

**Town Council Minutes
Town Hall Council Chambers
6 February 2023 at 7:30 p.m.**

Present: Arthur Mathews, President
Michael Molisse, Vice President
John Abbot, Councilor
Lisa Belmarsh, Councilor
Pascale Burga, Councilor
Kenneth DiFazio, Councilor
Fred Happel, Councilor
Christopher Heffernan, Councilor
Maureen Kiely, Councilor
Gary MacDougall, Councilor
Greg Shanahan, Councilor

Also Present: Kathleen Deree, Town Clerk
Richard McLeod, Town Solicitor
Brian Connolly, Town Auditor
James Malary, Director of Municipal Finance

Recording Secretary: Janet P. Murray

President Mathews called the meeting to order at 7:34 p.m. Following the Pledge of Allegiance, Town Clerk Kathleen Deree called the roll. All \Councilors were present.

MINUTES

Vice President Molisse motioned for approval of the **Mental Health and Substance Abuse Committee Meeting Minutes of January 17, 2023**. Motion seconded by Councilor Kiely, and voted unanimously.

Vice President Molisse motioned for approval of the **Town Council Meeting Minutes of January 17, 2023**. Motion seconded by Councilor Kiely, and unanimously voted.

PUBLIC HEARINGS

22 135 – Town Council Code of ordinances Amendment to Section 8-408 – Openings of Street Restricted

Vice President Molisse made a motion to open the public hearing on Measure #22 135. This Measure was published on January 27, 2023. The motion was seconded by Councilor Kiely and unanimously voted.

President Mathews recognized Councilor MacDougall, who is the proponent of this proposal.

Councilor MacDougall stated that this is a measure to change the code by removing two words, “In General” so the code would not be as ambiguous; streets that are on a five-year moratorium would not get opened up. He reported that feedback from the Department of Public Works (DPW) has suggested that the change would be a little too strict and that they need the flexibility to open a street when necessary. Councilor MacDougall stated that he is going to look at this again, and consider an amendment to reword the code so that it is a little more flexible.

President Mathews stated that the Ordinance Committee has already met with DPW director Ken Connell who is present this evening. He also noted that Jim McGrath, the assistant engineer for the town is here as well. He asked if any Councilors have questions about the suggested change.

President Mathews recognized Jim McGrath. Mr. McGrath thanked Councilor MacDougall for taking a second look at this. He stated that it is important for DPW to have some flexibility during these moratorium periods, and it allows for tighter restrictions to be placed on the contractors or a homeowner if they need to open the street.

President Mathews stated that this is a public hearing on measure 22 135 and asked if there was anyone from the public who would like to speak.

Kathy Swain, 134 Mill Street, stated that the Councilors are the voices of the residents of the town. As things become bigger, it becomes more and more difficult to have our voices heard. Unfortunately, many times our voices are not heard until after the project has been approved when it appears before our eyes. This amendment does not limit the DPW’s ability to do anything. She supports this amendment. Ms. Swain referenced Keohane as an example. This neighborhood organized and spent thousands of dollars to enjoy their backyards and it still has not been decided if their voices will be heard. Tonight is an opportunity to allow residents’ voices to be heard through the Councilors. She stated that the Charter does not derive its power from the DPW but from the people themselves who live in this town. This is an opportunity to allow the Town Council to speak for the people. This is not about not trusting the DPW it is just about slowing the process slightly to allow for deliberations in giving people a say in what happens outside their front door.

President Matthews asked if there is anyone on the Zoom simulcast who would like to speak to please click the reactions button at the bottom of the screen to be recognized to speak. There was no response.

Councilor Molisse made a motion to close the public hearing on Measure # 22 135. The motion was seconded by Councilor Kiely. Unanimously voted.

22 138 – Traffic Regulations – Wharf Street at East Street

Councilor Molisse made a motion to open the public hearing on Measure #22 138. This was advertised on January 27, 2023. The motion was seconded by Councilor Kiely and unanimously voted.

President Mathews recognized Owen McDonald, traffic engineer, and Lieutenant Morse, Weymouth police department.

Mr. McDonald stated that his measure is to prohibit the right turn from Wharf Street to East Street at all times. He pointed out that Wharf Street is a small dead-end street that runs off of East Street past the former Francer Mill into Osprey Overlook Park near East Weymouth station, Jackson Square.

Mr. McDonald stated that in September 2020, the Board of Zoning appeals approved, with conditions, the redevelopment of the former Francer building at 44 Wharf street into an 84-unit residential property. One of the conditions stated that the applicant would fund the installation of a sign restricting the right turn from Wharf Street to East Street at the request of residents of East Street. He stated that the turn to be restricted would be the right turn from Wharf Street to East Street; no other movements would be affected besides that.

Mr. McDonald stated that East Street runs on the north side of the commuter rail tracks from the vicinity of Jackson Square to North Street going towards North Weymouth. It is paralleled by Commercial and North streets on the other side of the tracks. The effect of the prohibition would be to put the traffic that would otherwise have turned from Wharf Street onto East Street and divert it onto Commercial Street. East Street is somewhat narrow and winding while Commercial Street is wider, better aligned, and generally more suited to traffic. It carries more traffic than East Street and is more appropriate for traffic generally.

Mr. McDonald noted that the effects would be a small increase in traffic on Commercial Street, primarily during the morning hours of six to 10 am. He added that it would not noticeably show an increase. He continued there would be potentially a minor inconvenience for folks who actually have a destination on East Street. They would have to divert on Unicorn Street, which crosses the tracks at this point. He added that there are two streets that run off Wharf Street-- Off Station Street, and Off Wharf Street. Wharf Street provides access to Osprey Overlook Park.

Lieutenant Morse stated that over the past several years, they have seen a lot of complaints from the residents of East Street in terms of speeding motor vehicles. He also noted a significant amount of motor vehicle crashes for a street like East Street; it is tight and winding which feeds into the speeding. He stated that he thinks this is a good thing for them. There will be 84 units with potential two cars per unit which would be a significant increase in the number of vehicles on East Street.

Councilor Happel asked about the potential backup at the stop sign from Commercial Street when taking a left onto East Street from Commercial Street.

Mr. McDonald stated that those who are taking the left would be there anyway. The difference would be the increase of people taking them who would tend to take a ride on Commercial Street if they would have gone up east.

Councilor Burga clarified that the request from the neighbors on East Street was primarily to divert local traffic from cutting through the residential neighborhood to put them on a main street.

Mr. McDonald stated that is correct. He stated that Off Station Street also intersects with Commercial Street, so either way traffic will end up on Commercial Street. He added that there is potential for traffic backup when a train is passing but the gates go down a few minutes before and it does take a little time.

Councilor Shanahan questioned the impact of the traffic on Unicorn Avenue as it has the MBTA gate. He also questioned if there might be a broader impact if people are coming down taking a right on commercial street, down Unicorn Avenue, left back onto East Street to cut through the end of East Street onto North Street to get up to Bridge Street.

Mr. McDonald stated that it would be possible to do that but he did not know how desirable it is. He noted that there is a light at the corner of Green Street and East Street, so he did not know how many would do this. He added that there is no significant concern about a backup at the MBTA gate.

Councilor Burga asked how many cars would be expected for the 84 units.

Mr. McDonald stated that there is a potential for 168 cars (two per unit) as well as visitors. He added that some residents might only have one car while others could have two. He pointed out that since it is right by the train station, as many as a quarter of the residents could be riding the train.

President Mathews asked if there was anyone from the public on the Zoom simulcast who would like to speak.

Laura Sabadini, 386 Front Street, stated that with the units really close to the train station is there a footpath, a bike lane, or a paved way for pedestrians or wheelchair users to get from that development to the train station without having to get out on the roads.

Mr. McDonald stated that the back of the station platform is Wharf Street and one can walk from Wharf Street directly on the platform and board the train. He added that there are no steps or stairs.

Councilor Molisse made a motion to close the public hearing on measure #22 138. The motion was seconded by Councilor Kiely and unanimously voted.

COMMUNICATIONS AND REPORTS FROM THE MAYOR, TOWN OFFICERS, AND TOWN BOARDS

23 005 – Reserve Fund Transfer – Unpaid Bill

President Mathews recognized Chief Financial Officer (CFO) James Malary.

James Malary stated that Measure #23 005 is hereby submitted on behalf of Mayor Hedlund for consideration by Town Council that the town of Weymouth transfers the sum of \$82.24 from the reserve fund 11325201573100 for the purpose of paying the following unpaid bill, Commission on Disabilities recording secretary, Patricia Fitzgerald invoice number April 13, 2022. Furthermore, the town accountant is hereby authorized to pay such bills. At the time of this measure, the amount available in the reserve fund is \$258,328.00.

Councilor Molisse made a motion to Measure #23 005 to the Budget/Management Committee. The motion was seconded by Councilor Kiely and unanimously voted.

23 006 – Police Line-Item Transfer for Overtime Expenses

James Malary stated that Measure #23 006 is hereby submitted on behalf of Mayor Hedlund for consideration by the Town Council for action that the town of Weymouth transfers a total of \$330,000 as delineated below for the purpose of covering the projected overtime expense in the Weymouth Police Department.

\$250,000 from police department uniform salary 13104120510001 and
\$80,000 from police department tech support 13104165510001 to the following line items:

\$150,000 to uniform (overtime) 13104220513001 and
\$80,000 to tech support (overtime) 1310426513007 and
\$100,000 to uniform program (overtime training) 13104420513006.

Councilor Molisse made a motion to forward Measure #23 006 to the Budget/Management Committee. The Motion was seconded by Councilor Kiely and unanimously voted.

23 007 – Water Retained Earnings – Meter Replacement and Water Audit

James Malary stated that Measure #23 007 is hereby submitted on behalf of Mayor Hedlund for consideration and action by the Town Council that the town of Weymouth raise and appropriate the sum of \$250,000 from the water enterprise funds retained earnings for the purpose of funding the costs associated with a water meter replacement program and water audit. This measure requires a legal notice and a public hearing. At the time of this measure, the balance in the water retained earnings is \$2,800,759.32.

Councilor Molisse made a motion to forward measure #23 007 to the Budget/Management Committee. The motion was seconded by Councilor Kiely and unanimously voted.

REPORTS OF COMMITTEE

Budget/Management Committee - Chair Michael Molisse

23 001 – Fiscal Year 2021 Financial Statements and Management Letter

Councilor Molisse stated that this is the fiscal year (FY) 2021 financial statements and management letter. Weymouth's town auditor, Brian Connolly is present this evening with Scott McIntire, CPA, Principal with Melanson.

Mr. McIntire stated that he went through this presentation earlier this evening with the committee. He continued that the report is late due to the fact that the financial statements of the Weymouth Contributory Retirement System were not available to incorporate into the collective Town of Weymouth financial statements until around December 1, 2022.

Mr. McIntire stated that the most important communication from the town auditor is that the audit of the town's financial statements (excluding the Contributory Retirement System) went very well as they were found to be in good working order; key accounts were reconciled on a regular and timely basis. As a result of that, they did not need to propose any significant audit adjustments in accordance with generally accepted accounting principles. He added that there were no disagreements between the town and Melanson on how to apply generally accepted accounting principles.

Mr. McIntire stated that there are several key estimates in the report. The largest of which is the net pension liability, and the net Other Post-Employment Benefits (OPEB) liability.

Mr. McIntire stated that the report is 70 plus pages long and the first page that almost all readers are going to turn to is the general fund. They will be looking at the unassigned fund balance.

Mr. McIntire pointed out that as of 6/30/2021, there was a combined balance of \$13.9 million which is down slightly about \$700,000 over the prior year. He continued that \$7.8 million is in the general fund unassigned fund balance; this is important because it is the starting point for how the Department of Revenue (DOR) calculates free cash. The \$6.1 million is the balance of the general stabilization account. For DOR purposes, these two numbers are tracked separately, however, for audit purposes, they need to be combined.

Mr. McIntire reported that there is a trend of the unassigned fund balance as a percentage of the general fund expenditures. The FY 21 column shows that the unassigned fund balance at \$13.9 million was about 8% of the general fund expenditures. He pointed out that the fund was down about \$700,000 from 6/30/2020. The percentage is going to be down from 9% to 8%. He continued that the unassigned fund balance of \$13.9 million and that account balance being 8% of the general fund expenditures, is a solid bank balance sheet.

Mr. McIntire reported on the Budget to Actual results. He stated that revenues came in about \$12.6 million greater than anticipated which includes \$10 million in one-time payment from the Enbridge mitigation money that was received in FY 2021. He continued that transfers came in

less than anticipated as there was less of a draw than what was expected. Expenditures included \$3,196,000 in unspent appropriations by the Weymouth Dept. in FY 21. All totaled, the \$12.6 million and the slight shortfall in the transfers-in, the expenditure surplus of \$3.2 million combines to about \$15,184,000. He reiterated that the bottom line net number is actually \$5,184,000 as \$10 million was one-time revenue which has particular purposes with what that money can be used for.

Mr. McIntire explained that the town's unassigned fund balance went down \$712,000. He stated that it comes from the favorable budgetary results of operations of \$5.1 million exclusive of the \$10 million from Enbridge. He pointed out that the town used some of the free cash to help finance projects in FY 21 and moved certain monies from the general stabilization to a special purpose stabilization. Thus, that classification of dollars goes from unassigned fund balance to committed fund balance.

Mr. McIntire reviewed the trend analysis of long-term debt. He pointed out that a significant amount of bonds were issued in FY 21 for the Chapman school project. That is why the 2021 column goes up substantially.

Mr. McIntire reviewed the town's net pension liability. The net pension has decreased a bit for the past three years and the discount rate which represents the expected future earnings of the assets of the Weymouth contributory Retirement System is listed. For the first two years presented, it was 7.5% but for 2021, it decreased to 7.25%. He pointed out that this is something that the Public Employee Retirement Administration Commission (PERAC), who are the retirement system oversight agency, would like to see all systems in the Commonwealth bring this figure down a little bit more.

Mr. McIntire reviewed the town's Other Post-Employment Benefits (OPEB) liability. He explained that "other" means other than pension such as retiree health care. He noted a minimal increase but it comes back down for FY 21. It is a substantial liability which, as of 6/30/2021, was \$429,000. He noted that the town has a trust set up for that. The trust is not yet able to move the discount rate from 2.2% to 6.5% or 7%.

Mr. McIntire closed by pointing out the contributory retirement system financial statements need to be available in a timelier manner to be incorporated into the townwide financial statements. Also, he stated that the town needs to prepare for Government Accounting Standards Board (GASB) statement number 87. GASB is the rule-setting body; they set the rules for accounting and financial reporting. The 87 statement becomes effective in FY 22; it deals with leases and there is a lot of work to implement it. He added that the town is working with an outside contractor to go through the lease documents and pull the accounting together.

Auditor Connolly stated that the report is a year late due to the lateness of the Retirement Board's preparation of their financials. He stated that in reviewing the statement from their audit firm, O'Connor and Drew who was no longer performing their audit, the Board was significantly late in their reconciliations specific to some accounts. There was a significant journal entry at the end of the year of over \$700,000, which is concerning. He reported that he has looked into it, on several occasions, and tried to communicate with O'Connor and Drew with no return call

because they are no longer performing the audit. He continued that he did not receive an adequate response from the Director and he did invite him to this meeting but unfortunately, due to a last-minute change of plans; he could not attend. Auditor Connolly had hoped he would come and be able to answer some of the questions relative to the lateness and to the journal entry. He added that he cannot speak to the specifics but can speak about his research. The impact is that the town is seeing the journal entry in the debt management program. He noted that the town receives communications from First Southwest, the financial advisor, as they require the town to issue financial statements yearly.

Auditor Connolly continued that there is also an impact on the federal side. The Housing and Urban Development (HUD) requires the audit firm to upload the financials to the Federal Accounting Center, then as the Auditor, he approves them. This is how the town continues to obtain Community Development Block Grant (CDBG) funds. He noted that the town is late by about a month or more on that report and he is particularly concerned about the Board's reconciliation process and the journal entry. The Retirement Board does not report to the town; they are a component unit of the municipality. He pointed out that he does not have any authority or control over them and neither does Mr. Malary. He stated that he is not able to make a directive or an order; he can only make requests.

Auditor Connolly stated that he and Mr. McIntire had a meeting with the Director and they did find out that for FY 22, the Retirement Board Director is about halfway through, but he does not have any confirmation. He continued that he has spoken with the town accountant on several occasions and he stays in communication with him as well as with CFO Malary. However, the town will be preparing for the FY 22 audit, and they soon will be requesting the Retirement Board financials.

Auditor Connolly stated that he did not know how far along the Retirement Board will be. He noted that the Board put out a Request for Proposal (RFP) with another firm and the results were not good. He continued that he does not know what their next step is; if they are going back out to try to get a different result or if they are going to go with one of the firms who submitted a proposal. In any case, he noted that it is February and they need to be closing FY 22 shortly.

President Mathews agreed and stated that he along with Auditor Connolly and Vice President Molisse met throughout last year and had numerous communications regarding concerns about this delay. He stated that they would invite the Director again for a longer discussion at the Budget/Management committee concerning both issues because this could impact the town's bond rating.

Councilor Burga asked if there was any impact on the HUD program for CDBG funds as it is a program that has significant benefits for the town.

Auditor Connolly stated that the CDBG funding amounts to about \$700,000. He stated that HUD has been asking for the report for the past few weeks. He stated that he has told the CDBG Coordinator that this is coming before the Town Council and that the audit firm cannot upload the document to the clearinghouse for his approval until the Town Council takes action.

Auditor Connolly stated that it is important to get the HUD reports in on time. Otherwise, they hold up the cash payment back to the town; the town makes its payments for payroll to the CDBG program but if the town is not doing the reports, HUD will not send the money that has already been laid out.

Councilor MacDougall asked if the journal entry for \$700,000 was a negative journal entry and questioned who “Ed” is.

Auditor Connolly stated that Ed Masterson is the Director of the Weymouth Retirement Board. He explained that the audit firm collects all its paperwork, reconciliation, and schedules at the end of the year and then completes its balancing and makes a recommendation; a journal entry for that certain amount must be executed.

Councilor MacDougall asked if this was a journal entry for HUD.

Auditor Connolly stated that this was the Retirement Board’s journal entry; it is not for HUD. He stated that he does not know what the journal entry was for.

Auditor Connolly stated that the monthly reconciliations were not done in a timely fashion for O’Connor and Drew, the outside CPA firm, which is necessary to perform its work. He added that he tried getting in touch with O’Connor and Drew about the \$700,000 journal entry by sending a few emails, and making some phone calls, but nothing was returned. He stated that he then learned that O’Connor and Drew stopped doing the work and were finished with the Board.

Councilor MacDougall questioned if it is overly concerning for a CPA firm that is assigned to a board to go dark.

Auditor Connolly stated that he is aware that many auditing firms are pulling out of the business. O’Connor and Drew completed the financials and gave them to the Board and then their contract was up. He added that there was no one else to handle the contract subsequent to that.

President Mathews stated that Mr. McIntire cannot complete his external audit for the town until he received that information from the Retirement Board and their external auditor, O’Connor and Drew. Since they have not provided that to Mr. McIntire, he has been waiting to complete the audit for the town.

Councilor Belmarsh asked how stabilization is defined in accounting terms.

Mr. McIntyre stated that the \$6.1 million in the general Stabilization Fund is very much like a savings account to be used if approved by the appropriating body, for whatever purpose that is chosen. He added that 8% is a percent of expenditures. In FY 21, the town spent a few million dollars less than what had been budgeted. Common financial institutions and credit rating agencies usually look at fund balance as a percentage of expenditures rather than budget. He noted that 8% for a community of this size is a solid balance sheet.

Councilor Belmarsh noted that the pension is showing that the town owes \$91 million, that this is how much the town owes into the pension liability, and that at some point has to be made up.

Mr. McIntyre stated that this is correct. He added that this is what the town owes to its retirement fund; however, he pointed out that there is a funding schedule that the town is on with the retirement system and this is approved by PERAC, the state oversight agency. He stated that the town has an OPEB trust which he believes has a balance of about \$5 million in it. He stated that this is a lot of money but the liability is \$429 million. OPEB does not have a statutory requirement to have a funding schedule. Under Massachusetts General law, statutorily, the town must have a funding schedule for the pension liability. However, there is no such requirement with OPEB.

Councilor Belmarsh stated that the legislature may be contemplating different language regarding liabilities for OPEB because there are a large number of communities that do have a balance similar to Weymouth. She asked if anything has been done on that at this time.

Mr. McIntyre stated that he is not aware of anything pending.

Councilor Abbott asked about the adjustment to the lease standard that is coming up in FY 22. He stated that for his organization, which just has one lease, there was a huge adjustment that came although the net overall adjustment was not large. He asked if there is a sense of how big the adjustment will be for the town.

Mr. McIntyre stated that he did not have a sense yet but he would concur with what Councilor Abbott's organization experienced; the adjustment can be sizable and is likely to affect the asset side of Weymouth, more than the liability side. If the town owns land that is leased to a cell phone tower company, even if the contract does not specify that it is a lease, it will meet the new definition of a lease. The town will have a future inflow of resources that will need to be recognized and he noted that some of the numbers have been sizable. This will affect the receivable and an offsetting called deferred inflow. It is akin to a liability but will not impact the unassigned fund balance until the money came in.

Councilor Abbott stated that it is standard for there to be some minor adjusting entries, recommended and incorporated during the course of an audit. He noted that none were reported to the Council tonight but that does not mean that there were not any for the town of Weymouth, they were just small and immaterial and do not rise to the level of needing to be reported. Mr. McIntyre agreed.

Councilor Abbott stated that the fact that there was an adjusting entry for the Retirement Board's financials is not necessarily alarming, but it is the amount, the process, and everything else that went along with that specific entry.

Auditor Connolly agreed. He stated that the Retirement Board has appointees and they are elected members. The town's accountant is an ex officio appointment on the town's side.

Councilor Burga asked if there is an oversight agency for retirement boards.

Auditor Connolly stated that the Public Employees Retirement Administration Commission (PERAC) oversees the board. He added that he is in communication with them a fair amount. They have come to the town's offices and reviewed some of the work.

Vice Present Molisse stated that measure # 23 001 is the FY 2021 financial statements and management letter. This was referred to the Budget/Management Committee on January 17, 2023, and was voted this evening for favorable action to accept the financial and management letter. On behalf of the Budget/Management Committee, he recommended favorable action to accept the financial statements and management letter of measure #23 001. The motion was seconded by Councilor Kiely The motion passed unanimously.

23 002 – Contract for Independent Audit of Fiscal Years 2023 and 2024

Vice President Molisse stated that this is a contract for the independent audit for FY 23 and 24. It was referred to the Budget/Management Committee on January 17, 2023. The Budget/Management Committee met this evening and voted for favorable action. On behalf of the Budget/Management Committee, he recommended favorable action to accept the contract for the audit of fiscal years 2023 and 24. The motion was seconded by Councilor Kiely and passed unanimously.

23 003 – Acceptance of M.G.L. Chapter 41, Section 110A

Vice President Molisse stated that this is the acceptance of Mass General Law (MGL). Chapter 41. Section 110A. This was referred to the Committee on January 17, 2023.

Town Clerk Deree stated that with the recent passing of the Voters' Act, voter registration deadlines have changed. Most deadlines will now fall on a Saturday. With the acceptance of this MGL, the town can opt to have the deadlines be the previous business day at five o'clock, eliminating the need to open and staff the clerk's office on a Saturday. If the town anticipates a large turnout, they can choose to have a voter registration day on a Saturday, but it will no longer be required by law. She stated that this will not disenfranchise anyone from registering to vote as there are numerous avenues available for voter registration, including in person, by mail, online, or through the Registry of Motor Vehicles.

Vice President Molisse stated that the Budget/Management Committee met this evening and voted for favorable action. On behalf of the Budget/Management committee, he recommended favorable action on measure number 23 003. The motion was seconded by Councilor Kiely.

Councilor Shanahan thanked Town Clerk Deree for making the Town Council aware of this as it will save the town money and resources. The motion passed unanimously.

The next regularly scheduled meeting of the Town Council is on Tuesday, February 21, 2023, due to President's Day.

ADJOURNMENT

At 8:49 p.m., there being no further business, Vice President Molisse motioned to adjourn the meeting, and was seconded by Councilor Kiely. Unanimously voted.

Respectfully Submitted by Janet P. Murray as Recording Secretary

Approved by Arthur Mathews as President
Voted unanimously on 6 March 2023