



TOWN OF WAYLAND

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BOARD OF SELECTMEN

JOHN BLADON
EDWARD J. COLLINS
STEVEN J. CORREIA
DOUGLAS J. LEARD
JOSEPH F. NOLAN

Board of Selectmen Meeting Minutes December 3, 2012

Attendance: John Bladon, Edward J. Collins, Steven J. Correia, Douglas J. Leard

Also Present: Town Administrator Fred Turkington, Secretary MaryAnn DiNapoli

Chair J. Bladon called the meeting of the Board of Selectmen to order at 7:05 p.m. in the Selectmen's Meeting Room and reviewed the agenda for the public. He announced that the meeting is being broadcast and videotaped for later broadcast by WayCAM.

A2. Public Comment Donna Bouchard, 72 Concord Road, said the issue regarding OPEB is the transparency of the funding, and suggested that the expense of OPEB for employees of fee-based programs and enterprise funds should be offset from the appropriate accounts. George Harris, 8 Holiday Road, noted that Wayland's contribution to OPEB is one of the highest in the state, and he questioned the advisability of being at variance with peer towns. State Representative Tom Conroy said that most towns are severely underfunded, and that Wayland is still only at ten percent of the necessary funding. F. Turkington said that the four towns that have comparable OPEB funding are Aaa towns. J. Bladon noted that the town's OPEB contribution was at the suggestion of the town actuary.

A3. Presentation on OPEB by The Segal Company, Consulting Actuaries to Members of the Finance Committee and the Board of Selectmen Daniel Rhodes, Consulting Actuary for the Segal Company, appeared before the Board to discuss OPEB (Other Post Employment Benefits) and GASB 45. Also present were State Representative Tom Conroy and Finance Committee members Cherry Karlson, Steven Lesser, Nancy Funkhouser, Bill Steinberg and Carol Martin. D. Rhodes explained the GASB OPEB standards, reviewed the December 31, 2010 valuation results, and discussed potential changes to OPEB plans for Massachusetts municipalities as a result of a state commission reviewing benefits and funding. B. Steinberg, Chair, Finance Committee, asked if the financial impact of changing town healthcare benefits extended to retired employees, and secondly, if the state could make legislative changes to reduce the town costs. D. Rhodes said the state may be taking more control of the municipal side. He said the GIC has more flexibility, 32B may be helpful, and the only state limit is that the town must pay 50% of the premium. E. Collins asked about the role of the OPEB Commission and the extent of its term. D. Rhodes said the commission studies OPEB and GIC practices and looks at benefit designs; he said they will present a report and recommendations to the legislature on December 17, 2012. T. Conroy said the governor will then put the recommendations into legislation to present to the congress, and it could become state law in 2013. E. Collins asked why an actuarial report on Wayland's OPEB was done in 2008 when the state statute did not come into effect until January 2011. D. Rhodes said by GASB standards, the report had to be done by 2009. S. Correia asked about best practices. D. Rhodes said Wayland took an aggressive approach; most towns are starting the fund now. He said standard procedures were only established recently. F. Turkington asked for a review of cost differences. D. Rhodes said deferred compensation must be recognized while it is earned; he said the long term goal is to have an OPEB trust pay the benefits, rather than current operating costs. C. Karlson reviewed the incoming numbers from a budget perspective. J. Bladon asked for a recommendation,

given that the recovery is brittle and no override is planned. D. Rhodes said the town is on the right track, as it is funding its needs above the minimum level, but there is still a big unfunded liability. Don Bustin, 46 Peck Avenue, asked for an explanation of discounting. D. Rhodes said current money is worth more than future money for accounting purposes. D. Bustin said he felt the funds in the bank were not earning enough. F. Turkington said the state has an OPEB trust, and the town is discussing possibilities for investments. David Hill, 54 Orchard Lane, asked who controls the plan design and employee contribution levels. F. Turkington said the Board of Selectmen has made changes to plans to control costs; C. Karlson said it is a matter of negotiation with unions. D. Hill asked how a local citizen could become involved in negotiations. C. Karlson said the plans are strategized and negotiated by elected officials and committees, and the contracts are public information. B. Steinberg said the public is invited to attend open meetings and provide input. Donna Bouchard, 72 Concord Road, asked when the numbers were evaluated regarding West Suburban healthcare versus the GIC, and asked for the results. F. Turkington said it was done internally in the last 2-3 months, and it is executive session material. He noted that to the extent the town stays with West Suburban, they are making every effort to reflect GIC. D. Bouchard asked if the town would get professional advice as to the cost. C. Karlson said she is confusing plan differences with budget variances. B. Steinberg said the town would like to fix the process, but it has done a good job controlling the costs. D. Bouchard said John Senchyshyn, Human Resources Director/Assistant Town Administrator, ran the numbers for her and was very helpful, but a computer system should be implemented to make it easier. Alice Boelter, 106 Lakeshore Drive, asked if payments to trust funds can be borrowed, and also if payments could come from employee's unused sick and vacation time. D. Rhodes said both are feasible, but no one has used bonds for funding. He said the auditors would need to know the funding sources and their long-term reliability. F. Turkington noted that the town must bargain sick leave and vacation. T. Conroy said it is not sustainable for a town to contribute only in a pay-as-you-go manner, as the UAAL would increase every year. E. Collins asked why the state hasn't mandated funding; T. Conroy said it would be too much of a burden on municipalities due to the massive unfunded liabilities.

A4. Review of Terms of Sale and Authorize Town Administrator to Close for Property at 26

Lakeshore Drive S. Correia moved, seconded by J. Bladon, to authorize the Town Administrator to sell the parcel of town-owned land at 26 Lakeshore Drive for \$12,700 to David and Pam Hanlon, and that the buyers assume all closing costs of the sellers. YEA: J. Bladon, E. Collins, S. Correia, D. Leard. NAY: none. ABSENT: J. Nolan. ABSTAIN: none. Adopted 4-0.

A5. Review and Approve Consent Calendar (See Separate Sheet) D. Leard moved, seconded by S. Correia, to approve the consent calendar. YEA: J. Bladon, E. Collins, S. Correia, D. Leard. NAY: none. ABSENT: J. Nolan. ABSTAIN: none. Adopted 4-0.

A6. Review Correspondence (See Separate Index Sheet) The Board reviewed the week's correspondence. S. Correia asked if an explanation regarding the utility poles on Route 27 could be placed on the town website. F. Turkington said he will follow up with Verizon about the infrastructure buildout. S. Correia noted the disappointing vote by the Housing Partnership to not support any recommendation from the Dudley Area Advisory Committee that does not include at least four units of affordable housing on the Dudley Area parcel.

A7. Report of the Town Administrator F. Turkington reviewed upcoming agenda topics and meeting schedules. He said he will have comments and a report from the Audit Committee next week; there are no material findings, some recommendations, and a suggestion that the town develop a formal policy for free cash and revolving funds. He said he will have the proposed operating budgets to review next week, along

with the capital improvement programs for FY14-FY18. He updated the Board on a discussion with Brud Wright, Recreation Commission, regarding staffing, and said he will schedule him before the Board at a later date. He said the Broomstones Curling Club will be sponsoring the national championships, and has asked to have a member of the Board appear. He advised the Board that the Town Building will close at 2:00 pm on Christmas Eve and at 3:00 pm on New Year's Eve.

A8. Selectmen's Reports and Concerns D. Leard thanked Cynthia Hill for leading the effort to supply commodities to Breezy Point, New York, in the wake of Hurricane Sandy. He said the Local Emergency Planning Committee will meet with CERT and the MRC in the aftermath of the hurricane. S. Correia said that MaryEllen Castagno, the Wayland representative to the Minuteman Regional School, forwarded a draft feasibility report along with her concerns about the accuracy of the figures. J. Bladon expressed concern about the controversy surrounding the Audit Committee; he said the committee has performed as charged, and made a recommendation of an auditor. He said the Board needs to ensure that all documents to the auditor go through the Audit Committee.

A9. Topics Not Reasonably Anticipated by the Chair 48 Hours in Advance of the Meeting, If Any
J. Bladon said, "I know of none."

A10. Adjourn There being no further business before the Board, D. Leard moved, seconded by E. Collins, to adjourn the meeting of the Board of Selectmen at p.m. YEA: J. Bladon, E. Collins, S. Correia, D. Leard, J. Nolan. NAY: none. ABSENT: none. ABSTAIN: none. Adopted 5-0.

Items Distributed For Use by the Board of Selectmen at the December 3, 2012 Meeting

1. PowerPoint presentation dated December 3, 2012 prepared by The Segal Company relative to OPEB.

Items Included as Part of Agenda Packet for Discussion During the December 3, 2012 Board of Selectmen's Meeting

1. December 31, 2010 actuarial valuation for OPEB prepared by The Segal Company; OPEB information prepared in September 2012 for Special Town Meeting discussion.
2. Email dated November 28, 2012 from David and Pam Hanlon to Town Administrator, together with proposal and appraisal for purchase of 26 Lake Shore Drive; appraisal June 27, 2012; and vote of 2012 Annual Town Meeting regarding the property.