

**MINUTES OF THE SELECTMEN'S MEETING
NOVEMBER 13, 2017**

PRESENT: Willard J. Boulter, Jr. (Chairman), Matthew J. Furlong (Vice-Chairman), Lewis W. Stone (Clerk), Arthur P. Boyle, Jr. (Selectman), Daniel Trabucco (Selectman), Edwin J. Thorne (Town Administrator), Michael Buckley (Town Accountant), Kathleen McCarthy (Treasurer), Catherine Salmon (Chief Assessor), Jeanne Gigliotti (Assistant Assessor), Elizabeth Bates, Elaine Boidi, Mary Quill, Bonnie Pajik, Sabrina Chilcott (Executive Assistant), and others.

NOT PRESENT:

At 7:00 pm Mr. Boulter opened the meeting and stated that Saturday's Veterans Day celebration at the middle school was well attended and all joined in voicing appreciation for veteran's service.

7:00 PUBLIC HEARING: TAX CLASSIFICATION HEARING FY18, BOARD OF ASSESSORS

Mr. Boulter opened the Public Hearing at 7:00 pm.

Chief Assessor Cathy Salmon and Assistant Assessor Jeanne Gigliotti appeared before the Board to request they vote on whether to keep a uniform tax rate or split the rate between residential property and commercial/industrial/personal property. Ms. Salmon also requested the Board vote on a small commercial property exemption. Ms. Gigliotti provided the current finalized value of the Town at \$2,689,753,556. The estimated levy based on the votes from Town Meeting will be \$40,050,429 resulting in a uniform tax rate of \$14.89 per thousand dollars of assessed value. This is an average of \$5,564.39 per residential taxpayer on an average single family assessment of \$373,700; \$15,418.60 per commercial tax payer on an average assessment of \$1,035,500. Pembroke has 86.75% in the residential class, 8.65% in commercial class, 3.20% in industrial class and 1.40% in personal property class. Ms. Gigliotti stated that, in order for the residential taxpayers to save \$85.95 per year, the shifting burden to commercial taxpayers would result in an increase of \$1,542.89. The Board of Assessors recommends staying with the single rate. Ms. Salmon introduced the small commercial exemption; only ten towns in the state have adopted it. This shifts the tax burden from small commercial to large commercial. To qualify the business must have less than ten employees in a property worth less than \$1million. The problem is, the owner of the property then gets the exemption, not the qualifying business owner. The Board of Assessors does not recommend this exemption. Discussion ensued. Mr. Boyle moved to accept a uniform tax rate for the Town of Pembroke for FY18 for the Town of Pembroke; Mr. Stone seconded the motion. The vote was unanimously in favor. Mr. Boyle moved that the Town of Pembroke not adopt the small commercial exemption; Mr. Stone seconded the motion. The vote was unanimously in favor. Mr. Boulter declared this Tax Classification Hearing in recess, remaining open and that it remains open until the call of the chairman, and further to authorize the Chief Assessor to attest to the details of this hearing.

At 7:20pm, Catherine Salmon, Jeanne Gigliotti,, Elizabeth Bates, Elaine Boidi, and Mary Quill exited the meeting.

7:20 ANDREW SULLIVAN: REQUEST TO RESTRUCTURE COMMUNITY CENTER TASK FORCE, APPOINT MEMBERS

Mr. Sullivan was present before the Board with his request for a vote to reorganize the inactive Community Center Study Committee/Community Center Task Force. Mr. Sullivan stated that he was approached by the Board a year ago regarding this project; he has spent a lot of time there recently with his children for community events. Mr. Sullivan stated that he observed deteriorating conditions and requested to review the committee's files. Subsequently, he spoke with members of the committee and there is a desire to continue the work. Mr. Sullivan stated that he had a consultant out to view the 30 acre parcel and the building, and he now feels that the time has come to formally reorganize the committee, recommending a five member body. Discussion ensued on the challenges of funding the project. Mr. Sullivan stressed that this is the largest tract of land in the center of town, is in poor condition and needs to be addressed. Mr. Trabucco moved to reorganize the Community Center Task Force with members as recommended by Mr. Sullivan: Michael Guimares, Andrew Sullivan, Daniel Trabucco and Ralph Coppola. Mr. Boyle seconded the motion. Mr.

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Trabucco offered an amendment to his motion "and to name Andrew Sullivan as chairman". Mr. Boyle Mr. Boyle seconded the amended motion. The vote was unanimously in favor.

7:30 ADVISORY COMMITTEE: PENSION LIABILITY ANALYSIS, COMMUNITY COMPACT. 5-10 YEAR PLAN

Advisory chairman Linda Peterson was present to inquire as to the status of the town's discussion regarding joining the Community Compact program; Mr. Thorne advised that the team he has assembled is meeting December 4th and Advisory has a representative that can report back after that meeting. Ms. Peterson asked about the status of the town department's five and ten year plans. Mr. Thorne stated that the town's five year plan is updated annually, and a comprehensive review of the plan is being prepared through the strategic planning retreat program with all department heads, boards, committees and commissions this week, facilitated by Suffolk University's Moakley Center for Public Management. Ms. Peterson introduced member Timothy Brennan to present concerns regarding the town's response to pension analysis. Mr. Brennan stated that the Committee is pleased to hear about progressive ideas concerning economic development, particularly the Capital Funding Study Committee. Mr. Brennan cautioned that the town cannot overlook funding promises that they have already made. Mr. Brennan stated that Pembroke's pension obligation represents guaranteed future payments (known cost) that the town has promised to past and current employees and it is the town's responsibility to ensure these promises can be fulfilled without undesirable consequences to current and future residents. Mr. Brennan stated that, in coming years, Pembroke will continue to face increasing budgetary pressures due to growing healthcare costs and pension liabilities; these rising costs are crowding out priorities that matter to Pembroke residents. Mr. Brennan displayed a graph that showed that pension liability costs were 10% of the overall budget on 2004, and will rise to over 30% of the overall budget by FY30. Mr. Brennan stated that town officials, town/school employees, and retirees must begin a meaningful dialog to address this problem as soon as possible. Mr. Trabucco inquired as to the estimated amount of unfunded healthcare liability, and Mr. Brennan stated that the healthcare liability is approximately one and one-half times the amount of the pension liability. Mr. Brennan stated that the town is experiencing an unsustainable trend; over the next 10 years, Pembroke will be expected to pay 64% more towards its pension obligation than it did in the prior 10 years. Mr. Brennan explained that unfunded liabilities are the gap between what is paid in to the system versus the amount projected to be owed based on future returns on assets. Mr. Brennan stated that the projection widely varies if the discount rate is off; a 1% decrease in the discount rate results in a 25% increase in the town's unfunded liability; he provided an example of 8% representing \$28.6 million, with 7% representing \$35.8 million. Mr. Brennan stated that for many years, the Plymouth County Retirement Association has maintained an unrealistically high discount rate; one of the highest in the state, and in 2015, PCRA ignored a recommendation from the state to revise its discount rate lower so that it more accurately reflected expectations. Mr. Brennan advised that state law requires that the program fully fund itself by 2040, with a true target date of 2035. Mr. Brennan stated that Pembroke's reliance on unrealistic PCRA projections has resulted in large, unexpected cost increases for the town, and that the use of an unrealistic discount rate masks the true costs of pension benefits and encourages underfunding, under contributing, and excessive risk taking, threatening the ability of plans to pay basic retiree benefits. Mr. Brennan stated that to plan effectively, Pembroke needs a clear picture of the present and informed expectations of the future. Discussion ensued on PCRA lack of accountability to taxpayers and officials. Mr. Brennan stated that Government Accounting Standard Board No. 68 (GASB 68) required employers to record pension amounts in their financial statements starting with fiscal years ending 6/30/2015, and argued that, because the town is solely responsible for its financial statements, town management is responsible for the actuarial methods and assumptions used in measuring the pension amounts. Town Accountant Michael Buckley concurred with the point that the town could always put away more toward the obligation, but disagreed that the Plymouth County's actuaries are as far off in their projections as is being represented. Mr. Brennan suggested that the town considering evaluating its own pension liability; Mr. Buckley advised that the town must rely on the best data available to it under the terms of GASB 68 and currently use the PCRA actuarial data, but that data could be supplemented. Mr. Brennan closed with the opinion that Pembroke should not (and cannot) rely on the Plymouth County Retirement Association to accurately assess the town's pension liability, and further that by continuing to rely on unrealistic information, the town cripples its ability to effectively plan for the

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future. Mr. Boyle asked Mr. Brennan if he was recommending leaving the Plymouth County Retirement system and hiring a financial advisor. Mr. Brennan stated that the town should explore its options to assess the liability which would then enable the town to have impact on its own liability and investments. Mr. Buckley stated that the town invests with the state for the teachers and they do a good job, but cautioned that the legislature may not allow Pembroke to leave the County system. Mr. Thorne advised that a Special Act of the Legislature would be required. Advisory member Stephen Curley stated that the PCRA has little to no transparency and are not accountable to the taxpayer; while this is not unusual, times have changed and more is required. Discussion ensued on factors that drive up the pension figures. Mr. Stone stated that he appreciated the meeting and would like these discussions to continue.

VOTE TO ACCEPT PROPERTY AND EXECUTE DEED FOR 140 CENTER STREET, PEMBROKE POLICE BOYS CLUB

Mr. Boyle moved to accept the property located at 140 Center Street, known as the Pembroke Police Boys Club, for general municipal purposes and further to execute the deed of acceptance. Mr. Furlong seconded the motion. The vote was unanimously in favor.

CONSIDER REQUEST FOR USE OF HERRING RUN PARK NOVEMBER 24 TO DECEMBER 23: KIWANIS ANNUAL TREE SALE

Mr. Boyle moved to grant the request for use of Herring Run Park to the Kiwanis for their annual scholarship tree sale fundraiser from November 24th through December 23rd with the approval of the C Conservation Commission. Mr. Stone seconded the motion. The vote was unanimously in favor.

CONSIDER NEXT STEPS: UNANSWERED REQUESTS TO CITY OF BROCKTON TO REPAIR DIVERSION PIPE, LOSS OF HERRING

Mr. Boulter advised that the Board sent a letter sent to the City of Brockton demanding that they cease diverting water into Silver Lake until necessary repairs are made to the diversion pipe with no response from the City of Brockton. Mr. Boulter asked that Board consider next steps that the town could take regarding this issue; he referenced letters sent previously by the Mass Division of Marine Fisheries as well as their findings after investigating the fish kill at Silver Lake. Discussion ensued on the challenges that are faced in resolving this issue. Mr. Boulter advised that the River Herring Steering Committee met last week and there was widespread support for Pembroke's position requiring the broken screens to be repaired. Mr. Boulter will report back to the board in the next week or two with proposed next steps for consideration.

VOTE TO ACCEPT THE MINUTES OF NOVEMBER 6, 2017

Mr. Stone moved to accept the minutes of November 6, 2017 as written; Mr. Boyle seconded the motion. The vote was unanimously in favor.

OLD BUSINESS

Mr. Trabucco advised that last week the Board requested a more detailed task mission for the Capital Funding Study Committee; Mr. Trabucco presented a clear series of deliverables for the committee in a draft mission statement. Mr. Trabucco moved to accept the mission statement for the Capital Funding Study Committee as written; Mr. Furlong seconded the motion. The vote was unanimously in favor.

TOWN ADMINISTRATOR'S REPORT

Mr. Thorne presented the results of a survey conducted by the South Shore Manager Association regarding Friday, November 24th town offices. Of the twenty towns surveyed, all are closed on the Friday after Thanksgiving with the exception of Halifax who will staff two part time employees for a half of a day. Mr. Thorne recommended the Board consider closing the town offices as the cost of operations exceeds demand for services. Mr. Stone moved the Town Administrator's recommendation to close town offices on the Friday after Thanksgiving this year; Mr. Furlong seconded the motion. The vote was 4-1 in favor with Mr. Boyle opposed.

Mr. Boulter read the upcoming issues from the agenda.

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At 8:45 pm, Mr. Stone moved to adjourn; Mr. Boyle seconded the motion. The vote was unanimously in favor.

MATERIALS & EXHIBITS

PowerPoint Slides, C. Salmon/J. Gigliotti, "Tax Rate Classification Hearing" (BoA/BOS/TA Office)

Email(s), A. Sullivan, RE: Community Center Membership & Members (BOS/TA Office)

PowerPoint Slides, T.Brennan "Pembroke Pension Liability Analysis Fall 2017" (AdvCom/BOS/TA Office)

Deed, 140 Center Street (BOS/TA Office)

Email, Z. Walsh for Kiwanis RE: Request for Use of Herring Run Park 11/24-12/23 (BOS/TA Office)

Email, A. Mansfield Jones River Assoc., J. Sheppard Mass DMF Memo dated 10/12/17 (BOS/TA Office)

Draft Minutes of November 6, 2017 (BOS/TA Office)