

**MINUTES OF THE SELECTMEN'S MEETING
APRIL 2, 2018**

PRESENT: 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/Collector), Tom O'Brien (Plymouth County Treasurer), David Sullivan (Plymouth County Retirement Assoc. Exec. Director), Daniel Dynan (Meketa Investment Group), Daniel Sherman (Sherman Actuarial Services, LLC), Tim Brennan (TGSC), Andrew Sullivan (TGSC), J. Michael Hill (Fire Chief), Michelle Burt, Charles Mathewson (WATD), Bonnie Pajick, Sabrina Chilcott (Assistant to the Town Administrator) and others
NOT PRESENT: Willard J. Boulter, Jr. (Chairman)

At 7:00 pm, Mr. Furlong opened the meeting and advised that this meeting is being made available to the public through a live video and audio broadcast on Comcast Government Access Channel 15 and is also being recorded for airing on the channel at future dates. Comments made in open session will be recorded.

ANNOUNCEMENTS

Spring Household Hazardous Waste Day has been scheduled for April 28th from 9:00 am to 1:00 pm. A list of accepted and unaccepted items will be posted to the town website at www.pembroke-ma.gov. Attendees must be a town resident, have a current recycling sticker and cannot dispose of business or commercial hazardous waste. The fall date for household hazardous waste collection will be November 3rd. The DPW has announced that on Wednesday, April 4, 2018 between the hours of 11:00 pm and 5:00 am, the broken water gate valve will be replaced at the intersection on Mattakeesett Street and Furnace Lane. Affected streets will include Alma Avenue, Pondview Avenue, Pinecrest Avenue and Scobbie Avenue. Water may be disconnected during this process. More information is available on the town website.

7:00 PLYMOUTH COUNTY TREASURER TOM O'BRIEN: PLYMOUTH COUNTY RETIREMENT DISCUSSION

Plymouth County Treasurer Tom O'Brien introduced PCRA Chairman David Sullivan, Meketa Investment's Dan Dynan and Dan Sherman, president of Sherman Actuarial Services. Mr. O'Brien stressed the value of a local, responsive organization like PCRA and stated that the hours of operation are from 7:30 am to 5:00 pm each day with ten staff members available to assist at any time. He stated that the website is up to date with a member service portal; they have focused on improving technological offerings to members by affecting an economy of scale. PCRA is member-centric, and the board is active. They employ professional consultants; the auditing firm is Powers & Sullivan, and they are proud to be extremely transparent. Mr. O'Brien stated that all board minutes and audits are posted publicly. The investments undertaken are long term investments, not a short term yield. The average over twenty-eight years is over 9%. From 1989 to 2017 they grew the fund from \$95.6million to over \$1billion. Their expectation is to be fully funded in 2029 whereas the state's goal is not until 2036. Mr. O'Brien concluded by stating February 28, 2018 on a gross ten year rolling basis they are ahead of the state fund. Mr. Sullivan stated that he has been in the pension fund field for thirty-five years in different capacities with a focus on membership relations. Mr. Sullivan provided detail on the board members and the work that they perform. Mr. Dynan provided background on Meketa Investments founded in 1978 by Jim Meketa; they have 166 clients advising \$60billion in assets to institutions only. They are headquartered in Westwood with six offices nationwide. They have forty-four public funds, eleven in Massachusetts. Mr. Dynan presented an executive summary with three strong take-aways; the PCRA board is fully engaged and understands the current market environment, they are dedicated and committed to building a world-class investment portfolio and they employ competent professionals to advise and guide them in management and oversight of the assets. Mr. Dynan stated that PCRA negotiated \$256,000 in fee savings in 2016 and saved an additional \$245,000 in fees in 2017; they invest directly in private equity funds saving millions of dollars per year over time by eliminating fund of fund management fees. Mr. Dynan stated that PCRA also benefits from the relative growth of emerging markets and they emphasize illiquid investments. Mr. Dynan summarized by stating that PCRA understands what real risk is and focuses on investing for the long term, adopting an asset allocation policy that has an expected return of 8.2% over the next twenty years. Mr. Sherman has been an actuary working with Chapter 32 Massachusetts pension plans since 1982 and

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works with 15 retirement systems. He stated that the actuary should use professional judgement to estimate possible future outcomes based on past experience and future expectations and select assumptions based upon application of that judgement. Mr. Sherman stated that standards are set using experience, studies and published tables. He initiated an experience study of ten retirement systems composed of Norfolk County, Bristol County, Plymouth County and other towns; he shared this data with these clients and used these new assumptions. Mr. Sherman stated that assumptions do not affect the cost of the plan when in the fund, only when paid out; further, if the assumptions are off high or low, it can affect the perceived funded status of the plan. Mr. Sherman cited several examples and stated that a long term view is 80 years on a new hire with a 50 year minimum. Mr. Sherman stated that the rolling ten year S&P 500 average from 1935 to 2013, or 92 years, resulted in a geometric mean return of 9.31%; the longer average is versus a 9 year return of 12.86% which is why an 80 or 90 year average is used. Mr. Sherman provided an analysis of Pembroke to the Board; active employees are down from 275 in 2009 to 251 in 2017; retirees are up from 109 in 2009 to 137 in 2017. Payroll has risen 1.6% and average pay has risen 2.7% from 2009 to 2017. Mr. Sherman stated that Pembroke's accrued liability and assets went up more than the rest of the system as did unfunded liability and appropriation. Mr. Sherman stated the increase in liability is the result of more early retirees with lower retiree mortality. If Pembroke were in a stand-alone system, our share of accrued liability exposure on appropriations would be higher instead of shared with the rest of the system. Mr. Sherman stated if the assumed return is modified to 7% investment return, the unfunded liability would increase 27.9% or a \$3.4million dollar appropriation. Mr. O'Brien summed up by stating that Pembroke has benefited from participation in the PCRA system; the system is on track for success in the future. Town Accountant Michael Buckley stated that Pembroke is also on the right track with anticipated full funding in 2029. Mr. Buckley confirmed that the town enjoys great cooperation with the County Treasurer's Office. Mr. Buckley stated that it took sixty years to incur the liability and will take ten years to resolve.

7:45 (8:05) VINCENT CRAINE, TRU-GREEN: REQUEST FOR DOOR-TO-DOOR SOLICITATION PERMIT RENEWAL

Mr. Boyle moved to approve the application of Vincent Craine on behalf of Tru-Green for a door-to-door solicitation permit authorizing sales from 10:00 am to 7:00 pm, Monday through Friday and from 9:00 am to 3:00 pm on Saturday, license eligible for renewal on its expiration on Jul 2, 2018, subject to approval and permit card issuance by the Chief of Police. Mr. Trabucco seconded the motion. The vote was 3/1 with Mr. Stone opposed.

7:30 (8:15) TOWN GOVERNMENT STUDY COMMITTEE RE: TOWN MANAGER WARRANT ARTICLE

Mr. Brennan was present before the Board with the TGSC analysis of Pembroke's decentralized form of government, concluding that it is not conducive to an efficient and effective modern day operation. Mr. Brennan advised that there are separately elected boards that have no reporting relationship with the Selectmen or the Town Administrator; this leads to limited coordination and accountability. Mr. Brennan stated that many employees report to part-time boards/officials that may meet only monthly rather than being accountable to a professional position in town hall. Volunteer board members are responsible for the day-to-day administrative burden of managing professional staff. Mr. Brennan cautioned that, in the future, the town may have difficulty finding a qualified full-time professional to replace our town administrator given the lack of authority and central management responsibilities assigned to the position. Discussion ensued. Mr. Brennan summarized by stressing that as a Town Administrator becomes a Town Manager, the result is that all of the professional staff is aligned under a professional manager. Mr. Brennan stated that, without organizational changes in town, the public confidence will wane. Mr. Boyle asked how the Committee will respond to the question that a Town Manager puts too much power with one person; Mr. Brennan stated that it is the public who elects the Board of Selectmen, who then hires the Town Manager, giving the Manager responsibility to run an efficient and responsible municipal corporation.

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CONSIDER RECOMMENDATION OF POLICE CHIEF: ADD POLE#2 BELLE ROAD TO STREETLIGHT INVENTORY

Mr. Boyle moved to add the streetlight on pole #2 on Belle Road to the town's streetlight inventory at the recommendation of the Police Chief; Mr. Stone seconded the motion. The vote was unanimously in favor.

VOTE TO ENTER INTO LEGAL SERVICES AGREEMENT: HILL LAW (APPEAL OF MASSHOUSING'S PROJECT ELIGIBILITY DETERMINATION RE: PROPOSED 40B PROJECT ON WATER STREET)

Mr. Boyle moved to enter a legal services agreement with Hill Law regarding the proposed 40B project on Water Street; Mr. Stone seconded the motion. The vote was unanimously in favor.

CONSIDER REQUEST FOR APPOINTMENT, COMMUNITY CENTER TASK FORCE: ANDREW WANDELL, JOHN MCKEOWN

Mr. Boyle moved to appoint Andrew Wandell of the Planning Board to the Community Center Task Force, and to appoint John McKeown as an ex-officio member; Mr. Stone seconded the motion. The vote was unanimously in favor.

CONSIDER RECOMMENDATIONS ON ARTICLES, ANNUAL AND SPECIAL WITHIN ANNUAL WARRANTS

Mr. Trabucco moved to recommend favorable action on article fourteen; Mr. Stone seconded the motion. The vote was unanimously in favor. Mr. Trabucco moved to recommend town meeting floor on article fifteen; Mr. Boyle seconded the motion. The vote was unanimously in favor. Mr. Trabucco moved to recommend town meeting floor on articles sixteen through nineteen; Mr. Boyle seconded the motion. The vote was unanimously in favor. Mr. Trabucco moved to recommend favorable action on article twenty; Mr. Boyle seconded the motion. The vote was unanimously in favor. Discussion ensued on CPC project article 25; Mr. Trabucco asked the Town Administrator to inquire of CPC where the handicap beach access mat project was; Mr. Thorne will report next week. Mr. Trabucco moved favorable action on all nine projects, recommendations A through I; Mr. Boyle seconded the motion. The vote was unanimously in favor.

VOTE TO ACCEPT THE MINUTES OF MARCH 19, 2018

Mr. Stone moved to accept the minutes of March 19, 2018 as written; Mr. Boyle seconded the motion. The vote was unanimously in favor.

VOTE TO ACCEPT THE MINUTES OF MARCH 26, 2018

Mr. Stone moved to accept the minutes of March 26, 2018 as written; Mr. Boyle seconded the motion. The vote was unanimously in favor.

TOWN ADMINISTRATOR'S REPORT

Mr. Thorne advised that the DPW will open the Monroe Street Pit for brush Saturday from 8:00 am to 2:00 pm. Chief Hill was present to state that there will be no extension of the burning season which will end May 1 as it is legislated by MassDEP. Chief Hill advised that applications can be obtained by walking into Center Fire Station.

At 8:50 pm, Mr. Furlong read the upcoming issues from the agenda.

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At 8:50 pm, Mr. Stone moved to enter executive session under M.G.L. c.30A, Sec. 21(7) to comply with, or act under the authority of M.G.L. c.41, s111F – Police Department. Mr. Furlong advised that the Board will not return to open session. Mr. Boyle seconded the motion; by roll call vote: Mr. Boyle – yes, Mr. Stone – yes, Mr. Trabucco – yes, Mr. Furlong – yes.

MATERIALS & EXHIBITS

Meketa Investments/Sherman Actuarial Services PowerPoint Printouts (BOS/TA Office)

Email, R. Wall re: Streetlight (PD/BOS/TA Office)

Renewal Application, V. Craine re: Door-to-Door, Tru-Green (BOS/TA Office)

Email, A. Sullivan RE; Appointments (CCTF/BOS/TA Office)

Draft Annual Town Meeting Warrant (BOS/TA Office)

Draft Minutes of March 19, 2018 (BOS/TA Office)

Draft Minutes of March 26, 2018 (BOS/TA Office)