

**Norwell Board of Selectmen
Open Meeting Minutes
11/20/19**

TOWN OF NORWELL
TOWN CLERK
2019 DEC -9 AM 9:19
RECEIVED

Present: Ellen Allen, Jason Brown, Alison Demong, Bruce Graham, Peter Morin

The meeting was called to order at 6:55pm by Ellen Allen.

Upcoming Agenda Topics

1. Reschedule tonight's sign bylaw discussion to 12/4 meeting, regulate signs on private house lots, no sign content-just residential regulations
2. Carleton property committee: 12/11 recommendations and vote
3. 12/18 dinner – No Meeting
4. 12/11 - Exec session – IT security discussion/grant 12/11
5. 12/11 – storm communication to residents – Chief Reardon and CERT team

Meeting Topics

All discussed the proposed revisions to the sign bylaw with regard to residential rules, postponed to 12/4/19

Carleton property committee; recommendations – Ms. Demong discussed the proposed changes with the board. They would like the BOS to vote on the 11th

Special Town Meeting (February) Warrant to printer 1/10/20

All discussed postponing the stormwater bylaw update discussion. Mr. Morin will follow up on the status of this proposed update. The board discussed the pros and cons of amending the Article on Town Meeting floor. The debate is over the amount of square footage in a property lot. Mr. Morin will discuss this with Town Counsel.

Mr. Brown will forward Marie Molla's email to the board regarding commemorative flags on veterans' graves for Veterans Day. Mr. Morin will follow up with the Veterans Agent to ensure that this is taken care of next year.

Ms. Allen informed the board that, in the spring, the Norwell Garden Club wishes to present Barbara Osborne with a gift in memory of Wes Osborne.

All briefly discussed the OPEB funding strategy in preparation for tonight's meeting with Dan Sherman, Brian Callow and Darleen Sullivan.

Open Session – Osborn Room

The meeting was called to order at 7:36 by Chair Ellen Allen, who reminded all that the meeting is televised and recorded. All rose to recite the pledge of allegiance.

Approval of Agenda

*Motion; made by Jason Brown, seconded by Alison Demong, to approve the agenda as amended to postpone the sign bylaw update discussion to the BOS meeting on 12/4/19.
Unanimously voted*

Citizen Comments - None

BOS reports and Announcements

Ms. Allen informed all that longtime Norwell resident Wes Osborne passed away this past week. Mr. Osborne was an arborist and served as the Tree & Grounds supervisor for many years. He was also active as a volunteer in the Town, serving on many committees, notably the Council on Aging and holding the position of Veterans Graves Officer for many years. He will be very much missed.

Ms. Allen reminded all to please complete the master plan survey on the home page of the Town's website.

Ms. Demong reported a very successful MAPC forum at the Cushing Center last night. The board and the MAPC reps got great feedback from residents with regard to the proposed zoning initiative for Accord Park and Queen Anne's Corner. The next forum will be held in January.

TOWN OF NORWELL
TOWN CLERK
2019 DEC 9 AM 9:19
RECEIVED

Town Administrator's Report

Mr. Morin informed the board that he sent out the annual budget memo for FY2021 to all departments this week. The date for completion is 12/20/19. He is requesting level service budgets from everyone, adding that the Town's anticipated revenue will be less than in years past, but should be enough to cover expenses.

OPEB Trust Fund Update

BOS vote to adopt funding policy, GASB 74/75

Dan Sherman, actuary for the Town, and Rockland Trust Senior Vice President Brian Callow were present, along with Darleen Sullivan and Donna Mangan. Ms. Sullivan gave an overview of the OPEB funding policy for review and approval by the Board of Selectmen. She introduced Mr. Sherman, who recapped his background for the board. He then reviewed his handout (attached to these minutes) on Post Retirement benefits, 2018 actuarial valuation, which is updated for the Town every two years. The next update will be calculated in 2020. He explained his key recommendation, which is to redirect ~\$2M to funding OPEB once the pension plan is fully funded at Plymouth County, i.e. shift the prior pension fund contribution amount into a yearly OPEB contribution. He gave examples of towns who have fully funded their pension plans and expanded on options to consider for future contributions. He reminded the board that the current numbers and the actuarial table will change with each biannual update. Questions were asked and answered by Ms. Sullivan and Mr. Sherman.

Ms. Sullivan reviewed the proposed OPEB Liability Trust Investment Policy statement, funding policy appendix with the board (a copy is attached to these minutes) and asked the board to adopt the policy. All discussed scenarios for funding the liability in future years.

Discussion ensued and expanded on the mechanics of GASB 74/75 and the discount rate with regard to the large amount of the OPEB liability.

Motion; made by Jason Brown, seconded by Alison Demong, that the board approve the OPEB funding policy appendix as presented and amended. Unanimously voted

Mr. Graham voted to approve this policy, but believes it doesn't go far enough. He stated that his preference would be to postpone some of the capital projects such as the Town Hall rehab and the highway barn in favor of investing that \$10M in OPEB. Ms. Allen explained that the \$10M projected cost for these two projects will be borrowed, and therefore cannot be used to invest in OPEB (unless the state legislature changed their past practice and approved the transaction, which is considered highly unlikely.) Consequently, a large investment in the OPEB liability would necessitate finding another source of funding. The group further discussed specific annual funding scenarios.

Mr. Morin added that a \$25K additional annual OPEB contribution referred to by Mr. Graham was part of a discussion at an OPEB trust fund meeting about methods to become fully funded. He thanked Mr. Graham for recognizing that delaying the capital projects would be "kicking the can down the road". He noted that both the highway barn and Town Hall are decrepit structures, and the estimated numbers are very modest amounts of money for the proposed capital improvements. Mr. Brown added that Mr. Graham's theory was well thought out; topics that address large dollar investments like the OPEB trust fund are not popular like a new project such as the new library or a recreation project. The group further discussed the effects of GASB 74/75 with regard to inequities in the benefit system. Ms. Allen added that there are two parts to this discussion—both the funding of the benefits and the cost of the benefits themselves. The group discussed examples of past changes that have been made to benefits programs that

have reduced the amount of the OPEB liability. Mr. Sherman explained how to calculate the fully loaded cost of an employee of the Town in the different departments.

TOWN OF NORWELL
TOWN CLERK
2019 DEC -9 AM 9:19
RECEIVED

Ms. Sullivan introduced Brian Callow, Senior Vice President of Fixed Income from Rockland Trust. Mr. Callow applauded the board's efforts to find funding options for OPEB, adding that Mr. Sherman covered most of the OPEB funding topic. He summarized his experience in this field for the board and gave additional examples of funding scenarios used by his clients. Some towns with marijuana facilities have dedicated their PILOT payments to their OPEB trusts. His handout to the board with both a timeline of the OPEB Trust Fund establishment by the Town and the capital market forecast is attached to these minutes. In response to Mr. Graham's questions about insurance on the plan's trustee, Mr. Morin noted the Town holds fiduciary liability insurance for the Treasurer's office through MIIA. (Ms. Sullivan is the OPEB plan trustee). Any legal action against her personally would have to show malfeasance.

Mr. Callow reviewed the performance history of the fund (see attached chart), noting that the fund exceeded expected returns. As of last evening, the rate of return was 13.33% for one year, with an overall rate of return of 9%.

Ms. Allen explained that the Town interviewed multiple financial advisory applicants in the past and also made a conscious decision a few years ago to maintain their own trust and financial advisor as opposed to joining the Plymouth County OPEB Trust. The board gave kudos to Mr. Callow and Rockland Trust for a job well done, noting that the performance/market table is included in the financial statements approved by the auditors.

All thanked Ms. Sullivan and both consultants for coming in.

Future meetings

Ms. Allen announced that there is no meeting next week, and the board will reconvene next on December 4th.

Adjournment

Motion; made by Jason Brown, seconded by Bruce Graham, to adjourn at 9:10pm. Unanimously voted


Ellen Allen, Chair