

Town of Shirley

BOARD OF SELECTMEN



7 KEADY WAY – SHIRLEY, MASSACHUSETTS - 01464-2812

Kendra J. Dumont, Chair

Robert E. Prescott, Jr., Vice Chair

David N. Swain, Clerk

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BOARD OF SELECTMEN MINUTES

January 27, 2014

7:00pm

TOWN OFFICES

The Board of Selectmen convened its meeting on Monday, January 27, 2014 at the Town Offices, Meeting Rooms A & B, with Chairman Kendra J. Dumont presiding, with Selectmen David N. Swain, Robert E. Prescott, Town Administrator Patrice Garvin and Executive Assistant Kathleen Rocco in attendance.

CALL TO ORDER

Chairman Dumont called to Order the Board of Selectmen's Meeting at 7:00pm

Announcement: In addition to the SPACO audio and video taping of this meeting, the Board records the meeting with an audiotape player for the purpose of creating these minutes

TOWN ADMINISTRATOR REPORT

Town Administrator Garvin gave her weekly update to the Board of Selectmen.

She noted that the Personnel Manual is ready for their final approval. Once adopted, it will be followed by all of the non-union employees. She has received some feedback on the document but it has been around awhile therefore, it should come as no surprise to the employees.

TA requested that the Selectmen revoke the Annual Town Meeting Date. Annual Town Meeting date was set for Monday, May 19th. It will need to be switched to Monday, June 2, 2014.

Selectman Prescott made the *Motion to change the Annual Town Meeting to Monday, June 2, 2014, to be held in the Middle School Auditorium. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.*

TA Garvin has enclosed the Health Insurance report. Rate increases will be announced will be announced, and she hopes to have better figures. She has estimated an 8% increase in health insurance rates.

She noted that has placed her monthly report to the residents on line and will also be placing it in the local newspapers.

Finally, she noted that she attended the School Committee Meeting last Wednesday, where the School presented their preliminary budget. She stated that she built the operating budget around a 4.88% increase in the school assessment. At the School Committee meeting, the preliminary budget had an increase that was more than double her budgeted assessment. She stated that she conveyed to the School Committee that after recently going through the Town's operating budget and reconciling expenses to the revenue, the Town is showing a deficit even with the 4.88% increase. The preliminary budget also included increases to positions, while the Town is cutting where it can. Moving forward, she is sticking with the 4.88% increase. She has attached the schools preliminary budget for their review.

The budget is showing a deficit and she will be presenting to the Board a budget memo that will include several options on how to address this deficit. She thanked the Finance Team for all the work they did over the past few weeks and she looks forward to presenting the budget to the Selectmen on February 10th.

TREASURY WARRANTS

Payroll warrant	<u># 0534</u>	<u>01/15/14</u>	<u>\$ 1,122.12</u>
Payroll warrant	<u># 0130</u>	<u>01/22/14</u>	<u>\$ 4,744.48</u>
Payroll warrant	<u># 6130</u>	<u>01/22/14</u>	<u>\$ 23,480.14</u>
Payroll warrant	<u># 9130</u>	<u>01/22/14</u>	<u>\$ 9,076.71</u>
Payroll warrant	<u># 0131</u>	<u>01/29/14</u>	<u>\$ 7,000.49</u>
Payroll warrant	<u># 6131</u>	<u>01/29/14</u>	<u>\$ 29,332.33</u>
Payable warrant	<u># 9374</u>	<u>01/05/14</u>	<u>\$ 444,105.00</u>
Payable warrant	<u># 2304</u>	<u>01/22/14</u>	<u>\$ 53,830.55</u>
Payable warrant	<u># 9384</u>	<u>01/28/14</u>	<u>\$ 216.08</u>
Payable warrant	<u># 2314</u>	<u>01/29/14</u>	<u>\$ 100,289.22</u>
Payable warrant	<u># 9364</u>	<u>02/05/14</u>	<u>\$ 444,105.00</u>

Selectman Prescott made the *Motion to accept the following Treasury Warrants as presented. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye, and Kendra J. Dumont vote Aye.*

APPROVAL OF MINUTES

Selectman Prescott made the *Motion to accept the Minutes of January 14, 2014. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.*

OLD BUSINESS

1. Energy Committee Update – Tabled

NEW BUSINESS

2. 7:05pm - Public Hearing – Gravel Renewal Permit

Chairman Dumont asked to open the Public Hearing regarding the Gravel Renewal Permit.

Selectman Prescott made the Motion to open the Public Hearing at 7:05pm. Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

Selectman Swain read the Legal Notice into the record:

The Board of Selectmen will hold a Public Hearing at 7:05 p.m. on January 27, 2014 at the Town Offices, 7 Keady Way, for Application for Removal Permit for Soil, Loam, Sand, Gravel or Other Earth Products for: Safety First , Parcel 83 A 6.1, located on 39 Great Road. If you are unable to attend, please forward your written comments to the Board of Selectmen, 7 Keady Way, prior to the Public Hearing.

Chairman Dumont asked if there were any comments. Executive Assistant Rocco noted that the Board of Health had no comment as well as the Conservation Commission.

Motion to close the Public Hearing. Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

Selectman Prescott made the Motion to approve the Application for Removal Permit for Soil, Loam, Sand, Gravel or Other Earth Products for Safety First , located on 39 Great Road, permit to expire on December 31, 2014. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

3. Health Insurance Write-Off

Town Accountant Bobbi Jo Colburn presented to the Selectmen a proposal regarding the Health and Dental Insurance Withholding Account. She noted that there has been an ongoing problem in this area and would like to write off said amount instead of coming out of free cash every year. She further commented that if the Selectmen were to do nothing, the Town would lose \$24,000 from Free Cash. Colburn presented her analysis to the Selectmen for their review.

Selectman Prescott concurred with Colburn in writing off the net amount and having it nice and clean moving forward.

Selectman Prescott made the Motion to approve the Write-Off of the Health and Dental Insurance Withholding Account in the amount of \$19,758, as presented. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

4. Personnel Manual

Board of Selectmen were presented with the final copy of the Personnel Policy and Procedures Manual with all the corrections made. TA Garvin noted that once in place, the manual will become a living document.

Selectman Prescott made the Motion to accept the Personnel Policy and Procedures Manual as presented. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

5. Employee Benefits' Report

Town Administrator Garvin presented the Board of Selectmen her report regarding some significant savings that can come from changes in how the Town of Shirley offers and distributes health insurance. She and her finance team have looked at three main areas. She noted that if the following recommendations within this report are followed, the Town of Shirley will see substantial savings in its operating budget.

1. Health Plan Design-GIC or "Bench Mark" Plans

TA noted that a final bill was passed in July, 2011 that addressed plan design change for municipalities – MGL Chapter 69.

- Board of Selectmen would have to vote to adopt plan design, but they would only have to vote once.
- The Municipal Executive can propose to move employees to the GIC or propose a plan with copays and deductibles no more costly to the employee than the median GIC Plan. The Municipality must provide documentation of the estimated first year savings.
- The Executive explains the proposal, the estimated savings and the plan for cost mitigation to the Insurance Advisory Committee (IAC) made up of a representative of each union and a retiree representative.
- There is a 30 day window in which the municipality and the IAC negotiate the changes; a majority vote of the PEC is required of the agreement.
- If no agreement is reached after 30 days, a three-person panel considers the situation and will be required to approve the changes or transfer, as long as they meet the GIC Benchmark.
- The panel has the authority to review estimated savings and the cost mitigation plan, and if they decide the shared savings is not enough, to require greater savings, although not more than 25%.
- All eligible retirees are required to move to Medicare.

She noted that finance team advises that the Town move toward the Benchmark, but incrementally. She stated that moving towards this plan design will benefit the Town of Shirley and move towards a more responsible health insurance plan. The current provider, MIA Health Benefit Trust can offer the Town a cafeteria type plan that will move the Town

towards the plan design outlined above. Any changes will be discussed with the unions as well as other employees.

Reviewing alternatives with MIIA, the Town can save significant amount of money if it goes with Alternative 3, while not hurting the employees. TA noted that this savings is somewhere in the vicinity of \$64,000, while employees will save \$22,000 in premiums.

2. Who has Access to Health Coverage

Under MGL Chapter 32B health coverage shall be provided by the Town of Shirley. Garvin noted that there are 3 areas that the Finance Team focused their attention on.

- i. Elected Officials who receive coverage
- ii. Call Fire Fighters
- iii. Employees working less than 20 hours per week

Elected Officials

Garvin reported that the Town of Shirley is one of the only municipalities to cover its elected officials. Noting that when health coverage began to suffocate operating budgets in the early 2000's, towns voted to have selectmen and assessors removed from coverage. She stated that Towns are seeing 8-12% increase in their health insurance lines every year. Plan design along with the removal of elected officials from coverage helped ease the towns out of the red.

Call Fire Fighters

Under MGL Call Fire Fighters are required to have coverage offered by the Town if Section 2B is accepted, but it reads in the laws "that they pay 100% of the premium". The Town currently offers Call Fire Fighter 75% of their premium. Garvin explained that at this time only 3 Call Fire Fighters are on the Town's health insurance, however the exposure is far greater. There are currently 19 eligible Call Fire Fighters that can access the Town's health insurance at the 75/25 split.

Employees working less than 20 hours per week

In reviewing the process, the Finance Team noted that there are 2 employees, working less than 20 hours per week that receive health insurance at 75/25 split. These two employees are the Wiring Inspector and the Plumbing Inspector. In the report, it is explained that the Wiring Inspector started to receive health insurance from the Town by vote of the Board of Selectmen in 1998. There is no subsequent vote of the Plumbing Inspector. TA contacted Town Counsel and, in his opinion, the Board of Selectmen legally was not authorized to make this vote. There is a concern that the Town is not following MGL Chapter 32B, thus exposing other employees who work less than 20 hours per week to health coverage at 75/25 split.

3. Percent Rate of Change Coverage

Currently the Percent Rate of Change is 75/25. This rate is for full time, elected, call fire fighters and the town employees who work under 20 hours. In trying to address the health insurance concerns, and not cause hardship for any employee, the Finance Team looked into a different split for the call fire fighter, elected officials and employees, through past practice who are receiving benefits. Garvin reported that the Finance Team believes there is serious savings that can be acquired through tweaking the rate of coverage. She noted that by law, the Town is required to offer health insurance to employees, but the Board of Selectmen are able to vote on the rate the Town pays on premiums.

In summary, the Finance Team and the TA gave their recommendations to the Board as follows:

- That the Board of Selectmen move towards plan design;
- Proposed the that the Plan Design chosen is Alternative 3;
- Estimated Savings for the Town would be approximately \$64,000;
- Begin meeting with the IAC as soon as the Board of Selectmen acts; and
- Does not recommend moving onto the GIC or a Benchmark equivalent program at this time.

The Finance Team recommends that the Board of Selectmen take action and change health insurance to the following:

- Full Time Employees (20 hours+): 75/25
- Elected Officials: 25/75
- Call Fire Fighters : 100%
- Two Employees: 100%

TA projected that total savings	\$ 86,254
MIIA Plan	<u>\$ 59,827</u>
Approximate Savings	\$146,081

Selectman Swain had no issues at all with what was presented. Selectman Prescott is in agreement with Selectman Swain. He further stated that this allows the Town to create some fairness as well. He inquired about closing the door on the elected officials and asked about creating a sunset clause. TA Garvin stated that she will verify with Town Counsel.

Selectman Swain made the Motion to approve the Employee Benefits as presented as it stands today, subject to verification the Call Fire Fighters and sunset clause with Town Counsel. Selectman Prescott Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

6. School Debt Vote

Treasurer Kevin Johnston had presented to the Board the Financing for the Ayer Shirley Regional School District High School Construction Project. Johnston presented to the Board financing options regarding the ASRSD High School Debt Schedule.

Selectman Swain made the Motion that the Board of Selectmen recommend to adopt the payment schedule for the Ayer Shirley Regional High School Debt and Plan "C". Selectman Prescott Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

7. Driveway Permit – 82 Center Road

Selectman Prescott made the Motion to approve the Application for Permit "to consider &/or Blacktop Driveway or Accessway for 82 Center Road as presented with the attached Order of Conditions. Selectman Swain Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

OTHER BUSINESS

Selectman Prescott gave an update regarding the JBOS. He noted there is discussion regarding an overlay governance of the Devens Regional Enterprise Zone that would give Ayer, Shirley and Harvard joint jurisdiction over Devens.

Selectman Swain noted that JBOS is an advisory board. Chairman Dumont stated that the George Ramirez of MassDevelopment stated that they are not going anywhere.

Selectman Prescott asked about putting a nonbinding referendum of the governance of Devens on the Annual Town Meeting Warrant. A second vote would ask whether Devens residents should be polled on the matter even before the nonbinding referendum.

Selectman Prescott made the Motion to support the polling of the Devens' residents in advance of polling the Shirley residents. Selectman Swain seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

EXECUTIVE SESSION

Selectman Swain made the Motion to go into Executive Session as authorized under M.G.L. c. 30A, §21(2) at 7:40pm To conduct strategy sessions in preparation of negotiations with non-union personnel or to conduct collective bargaining sessions or contract negotiations with non-union personnel, return to open session for adjournment purposes only. Selectman Prescott Seconded. Robert E. Prescott vote Aye, David N. Swain vote Aye and Kendra J. Dumont vote Aye.

PUBLIC COMMENTS

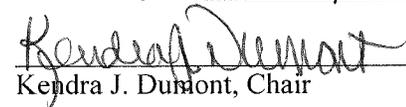
ANNOUNCEMENTS-

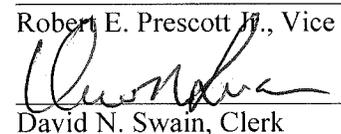
ADJOURNMENT

With no further business to discuss, *Motion and Seconded to adjourn. Robert E. Prescott vote Aye, David N. Swain vote Aye, and Kendra J. Dumont vote Aye .*

Respectfully submitted,
Kathleen Rocco

Date Accepted: Feb 3, 2014


Kendra J. Dumont, Chair

Robert E. Prescott Jr., Vice Chair

David N. Swain, Clerk

Pursuant to the 'Open Meeting Law,' G.L. 39, § 23B, the approval of these minutes by the Board constitutes a certification of the date, time and place of the meeting, the members present and absent, and the actions taken at the meeting. Any other description of statements made by any person, or the summary of the discussion of any matter, is included for the purpose of context only, and no certification, express or implied, is made by the Board as to the completeness or accuracy of such statements.