

TOWN OF PEMBROKE
APPROVED
ADVISORY COMMITTEE MINUTES
6 November 2017

Clerk, Stephen Curley Acting Chairperson opened the meeting of the Advisory Committee in Pembroke Town Hall at 7:00PM on 06 November, 2017. Also present were Timothy Brennan, James McCollum, John G. Brown, Jr. Stephen Walsh, and Elizabeth Monks

Absent: Linda Peterson

Tonight's meeting is being recorded by PAC-TV

Stephen Curley opened the meeting reviewing correspondence:

- The Board of Selectmen has proposed three dates to schedule a joint meeting with Advisory; November 13, December 4 or December 11. Committee members selected November 13; an email will be sent to Sabrina Chilcott to confirm. Advisory proposed three topics of discussion 1) Pension Liability Analysis Report 2)Community Compact 3)Pembroke 5-10 year plan.
- An email received from Sabrina Chilcott, Executive Assistant to the Board of Selectmen advising that the Board of Selectmen will be discussing the Capital Building Fund Study Committee formation to study funding options available to the town for upcoming building capital projects. Stephen Curley and Timothy Brennan attended the Board of Selectmen meeting when they first discussed this topic. The Board of Selectmen is looking for people to make up this committee including a member from Advisory. Is the intent to construct three buildings (Fire, Police, DPW) or to review most cost effective construction for the town. Timothy Brennan suggests a member of the Planning Board be represented. James McCollum noted they don't do planning; they do sub division control. Stephen Curley said Pembroke does not have long term plans. John Brown said if Pembroke was already part of the Community Compact the cost studies completed by Police, Fire and DPW would of been paid with grant funding. Stephen Curley said the Board of Selectmen have put together a team which he is a member; a meeting should be scheduled soon. To date, 310 towns have joined the Community Compact. Timothy Brennan asked if there are specific examples of funds that the town could have received from the Compact: we already know about the \$50,000 for the building study. John Brown said 5-10 local towns have received grant money; it's unacceptable. Stephen Curley asked if any member of Advisory would be interested in joining this committee. Stephen Walsh said he may be interested. Advisory will revisit this discussion at their next meeting.

Upon motion moved by Stephen Walsh and 2nd by Elizabeth Monks the meeting minutes of October 24, 2017 was

VOTED¹: To accept the meeting minutes of 24 October 2017. Stephen Curley, Timothy Brennan, James McCollum and John G. Brown, Jr. supported the motion.

Timothy Brennan reviewed and discussed the revised Pension Liability Analysis Report for discussion with the Board of Selectmen at their joint meeting scheduled for November 13, 2017. He trimmed the presentation to 24 slides.

The pension and healthcare continues to eat up more and more of the town's budget and we need to be responsible and transparent. John Brown asked Tim if it was possible to remove the healthcare expense from the Town's budget and include in the department budget. Tim said when he spoke with Michael Buckley, Town Accountant who said it would be too much work, time consuming and difficult. The town has a \$60M budget and should have a full time Accountant. Pembroke's unfunded liability at the end of 2016 was \$28.7M; not meeting expectations. Over the

next 10 years, Pembroke will be expected to pay 64% more towards its pension. Stephen Walsh asked if this would impact the town's bond rating. Tim said if we haven't addressed it, this would be less attractive. This is a good question for Kathleen McCarthy, Town Treasurer and Michael Buckley, Town Accountant. The discount rate should be understood. In 2015, PERC sent PCRA a suggestion to lower its discount rate which was set at 8%; this was ignored. Employer contributions rose to 37%. Pembroke's reliance on unrealistic PCRA projections has resulted in large, unexpected cost increases for the town. Tim said this presentation is about the town of Pembroke. Plymouth is not part of the PCRA; they have their own pension plan. GASB 68 stands for Government Accounting Standard Board No.68 which requires employers to record pension amounts in their financial statements. Pembroke should have a policy and methodology to comply with GASB 68.

Stephen Curley told Tim he did a fantastic job simplifying this information in his presentation. The main point is that Pembroke needs a pension policy. Not sure who it falls under, Town Treasurer; Town Accountant but both have brought these issues before the Board of Selectmen who have not acted on it. When negotiating contracts the Board of Selectmen should be cognizant of union requests such as Fire asking to include Paramedic pay in the base salary or the cost of uniforms being added to the base pay. As a result, OT pay gets added to the pension. The Board of Selectmen should be thinking long term. John Brown asked how long does Advisory wait after presenting to the Board of Selectmen before writing an Article to start a fund.

Tim said in the past seven years PCRA's 2018 estimate of pension costs for employers payroll has increased by 37% (from 19.2% to 26.3%).

Stephen Curley spoke to residents watching tonight's meeting. Advisory has two openings; you don't have to be numbers orientated. Advisory is looking for diversity. The committee meets on Monday nights September – June with the summers off. If interested, reach out to the Board of Selectmen's office for an application. Steve also encouraged residents watching to attend one of Advisory's meetings.

John Brown suggested that going forward Advisory meet with Steve Dodge, Town Moderator prior to Town Meeting so he has insight and knowledge of Advisory's recommendations on the Warrant Articles.

The next Advisory meeting is scheduled for Monday, November 13, 2017 at 7:00pm.

The Advisory Committee adjourned at 8:00pm.

Respectfully submitted,

Stephen Curley, Clerk