, 2017. I approve of the issuance of this one day wine and malt license with the stipulation that the wine and malt will be purchased from a licensed alcohol wholesale distributor, as indicated on the license application and the Town of Medway's Alcohol Policy. There will be no on-street parking on Mechanic Street and Oak Street. TIPS certified servers from Pranzi Catering & Events will handle the serving of the champagne at this event.

Sincerely,


Allen M. Tingley
Chief of Police

AGENDA

ITEM #10

Action Items from Previous Meeting

Associate backup materials attached:

- Action Item List

	DATE	ACTION ITEMS BOS	WHO	COMPLETED
1	7/6/2010	Street acceptance progress	S. Affleck-Childs	Ongoing
2	9/20/2010	Route 109 Project	DPS	Ongoing
3	2/3/2014	Cable license renewals ; Mtg of Cable Advisory Com; Ascertainment Process	TA/CAC	Ongoing
4	7/28/2014	DPS Facility Building Project	DPS/TA/Committee	On hold
5	4/4/2016	Recreational Facility Improvements	BOS	Ongoing
6	6/20/2016	MS-4 Permit Requirements & IWRMP	DPS & Mult. Boards	Ongoing

AGENDA

ITEM #11

Approval of Warrants

Warrants to be provided at meeting

AGENDA

ITEM #12

Approval of Minutes

Associated backup materials attached:

- Draft Minutes - April 19, 2016
- Draft Minutes – June 20, 2016
- Draft Minutes - July 11, 2016
- Draft Minutes – August 15, 2016

**Board of Selectmen’s Meeting
April 19, 2016, 7:00 PM
Sanford Hall, Town Hall
155 Village Street
Agenda**

Present: John Foresto, Chair; Maryjane White, Vice-Chair; Richard A. D’Innocenzo, Clerk (7:02 PM); Dennis Crowley, Member.

Absent: Glenn Trindade, Member.

Staff Present: Michael Boynton, Town Administrator; Allison Potter, Assistant Town Administrator; Tom Holder, Director, Department of Public Services; Stephanie Mercandetti, Community Development Director; Mary Becotte, Communications Director;

At 7:00 PM Chairman Foresto called the meeting to order and led the Pledge of Allegiance.

Public Comments – Exelon PILOT Questions: None.

Public Comments:

Mr. Jim Coyle asked the Board about the proposed improvements for Choate Park. We would like to have a bocce court installed. There are all kinds of things specifically for children at the park but nothing for older residents. It is something that all ages can play. He added that there is a company in Medway that makes the bocce balls. At this time, Mr. Coyle introduced the Southwest Florida Bocce champion, Mr. Mike Leone.

Mr. Leone reiterated that a bocce court would not only be for seniors but for all ages. He noted that when he was in Florida, the courts were full all the time. Courts are generally 12 feet wide and 60-90 feet long. He added that local vendors can install them, and asked the Board to consider it.

Mr. Boynton explained that an Annual Town Meeting request is for the funds to design the upgrades to Choate Park, but does not include funds to actually construct them. He reported that there had been discussion about expanding the EPFRAC committee with representatives from numerous committees including the Board of Selectmen. Chairman Foresto urged residents to send their suggestions to the Town Administrator.

Ms. Traci Stewart asked for guidance on how many signatures are required for a citizens’ petition for Annual Town Meeting or Special Town Meeting. Mr. Boynton responded that both warrants are closed at this time. She has a petition with 164 signatures for an article designed to establish a moratorium on synthetic turf installation on any Town-Owned land for a period of three years June 2016 to June 2019. She read aloud the article language, adding that this is the same warrant article that passed in Concord, Massachusetts and is currently under review. Selectman Crowley asked why this could not wait until the Fall Town Meeting. Ms. Stewart responded that Fall Town Meeting would be too late to get into the design and engineering of proposed improvements at Choate Park.

Mr. Boynton clarified that any petition that is submitted goes onto the warrant as submitted. Town Counsel would review it and give an opinion, but the article would remain unchanged. If there is an amendment from the floor, it falls to the Town Moderator to determine whether it falls within the four corners (scope) of the article. Brief discussion followed.

1
2 Ms. Stewart stated that the Board of Health met on this issue [crumb rubber] in March and expressed
3 disappointment that the Board of Health was talked out of doing anything about it. She reported she
4 went to Washington DC on this matter and has talked with people from the EPA and other entities. She
5 went on to describe the particulates as outlined in documentation she shared with the Board. She
6 believes that the EPA will soon launch a three-year study into the use of crumb rubber. Selectman
7 Crowley theorized that submission of this article at this time will delay development of all the recreational
8 upgrades that are currently being proposed.
9

10 **Public Hearing – Alteration of Alcohol Licensed Premises - Medway Veterans Building Assoc.**
11 **Inc., 123 Holliston St.:**

12 *The Board reviewed the following information: (1) Documentation for Change Request; (2) Letter –*
13 *Kenneth McGovern, President of Medway VFW; (3) Sketch of Proposed Additional Premises; (4) Abutter*
14 *Notification Letter; and (5) Police Chief Recommendation.*

15
16 Present: John Larney, Quartermaster and Treasurer; Joe Antonellis, attorney for the applicant.
17

18 **At 7:16 PM Selectman D’Innocenzo moved that the Board open the public hearing on the Medway**
19 **Veterans Building Association extension of premises request; Selectman White seconded. No**
20 **discussion. Roll call vote: 4-0-0 (Crowley, aye; D’Innocenzo, aye; Foresto, aye; White, aye).**
21

22 Mr. Antonellis, representing the Medway Veterans Building Association, stated that the purpose of this
23 request is to expand the area in which alcohol can be served. The area in question would be fenced off
24 from that of the general public. We are required to come to you for changes in the premises. We
25 appreciate the expediency in which this matter was added to tonight’s agenda. Mr. Larney is the
26 quartermaster and treasurer. If approved this evening, the matter then goes to the ABCC for its review.
27 They want to fence off the pavilion as a separate venue with its own bartender, and they will place
28 outdoor tables and chairs in the area to the right of the pavilion.
29

30 Selectman Crowley asked if it is possible to hold events of 300-400 people without police details or
31 supervision. Mr. Larney responded that he always calls the police for details officers for large parties.
32 We anticipate attendance at these events to be fewer than 100 people.
33

34 Chairman Foresto stated that he talked to the abutters whose concern is music out on the pavilion, and
35 asked that the speakers be pointed away from their bedrooms.
36

37 It was noted that the Town handled the mailing to abutters. A resident asked if there is any time frame on
38 the events and serving alcohol outdoors. Mr. Larney responded that he closes the bar at 10 PM.
39

40 Mr. Boynton stated he was not sure the ABCC has provisions for licenses for premises with two
41 entrances. Brief discussion followed.
42

43 **At 7:22 PM Selectman Crowley moved that the Board close the hearing; Selectman White**
44 **seconded. No discussion. VOTE: 4-0-0.**
45

46 **Selectman White moved that the Board approve the extension of premises request for the Medway**
47 **Veterans Association building to include the outside pavilion, as proposed; Selectman D’Innocenzo**
48 **seconded. No discussion. VOTE: 4-0-0.**
49

50 **Presentation – Trash and Recycling Program Comparison:**

51 *The Board reviewed a Local Community Comparison Chart.*

1
2 Mr. Boynton explained that the contract for trash collection expires in June of 2017. This comparison is
3 like comparing apples to oranges as each community offers different things valued or priced in different
4 ways. At this time increases to fees are not being proposed. An important addition to the program is the
5 cost of debt service as it relates to the DPS Facility.
6

7 Chairman Foresto asked how to obtain input from residents on what they think of the current program and
8 its offerings. Mr. Boynton responded that Ms. Becotte, Communications Director, can do some outreach
9 via social media.
10

11 Continuing, Mr. Boynton reported that the Town wants to research competitors to Waste Management
12 with the idea that there could be a better deal out there.
13

14 Mr. Holder explained that there will be a change in the route schedule. Monday is the heaviest burden in
15 Town and requires two trucks. The change will affect Monday, Thursday and Friday, smoothing out the
16 pickup among those days. Postcards announcing the change will go out to the 480 affected households
17 notifying them that the change will occur on July 11.
18

19 At this time, Selectman Crowley reported that the electronic sign on Pond Street cannot be read. Mr.
20 Holder responded that he was aware of the problem, noting that the message font is too small.
21

22 Selectman Crowley stated that lots of people are complaining about brown water, and it seems to be more
23 than before. Mr. Holder responded that the flushing program began last night and ran from 11 pm – 4 am.
24 This year we are doing shorter runs in each valving sequence. We are required to flush every year, and we
25 usually divide the process into two sessions, spring and fall. By shortening the sequencing, it will be more
26 labor-intensive, but more precise and more effective.
27

28 **Approval – 40B Technical Assistance – MA Housing Partnership:**

29 *The Board reviewed the following information: (1) Memorandum dated April 13, 2016 from the Director*
30 *of Community and Economic Development; and (2) Agreement with MA Housing Partnership.*
31

32 Mr. Boynton reported that the Chapter 40B application has been filed, and part of the requirement is to
33 secure technical assistance. He requested the Board authorize the Chair to sign the aware letter relative
34 to the Timber Crest Estates project.
35

36 **Selectman D’Innocenzo moved that the Board authorize the Chairman to sign the award letter from**
37 **the MA Housing Partnership for consulting services from Ezra Glenn from PPRI, INC on the Timber**
38 **Crest Estates project as requested; Selectman White seconded. No discussion. VOTE: 4-0-0.**
39

40 **Approval – Gale Associates Change Order No. 8– Baseball Field/Storage Building Athletic**
41 **Facility Improvements - \$37,900:**

42 *The Board reviewed a Proposal from Gale Associates.*
43

44 Present: Tom Holder, Director, Department of Public Services.
45

46 Mr. Boynton stated the funds were repurposed from a previous appropriation to help fund the replacement
47 of trailers at the school and add a shed. Mr. Holder added that there was a list of requested items,
48 changing the dugouts and backstops as well as the equipment trailers. The trailers could also store
49 maintenance equipment and other items for use in maintaining the fields.
50

1 **Selectman D’Innocenzo moved that the Board authorize the Chairman to execute change order**
2 **number 8 with Gale Associates for services related to the High School Baseball field improvements**
3 **in an amount not to exceed \$37,900; Selectman White seconded. Selectman D’Innocenzo asked**
4 **about electrical power. \$4,500 for electrical service is separately quoted but is included in the**
5 **change order. This is in case the decision is made to not install electricity, the rest of the project can**
6 **move forward. Selectman Crowley noted that the project cost is \$162,479 after the change order,**
7 **and asked if there is something exceptional that is driving the cost up. Mr. Holder responded that**
8 **there is nothing out of the ordinary, noting that there is typically a quote of 15% for consultancy,**
9 **and 10% for change order impact. VOTE: 4-0-0. [*Motion amended later in discussion]**

10
11 A resident identifying herself as Andrea Cur asked why Gale Associates is the only one considered.
12 From a taxpayer standpoint, there should be a more thorough review of these kinds of costs. Mr. Holder
13 responded that Gale Associates was originally hired to do the Master Plan. At that time there was a
14 process through Massachusetts Procurement Law and they were selected. They were also selected to do
15 the synthetic turf fields. We are able to do this through a change order. If we were to go out to advertise
16 the project, this could be much more expensive. There are other firms in town and their rates are very
17 much in line with Gale Associates.

18
19 Mr. Boynton stated that the big project is not on the warrant. There will be a formal RFP for services on
20 that as a result of efforts from a citizens committee to define the key elements. There will definitely be a
21 competitive process.

22
23 Selectman Crowley asked about \$750 for miscellaneous reimbursable expenses. Should that have been
24 included in their price? Otherwise those will have to come out of engineering services. He expressed
25 concern that the cost of the electrical installation may be more than anticipated. He suggested that the
26 motion be amended to include those.

27
28 Is there intent to bring electrical power into the storage facility? Mr. Holder responded that there is a
29 pole with power at the site. When the building (three or four bays) is done, we will then see if we can
30 afford to do the electrical. Maybe it should be a \$5,000 change order and remove the design services
31 cost. This would reduce it from \$37,900 to \$32,400. We can come back for additional requests.

32
33 Mr. Paul Mahoney, identifying himself as a Parks Commissioner as well as a member of EPFRAC and
34 CPC, reported that the discussion on whether to install electricity went on for over an hour. We felt it
35 was to be a placeholder for the addition of electric. Selectman Crowley reiterated his preference to hold
36 it out. Mr. Holder theorized that, if it is removed, Gale Associates will not be able to tell us how much it
37 costs to do the electrical. Discussion followed on whether to amend the change order amount not to
38 exceed \$33,400.

39
40 ***Selectman D’Innocenzo amended his motion to reflect authorization to execute the change order**
41 **in an amount not to exceed \$33,400; Selectman White seconded the amendment. No further**
42 **discussion. VOTE: 4-0-0.**

43
44 **Discussion - Recreational Areas Program –Proposed Scope Task List:**

45 *The Board reviewed a Memorandum dated April 13, 2016 from the Town Administrator.*

46
47 Mr. Boynton reported that the Community Preservation Committee was adamant that, even though the
48 scope of the project was reduced, they want it to be design only at this time. He added that a member-at-
49 large would be from the Board of Selectmen. It is an aggressive timeline to have it done by the fall, but
50 definitely in time for the spring.

1 Chairman Foresto cautioned that it will be difficult to get people together over the summer months,
2 adding that this will take strong leadership given that there are a lot of people who all have different
3 agendas for this initiative. Mr. Boynton responded that he believes that the public interest is out there to
4 meet over the summer. Selectman D’Innocenzo stated he was at the meeting and they want a full
5 conceptualization before it goes to design. Selectman Crowley pointed out that there are already ten
6 people on the committee, and Selectman D’Innocenzo is still on the EPFRAC. Why is the Historical
7 Commission being asked to weigh in? Selectman D’Innocenzo responded that the Historical
8 Commission was asking for ideas on the whole area and if there were historical impacts, noting that it
9 might revise funding sources. Selectman Crowley expressed concern that increasing the size of the
10 committee will slow down the process and potentially delay completion of some of the projects if this is
11 not ready to go by Fall Town Meeting. Discussion followed.

12
13 Mr. Paul Mahoney theorized that the Community Preservation Committee would like to see the structure
14 of how it will flow, and that the Friends of Choate are brought into that flow. Can we set up a calendar
15 of meetings to ensure that the process moves forward whether or not all the groups are represented?
16

17 Mr. Boynton admitted that Selectman Crowley may be correct in that getting people together over the
18 summer can be difficult. He expressed concern about participating in a process for a major project that
19 has constituencies throughout the community, and then not getting it approved because enough people
20 didn’t weigh in. Brief discussion followed. Selectman Crowley stated he would prefer to get input from
21 all the groups and see if they are ok with this being ready for the spring.
22

23 Mr. Boynton reminded the Board that it will still need to provide direction for the Community Preservation
24 Committee because the \$450,000 has not yet been authorized. Selectman Crowley expressed concern that
25 the completion date could be in jeopardy. Mr. Boynton responded that they [CPC] need to take a formal
26 vote on the \$450,000 so that the money for the article can be approved.
27

28 Ms. Traci Stewart asked about the Playground Committee. Mr. Boynton responded that there was one
29 that slowly fell apart because nothing happened. Those people who volunteered and participated in the 6-
30 8 meetings that did take place could be invited to participate again Discussion followed.
31

32 **Approval – One-Day Liquor License Applications:**

33 *The Board reviewed Applications and Police Chief Recommendations for the following: (1) Medway Veterans,*
34 *Medway VF May 4 through June 20, 2016; (2) Barbara Strachan, Thayer Homestead, May 22, 2016; and*
35 *(3) Leslie Guyette, Thayer Homestead, June 19, 2016.*
36

37 **Selectman D’Innocenzo moved that the Board approve 30 one-day licenses for the Medway**
38 **Veterans Association for various events to take place at the Medway Veterans building from May 4,**
39 **2016 through June 2, 2016, and for Barbara Strachan and Leslie Guyette for their events to be held**
40 **at the Thayer Homestead on May 22 and June 19, 2016 as requested; Selectman White seconded.**
41 **Chairman Foresto asked that the Board of Selectmen receive notification of each event with the**
42 **Police Chief recommendation. VOTE: 4-0-0.**
43

44 **Approval – Special Event Permit Applications:**

45 *The Board reviewed the following information: (1) Public Event Application from Caroline Genco for*
46 *fundraiser ride; and (2) Email from David Consigli for Turkey Trot.*
47

48 **Selectman D’Innocenzo moved that the Board approve special event permits for the Christina**
49 **Clarke Genco Foundation INC. fundraiser ride on May 8, 2016 and the 6th Annual Turkey Trot**
50 **5K on November 24, 2016 subject to the Police Chief’s recommendations; Selectman White**
51 **seconded. No discussion. VOTE: 4-0-0.**

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Action Items From Previous Meeting:

The Board reviewed the Action Items List.

It was noted that work on the Brentwood project is nearing completion.

Selectman Crowley reported that the contract for the Route 109 contract has been signed, and the first construction meeting is being set up. Until we meet with the general contractor, we cannot announce a construction start date.

After brief discussion, it was decided that the item referring to solid waste fee could be deleted.

Approval of Warrants:

The Board reviewed Warrants 16-41, 16-43P and 16-43SP.

Selectman D’Innocenzo, Clerk, read aloud Warrants 16-41, 16-43P and 16-43SP, presented for approval:

16-41P	Town Payroll	\$	326,495.13
16-43P	town payroll	\$	337,946.58
16-43SP	School payroll	\$	818,460.28
	TOTAL		\$1,482,901.99

Selectman D’Innocenzo moved to approve the Warrants as read; Selectman White seconded. No discussion. VOTE: 4-0-0.

Approval of Minutes:

The Board reviewed draft minutes from meetings held on 2/1/16, 2/5/16 and 2/16/16.

Selectman D’Innocenzo moved that the Board approve public session minutes from February 1, 2016, as presented; Selectman White seconded. No discussion. VOTE: 3-0-1 – Crowley abstained.

Selectman White moved that the Board approve public session minutes from February 5, 2016, as presented; Chairman Foresto seconded. No discussion. VOTE: 3-0-1 Crowley abstained.

Selectman White moved that the Board approve public session minutes from February 16, 2016, as presented; Selectman D’Innocenzo seconded. No discussion. VOTE: 4-0-0.

Town Administrator’s Report:

Mr. Boynton reported that the water main flushing has been completed.

While there are no changes from the Governor’s Budget, Mr. Boynton remained optimistic that Medway will come out ahead in the final budget on state aid.

Selectmen’s Reports:

Selectman Crowley asked if the Streets and Walkways List could be posted online with a caveat that it is subject to change and based on available funding.

Chairman Foresto thanked Ms. Potter and all Town Hall staff as well as the Department of Public Services for their efforts in the recent Clean Sweep. Over 200 people participated. We did all the major roads. He noted that the amount of heavy metal items in the first year was unbelievable, while this year

1 (after four years) was mostly road trash. People are taking charge of their items and controlling what
2 ends up on the roadside.
3
4

5 **At 8:35 PM Selectman D’Innocenzo moved that the Board enter into Executive Session under**
6 **Exemption 3 to discuss strategy with respect to collective bargaining or litigation if an open meeting**
7 **may have a detrimental effect on the government entity’s bargaining or litigating position**
8 **[COMMCAN, Inc. Registered Marijuana Dispensary, Cultivation & Processing Facility] if the**
9 **Chair so declares; and further, under Exemptions 3 and 6 to consider the purchase, exchange,**
10 **taking, lease, or value of real property if such discussion may have a detrimental effect on the**
11 **negotiating position of the governmental body [Exelon West Medway, LLC and Exelon West**
12 **Medway II, LLC, Energy Facilities Siting Board, 181 Main Street, 54R Adams Street, Review of**
13 **6/15/15, 7/6/15, 7/20/15 & 8/17/15 Executive Session Minutes and Vote on Their Release], not to**
14 **return to public session; Selectman White seconded. The Chair did so declare. No discussion.**
15 **Roll Call Vote: 4-0-0 (Crowley, aye; D’Innocenzo, aye; Foresto, aye; White, aye).**
16
17
18

19 Respectfully submitted,
20 Jeanette Galliardt
21 Night Board Secretary

1 Board of Selectmen's Meeting
2 June 20, 2016, 7:00 PM
3 Sanford Hall, Town Hall
4 155 Village Street
5
6

7 Present: John Foresto, Chair; Maryjane White, Vice Chair; Richard D'Innocenzo, Clerk; Dennis
8 Crowley, Member; and Glenn Trindade, Member.
9

10 Staff Present: Michael Boynton, Town Administrator; Allison Potter, Assistant Town Administrator;
11 Stephanie Mercandetti, Community Development Director; Tom Holder, Director, Department of Public
12 Services; Jeffrey Lynch, Fire Chief.
13

14 Others Present: Andy Rodenhiser, Chair, Planning and Economic Development Board.
15

16 *****
17

18 At 7:00 PM Chairman Foresto called the meeting to order and led the Pledge of Allegiance.
19

20 **Public Comments:** None.
21

22 **Reorganization of Board (Chair, Vice Chair and Clerk)**

23 *There were no background materials.*
24

25 Chairman Foresto thanked the Town Administrator, Town Departments, and Town Boards and
26 Committees for their hard work this past year.
27

28 **Chairman Foresto nominated Glenn Trindade to serve as Chair of the Board of Selectmen;**
29 **Selectman D'Innocenzo seconded. No discussion. VOTE: 5-0-0.**
30

31 **Selectman Crowley nominated Maryjane White to serve as Vice Chair of the Board of Selectmen;**
32 **Chairman Trindade seconded. No discussion. VOTE: 5-0-0.**
33

34 **Selectman Foresto nominated Richard D'Innocenzo to serve as Clerk of the Board of Selectmen;**
35 **Chairman Trindade seconded. No discussion. VOTE: 5-0-0.**
36

37 Selectman Foresto and Chairman Trindade switched seats.
38

39 Selectman Crowley noted that the past year was a tough one with two major projects. He stated that
40 Selectman Foresto remained very neutral showing great patience in allowing people to express their
41 opinions. Board members concurred.
42

43 **Discussion – Eversource Security Fencing on West Street**

44 *There were no advance background materials. Three posters were displayed during the meeting.*
45

46 Present: Stephanie Mercandetti, Community Development Director; Andy Rodenhiser, Chair, Planning
47 and Economic Development Board; Eversource representatives: Jack Lopes, Community Relations; Bill
48 Blanchard, Project Manager; John Ziko, Substation Engineering.
49

50 Mr. Lopes reported there have been multiple meetings on this project out on West Street. We will
51 present a construction timetable and basic components of the project.

1
2 Mr. Blanchard reported that this substation was one that was chosen for upgrades for security purposes.
3 Upgrades include replacement of the existing chain link with a more secure fence that is difficult to climb
4 over or dig under, plus it is only 15% transparent. This fence could be 10 feet, 15 feet, or 20 feet in
5 height, depending on its location on the site. The fence will be replaced within the existing footprint of
6 the substation.

7
8 Utilizing large photographs and plans, Mr. Blanchard pointed out the perimeter of the installation, and where
9 the ten foot fence would be located at the entrance gate. The fence will get taller as it gets closer to the
10 control house. Mr. Lopes has met with some of the abutters who have expressed no objections. On the third
11 poster, there were “before” and “after” shots. Brief discussion followed on existing landscaping and the
12 potential for additional landscaping (trees) to further shield the view.

13
14 Ms. Stephanie Mercandetti, Community Development Director, reported that this project did not trigger a
15 meeting with the Zoning Board of Appeals. This could be considered a modification for site plan review.
16 Mr. Andy Rodenhiser, Chair, Planning and Economic Development Board theorized that something this
17 extensive should have been presented as part of the Site Plan. This is more than replacing the fence.
18 With the visual impact, and the amount of attention that this site has received, it should be closely
19 reviewed. We would be remiss in not holding a meeting on it. Mr. Blanchard stated he has no objection
20 to meeting with the Planning Board.

21
22 Mr. John Ziko added that this was a separate project that was not tied to the Plan that came to the
23 Planning Board. Mr. Blanchard was not aware of the Planning Board meeting.

24
25 Selectman Foresto expressed concern that power has been turned off in the middle of the day for 20
26 businesses without notice, significantly impacting those businesses. There have been three major outages
27 this year, and people have lost a lot of money due to the loss of business.

28
29 Selectman Crowley stated that Eversource has not been a good neighbor in Medway from the beginning.
30 Reiterating Selectman Foresto’s comments, there have actually been five outages. One of the restaurants
31 lost a lot of food in refrigerators, and The Muffin House lost power to ovens resulting in the loss of
32 sixteen dozen muffins. Abatement funds are sitting in an account and we cannot touch those funds.

33
34 The Board’s recommendation was to refer it back to the Planning Board, and encouraged Mr. Blanchard
35 to work with Susy Affleck-Childs, Planning and Economic Development Coordinator, in getting on the
36 Planning Board agenda.

37
38 **Presentation - Stormwater Management Presentation**

39 *The Board reviewed the following information: PowerPoint presentation entitled “Medway’s Stormwater*
40 *Management Program & NYDES MS4 Permit”.*

41
42 Present: Tom Holder, Director, Department of Public Services; Kirsten Ryan, Kleinfelder.

43
44 Mr. Holder provided a brief introduction. Ms. Ryan stated she will move quickly through the
45 presentation, focusing on the grant and the funding options.

46
47 Utilizing a PowerPoint presentation, Ms. Ryan explained what the permit means and provided
48 descriptions of basic components. The current estimated annual program costs are \$275,000 but the
49 community should be increase that figure to \$475,000 each year to cover costs or requirements that may
50 be presently undefined or unanticipated. She briefly reviewed the requirements at different levels, i.e.,
51 during the second year, during the first five years, and other points during the 20-year plan. Discussion

1 followed. Is there too much parking [impervious surface] being required which affect the amount of
2 runoff and stormwater? Mr. Rodenhiser reported that the Planning Board is already looking at this.

3
4 Ms. Ryan continued with the presentation, explaining the grant and the timeline requirements. The red
5 shading represents when something is due, while the blue is when Medway should begin another task so
6 that the resulting impact is minimized. Mr. Rodenhiser asked what “site selection” meant. Ms. Ryan
7 responded that it means identification of potential locations can begin, possibly around year 4. Chairman
8 Trindade theorized that the acquisition of land should begin sooner than year 4 as it takes a long time to
9 complete the purchase. Mr. Rodenhiser asked if there is a way to determine areas of town that may need
10 increased attention, i.e. more land for runoff or filtration versus others that use less. Selectman Crowley
11 cautioned that the planning needs to begin, but not necessarily the purchase of land. Those acquisitions
12 could happen later, maybe five or ten years down the road.

13
14 Selectman Foresto asked how Medway might suffer if surrounding communities do not do what they are
15 supposed to. Ms. Ryan responded that, if Medway executes its plan, it would need to be in compliance
16 with the permit.

17
18 Funding options for the Stormwater Program could include:

- 19 A. Tax Override/General Fund
- 20 B. Municipal Water Infrastructure Investment Fund
- 21 C. Stormwater Utility (user fee) which would be based on percentage of impervious surface on any
22 property. This would require a Town Meeting vote to establish.

23
24 Mr. Rodenhiser suggested laying out the timetable sooner so that residents could begin planning their
25 upgrade projects, i.e., driveways or parking lots. Chairman Trindade expressed concern that the hard part
26 is getting the word out to people so they can begin that planning.

27
28 Mr. David Blackwell, 2 Milford Street, asked what methods would be employed to encourage property
29 owners to mitigate their discharge. If property owners with the same square footage have differing
30 mitigations, what is an equitable way of applying the user fee? Discussion followed on budget changes,
31 projections, criteria for a user fee, etc.

32
33 Brief discussion followed on recommended next steps in FY17, it is anticipated that there will be an
34 updated presentation in July. Selectman Crowley expressed concern that that there needs to be a way to
35 track progress and goal attainment. This could be a list of tasks with associated timeline points for the
36 next 12, 18, or 24 months.

37
38 **Approval - Kleinfelder Northeast, Inc. Master Service Contract Extension**

39 *The Board reviewed the following information: (1) Memorandum dated June 16, 2016 from the Director of*
40 *the Department of Public Services; (2) 2012 Master Service Contract; and (3) Proposed Amended Contract.*

41
42 Present: Tom Holder, Director, Department of Public Services.

43
44 Mr. Holder stated he would like to extend the existing contract for two additional years. We are well
45 served by this company and strongly recommend this. The funds will come out of our operational budget
46 and also augmented by grant funds.

47
48 Selectman Crowley expressed concern that there is no fee identified in the contract. Mr. Holder
49 responded that the fee structure comes from the consultants. This approval generates a letter of
50 understanding. He added that he could ask them to provide a rate structure.

51

1 Chairman Trindade suggested this matter be postponed until the next meeting; the Board concurred.

2
3 **Approval – 2 Year Contract for Road Servicing – TASCOC Construction, Inc. - \$200,000**

4 *The Board reviewed the following information: (1) Memorandum dated June 2, 2016 from the Director of*
5 *the Department of Public Services; and (2) Contract.*

6
7 Mr. Holder stated this is part of our annual contracts. We had renewed a contract with a local group
8 which did not work out. This is the lowest responsive bidder and we checked out their references.

9
10 **Selectman Foresto moved that the Board authorize the Chairman to execute a two-year contract**
11 **with TASCOC Construction, Inc. for asphalt and concrete repair and catch basin structure**
12 **adjustments in an amount not to exceed \$200,000, and subject to funding in year 2; Selectman**
13 **D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**

14
15 **Approval –2 Year Contract for Sewer Jet Cleaning & Inspections - Clogbusters Underground**
16 **Technologies, Inc. - \$10,000**

17 *The Board reviewed the following information: (1) Memorandum dated June 20, 2016 from the Director*
18 *of the Department of Public Services; and (2) Contract.*

19
20 Mr. Holder reported that this is a renewal of an existing contract. This company performs all the high-
21 pressure sewer and drain cleaning as the Town does not have that kind of equipment.

22
23 **Selectman Foresto moved that the Board authorize the Chairman to execute a contract with**
24 **Clogbusters Underground Technologies in an amount not to exceed \$10,000, and subject to funding**
25 **in year 2; Selectman D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**

26
27 **Contract Approval – On Call Planning and Grant Writing Services – PGC Assoc.**

28 *The Board reviewed the following information: (1) Memorandum from Susan Affleck-Childs, Planning*
29 *and Economic Development Coordinator; and (2) Contract.*

30
31 Mr. Rodenhiser reported that Mr. Gino Carlucci, who is associated with MAPC, also serves as a liaison to
32 SWAP. He helps the Planning Board with writing complicated decisions and the reports that will support
33 those decisions as well as consulting services looking at maps and researching boundaries. This contract
34 provides that Mr. Carlucci is also available to other Town departments. Billing is for on call services, and
35 not a fee for the contract period.

36
37 **Selectman Foresto moved that the Board authorize the Chairman to execute a three-year contract**
38 **with PGC Associates for consulting planning services; Selectman D’Innocenzo seconded. No**
39 **discussion. VOTE: 5-0-0.**

40
41 **Contract Approval – Ambulance Billing Services – Pro-EMS Solutions:**

42 *The Board reviewed the Contract.*

43
44 Fire Chief Jeffrey Lynch reported that three bids were submitted. Our collection rate has increased
45 substantially and they have done a great job for us.

46
47 **Selectman D’Innocenzo moved that the Board execute a contract with Pro-EMS Solutions, Inc. for**
48 **ambulance billing and collection services in an amount not to exceed 4% of collected revenue, as**
49 **requested; Selectman White seconded. It was noted that the current contract has expired. VOTE: 5-0-0.**

50
51 **Approval – Contract with Bulldog Fire Apparatus for Engine 2 Refurbishment - \$76,700:**

1 *The Board reviewed a Draft Contract. It was noted that the final contract is in process.*

2
3 Chief Lynch briefly outlined the components of the refurbishment.

4
5 **Selectman D’Innocenzo moved that the Board award a contract for the refurbishment of Fire**
6 **Engine 2 to Bulldog Fire Apparatus, Inc. in the amount of \$76,668, with said total including bid**
7 **alternates 1 - \$3,492.00 and 2 - \$1,880.00, and to further authorize the Town Administrator to**
8 **execute the contract and approve any additional repairs to the vehicle identified during the**
9 **refurbishment process not to exceed \$20,000; Selectman Foresto seconded. Selectman Crowley**
10 **expressed concern that there was no performance bond, Town Counsel approval or certificate of**
11 **insurance. Selectman D’Innocenzo amended his motion the contract will be awarded subject to the**
12 **receipt of these items; Selectman White seconded the amended motion. No further discussion.**
13 **VOTE: 4-1-0 Crowley oppose.**

14
15 **Contract Award – Specialty Vehicles, Inc. for Purchase of New Ambulance - \$259,686:**

16 *The Board reviewed the following information: (1) Contract; (2) Sales Contract; and (3) Cost Detail.*

17
18 Chief Lynch stated that this purchase is to replace an ambulance, not adding one. This particular one
19 includes a new stretcher system which is required by a new law. It helps to reduce back injuries during
20 transport. Responding to a question from Selectmen White, Chief Lynch stated that putting this
21 ambulance into service will help the Town move to an all-ALS service. Once ordered, the ambulance
22 should be delivered in approximately 120 days. Existing vehicles are showing their wear.

23
24 **Selectman D’Innocenzo moved that the Board award a contract for the purchase of a new ambulance**
25 **and related equipment to Specialty Vehicles, Inc. of North Attleborough in the amount of \$259,686**
26 **and authorize the Town Administrator to execute the contract once the certificate of insurance, Town**
27 **Counsel review, tax compliance report from Town Accountant and certificate of authority have been**
28 **received; Selectman Foresto seconded. No discussion. VOTE: 4-1-0 – Crowley oppose.**

29
30 **Contract Approval – Consulting Services Related to Appellate Tax Board Cases – George E.**
31 **Sansoucy, P.E. LLC:**

32 *The Board reviewed the associated Contracts.*

33
34 **Selectman Foresto moved that the Board authorize the Chairman to execute three contracts with**
35 **George Sansoucy for Appellate Tax Board cases for NStar Electric, Bay State Gas, and Bell**
36 **Atlantic in mounts not to exceed \$10,000, \$10,000 and \$2,000 respectively, as presented; Selectman**
37 **D’Innocenzo seconded. It was noted that Town Counsel does not sign off until all associated**
38 **documents are received. VOTE: 5-0-0.**

39
40 Chairman Trindade announced that it is the intention of the Board that all contracts will have all
41 supporting documents provided before they are placed on a meeting agenda.

42
43 **Approval – Inter-municipal Agreement with Millis for Animal Control Services:**

44 *The Board reviewed the Agreement.*

45
46 It was noted that this is contract is for only three years because Millis cannot enter into a contract for a
47 period longer than that.

48
49 **Selectman Foresto moved that the Board approve an Inter-Municipal Agreement with the Town of**
50 **Millis for Animal Control Services for a three-year period; Selectman D’Innocenzo seconded. No**
51 **discussion. VOTE: 5-0-0.**

1
2 **Discussion/Vote – Counsel Representation for Cable License Renewal Process**

3 *There were no background materials.*

4
5 Selectman Foresto explained that the Cable Committee was not happy with this person’s performance.
6 Brief discussion followed.

7
8 **Selectman Foresto moved that the Board vote to terminate the services of Peter Epstein relative to**
9 **representation for Cable License Renewal processes; Selectman D’Innocenzo seconded. No**
10 **discussion. VOTE: 5-0-0.**

11
12 **Approval – One-Day Liquor License Requests**

13 *The Board reviewed applications and Police Chief recommendations for the following individuals for*
14 *their respective Thayer Homestead events: (1) Steve & Sue Houde – July 8, 2016; (2) Michael Josephs –*
15 *July 9, 2016; (3) Patrick Smith –July 22, 2016; (4) Brittany O’Malley – July 23, 2016; and (5) Tom*
16 *Amlicke –July 31, 2016.*

17
18 **Selectman D’Innocenzo moved that the Board approve one-day liquor licenses for Steve & Sue**
19 **Houde, Michael Josephs, Patrick Smith, Brittany O’Malley, and Tom Amlicke on the dates**
20 **requested for their respective events at the Thayer Homestead subject to the Police Chief’s**
21 **recommendations and evidence of appropriate insurance coverage. No discussion. VOTE: 5-0-0.**

22
23 **Annual Committee Appointments (cont.)** (see list at end of agenda)

24 *The Board reviewed the FY17 List of Reappointments and Vacancies.*

25
26 Ms. Potter, Assistant Town Administrator, reported that these were not available for review at the last
27 meeting.

28
29 Chairman Trindade read aloud the existing vacancies on the following groups: Cemetery Commission,
30 Council on aging, Disability Committee, Energy Committee, Historical Commission, Medway Cultural
31 Counsel, and Pride Day Committee.

32
33 **Selectman Foresto moved that the Board reappoint the incumbent Board and Committee members**
34 **as listed on the summary sheet for the customary terms associated with their respective boards and**
35 **committees; Selectman White seconded. No discussion. VOTE: 5-0-0.**

36
37 **Assignment of Board of Selectmen Liaison Designations**

38 *The Board reviewed a proposed list of Liaison Assignments.*

39
40 Brief discussion followed on the assignments. Board members expressed no objections to the list as
41 presented.

42
43 **Approval of Warrants**

44 *The Board reviewed Warrants 16-52 and 16-52S.*

45
46 Selectman D’Innocenzo read loud Warrants 16-52 and 16-52S, dated 6/23/16, presented for approval:

47
48

16-52S	School Expense	\$446,791.85
16-52	Town Expense	<u>\$487,778.28</u>
	TOTAL	\$934,570.13

49
50
51

1 **Chairman Trindade moved that the Board approve Warrant as read; Selectman White seconded.**
2 **No discussion. VOTE: 5-0-0.**

3
4 **Approval of Minutes**

5 *The Board reviewed draft minutes from December 21, 2015.*

6
7 **Selectman White moved that the Board approve the minutes of December 21, 2015 as written;**
8 **Selectman Foresto seconded. No discussion. VOTE: 5-0-0.**

9
10 **Town Administrator's Report**

11 Mr. Boynton reminded the Board of Missy Dziczek's retirement party at the Senior Center.

12
13 The next Board of Selectmen meeting will be July 11.

14
15 The Sign Bylaw Review Task Force will be meeting tomorrow, and Town Counsel will be present.

16
17 The new Direct Tire store will be having a ribbon cutting early in July. Mr. Boynton asked Board
18 members to contact the Assistant Town Administrator if available to attend.

19
20 **Selectmen's Reports**

21 Selectman Crowley extended congratulations to the high school baseball team who made it to the semi-
22 finals. He also announced that the contract with the State for the Route 109 Project has been signed.

23
24 Selectman White reported that students at the Memorial School planted gardens and later harvested the
25 bounty. She also stated she would be attending the Suffolk University commencement where two staff
26 members are receiving diplomas.

27
28 Selectman D'Innocenzo reported that the scholarship alumni game was played at the Maddie Lamson
29 Field this past Saturday.

30
31 Selectman Foresto reported that the ribbon cutting for the new Maker Space at the public library will be
32 Saturday morning, June 25.

33
34 Selectman Foresto reminded residents that Medway Family Day will be held on July 16, 2 – 9 PM.
35 There will be a climbing wall, pony rides, racetrack, music, Clafin Hill Music and fireworks in the
36 evening. Food is reasonably prices, and all events are free.

37
38
39 **At 8:47 PM Selectman D'Innocenzo moved to adjourn; Selectman White seconded. No discussion.**
40 **VOTE: 5-0-0.**

DRAFT

Board of Selectmen's Meeting
July 11, 2016 -- 7:00 PM
Sanford Hall, Town Hall
155 Village Street

Present: Glenn Trindade, Chair; Maryjane White, Vice-Chair; Richard A. D'Innocenzo, Clerk; Dennis Crowley, Member; John Foresto, Member.

Staff Present: Michael Boynton, Town Administrator; Allison Potter, Assistant Town Administrator; Allen Tingley, Police Chief; David D'Amico, Deputy Director, Department of Public Services; Carol Pratt, Finance Director; Joanne Russo, Treasurer/Collector.

At 7:00 PM Chairman Trindade called the meeting to order and led the Pledge of Allegiance.

Public Comments: None.

Approval – Inter-fund Borrowings for Ambulance- \$140,000, Septic Betterment Loan - \$200,000, and Brentwood Drainage Project - \$55,000:

The Board reviewed the following information: (1) Memorandum dated July 7, 2016 from the Finance Director; (2) DLS Advance of Funds in Lieu of Borrowing Forms for Each Project; and (3) Brentwood Project Spending Report.

Present: Carol Pratt, Finance Director; Joanne Russo, Treasurer/Collector.

Ms. Pratt reported that the plan is to have the Board execute the borrowings tonight, and authorize two additional ones for a total of \$2.9 million. "Inter-Fund" means that the Town has the funds on hand to cover the borrowing. These actions will allow the specified departments to move forward with projects while awaiting the funds to be replaced in the fall. Responding to a question from the Board, Ms. Russo stated the funds will generally come from the Stabilization Fund and General Fund. Discussion followed on interest rates and current account balances.

Selectman Foresto moved that the Board vote to approve the Advance of Funds in Lieu of Borrowing Authorizations for the projects and in the amounts requested; Selectman D'Innocenzo seconded. No discussion. VOTE: 5-0-0.

Approval – Contract with Tetra Tech for Engineering & Consulting Services:

The Board reviewed the following information: (1) Memorandum dated July 7, 2016 from the Planning and Economic Development Coordinator; and (2) Contract.

Mr. Boynton stated that this is a general services "blanket" contract with Tetra Tech. Most reviews are paid for out of a separate fund when the work is for the Planning Board. This contract is for other field work performed for the Town. There is a slight increase in the hourly fees from the previous contract, yet the rates are below what is considered "market" rate.

Selectman Foresto asked if this contract is in lieu of having professional engineer on staff. How much was spent last year? Mr. Boynton responded FY16's expense relative to this contract was \$110,000 and \$75,000 of it was spent on Planning Board services. This is a two-year contract.

1
2 **Selectman Foresto moved that the Board authorize the Chairman to execute a contract with Tetra**
3 **Tech for Consulting & Engineering Services, as presented; Selectman D’Innocenzo seconded. No**
4 **discussion. VOTE: 5-0-0.**

5
6 **Approval – Contract with Sansoucy P.E. LLC for Utility Valuation Services - \$6,000:**

7 *The Board reviewed the following information: (1) Memorandum dated July 6, 2016 from the Assessors;*
8 *and (2) Contract.*

9
10 **Selectman Foresto moved that the Board authorize the Chairman to execute a contract with**
11 **Sansoucy for utility valuation services in an amount not to exceed \$6,000; Selectman D’Innocenzo**
12 **seconded. No discussion. VOTE: 5-0-0.**

13
14 **Approval - Kleinfelder Northeast, Inc. Master Service Contract Extension:**

15 *The Board reviewed the following information: (1) Memorandum dated June 16, 2016 from the Director*
16 *of the Department of Public Services; (2) Kleinfelder Fee Schedule; (3) 2012 Master Service Contract;*
17 *and (4) Proposed Contract Amendment.*

18
19 Present: David D’Amico, Deputy Director, Department of Public Services.

20
21 Mr. D’Amico stated this contract is for work centered on changes in regulations. \$39,000 was spent this
22 year on storm related work. \$82,000 will be spent on work relative to the study that is coming up.

23
24 **Selectman Foresto moved that the Board authorize the Chairman to execute a contract amendment**
25 **with Kleinfelder Northeast, Inc. as presented; Selectman D’Innocenzo seconded. No discussion.**
26 **VOTE: 5-0-0.**

27
28 **Approval – Contract with Giombetti Electric, Inc. for Installation of Generator Key Interlock**
29 **System at High School - \$24,039:**

30 *The Board reviewed the following information: (1) Memorandum dated July 11, 2016 from the Director*
31 *of the Department of Public Services; and (2) Contract.*

32
33 Mr. D’Amico stated the department was looking for an emergency shelter. The generator at the high
34 school is not powerful enough if there were a significant number of people being housed there. The
35 installation identified in this contract gives us the infrastructure to support a sizable generator that would
36 power the school.

37
38 **Selectman Foresto moved that the Board authorize the Chairman to execute a contract with**
39 **Giombetti Electric, Inc. for the installation of a generator system in an amount not to exceed**
40 **\$24,039, as presented; Selectman D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**

41
42 **Approval – Contract with TASCOC Construction, Inc. for Culvert Repair & New Drainage -**
43 **\$143,000:**

44 *The Board reviewed the following information: (1) Memorandum dated July 11, 2016 from the Director*
45 *of the Department of Public Services; and (2) Contract.*

46
47 Mr. D’Amico reported that a culvert collapsed on Village Street, and we need to repair the culvert and
48 then repave the road. This has been on the wait list for some time.

1 **Selectman D’Innocenzo moved that the Board authorize the Chairman to execute a contract with**
2 **TASCO Construction for culvert repairs and new drainage in an amount not to exceed \$143,000;**
3 **Selectman White seconded. No discussion. VOTE: 5-0-0.**

4
5 **Approval – Location of a Swimming Pool within Drainage Easement - 15 Tulip Way:**

6 *The Board reviewed the following information: (1) Quitclaim Deed; (2) As-built Plan; and (3) Map*
7 *showing easement and placement of pool.*

8
9 Selectman Crowley explained that a resident was installing a pool and learned that there was an easement
10 in that location. DPS staff investigated and found that the easement could be moved approximately 20
11 feet away from the pool location and still accommodate the Town’s drainage needs. Town Counsel
12 advises that the Town cannot grant a permanent easement now, but can grant a temporary easement and
13 put the matter on the Fall Town Meeting warrant. Selectman Crowley asked that the Department of
14 Public Services issue a letter stating that there is no impact on the use of the drainage easement if it is
15 shifted to the side. Discussion followed.

16
17 **Selectman Foresto moved that the Board grant temporary authorization for the location of a**
18 **swimming pool by the owner within the Town’s drainage easement at 15 Tulip Way. Said location**
19 **shall not interfere with the function and purpose of the drainage easement and shall be approved**
20 **by the Medway Department of Public Services prior to installation of the swimming pool. Further,**
21 **the owner shall provide on or before September 1, 2016 a survey plan prepared by a Registered**
22 **Surveyor detailing proposed revised easement boundaries that exclude the new swimming pool**
23 **location, with the understanding that the owner proceeds at his own risk and that this matter will**
24 **be presented to Town Meeting which must approve any actual easement relocation; Selectman**
25 **D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**

26
27 **Grant Expenditure Authorization – Green Communities Competitive Grant - \$216,577:**

28 *The Board reviewed the following information: (1) Letter/Grant Award; and (2) Grant Proposal, voted*
29 *by the Board at its March 21, 2016 meeting.*

30
31 Mr. Boynton explained the specific amounts noted within the grant award letter, as follows:

- 32
33 \$89,988 -- Various Streets in Town, Streetlights Conversion to LEDs;
34 \$87,495 -- Medway Police Department Headquarters, Install an Energy Management System;
35 \$12,386 -- Medway Fire Station #1, Retrofit Lights with LEDs and Install New Sensors; and
36 \$26,708 – Medway Library, Retrofit Lights with LEDs and Install New Sensors
37

38 **Selectman D’Innocenzo moved that the Board authorize the expenditure of the Green Communities**
39 **Competitive Grant in the amount of \$216,577; Selectman White seconded. No discussion.**
40 **VOTE: 5-0-0.**

41
42 **Discussion/Vote – Chapter 70 Resolution – Medway School Committee:**

43 *The Board reviewed the following information: (1) Correspondence, Medway School Committee; and*
44 *(2) Chapter 70 Resolution.*

45
46 Mr. Boynton provided a brief explanation of the Foundation Budget Review Committee initiative to
47 secure increased education funding. Selectman Crowley asked where the money will come from. Mr.
48 Boynton responded that he will ask the School Committee to meet with the Board to explain it.

49
50 The Board opted to take no action on this matter. Mr. Boynton will try to schedule the School Committee
51 to come in on August 1.

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Approval – One-Day Liquor License Requests:

The Board reviewed Applications and Police Chief Recommendations for the following Thayer Homestead events: (1) Suzanne Giangarra -- July 24, 2016; (2) Laurie Insel – August 6, 2016; (3) Tricia Sharpe – August 7, 2016; (4) Matt Zajac – August 19, 2016; (5) Judi Notturmo – August 21, 2016; (6) Martha White – September 1, 2016; and (7) Peter & Kristin Sigris – September 5, 2016.

Selectman Foresto moved that the Board authorize one-day liquor licenses for Suzanne Giangarra, Laurie Insel, Tricia Sharpe, Matt Zajac, Judith Notturmo, Martha White and Kristen & Peter Sigris for their events at the Thayer Homestead on July 24, August 6, August 7, August 19, August 21, September 1 & September 5, 2015 respectively, subject to the Police Chief’s recommendations and proof of appropriate insurance coverage; Selectman D’Innocenzo seconded. It was noted that Chief Tingley says there have been no issues with the events held at this venue. No further discussion. VOTE: 5-0-0.

Action Items from Previous Meeting:

The Board reviewed the Action Item List.

Mr. Boynton reported that the Route 109 project has been given a green light. Signage will go up to announce that the project will be starting. Public meetings will be held in the next couple of weeks to update businesses and residents.

Mr. Boynton noted that work on the DPS Facility has been on hiatus since original cost estimates came in, adding that the market has changed substantially since planning began. He indicated he would like to resurrect this as the Town’s financial status will be clarified in the coming weeks. Discussion followed.

Regarding Recreational Facility Improvements, Mr. Boynton stated that correspondence has gone out to various committees and boards that will play a role in this project. The EPFRAC committee is already in existence, and they have asked for representatives from the Historic District Commission, Finance Committee and Friends of Choate. Those names should be submitted to the Town Administrator’s office as soon as possible. Selectman Crowley expressed concern that a group of 20 members might have a difficult time getting anything accomplished. Chairman Trindade emphasized that all participating groups have to be present so that a quorum is available at every meeting, and let those people know that there will be an accelerated meeting schedule. Discussion followed on whether a member should be removed from the committee if they miss two consecutive meetings. Selectman D’Innocenzo, EPFRAC Chair, suggested that each member designate an alternate who can attend the meeting in their place and submit that name to the Town Administrator. Lastly, Chairman Trindade expressed concern that the group’s activities might vary somewhat from the scope of the article and suggested a discussion with Town Counsel. Mr. Boynton did not think the group’s activities would be a problem.

Approval of Warrants:

There was no Warrant to approve.

Approval of Minutes:

The Board reviewed draft minutes from public sessions held on March 21, 2016; April 4, 2016 and May 9, 2016.

Selectman Crowley moved that the Board approve the public session minutes from March 21, 2016, as presented; Selectman Foresto seconded. No discussion. VOTE: 5-0-0.

Selectman Crowley asked for clarification of a section of the April 4, 2016 minutes. The Board opted to hold review of these for the time being.

1
2 **Selectman Foresto moved that the Board approve the public session minutes from May 9, 2016, as**
3 **presented; Selectman White seconded. No discussion. VOTE: 5-0-0.**
4

5 **Town Administrator's Report:**

6 Mr. Boynton expressed appreciation to the Fire Department for their efforts last week battling a recent
7 house fire and a stables fire. He reported that all the horses were saved, mostly due to the water wall.
8 Ms. Brenda Hamblin, Animal Control Officer, was instrumental in keeping the animals calm and safe.
9 The barn was also saved. Other communities provided assistance, and there was no serious injury to
10 firefighters.

11
12 Mr. Boynton also provided brief updates on road and sidewalk improvements and the State budget. He
13 reported that the FY2016 final amount collected under the Meals Tax was \$138,000.
14

15 **Selectmen's Report:**

16 Selectman Crowley asked for an update on the proposed assisted living complex. Mr. Boynton stated
17 that the facility will be purchasing a radio box fire alarm system for the Town. The real estate closing on
18 the property is scheduled for this fall. It is anticipated that construction will begin shortly thereafter or
19 early 2017.
20

21 Selectman Crowley asked Mr. Boynton to request that Ms. Stephanie Mercandetti provide an update on
22 the Redevelopment Authority. It will likely be in September.
23

24 Selectman Foresto reminded residents of Medway Day taking place this Saturday, July 16, beginning at 2 pm.
25 There will be lots of activities ending with fireworks.
26
27

28 **At 8:26 PM Selectman Foresto moved to adjourn; Selectman D'Innocenzo seconded. No**
29 **discussion. VOTE: 5-0-0.**
30
31

32 Respectfully submitted,
33 Jeanette Galliardt

1 Board of Selectmen's Meeting
2 August 15, 2016 – 7:00 PM
3 Sanford Hall, Town Hall
4 155 Village Street
5

6
7 Joint Meeting with Planning & Economic Development Board,
8 Water & Sewer Commission and Conservation Commission
9

10
11 Present: Glenn Trindade, Chair; Maryjane White, Vice Chair; Richard D’Innocenzo, Clerk (7:02 PM);
12 Dennis Crowley, Member.
13

14 Absent: John Foresto, Member.
15

16 Staff Present: Michael Boynton, Town Administrator; Allison Potter, Assistant Town Administrator;
17 Mary Becotte, Communications Director; Susy Affleck-Childs, Planning and Economic Development
18 Coordinator; Stephanie Mercandetti, Community Development Director;
19

20 Conservation Commission: David Travalini, David Blackwell.
21

22 Planning & Economic Development Board: Andy Rodenhiser, Chair; Tom Gay, Jim Wieler, Bob Tucker.
23

24 Water & Sewer Commission: Leo O’Rourke, Chair; Bob Wilson, Chan Rogers.
25

26 Others Present: Gino Carlucci, Planning Board Consultant.
27

28 *****
29

30 At 7:00 PM Chairman Trindade called the meeting to order and led the Pledge of Allegiance.
31

32 **Public Comments:** None.
33

34 **Approval – Contract Extension – BSC Group:**

35 *The Board reviewed the following information: (1) Memorandum from Stephanie Mercandetti, Director*
36 *of Community and Economic Development; (2) BSC Contract, Board Approved 12/7/15; and (3)*
37 *Proposed Contract Extension.*
38

39 Present: Stephanie Mercandetti, Director of Community and Economic Development; and Andy
40 Rodenhiser, Chair, Planning and Economic Development Board.
41

42 Ms. Mercandetti stated there are some unfinished pieces of work so the contract needs to be extended.
43 Both Ms. Mercandetti and Mr. Rodenhiser indicated they are satisfied with the work thus far. We have
44 had outreach and visits and have received some waiver requests which represent cost savings. We also
45 do not have to secure appraisals on Town-owned properties. We want to do appropriate community
46 outreach with public forums when people are back from vacation in the fall. This extension simply adds
47 more time to the contract, and there are no other changes.
48

49 Mr. Boynton reported that the contract has been vetted by Town Counsel. Ms. Mercandetti noted that
50 this is just one step in the process before the Urban Renewal Plan is submitted to the State, adding that it
51 must get a favorable vote at Town Meeting. Brief discussion followed.
52

1
2 Responding to a question from Selectman Crowley, Ms. Mercandetti estimated that the project should be
3 completed by November. Mr. Rodenhiser noted that it is a fairly smooth process with a lot of good
4 people working on it. Selectman Crowley asked that someone come in and give the Board an update in
5 September or October.
6

7 **Selectman White moved that the Board execute a contract extension with BSC Group for the**
8 **preparation of an urban renewal plan as presented; Selectman Crowley seconded. No discussion.**
9 **VOTE: 4-0-0.**

10
11 **Approval – Inter-municipal Agreement with Town of Holliston for Health Agent Services:**

12 *The Board reviewed the following information: (1) Memorandum dated August 10, 2016 from the Health*
13 *Director; and (2) Contract.*

14
15 Mr. Boynton clarified that this agreement is designed to assist both communities when their respective
16 staff is away on vacation or otherwise out of the office for an extended period.
17

18 **Selectman D’Innocenzo moved that the Board execute an inter-municipal agreement with the Town**
19 **of Holliston for Health Agent Services, as presented; Selectman White seconded. No discussion.**
20 **VOTE: 4-0-0.**

21
22 **Contract Awards – Friends of Medway Athletics, Coakley Concession Stand:**

23 *The Board reviewed the following information: (1) Letter dated July 22, 2016 from Lynne Sheehan,*
24 *FOMA President; (2) FOMA proposal; and (3) Contract. It is noted that the contract has been sent to*
25 *Town Counsel for review.*

26
27 Mr. Boynton stated that the contract is simple and straightforward. We put out an RFP and several bids
28 came in. This group has been vetted by the Parks and Recreation Commission and it recommends
29 approval.
30

31 **Selectman White moved that the Board award a contract for the operation of the Coakley**
32 **Concession Stand to the Friends of Medway Athletics subject to Town Counsel approval;**
33 **Selectman Crowley seconded. Selectman Crowley asked Mr. Boynton to contact the group**
34 **tomorrow as this process is behind schedule. VOTE: 4-0-0.**

35
36 **Discussion – MS4 Regulations:**

37 *The Board reviewed the following information: (1) PowerPoint presentation entitled “Integrated Water*
38 *Resources Management and Medway”; (2) Spreadsheet displaying Tasks and Timeline.*

39
40 Present: Tom Holder, Director, Department of Public Services; Kirsten Ryan and Betsy Frederick,
41 Kleinfelder; Tom Kenney, Deputy Executive Director and Education Manager, New England Water
42 Works Association.
43

44 Chairman Trindade explained that various groups have been invited to this meeting so they know what
45 will be happening and how it may impact some of the things handled by the respective groups. Mr.
46 Boynton added that this initiative has been around for a few years, but the EPA has not closed the
47 window on the removal of the nutrients that have been deposited into the rivers. This is an expensive
48 proposition. We have 200 outfalls in Medway.
49

50 The Town of Medway is joined with a couple dozen other communities on looking into a legal issue
51 regarding compliance and the level of compliance based on definitions of industry standards.

1
2 Tom introduced Ted Kenney, Deputy Executive Director and Education Manager, New England Water
3 Works Association.
4

5 Integrated Water Resources Management

6 Ms. Ryan stated that she will review Integrated Water Resources Management as they relate to the Town
7 of Medway. Medway has been getting ready for the final permit for the past couple of years. She noted
8 that she and Mr. Holder were here on June 20 to present cost projections. The annual cost will be
9 approximately \$475,000 per year for the first five years. We do not, however, have a handle on the
10 ancillary costs of construction, cost of land, and other preparatory measures. The capital costs are
11 unknown. She cautioned that the overall totals could be in the \$10-15 million area. Those lands may be
12 in competition for other uses in the community so it would make those decisions sooner rather than later.
13

14 Selectman Crowley asked the Town Administrator if any of these costs have been built into the FY17
15 budget. Mr. Holder responded that the Department of Public Services has built some into the
16 departmental budget in three areas: Stormwater Operating funds, Grant funds and Integrated Water
17 Resources Management Program (IWRMP) funds.
18

19 Ms. Ryan proceeded to explore how Medway's water resources management can be integrated into the
20 MS4 program as a multitasking endeavor. Utilizing a PowerPoint presentation, she began with a review
21 of integrated planning and fields some questions from the audience on phosphorous levels. Ms. Betsy
22 Frederick, also from Kleinfelder, explained that the number was determined by a formula on water being
23 deposited, coupled with the runoff from wastewater facilities. There is a mechanism in the permit for an
24 appeal if the community believes its phosphorous baseline number is not what it is proclaimed to be.
25 There would have to be an analysis of land use and other factors. It was based on a 2005 study.
26

27 At this time, Mr. Holder explained the Maximum Extent Practicable concept. Mr. O'Rourke asked for a
28 copy of the study. Brief discussion followed during which Mr. Boynton reminded everyone that this is
29 not legislation but regulations handed down from the federal level. Per the terms of the permit we are
30 obligated to fall under, we have to accomplish certain tasks (i.e., identifying outfalls and other factors)
31 and components of the process, and after that point we should be able to determine the test number.
32

33 Selectman Crowley asked if Medway's number is below the required minimum level, do we still have to
34 complete the remaining tasks for millions of dollars. Mr. Frederick responded that the EPA defines
35 particular controls by which the phosphorous can be controlled. Ultimately, the EPA would like
36 communities to get property owners who are contributing to the high phosphorous levels to reduce or
37 eliminate the nutrient before it is discharged into the municipal system. Selectman Crowley expressed
38 concern that the Board of Selectmen needs to have a better handle on what the costs could be. Ms. Ryan
39 clarified that high cost could be a multiple of one's levels, and not necessarily absolute. Mr. Chan
40 Rogers stated that this is like a trial balloon on the Charles River and we will just have to wait and see
41 how it all falls out. Precise answers are not available at this time.
42

43 Brief discussion followed on the Benefits of Integrated Water Resources Planning.
44

45 Timeline & Tasks

46 Ms. Ryan distributed a chart referencing specific tasks and the fiscal quarter in which each task should be
47 addressed and/or accomplished. Development of the Stormwater Management Plan is the first thing in
48 Q3 of FY17, and the Notice of Intent is in Q4 of FY17. She briefly reviewed it, explaining as she went
49 along. She stressed the importance of trying to get ahead on some tasks as doing so will represent cost
50 savings if these things can be rolled into the overall project sooner than outlined. Brief discussion
51 followed on projected costs, noting that this is on top of regular maintenance tasks performed by DPS.

1 Mr. Boynton added that we have to get caught up to what should be in the 2016 level as we are behind on
2 some things. Now that we have a GIS person, some of the mapping may be a little more streamlined.

3
4 Responding to a question from Mr. O'Rourke on the Phosphorous Control Plan, Mr. Ryan stated that it is
5 an estimate even though the costs may vary, based on how each piece of the plan is accomplished. She
6 added that these figures are her recommendations for budgeting purposes and do not necessarily represent
7 actual costs. It was noted that sources of phosphorous are varied, but exhaust from vehicles contributes,
8 making runoff from each roadway also a contributing factor.

9
10 Selectman Crowley noted that he had some questions about budgeting with respect to Enterprise accounts
11 and other funding sources. Mr. Holder responded that those have already been built into the program,
12 based on 2011 figures. Selectman Crowley asked for updated numbers and a breakdown of funds. Mr.
13 Chan Rogers pointed out that the whole purpose was for the EPA to get involved.

14 15 Next Steps

16 Chairman Trindade asked when the Selectmen will need to make some decisions. Mr. Holder responded
17 that he and the Kleinfelder representatives will come back in September or October.

18
19 Chairman Trindade asked if there are things that should be included in rules and regulations that the
20 Planning Board needs to weigh in on, such as zoning bylaws or other things, that should be addressed at
21 Annual Town Meeting. Mr. Holder responded that work has already been done on some things with
22 some staff, and members of those groups have been invited tonight.

23
24 Mr. Gino Carlucci, Planning Board consultant, stated he has been working with the Planning Board. The
25 basic framework is that, for any activity requiring a permit from either the Planning Board or
26 Conservation Commission, the stormwater portion (with respect to design standards) will be handled at
27 that time. Other things will go through the Planning and Economic Development Board.

28
29 Mr. David Blackwell, Conservation Commission, asked that the materials be online before the meeting
30 for the benefit of residents.

31
32 Ms. Ryan clarified that she is not connected with all the tasks already being done so the costs she's
33 prepared may actually be lower if those tasks are near completion.

34
35 Selectman Crowley asked that the DPS secure a phosphorous level right now to see where we stand. He
36 asked whether it was true that we could not apply for the new permit until the old one expires. Ms.
37 Frederick responded that the Town can submit information on land use data indicating that the actual load
38 was inaccurate, but the permit is what it is. There is a rigorous plan, but some of the components are
39 seasonal tasks which would preclude the notion that it could be completed ahead of schedule.

40
41 General discussion followed.

42 43 **Entertainment License Request – Medway Community Farm, August 20, 2016:**

44 *The Board reviewed an Application and Police Chief's Recommendation.*

45
46 **Selectman D'Innocenzo moved that the Board authorize an entertainment license for Medway
47 Community Farms for their event to be held at 55 Winthrop Street on August 20, 2016 subject to
48 Police Chief's Recommendations; Selectman White seconded. No discussion. VOTE: 4-0-0.**

49 50 **Approval – One-Day Liquor Requests:**

1 *The Board reviewed Applications and Police Chief Recommendations for the following Thayer Homestead*
2 *events: (1) James Deso, September 10, 2016; (2) Robin Stuart, September 11, 2016; (3) Kathy Cruz,*
3 *September 17, 2016; and (4) Angela Price, September 24, 2016.*

4
5 **Selectman White moved that the Board approve one-day liquor licenses for Jamie Deso, Robin Stuart,**
6 **Kathy Cruz & Angela Price respectively for their events to be held at the Thayer Homestead, subject**
7 **to Police Chief’s recommendations and evidence of appropriate insurance coverage; Selectman**
8 **D’Innocenzo seconded. No discussion. VOTE: 4-0-0.**

9
10 **Action Items from Previous Meeting:**

11 *The Board reviewed the Action Item List.*

12
13 Mr. Boynton reported that the cable license renewal process is moving forward. The Ascertainment
14 Hearings for both Comcast and Verizon will be held in September, for both Comcast and Verizon.

15
16 DPS Building Facility Committee will meet sometime after Labor Day to discuss next steps. We need to
17 set up the RFP process for the designer as well as get a professional on board in order to move forward.

18
19 Mr. Boynton reminded the Board that EPFRAC committee will be meeting tomorrow at the Senior Center
20 to discuss the RFP relative to recreational improvements.

21
22 **Approval of Warrants:**

23 *The Board reviewed Warrants 17-8 and 17-7AS.*

24
25 Selectman D’Innocenzo, Clerk, read aloud Warrants 17-8 and 17-7AS, dated 8-18-16, as follows:

26
27

17-8	Town Expenses	\$872,702.40
17-7AS	School Payroll	<u>\$ 2,970.77</u>
	TOTAL	\$875,673.17

28
29
30

31 **Selectman White moved that the Board approve the Warrants as read; Selectman Crowley**
32 **seconded. No discussion. VOTE: 4-0-0.**

33
34 **Town Administrator’s Report:**

35 Mr. Boynton stated that the Town needs to begin a planning process for some natural resource areas in the
36 community. These range from management to forestation. These areas continue to have trees dying and
37 the reason is unknown. Is it a water issue, a tree issue or the result of beaver dams? At this point, all
38 opinions and suggestions are welcome.

39
40 Regarding the proposed Exelon expansion, the DEP is issuing a draft Air Permit and a public hearing is
41 required. Ms. Stephanie Mercandetti, Community Development Director, is working with the School
42 Department to identify a space for the hearing to take place in late September. The EFSB permit has not
43 yet been issued.

44
45 The funds that Exelon contributed (\$50,000) for emergency preparedness for improving emergency
46 power supply have been used to upgrade the electrical power connection at the high school. This will be
47 powerful enough to support a large emergency power trailer.

48
49 In conclusion, Mr. Boynton reminded the Board that the Town Administrator contract expires at the end
50 of this fiscal year.

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Selectmen's Reports:

There were no reports.

**At 8:45 PM Selectman D'Innocenzo moved to adjourn; Selectman White seconded. No discussion.
VOTE: 4-0-0.**

Respectfully submitted,
Jeanette Galliardt
Night Board Secretary

DRAFT

AGENDA

ITEM #13

Town Administrator's Report

AGENDA

ITEM #14

Selectmen's Reports