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**Board of Selectmen  
Minutes of April 25, 2016**

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**I. Call to Order**

Chair Mary O'Donoghue called the meeting of the Board of Selectmen to order at 7:00 P.M. in the Board of Selectmen's Meeting Room at Town Offices: Present from the Board of Selectmen: Paul Salafia-Y, Alex Vispoli-Y, Dan Kowalski-Y, Robert Landry-Y, and Mary O'Donoghue-Y.

Also present: Town Manager Andrew Flanagan, Attorney Tom Urbelis, Consultant Ken Lombardi, Attorney John Foskett, and. The meeting was duly posted and cablecast live.

**II. Opening Ceremonies**

A. Moment of Silence/Pledge of Allegiance

The meeting began with a moment of silence followed by the Pledge of Allegiance.

**III. Communications/Announcements/Liaison Reports**

The Town Manager announced that the first night of Town Meeting will be held on May 2<sup>nd</sup> at the Collins Center starting at 7:00 P.M.

Alex Vispoli introduced four members of the Andover Youth Council who explained what they do as a group of young students (24 in all) which include discussions on what is going on in the community, how to help, ideas, projects, and the work they are involved with in advocating for the youth, organizing telethons, holiday gift drives, buddy trips with special needs students, and also assisting with the upcoming opening day event of Cormier Youth Center.

**IV. Citizens Petitions and Presentations - None**

**V. Continued Public Hearings**

A. New England Power Company Franchise Rights Petition (cont'd April 11, 2016)

The petition of New England Power Company d/b/a National Grid requesting it be granted locations for and permission and consent to construct, maintain, repair, operate and use, such lines for the transmission of high and low electric current, data and other intelligence, upon, along, through over and across public ways in the Town of Andover; the wires to strung along through over and across said public ways between structures located on private property as shown on: Plans # 247801P007E-004 and 247801P007E-005 – Bailey Road and River Road.

Attorney Joshua Lee Smith and representatives from National Grid were present. The company initially came before the board on April 11, 2016 requesting approval for two franchise locations and that meeting included discussion and comment from Board and public input. The Board of Selectmen requested the company devise a supplemental notice to various abutters and the opportunity for a site visit to answer any additional question on the project. Town Clerk Larry Murphy sent out notices to the abutters, that resulted in follow-up meetings which were productive and concerns were addressed.

New England Power Company Franchise Rights Petition

Alex Vispoli motioned to grant to National Grid power Company the Franchise Rights as requested. Paul Salafia seconded the motion and the Board approved on a 5-0 roll call vote. P. Salafia-Y, A. Vispoli-Y, D.Kowalski-Y, R. Landry-Y, and M. O'Donoghue-Y.

On a motion by Paul Salafia and seconded by Dan Kowalski, the Board of Selectmen, on a roll call vote of 5-0, authorized the Chair to sign the proposed order. Roll call: P. Salafia-Y, A. Vispoli-Y, D. Kowalski-Y, R. Landry-Y, and M. O'Donoghue-Y.

## VI. OPEB

A. Board of Selectmen discussed options and voting on recommendations relating to OPEB.

Chair O'Donoghue said the OPEB liability has been an on-going discussion in the community for the past two years. In June of 2014, the Town's Actuarial gave a presentation on OPEB which led to the creation of the OPEB Advisory Committee (OAC). The OAC members met over 20 times in public sessions and worked with appropriate labor counsel, town counsel, Segal Consultants, and others to aid in their fact-finding. The findings of the report produced showed the immediate need to address the OPEB liability. On April 20, 2016, the Town Manager presented to the Board of Selectmen his plan on funding the OPEB Liability by 2037 as the first step in the path to a sustainable solution to the OPEB liability.

Bob Landry stated that the Town Manager has found a compromise and his plan represents a very appropriate start to tackling this problem. This is the reform we need and which protects the most vulnerable.

### Public input (there were 200+ people in the audience)

Dave Nichols, 24 Smithshire Estates, said members of the Public Employment Committee (PEC) were not represented on the OAC, and have therefore formed an Ad Hoc Committee (Tom Meyers, Barbara Morash, Dave Nichols, John Hines, Jimmy Cuticchia, Billy Kinnear Tony Torrisi, Eric Teichert) and would like to meet with the OAC representatives and the Board to see what can mutually be done for the citizens and employees. They have a rational plan that can save \$650K by moving employees with Managed Blue coverage to Medicare, and the PEC Committee voted to place the \$357K in mitigation funds into the OPEB liability account for this year; offering their entire cost savings to the Town. With this one year proposal offered by the Town Manager, they ask that no additional changes be initiated this year.

Bernice Downs and her husband Bill are life-long residents and retired Town employees with many years of paid and unpaid service. In her opinion, the Town Managers plan is asking them to pay too much; which in her case would cost an additional \$1600 per year and increasing each year going forward. The Town is short changing the retirees who have been devoted employees. Others will feel the increase more since the plan will double or almost triple their insurance, please take a second look at this plan.

Dan Kowalski would like to hear more about what the Ad Hoc group is proposing. The PEC proposal included a request not to make changes to any health care plans for 3 years. Barbara Morash said there rumors about misunderstandings on the PEC agreement; one is that there could not be any design changes in 3 years which is not true. Ken Lombardi explained that the proposal suggested there would be no change in contribution rate in the next 3 years but the Board likely could have issued another plan design change in the future in an incremental fashion; plan design change was on the table but not percentage changes.

Mary O'Donoghue said OPEB has been a daily item for the Board for the last two years. The Town Manager's Plan is well thought out and a starting point that will evolve over the next year and within a four period. Bob Landry pointed out that the Board can amend the Town Manager's plan over the next 4 years.

PEC proposes to put the \$350K from the mitigation fund into the existing OPEB Trust Fund which would be a significant increase in reducing the liability.

From the employees perspective, Tom Meyers said they are looking at one group of people who have served in all sorts of capacities within the town and being put under the gun for this substantial increase. They are trying to come forward with a realistic proposal by offering the \$357,000 in mitigation funds and an additional \$250,000 by moving people into Medex. They are asking to continue discussions, working in a rational and coherent manner, and for the Town to look at proposals that have worked at other communities.

Barbara Morash read a statement on the savings of \$1.4M for the Town for plan design changes. The change that creates the savings is mostly due to subscribers paying higher prescription drug costs and cost shifting to the subscribers; the impact on retirees is staggering. Please consider using the mitigation funds to slow down the process until further discussions can be held; they are willing and interested in helping to address this issue.

Ross Elkin, 167 Highland Road, encourages the Selectmen to vote on the Town Manager's proposal to address the OPEB Liability now. The Town Manager's plan is equitable to current employees, retirees, and future retirees.

Gerry Gustus is concerned with the retirees and employees, specifically the older employees and their spouses who have made decisions in their professional lives on retirement based on the implied benefits in their package all along. A sudden shift in change is a disservice to those people.

Thomas Hartwell, served on the OPEB Advisory Committee and serves on the Andover Retirement Board; every second we wait the liability increases. The first recommendation will reduce our liability; the second recommendation suggests the Town increase the premium contributions by 50% doing it the most fair way to lessen the impact on our most vulnerable retirees.

Peter Otis, 56 Maple Ave, North Andover and Vice President of the AEA, is concerned with transparency and the sense of urgency surrounding OPEB. Two public meetings were held with no public input allowed and the Town Manager's plan was released during School Vacation. Andover's OPEB's Final Report and recommendations are the most extreme seen in Massachusetts. He urges the Board to postpone this vote and explore other viable offers.

Peter McKelliget has attended many OPEB meetings, listened to all discussions on OPEB, and feels ample opportunities were given to present questions and ask for information. Unless action is taken now the monies needed to pay the growing health care bill will begin to have a negative impact on future school and town budgets.

Wil Cramer understands a lot of work went into the report by the OPEB Advisory Committee but is not sure that all the options that exist have been considered. He has concerns with recommendation #2 to increase the insurance contribution rates by employees by 51%. The Town is getting a terrible rate on Managed Blue and he presented several suggestions on insurance plans that would save the town money while giving people a choice.

Brian Major appreciates the fiduciary responsibility the Board has. The Board and employees have been working towards a solution on how to annually fund this liability for the past several years, and believes with continued discussions with all parties a much better solution can be reached.

There were several requests to allow more time to review the Town Manager's Plan presented on Thursday, April 20<sup>th</sup> before a vote is taken.

Rick Irving said contracts with town workers were negotiated and benefits were always part of the negotiations and often why in flush years they took small incremental increases. Going forward with future negotiations could be difficult, having the right to do something, does not mean it is the right thing to do.

Chair O'Donoghue said moving forward we want to engage all of the stakeholders starting with the PEC, which is something we can move forward with as the plan is rolled out.

Eric Teichert, in reference to a comment made to PEC, they have been struggling with this issue for a while but have been ignored by the Board of Selectmen, and he does not feel they are being transparent. He asks that they look into all options as they mentioned they would at the March 31<sup>st</sup> meeting.

Chair O'Donoghue said on March 31<sup>st</sup> the proposal was to bring all retirees to 51% which is something that she would not ever support. In the last three weeks a plan has been developed that works for the overall town.

Mike Morris, Chairman of the OPEB Advisory Committee, spoke about the process and respect they had for Andover's employees, past, present and future. Both groups have expressed a desire to continue to talk this matter over which was one of the accomplishments they wanted and to put the item on center stage for the town to deal with. In the report they made a very important recommendation which is to make the OPEB Committee a permanent part of Town-government. They quickly knew that this matter was not going to be solved within a few years, and the State has to be heard from because they have a big role in this, but all we hear is silence. There are many other issues that have to come out of their report, and he urges the Board to vote tonight to take this first step and encourages the Town Manager to appoint a permanent OPEB committee that includes PEC members and retirees.

Jimmy Cuticchia stated that public employees pay up to 11% a year, which is about 85% of their pensions, and the Town does not pay Social Security for employees. The savings between Social Security and the 4.5% that the Town pays amounts to @ \$500,000 a year every year. Town employees save the Town money by being in the retirement system and the reason their health insurance is through retirement is because they are not entitled to Social Security at all. If they did work in the private sector at some point, their Social Security is adjusted by 60% for the privilege of working for the Town even though they contributed 100%.

Paul Salafia compared the Town Manager's plan point to point with the employees plan. Plan design changes for year one would be allowed under both plans and with future contract negotiations with town employees. Dan Kowalski, this is a partnership and feels the proposal brought forward by the retirees tonight was a step in the right direction and far different than what was brought to the Board. He is highly encouraged to see a group come forward with a proposal and does not want to see draconian changes, and it concerns him to change percentage contributions for managed groups for seniors. We need to make changes to current employees as well, not just the retirees. The Board should consider the proposal brought forth and to be extremely thoughtful about making changes to Medex. He would like to see this for discussion on the next agenda of the Board of Selectmen.

This is an important decision by the Board, and Paul Salafia strongly hopes that within the first plan year significant communication will take place. If we have success in present and future negotiations there will be multiple discussions at the Board of Selectmen level and proposals moving forward. The Board is not rushing to judgment and would like to vote tonight, but it might not be politically prudent if everyone is truly ready to work towards solutions, he is willing to wait. The Town Manager's plan is a good plan and could be phased in. He recognizes the emotion in the room and for that reason would like to hold off but in his heart, we should be moving forward quickly.

Town Moderator Sheila Doherty asked the Board to postpone their vote tonight. If the PEC representatives are serious there is an opportunity for the Town Administrators and unions finding another solution together.

Bob Landry said the Town Manager's plan is a culmination of 2 years of work. This plan is something we can move on as a baseline for reforming OPEB without precluding any other options put forth to the Board and can consider any other options vetted or put forward to amend the plan, it would be a mistake to delay the vote again.

**OPEB Motion 1:**

Robert Landry moved, based on the Town Manager's OPEB presentation dated April 20, 2016 and pursuant to the authority vested in it by G.L. c. 32B 9E and the *City of Somerville v. Commonwealth Employment Relations Board*, 470 Mass. 563 (2015), that the Board vote to establish the premium contribution rate for all non-Medicare Part A- eligible retirees under the age of 65 who are covered by the group health insurance plans offered by the Town, in accordance with the following schedule:

FY-2017 (July 1, 2016-June 30, 2017)	35%
FY-2018 (July 1, 2017-June 30, 2018)	40%
FY-2019 (July 1, 2018-June 30, 2019)	45%
FY-2020 (July 1, 2019-June 30, 2019)	49.9%

The motion was seconded by Alex Vispoli and voted 3-2 to approve. Roll call: P. Salafia-N, D. Kowalski-N, R. Landry-Y, A. Vispoli-Y, and M. O'Donoghue-Y.

**OPEB Motion 2:**

On a motion by Bob Landry and seconded by Alex Vispoli based on the Town Manager's OPEB presentation dated April 20, 2016, and pursuant to the authority vested in it by G.L. c.32B, 9E and *City of Somerville v. Commonwealth Employment Relations Board*, 470 Mass. 563 (2015), the Board of Selectmen voted 5-0 to establish the premium contribution rate at 35% for all Medicare Part A-

eligible retirees covered by the group health insurance plans offered by the Town pursuant to G.L. c. 32B, 18A such rate to be effective commencing July 1, 2016 and to remain in effect until and unless changed. Roll call: R. Landry-Y, A. Vispoli-Y, D. Kowalski-Y, P. Salafia-Y, and M. O'Donoghue-Y.

Paul Salafia said it is important to note that the Board of Selectmen's intention is to keep the OPEB Committee active for the purpose of exploring a number of their existing recommendations and to explore further solutions that may assist in additional mitigation, discussions with the Andover Retirement Board, the Public Employee Committee (PEC), discussions with our active employees and our State Legislators are all recommendation made by the present OPEB Committee and could all result in further reducing the timeline to fund the Town's liability and /or reduce overall contributions to the entirety of our employees, past and present. To that end, he would like to move that the OPEB Committee be made permanent and continue to explore additional ways to further mitigate the Town's OPEB Liability, and when prudent, report to the Town Manager on additional recommendations that may be enacted by the Board of Selectmen to further reduce the OPEB Liability.

The Town Manager suggested increasing the appropriation to the OPEB Allocation in Year 1 by \$511,572 for a total of \$1,127,572 contingent upon the first year's savings accrued by this plan.

On a motion by Bob Landry and seconded by Alex Vispoli, the Board of Selectmen voted 4-1 to approve the additional funding as requested subject to no changes to the Town Manager's proposed budget. Roll call: Alex Vispoli-Y, Bob Landry-Y, Paul Salafia-Y, Dan Kowalski-N, and Mary O'Donoghue-Y.

**VII. 2016 Annual Town Meeting Warrant Review**

A. The Board voted on the following Warrant Articles:

**Article 46 Transfer of Land to Conservation Commission**

Paul Salafia, pursuant to Mass General Laws Ch. 40, Section 15A, moved that the Board determine that the following properties are no longer needed for the purpose for which they are held, and they may be transferred to the care, custody, and control of the Andover Conservation Commission:

Parcel 1: The parcel of land known as 96R Bellevue Road, located off Bellevue Road, shown as parcel 4 on Assessors Map 213. For title reference, see Final Decree in Tax Lien Case no. 4739 dated March 9, 1981 and recorded with the Essex North District Registry of Deeds in Book 1494, Page 196 and Instrument of Taking recorded with said Deeds in Book 1112, Page 429;

Parcel 2: The parcel of land known as 24 Avery Lane, shown as Parcel 16 on Assessors Map 228, being Parcel C on a plan recorded in Essex North District Registry of Deeds as Plan No. 10580, described in instrument recorded with said Deeds in Book 3185, Page 29. For title reference see Final Judgment in Tax Lien Case No. 123449 recorded with said Deeds in Book 6794, Page 263, and Instrument of Taking recorded with said Deeds in Book 5211, Page 187.

The motion was seconded by Alex Vispoli and voted 5-0 to approve.

**Article 4 – School Budget**

On a motion by Bob Landry and seconded by Alex Vispoli, the Board of Selectmen voted 5-0 to approve the Town Manager's adjusted budget for Article 4 as presented.

**VIII. Regular Business**

**A. Inter-municipal Agreement**

Selectman Salafia moved that the Board of Selectmen approve the form of the Pulte IMA Amendment as presented this evening in the document entitled "Sewer User Agreement/License", and once this format is similarly approved by the Tewksbury Board of Selectmen and the City of Lowell City Solicitor's Office, the Andover Board of Selectmen Chair and the Town Manager are hereby authorized on behalf of the Town of Andover to execute and deliver counterpart originals of the same, for signature by the Tewksbury Board of Selectmen and Town Manager, and approval as to form by the Lowell City Solicitor's Office, followed by recording of the same by Pulte with the appropriate Registries of Deeds. The motion was seconded by Selectman Kowalski and voted 5-0 to approve.

**B. Frederick Drive Subdivision**

Alex Vispoli moved the Board of Selectmen approve the form of the license for Frederick Street. Paul Salafia seconded and the motion was voted 5-0 to approve.

**C. Parking Permit Program**

On a motion by Alex Vispoli and seconded by Bob Landry, the Board of Selectmen voted 5-0 to approve an extension to the Sticker Program for an additional six months through October 31, 2016.

**IX. Consent Agenda**

**A. APPOINTMENTS/REAPPOINTMENTS**

On a motion by Selectman Salafia and seconded by Dan Kowalski, the Board of Selectmen voted 5-0 that the following appointments by the Town Manager be approved:

<u>Dept:</u>	<u>Postion:</u>	<u>Salary:</u>	<u>DOH:</u>
<u>Municipal Services Division</u>			
Giulia Day	Recording Secretary	\$150.00/Stipend	4/26/16
<u>Spring Grove Cemetery</u>			
Richard Morrissey (v. R. Goodwin)	Member	Term expires 6/30/17	

**X. Adjournment**

At 10: 47 P.M. on a motion by Paul Salafia and seconded by Alex Vispoli, the Board of Selectmen voted 5-0 to adjourn the Meeting of Monday, April 25, 2016.

Respectfully submitted,

Dee DeLorenzo  
Recording Secretary

Documents: OPEB: A Pathway Moving Forward