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**Board of Selectmen - Regular Meeting**  
**Minutes of April 13, 2015**

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**I. Call to Order**

Chairman Kowalski called the Board of Selectmen to order at 6:30 P.M. in the Board of Selectmen's Meeting Room located in the Town Offices. Present from the Board of Selectmen: Alex Vispoli-Y, Paul Salafia-Y, Mary O'Donoghue-Y, Robert Landry-Y, and Dan Kowalski-Y. Also present: Town Manager Buzz Stapczynski and Town Clerk Larry Murphy. The meeting was duly posted and cablecast live.

**II. Executive Session**

At 9:50 P.M. Chairman Kowalski called the meeting of the Board of Selectmen to order in the Board of Selectmen's Meeting Room. On a motion by A. Vispoli and seconded by P. Salafia, the Board entered into Executive Session for consultation with Legal Counsel to discuss collective bargaining strategy. Roll call: A. Vispoli-Y, P. Salafia-Y, M. O'Donoghue-Y, R. Landry-Y, and D. Kowalski-Y. At 11:25 P.M. on a motion by A. Vispoli and seconded by M. O'Donoghue the Board of Selectmen adjourned from Executive Session not to return. Roll call: A. Vispoli-Y, P.-Salafia-Y, M. O'Donoghue-Y R. Landry-Y, and D. Kowalski-Y.

**III. Opening Ceremonies**

Chairman Kowalski led the meeting in a Moment of Silence and Pledge of Allegiance.

Chairman Kowalski said the sequence of tonight's agenda would be conducted out of order to allow time for the Health Insurance Presentation by the Town's Health

**A. Budget and other Warrant Articles**

Health Insurance

Ken Lombardi distributed a handout on the status of health insurance. The Town made a proposal for self-funding to fourteen unions with 90% approving the new plan. April 17<sup>th</sup> is the deadline for the bargaining units to vote, and the employees have been extremely responsive with the design plan changes. Moving to a self-funded health insurance plan effective July 1, 2015, members will see an increase in out of pocket costs but will avoid premium increases in lieu of an expanded HRA program. With this change, the Town's plan design will have been changed eight times since 2008.

Management met with MIAA representatives in April to determine if there was any room for negotiations for a 0% level increase for deductible plans vs a 2.9% (PPO at 4.7%). Staying with the status quo would cost the Town \$22.4M (a 10.9% increase with MIAA). Mr. Lombardi reviewed the concept of self-funding which would have the Town incurring 76% of the cost and employees 24% which includes paying claims, administration costs and stop loss expenses as well as the fees for the Affordable Care Act of \$44 per employee. Protection for excessive claims would be in place. HRA costs

**A. Budget and other Warrant Articles**

**Health Insurance** (Cont'd)

are projected at \$566,000 for the first year. The cost for the Town's Self-Funded Insurance is estimated at \$17.7M.

**School Department Budget**

Chairman Kowalski reported on a call he received from Annie Gilbert, Chair of the School Committee for further discussion with the Town Manager, School Superintendent and the three Chairs (BOS-SC-FinCom).

Annie Gilbert said this year the Town Manager allocated a budget for FY-16 for the Schools which the Superintendent's preliminary budget met. Their budget was further reduced by \$434,000 in February. To meet the reduced allocation will cause a decrease of twenty-one classroom teachers which will have an impact on class sizes. The School Committee made the decision to reduce the innovation and strategic plan budget by \$117,000 using those funds towards retention of teachers. The Schools will need \$280,000 to keep the remaining 6.2 FTE's leaving 2.9 FTE's below the FY-15 headcount. Any additional monies tied to assumptions on staff reductions through retirement or medical leave would be applied to the school budget.

Chairman Kowalski said the Board members have received many emails on the school budget and how additional funding would allow for some flexibility. He asked the Board to consider a change in the tax levy with the condition that the School Committee strives to ensure there any unused funds would go back to the Town. The Town Manager talked about the discussion with the three chairs on approaching the Board to allow for additional funds from the excess levee capacity. Joanne Marden suggests they wait to see if the House budget will include excess funds for Chapter 70. Annie Gilbert said any increase in Chapter 70 funds would be used towards the hiring of 12.4 Special Education and English Language Learner teachers to meet those requirements.

The Board members referenced the increase cost of health care and cost of employee contracts and retirement benefits, and will continue the discussion at their next meeting when they have more information on local aid.

**Other Warrant Articles**

WA-54 Zoning Bylaw Amendment -1 Haverhill St & Tantallon Road

Selectman Vispoli moved to recommend approval of P-54 as presented. The motion was seconded by Selectman Salafia and voted 5-0 to approve.

**B. OPEB Advisory Committee**

Mary O'Donoghue distributed a draft of recommendations from the OPEB Advisory Subcommittee. The charge is to use OPEB report data of November 2014 with additional action items and to report back to the three boards with their findings by October 2015 and provide a mid-term evaluation. If additional time is need by the OPEB Advisory

**B. OPEB Advisory Committee (Cont'd)**

Committee they will approach the Board of Selectmen for an extension and recommended there be a liaison from each Board on the Advisory Committee. The Board discussed the goals for the OPEB Advisory Committee and will email their suggestions to Mary who will incorporate the changes.

**C. Town Manager Annual Compensation**

Chairman Kowalski reported on the new evaluation process for the Town Manager and how the ratings are applied. Competencies are rated on an annual basis while goals and objectives are based on the fiscal year calendar.

Selectman O'Donoghue moved that the Board of Selectmen grant the Town Manager a pay increase of 2% retroactive to July 1, 2014. The motion was seconded by Selectman Salafia and voted 4-1 to approve. Selectman Vispoli opposed.

**D. Retirement Board Update**

Tom Hartwell, appointed to the Retirement Board by the Board of Selection, gave a presentation of his views and concerns with the cost for future pension and OPEB benefits which he feels is unsustainable and unaffordable and recommends the Retirement Board and Town take action now and work towards fiscal stability. He recommends the elimination of COLA adjustments for retirees until the plan is fully funded, that part-time employees of 20-30 hours participate in the Massachusetts Smart Plan - 457 Deferred Compensation Plan instead. He also recommends a re-evaluation of the expected rate of return and that Risk Management practice be established. He suggests that the Retirement Board investment strategy for investing town and employee contributions be shared with the Board of Selectmen prior to the Town making their contribution and that meeting times of the Retirement Board be changed from mornings to evenings. Mr. Hartwell would like clarification on the posting of Retirement Board minutes.

**IV. Communications/Announcements/Liaison Reports**

The Town Manager announced that Zero Waste Day is scheduled for Saturday, May 2<sup>nd</sup> and that nominees for the Virginia Cole Award should be submitted to his office.

Alex Vispoli recognized Bill Pennington and his team for the successful Run for Troops Road Race held this weekend with over 3,000 runners participating. He also noted that the Board of Selectmen did not vote on the water rate increase as Water and Sewer Commissioners and will revote at the next meeting.

**V. Citizens Petitions and Presentations**

Brad Weeden thanked Janet Nicosia and members of Plant and Facilities Department for installing white bulbs in the historic acorn lamp posts at the park.

Bob Pokress requested the Board schedule a discussion with the Police Chief on policies regarding the use of force and use and carrying of lethal weapons on a future agenda.

**VI. All Other Business**

Chairman Kowalski shared a letter from AEA President, Kerry Costello asking for transparency regarding the profession of Selectman Landry. Mr. Landry reported that he has filed an Ethics Report with the Town Clerk.

**VII. Consent Agenda**

**A. Appointments and Re-appointments**

DEPARTMENT	POSITION	RATE	EFF. DATE
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On a motion by Selectman Vispoli and seconded by Selectman Salafia, the Board voted 4-0-1 to approve the following appointment by the Town Manager. Chairman Kowalski abstained.

**LIBRARY SERVICES**

Amy Martin (v. M. Bevacqua)	Library Assistant II	IE14-3 \$47,848	May 1, 2015
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On a motion by Selectman O'Donoghue and seconded by Selectman Vispoli, the Board of Selectmen unanimously voted to approve the following appointment by the Town Manager.

New OPEB Advisory Committee (expires June 30, 2018) April 13, 2015

Steven G. Caron  
Thomas P. Hartwell  
Mark W. Wickersham  
Michael W. Morris, Sr.

**IX. Adjournment**

At 9:48 P.M. on a motion by Selectman Salafia and seconded by Selectman O'Donoghue the Board voted to go into Executive Session to discuss collective bargaining strategy and not to return to Open Session. Roll call: A. Vispoli-Y, P. Salafia-Y, M. O'Donoghue-Y, R. Landry-Y, and D. Kowalski-Y.

Respectfully submitted,

Dee DeLorenzo  
Recording Secretary

Documents: Health Insurance Presentation  
Tom Hartwell's Presentation on the Retirement System