

IN BOARD OF SUDBURY SELECTMEN
TUESDAY, OCTOBER 19, 2010

Present: Chairman John C. Drobinski, Vice-Chairman Lawrence W. O'Brien, Selectman Robert C. Haarde and Assistant Town Manager Maryanne Bilodeau

Absent: Town Manager Maureen G. Valente

The statutory requirements as to notice having been complied with, the meeting was convened at 7:32 p.m. in the Lower Town Hall, 322 Concord Road.

Opening Remarks

At 7:32 p.m., Chairman Drobinski opened the meeting. He announced that Assistant Town Manager Maryanne Bilodeau would cover tonight's meeting in the absence of the Town Manager, who is attending the International City/County Management Association (ICMA) meeting.

It was on motion unanimously

VOTED: To appoint Assistant Town Manager Maryanne Bilodeau as Secretary and Clerk Pro Tem, in the absence of Town Manager Maureen Valente for the October 19, 2010 meeting.

Chairman Drobinski stated it was great to see such a strong sense of community spirit throughout Sudbury last weekend at many events including, the Open Arts Studio, the First Parish Craft Fair, the Quilt Show, and the Noyes School carnival. He noted that there is an abundance of talent in Town.

Chairman Drobinski thanked the local garden clubs for their work beautifying intersections in Town.

Chairman Drobinski reminded the community that the State Election is November 2, 2010. Absentee ballots are available on the Town website and at the Town Clerk's Office.

Chairman Drobinski offered condolences to Town Social Worker Martha Lynn and her family on the death of her mother.

Chairman Drobinski stated that the Selectmen receive numerous written communications and emails throughout the year. He responds to inquiries as soon as possible, and he apologized if any communications have "fallen through the cracks." Chairman Drobinski thanked the public for its interest in the Town and encouraged future communications with the Board.

Reports from the Board of Selectmen

Selectman Haarde attended the Sudbury Arts Open Studio and Craft Fair last weekend and thought it was a great event for the community. However, he missed seeing David Levington's pottery exhibit, which he hopes to view on another occasion.

Selectman Haarde has been researching the Lincoln-Sudbury Agreement for school governance. He met with Lincoln Selectman Noah Eckhouse to initially discuss the options available between the two towns and the current agreement. Selectman Haarde stated the conversation was productive in establishing that the focus of discussion should be on the educational benefits for both towns to consolidate school administration. He stated that Lincoln is equally as passionate as Sudbury is about the High School. He further stated that

both towns have similar concerns regarding reductions to the curriculum or teaching staff and not wanting class size to increase. Selectman Haarde suggested that all of the school committees in both towns meet to discuss the potential educational benefits of consolidation. He also met with School Committee Chairs Mark Collins and Susan Iuliano, who highlighted to him that nothing can change unless the current regional agreement changes through the Town Meeting process in both towns. Chairman Drobinski stated discussions with Selectmen from other communities can be beneficial.

Vice-Chairman O'Brien represented the Town at a ceremony in Acton last weekend, recognizing seven communities which attained Green Community status. He displayed the mock check for \$136,238.00 presented to Sudbury, which will be used to fund energy-saving projects. Vice-Chairman O'Brien stated a Green Energy Fair ran concurrently with the award ceremony. The Energy Fair highlighted a State agricultural program which has provided energy-saving benefits for Sudbury's Bartlett Farms. Energy and Sustainability Green Ribbon Committee member Ed Lewis, Building Inspector James Kelly and Sudbury Public School Committee member Michelle McDonald also attended the event.

Vice-Chairman O'Brien noted that a Newton student was injured during a soccer game at Haskell Field on Sunday. He reported that Wayland's Advanced Life Support units worked cooperatively with Sudbury's response team to provide emergency service. Selectman Haarde reported that the Newton student is recovering well, and that he spoke with the boy's parents Sunday evening to express Sudbury's concern for his well-being.

Chairman Drobinski attended the Eastern Massachusetts National Wildlife Refuge Complex Visitor Center Open House at the Assabet River National Wildlife Refuge last Sunday. The facility, located off Hudson Road, was visited by over 1000 people, and over 200 attended the opening ceremony. He stated the facility is a great regional educational resource for those interested in open space, conservation, and ecology, and he urged the community to visit. Assistant Town Manager Maryanne Bilodeau also attended the event and thought it was a success.

Reports from the Assistant Town Manager **Fire Department Open House**

Assistant Town Manager Maryanne Bilodeau attended the Fire Department Open House last weekend, which was very informative. She thanked Firefighter Tim Howe for his work coordinating the event.

Police Association Cookout

Assistant Town Manager Maryanne Bilodeau reported that the Police Association hosted a cookout at the Senior Center, which was attended by over 100 senior citizens. The Association has hosted the event for 20 years.

Sudbury and Wayland Transfer Station – Pilot Project Update

Assistant Town Manager Maryanne Bilodeau reported that the Sudbury and Wayland Transfer Station Pilot Project continues to run smoothly. Approximately 350 Wayland residents are using Sudbury's facility each week. Consistent policies for the two facilities are being discussed regarding the disposal of demolition materials, brush and recyclables. Town Manager Valente and Town Administrator Turkington will meet after Thanksgiving to further assess the program.

Legislative Discussion

Present: State Representative Tom Conroy

At 8:00 p.m., Chairman Drobinski welcomed State Representative Tom Conroy to provide the Board with a legislative update. The Board was previously in receipt of a letter from Mr. Conroy dated August 31, 2010, and an accompanying report highlighting the key accomplishments of the 2009-2010 legislative session.

Mr. Conroy reported that he has worked many hours in the past year on two bills filed by Sudbury regarding solar panel leasing and cell tower lease agreements. He stated that both bills ask for negotiated terms beyond what is allowed by current laws. Mr. Conroy believes both bills will be passed in the next few weeks.

In response to a question from the Board, Mr. Conroy provided a brief summary of the Inspector General's suggestion, at the request of the Governor, that the Town take ownership of the cell towers at the conclusion of the contracted term. Mr. Conroy stated he has discussed the revision with Town Manager Valente, who accepted the condition. Vice-Chairman O'Brien noted that Sudbury's current bylaws state that if the cell tower contract is not renewed, the owner must remove it within a certain time limit.

Mr. Conroy stated there are not consistent interpretations of how the Municipal Relief Act (MRA) defines what leasing options towns have up to 30 years. He believes the bill should remain as it is, and later it can be sorted out as to what the MRA means. Chairman Drobinski noted that the Sudbury bill clarifies the information more crisply than the MRA does. Mr. Conroy asked if Sudbury foresees the need for cell tower agreements in excess of 30 years. Selectman Haarde stated that Power Purchase Agreements (PPAs) are typically 20-year agreements. Mr. Conroy stated that Senate Counsel asked if capping the agreements at 30 years was an option. Selectman Haarde asked if Sudbury is blazing new ground with the proposed bills. Mr. Conroy stated the bills are not completely ground-breaking, but they do include some unusual provisions. Mr. Conroy stated he will keep Sudbury apprised of the pending decisions.

Mr. Conroy asked the Board for feedback regarding the Municipal Relief Act – what was helpful to communities and what was missing. He stated that healthcare design authority was not passed this year, but he assumes municipalities will want it to be a priority in the coming year. Chairman Drobinski concurred, and he asked if the inclusion of the healthcare plan design authority is doable, or is it likely to be declined again. Mr. Conroy stated that amendments were never submitted because the ongoing status was reported as if the healthcare plan design option was being negotiated separately. Ultimately, it did not come to fruition, but Mr. Conroy believes the topic should be discussed again next year.

Chairman Drobinski asked if the State Revolving Fund (SRF) percentage would change from 3% to 0%. He noted that any relief would be a welcomed benefit for taxpayers and the environment.

Mr. Conroy asked for further clarification of Sudbury's plans for a Route 20 sewer district. Chairman Drobinski stated that the Town has found a suitable disposal site and is commencing with the Department of Environmental Protection (DEP) process.

Selectman Haarde asked what Mr. Conroy thinks towns will reap for healthcare revisions next year. Mr. Conroy explained that the proposal under consideration this year included a sharing of savings reaped by the towns with employee unions. He further stated that an agreement on the percentage of savings to be shared was not reached. Selectman Haarde stated that it would be important to limit as much as possible the percentage to be shared in order to maximize the objective for the towns to save money. Mr. Conroy concurred, but stated that the shared savings was proposed as an attempt to bring reluctant groups on board.

Selectman Haarde stated that in order to have more people realize how big the healthcare problem is for municipalities, it will become increasingly important for a larger population to feel the collective pain of increased costs through higher contribution levels, etc.

Mr. Conroy stated that it is equally as important to further study cost containment controls because the healthcare expenses are at crisis proportions.

Selectman Haarde stated that all else in the Municipal Relief Act pales in the shadow of the absence of healthcare relief. He noted that the Act includes an extension of the pension system to 2040, but not much else stands out. Selectman Haarde highlighted the need for providing municipalities with more tools and incentives to encourage regionalization, such as for superintendency models.

Mr. Conroy stated that there is growing momentum for regionalization programs. He noted that Sudbury has participated in the recent regional 911 dispatch efforts. Selectman Haarde stated that programs and resources have to encourage regionalization on a grander scale. He also noted that legislation should not impede the implementation of regionalization, as it is sometimes believed to do.

Selectman Haarde referenced the interest by some towns in Group Insurance Commission (GIC) options. He opined that it might be the best of both worlds to have the option for municipal healthcare plan design authority and have the buying power of GIC as additional leverage.

Mr. Conroy stated there is legislation in place enabling towns to switch to the GIC programs, but enrollment hurdles are not always easy to overcome. He stated he has always advocated for lowering the hurdles for towns to join GIC, and he will advocate for this to be on next year's agenda.

Vice-Chairman O'Brien stated that, in some cases, it is more expensive for a town to join GIC.

Selectman Haarde asked what is anticipated for State Aid. Mr. Conroy stated that, although the State is \$200 million ahead of its projected revenues, there is still too much uncertainty regarding where the economy is headed. Vice-Chairman O'Brien noted that it is also difficult to predict how the upcoming votes on ballot questions regarding lowering the State sales tax will impact future revenues. Mr. Conroy stated that, no matter how the ballot questions are voted during the election, it is unclear as to whether there would actually be legislative action taken.

Vice-Chairman O'Brien noted that there were healthcare changes made regarding transportation reform, including the MBTA joining GIC. He further noted how unusual this outcome is with unions, and he asked what the payoff was to obtain that concession, and whether it could be used as a model by towns in future negotiations. Mr. Conroy stated he did not know and would research it further.

Vice-Chairman O'Brien asked about "green-oriented" legislation regarding such issues as disposal of compact fluorescent lights with mercury in their ballasts. Mr. Conroy stated there is already proposed legislation under discussion regarding electronics (particularly cell phones) and environmental disposal and recycle reform.

Selectman Haarde stated that Sudbury's Finance Committee identified as its top priority the post-employment benefit pension liability, which is approximately \$69 million. Mr. Conroy stated he has studied and worked on this issue for many years. He agreed that it is a problem of gigantic proportions, with an estimated State liability of approximately \$15 billion. Mr. Conroy stated the problem is almost too large for anyone to want to discuss or tackle it. However, he further stated that the State must work with municipalities to create a revenue stream to fund it. Mr. Conroy stated that some proposals have included

directing tobacco settlement monies towards this funding, or possibly shifting the anticipated State pension savings of \$1.4 million in 2018-2022 to this liability. He emphasized that State employees already have between 9-11% of their paycheck deducted for their pensions, so the idea of garnishing additional wages to ensure future benefits would probably not be a welcomed solution. Mr. Conroy also stated that a system which garnished additional wages could also be a detriment to attracting exceptional job candidates. Mr. Conroy continues to research what other states are doing, noting that Ohio has begun to garnish wages. He emphasized that this is an unfunded liability which needs attention. Mr. Conroy encouraged the Board to share ideas with him.

Assistant Town Manager Bilodeau noted that, often, it is more expensive for towns to not have pensions and pay for employees through the Social Security system, and thus incur the additional 6.2% assessment cost. Mr. Conroy concurred, and he stated that the average State pension is \$24,000, and those employees do not receive any Social Security benefits. He further stated that towns and the State save money with the pension system by not paying the additional 6.2% . In addition, Mr. Conroy noted that the average investment return on the pension funds has been approximately 9% for the past decade, which is far better than the rate received by holding the funds in certificates of deposit.

Ms. Bilodeau suggested that the pension system works so well, perhaps it should be considered as a model for this problem too. Mr. Conroy reported that the State has considered doing as Ms. Bilodeau has suggested by introducing a bill which would allow towns to “piggy-back” on at the State level.

Ms. Bilodeau opined that, regarding plan design authority, the municipalities need to have at least the same options as are available for the State. Mr. Conroy concurred.

Ms. Bilodeau emphasized that a town like Sudbury has its “hands tied” and cannot join GIC because it becomes too expensive to amend current contractual agreements to meet the present criterion that all members be at the same contribution level by plan. Vice-Chairman O’Brien concurred and explained that because Sudbury currently has a variety of contribution rates depending on dates of hire, it would cost Sudbury more money to cover its retirees if it were to join GIC. Selectman Haarde opined that it would defeat the purpose if the savings reaped from lower GIC premiums were used to cover a higher Town contribution level.

Selectman Haarde asked if the quoted 9% average investment return has also been realized in the last few years, and in what vehicles the pension funds are invested. Mr. Conroy stated he did not have the last few years’ statistics with him, but he is familiar with the asset allocation and would provide the Board with that report. In response to another question from Selectman Haarde, Mr. Conroy stated he is in the process of deciding which committees to participate in next year.

Robert Stein, 7 Thompson Drive, spoke as a resident and not as a member of the Finance Committee. He stated he voted for Mr. Conroy and asked him to articulate programs he has worked on which benefit Sudbury residents. Mr. Stein also referenced a letter which Mr. Conroy sent to Director of Planning and Community Development Jody Kablack last year, regarding the likelihood of SB90 passing, which would have increased Community Preservation Act (CPA) matches to 75%. Mr. Stein noted that Sudbury’s match this year is 29.32% and he asked what happened to SB90.

Mr. Conroy stated that many were optimistic last year that SB90 would pass, given it had 80 co-sponsors, which represents more than half of the House. However, Mr. Conroy explained that the intention was to double deed fees at the local level to generate the funds which would be returned to towns as part of the CPA match. Mr. Conroy advocated for passage of SB90, which he believes will be proposed again. However,

given the housing crisis last year, SB90 did not pass because some decided, at that time, it best not to impose an additional fee/tax burden on the public.

Mr. Conroy highlighted for the Board a few of the legislative decisions he supported, which he believes benefit Sudbury residents, including retaining as much State Aid as possible for towns, working for passage of the two bills filed by Sudbury regarding energy facility siting contracting and cell tower lease agreements, the Workforce Training Fund to further assist the unemployed, and the Small Business Healthcare Cost Containment Act. Mr. Conroy noted that local businesswoman Laura Abrams, was one of the first in the State to benefit from this program. In addition, Mr. Conroy stated legislation was passed this year to help small businesses by freezing unemployment insurance assessments and borrowing the needed funds from the Federal government instead. Mr. Conroy also highlighted the School Nutrition, Anti-Bullying and Autism Insurance Acts, which were passed to benefit children in all communities. He emphasized that the State cut \$4.3 billion from its budget and has "tightened its belt" just as the private sector has done.

Chairman Drobinski commended Mr. Conroy for the exemplary record of service he has established on behalf of Sudbury. He especially noted Mr. Conroy's work to ensure that State mental health funding would not be reduced.

Mr. Conroy welcomed input from the Board and Sudbury residents. He noted he has monthly office hours at the Goodnow Library and can also be reached by calling his office at 617-722-2460.

Senior Health Insurance - Plan Renewal Proposals

Present: Maryanne Bilodeau, Assistant Town Manager

Chairman Drobinski welcomed Assistant Town Manager Maryanne Bilodeau to make the presentation to the Board on senior health plan rates for Town/Sudbury Public Schools retirees. The Board was previously in receipt of a memorandum from Ms. Bilodeau dated October 14, 2010 regarding the proposed 2011 rates, and she distributed copies tonight to the Board of a revised letter dated October 15, 2010, which corrected a typographical error. Ms. Bilodeau noted there were no revisions made to the proposed rate information provided in the first letter.

Ms. Bilodeau explained that the majority of health plans renew as of July 1st each year, but that the two senior plans renew as of January 1, 2011. She briefly described each plan, stating the Blue Cross/ Blue Shield Medex II/PDP is a self-funded program for medical claims, but not for prescription drugs. The Town's claim history for this program is excellent, and thus the proposed rate increase is 4.53%. Ms. Bilodeau stated there are currently 171 retirees enrolled in the program, of which 135 live in Massachusetts. She recommended acceptance of the rates, which would increase the total Medex premium from \$350.40 in 2010, to \$366.29 in 2011.

Ms. Bilodeau briefly described the Tufts Medicare Preferred HMO as a premium-based Medicare Advantage Plan. For the currently enrolled 52 retirees, this remains a less expensive option than the Medex Plan. The proposed increase for the Tufts program is 16.9%, which would increase the premium from \$207.00 in 2010, to \$242.00 in 2011. Ms. Bilodeau recommended acceptance of the proposed rates. She noted the Town pays 50% of the premium for all retirees. Ms. Bilodeau stated that the proposed increases for all retirees translate to a \$13,611.57 increase of costs for FY11.

Selectman Haarde asked if there were other options to consider. Ms. Bilodeau stated that the cost of prescription drugs could be increased for the Tufts plan, but this would only decrease the premium (Town's portion) by approximately \$6.00 per month.

Selectman Haarde asked why the Tufts plan is increasing so much more than the Medex plan. Ms. Bilodeau stated that the Tufts plan receives less money from Medicare, and it is possible that the members' demographics and claim histories are such that more costly prescription drugs are used.

Vice-Chairman O'Brien stated that the Tufts plan can only be used in Massachusetts, whereas the Medex plan offers freedom of choice. He opined that the increases are in line with what is happening today with healthcare costs.

Ms. Bilodeau highlighted that the proposed 2011 Medex rate is lower than what the Town paid in 2005, and that the Town has realized savings over the last five years.

Selectman Haarde asked if the proposed rates are in line with what was budgeted for the year. He also questioned why the Blue Medicare RX PDP proposed increase of 8.87% is so much higher than the Medex Self-funded Claims proposed increase. Ms. Bilodeau stated that the proposed rates were "on track" with what was budgeted for the year. She also stated that the increase in the costs for prescription drugs accounts predominantly for the higher percentage cost increase for the Blue Medicare RX PDP plan.

It was on motion unanimously

VOTED: To approve a contract with Blue Cross/Blue Shield of Massachusetts, Boston, MA to serve as a third-party administrator for the Medex self-funded health plan and the BC/BS PDP (Prescription Drug Plan) plan, and further, to establish health insurance monthly working rates as shown below, and to establish that the Town contributes 50% of all plans for retirees, with the retiree to pay the remainder, effective January 1, 2011.

	<u>Individual</u>
Medex - self funded	\$178.71
Blue Medicare RX PDP - premium	<u>\$187.58</u>
Total Medex Rate	\$366.29

It was also on motion unanimously

VOTED: To approve a contract with Tufts Health Plan, Waltham, MA to provide coverage for retirees, and to establish a monthly rate for retiree coverage as shown below, and to establish that the Town contribute 50% for retirees, with the retiree to pay the remainder, effective January 1, 2011.

	<u>Individual</u>
Tufts Medicare Preferred HMO - premium	\$242.00

Minutes

Chairman Drobinski stated that the word "Selectman" is misspelled in the next to the last sentence of the first paragraph of the October 5, 2010 regular session minutes, and it should be revised.

It was on motion unanimously

VOTED: To approve the regular and executive session minutes of October 5, 2010, as amended this evening.

State Election – Service of Warrant

It was on motion unanimously

VOTED: To sign the Service of Warrant for the November 2, 2010 State election, which must be posted no later than Tuesday, October 26, 2010, as requested by the Town Clerk.

Cheri-Anne Cavanaugh Trust Fund – Donation

It was on motion unanimously

VOTED: To accept, on behalf of the Town, a \$3,000 donation from the Sudbury United Methodist Church into the Cheri-Anne Cavanaugh Trust Fund to be expended under the direction of the Town Social Worker, to counsel Lincoln-Sudbury High School students.

Citizen's Comment

Chairman Drobinski announced that resident Tammie Dufault, 84 Silver Hill Road, is unable to attend tonight's meeting to express a concern to the Board. He will continue to communicate with Ms. Dufault to address her concern.

Town Financial Study Meetings – Update

Chairman Drobinski stated that the Board participated in recent Financial Study Sessions with both School Committees and Superintendents and the Finance Committee. No feedback has been received yet from the Finance Committee or Lincoln-Sudbury Regional High School. He stated that Town Counsel is investigating a question raised by the Finance Committee regarding the proposed subcommittee meetings to determine if the meetings would be open sessions, since two Selectmen would be present. Selectman Haarde stated he had always assumed the meetings would be duly posted and open to the public. Chairman Drobinski stated Town Counsel will further research the matter.

Selectman Haarde reported that Lincoln Selectman Eckhouse opined that Lincoln would likely be less receptive than Sudbury is to the idea of regionalizing a full K-12-grade program between the two towns. It was noted that Lincoln oversees educational operations at Hanscom Air Force Base on the K-8 level for which it receives \$10 million in funding. However, Lincoln is aware that Hanscom's long-term presence is not a certainty given the economy, and thus Lincoln must consider what is in its best short and long-term interests. Selectman Haarde stated it will be important for Sudbury to articulate educational benefits for Lincoln to consider whether it should combine its K-12 programs with Sudbury. He further stated that the onus is on Sudbury to present a compelling reason for Lincoln to do it. Selectman Haarde stated that it is a challenging objective, and he has not given up on regionalization yet. He reiterated that he believes it would be beneficial for all the School Committees to work together on this issue.

Vice-Chairman O'Brien suggested that a good starting point for discussion would be if the two K-8 programs could talk together to help Lincoln K-8 state what models it would be willing to support. Selectman Haarde stated that, although Sudbury has had two superintendent retirement announcements in the past year to compel its interest in this topic, he does not believe the two K-8 groups are talking about options. In addition, he stated that, at this time, Sudbury Public Schools (SPS) and the High School have both voted in the past year to not support a joint administrative hire. Selectman Haarde stated that he emphasized to

Ms. Iuliano and Mr. Collins that the involvement and support of the school committees is critical to any changes occurring. Vice-Chairman O'Brien reiterated that it would help discussions commence if Lincoln could identify options which are "non-starters."

Chairman Drobinski stated that beginning the conversation between the two towns is an important and positive step, and he thanked Selectman Haarde for his involvement. He noted that parents, no matter where they live, want what is best for their children. Selectman Haarde concurred, stating it is apparent that Lincoln and Sudbury are both passionate about education, and thus new proposals must focus on the educational benefit for both towns.

Chairman Drobinski suggested that an update on discussions with Lincoln remain on the Board's agenda for a while, and he concluded the discussion.

At 9:14 p.m., Chairman Drobinski announced the close of the regular meeting.

There being no further business, the meeting adjourned at 9:14 p.m.

Attest: _____
Maryanne Bilodeau
Assistant Town Manager-Clerk Pro Tem