

**TOWN COUNCIL MINUTES**  
**Town Hall Council Chambers**  
**April 3, 2017, Monday**

Present: Patrick O'Connor, President  
Michael Smart, Vice President  
Robert Conlon, Councilor  
Jane Hackett, Councilor  
Ed Harrington, Councilor  
Rebecca Haugh, Councilor  
Thomas J. Lacey, Councilor  
Arthur Mathews, Councilor  
Michael Molisse, Councilor

Absent: Kenneth DiFazio, Councilor  
Brian McDonald, Councilor

Also Present: Brian Connolly, Chief Financial Officer  
Joseph Callanan, Town Solicitor  
Kathy Deree, Town Clerk  
Richard Swanson, Town Auditor  
Robert Conlon, Town Treasurer

Recording Secretary: Mary Barker

President O'Connor called the meeting to order at 7:30 PM. After the Pledge of Allegiance, Town Clerk Kathy Deree called the roll, with two members absent. President O'Connor reported that Councilors McDonald and DiFazio were absent due to prior family commitments.

**ANNOUNCEMENTS**

Councilor Mathews announced the East Weymouth Civic Association meeting for Tuesday, April 4, 2017 at Hajjar's Restaurant. Steve Reilly, Parks and Recreation Director will be on hand to discuss park improvements.

Councilor Conlon announced the town's annual clean up day on Earth Day, Saturday April 22, 2017 from 9 AM to noon. Volunteers and civic groups are urged to participate. Register in advance by calling the Mayor's office. Bags and gloves will be available through the DPW.

Councilor Hackett announced the annual Fiesta Shows Carnival, Wednesday, April 19, 2017 through Saturday, April 23, 2017 at Weymouth High School. Discount coupons are available at town hall, the teen center and libraries.

Councilor Haugh announced the State of North Weymouth at the McCulloch Building

on Tuesday, April 11, 2017, 7-9PM. She also announced the compressor station's open 30-day public comment period regarding air quality. Information will be made available on the town's website.

## **MINUTES**

### **Ordinance Committee Meeting Minutes of March 6, 2017**

A MOTION was made by Vice President Smart to approve the minutes of the March 6, 2017 Ordinance Committee meeting and was seconded by Councilor Mathews.  
UNANIMOUSLY VOTED.

### **Town Council Meeting Minutes of March 6, 2017**

A MOTION was made by Vice President Smart to approve the minutes of the March 6, 2017 Town Council meeting and was seconded by Councilor Mathews.  
UNANIMOUSLY VOTED.

A Motion was made by Vice President Smart to take Reports of Committees out of order and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

## **REPORTS OF COMMITTEES**

### **Budget/Management Committee-Chairman Michael Molisse**

Councilor Molisse reported that the Committee met on April 3, 2017 to deliberate the following measures:

#### **17 018-Reappointment to the Waterfront Committee-George Mutch**

This matter was referred to the Committee on March 20, 2017. The Committee met on April 3, 2017 and voted to forward to the full Town Council with a recommendation for favorable action.

On behalf of the committee, a Motion was made by Councilor Molisse to approve measure 17 018; that the Town of Weymouth re-appoint Georg Mutch of 13 North Street to the Waterfront Committee and was seconded by Vice President Smart.  
UNANIMOUSLY VOTED. 6/30/19

#### **17 019-Reappointment to the Recreation Commission-Arthur DelRosso**

This matter was referred to the committee on March 20, 2017. The Committee met on April 3, 2017 and voted to forward to the full Town Council with a recommendation for favorable action.

On behalf of the committee, a motion was made by Councilor Molisse to approve measure 17 019; that the Town of Weymouth re-appoint Arthur DelRosso of 452 Pleasant Street to the Recreation Commission for a term to expire on June 30, 2019 and was seconded by Vice President Smart. UNANIMOUSLY VOTED.

**17 020-Appointment to the Community Events Committee-Jason Thayer**

This matter was referred to the Committee on March 20, 2017. The Committee met on April 3, 2017 and voted to forward to the full Town Council with a recommendation for favorable action. Mr. Thayer was invited before the Council to review his interest in serving.

On behalf of the committee, a motion was made by Councilor Molisse to approve measure 17 020; that the Town of Weymouth appoint Jason Thayer of 71 Endicott Street to the Community Events Committee for a term to expire on June 30,2020, and was seconded by Vice President Smart. Councilor Conlon thanked him for volunteering. UNANIMOUSLY VOTED.

**17 012-Authorization to Participate in the Plymouth County OPEB Trust Program (PCOT) -PARS (Public Agency Retirement Services) Kathryn Cannie-Keswick Consulting, Matt Keswick**

This matter was referred to the Committee on March 20, 2017. The Committee met on April 3, 2017 and did not take any action.

Mr. Connolly reviewed the presentation given to the budget committee. He noted there were many questions brought up in the deliberation and turned it over to Ms. Cannie and Mr. Keswick to provide the presentation to the Council in powerpoint format explaining the public county OPEB trust program and how it is administered. It consists of the sponsor, trust administrator, custodian and trustee. Begun in 2015 it has grown to 21 clients in 4 counties. It provides trustee services, custodian services, investment management, investment fiduciary, compliance and monitoring, consulting, coordination of actuarial reports, document preparation- monthly statements, quarterly and annual reviews and any member-requested reports, funding and contribution processing. It is a GASBY 45 and GASBY 75 fully compliant trust structure, so it is dedicated to investments to retiree health care liabilities, protected from creditors, and funds in the trust are irrevocable. They have a private Letter of Ruling from IRS (fully compliant with IRS standards for section 115, Employee Benefit Trust). They are also compliant with all state and federal regulations and compliant with MGL and Municipal Monetary Bill. They have developed a growth investment portfolio used for the benefit of the members and that is managed daily by a dedicated manager from US Bank.

Ms. Cannie provided background information on PARS which has been publicly active for almost 30 years and brought in their first OPEB client in 1998. They branched out and now have over \$1B in assets and over 250 clients nationally. The trustee and custodian is US Bank-who serves as investment fiduciary as well as trustee. The program is turnkey. The trust is established and is vetted. The documents have been vetted by town counsel. There are no startup or transaction fees; it's efficient and low cost. All fees are based on assets under management. They provide personal service. The process of implementation is simple. Signature-ready documents are ready. The town role once it joins is to review statements, make contributions and request distributions. The current June actuarial results were reviewed. The town is on a pay-as-you-go system. The unfunded liability is

slightly lower. The discount rate should be expected about 7% if the town of Weymouth joins. GASBY 75 will affect the discount rate in the coming year.

Councilor Hackett asked for the service cost line to be further explained. Ms. Cannie responded that it was derived from the town's actuarial report.

Councilor Conlon asked what the actual unfunded liability is. Ms. Cannie responded that this is derived from the actuarial report and is calculated over a 30-year accrual basis.

Ms. Cannie further clarified that it is up to the client to determine how they want to fund. Councilor Hackett noted that the current system, and the prefunded discount rate is based on joining the trust. It will be a decrease of \$34 million at a prefunded discounted rate of 7% (5.25% now in set aside account). Net impact savings is about \$60 million (from 4.25 to the compliant by not taking action to enter a compliant trust).

Councilor Lacey asked for more information on how the discount rate works and the impact on bond rating.

Councilor Harrington asked if there are other providers of the service and would like to see more information.

Councilor Molisse reported that the Budget/Management Committee heard the presentation but held the measure in committee, seeking further information.

Councilor Hackett thanked the administration for taking a fresh look at this; each change and round of GASBY has new requirements which need to be met. It is being held in committee; this is taxpayer money going to an outside vendor and they need to do due diligence. Their hesitancy is not a reflection of doubt.

Councilor Harrington asked about the rate of return. The benchmark for the 30 years is 7%; the one year return is 2.3%. Other competitors have shown slightly less return on investment.

Councilor Lacey asked about the timetable. It was noted that the trust is already established and will be ready to receive funds within three weeks. The formal plans go to the administration; once signed, the account is established. It can take as few as ten days to three weeks for the account to be officially established. Mr. Connolly noted that this should occur before June 30<sup>th</sup>; once that date passes the town is noncompliant.

Councilor Hackett asked if the measure is to approve to authorize joining the program--there is no appropriation amount with the request. What does it authorize the administration to do? Mr. Connolly responded that it would authorize the administration to move the funds- \$2.7 million- to the fund. It's a significant increase in the fund. She asked if other communities go all in to the fund or are they diversifying. Some have put all; some have put some. Ms. Cannie responded that they only get credit for the assets in

the trust; if it is split between a stabilization fund and a trust, only the trust funds are counted towards compliance.

Vice President Smart asked about the state's stand after June 30<sup>th</sup>. Mr. Connolly responded that the first impact will be shown on the budget and then the credit rating. He further asked about the first year benchmark. Mr. Connolly responded that the investment is designed to build over thirty years.

Councilor Haugh noted the language in the measure "and authorizes the treasurer..." without having a funding measure come before the Council.

Councilor Harrington again noted that he would want to see multiple quotes before a major purchase and asked if this is the sole provider of this type of service. Mr. Connolly responded that there are other providers but in their research they couldn't find others that provided the same level of service that leans toward the reporting requirements. There aren't many companies out there, but there will be in the future; the industry is growing and more communities will be looking for a trust home. This firm has been the bellwether, and also has the IRS private letter ruling.

Councilor Harrington asked about the contract lifespan. Ms. Cannie responded that the town can dissociate at any time with the requested 30-day notice. Because the funds are in an irrevocable trust, they would need to be transferred into another trust program that is GASBY compliant. If there were other vendors in the future that are more competitive, then they could move the funds accordingly.

Councilor Molisse asked why the immediately surrounding towns are not included in this and who will service the contract. Ms. Cannie explained that some communities are self-managing. He was also concerned that the group can become more intent on the investment as opposed to the parties it services; namely the retirees.

Councilor Lacey requested copies of the draft contract to review. He asked for further explanation of slide 2- what is the program sponsor? Ms. Cannie noted that the Plymouth County Commissioner looked to develop the program-to sponsor a program and marketed it to four counties. Plymouth County's role is as sponsor and member. An elected board oversees the contract. Weymouth's potential legal agreement would be with PARS.

Councilor Hackett asked about the board oversight. It's comprised of a 4-member board representing 21 communities. Do they make decisions based on recommendation or is it weighted by amount invested? Ms. Cannie responded that each community gets one vote and there is no weighted benefit. Mr. Connolly noted that he would strongly suggest the Town's Treasurer/Collector sit on the board the first year to get a flavor of the board.

President O'Connor noted that with two members absent and more information requested by those present, he would like the matter to be further deliberated in committee.

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

### **17 021-Dedication of Land for Park and Recreation Purposes for Improvements to the Town Landfill Through the Land and Water Conservation Fund Program**

CFO Brian Connolly requested on behalf of the Mayor, that the Town of Weymouth, having filed and accepted a reimbursable grant through the Land and Water Conservation Fund Act from the Commonwealth of Massachusetts' Executive Office of Energy and Environmental Affairs for development of the Back River Trail through the Town of Weymouth Landfill, does hereby dedicate proposed Parcels B, C, and D as identified on the ANR Plan 7013-B<sub>3</sub>, "Proposed Park and Recreation Land Designation at Capped Landfill Site, Wharf Street" for park and recreation purposes under M.G.L. Chapter 45, Section 3."

A MOTION was made by Vice President Smart to refer measure 17 021 to the Parks and Recreation Commission and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

### **ADJOURNMENT**

The next regular meeting of the Town Council Meeting has been scheduled for Tuesday, April 18, 2016, due to the Patriots' Day holiday. At 8:40 PM; there being no further business, a MOTION was made by Vice President Smart to adjourn the meeting and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

Respectfully Submitted by Mary Barker as Recording Secretary.

Approved by Patrick O'Connor as Town Council President.

Voted unanimously on 1 May 2017