

**HOLLISTON FINANCE COMMITTEE
MEETING MINUTES
September 17, 2013**

The Committee convened in Room 105 at the Town Hall at 7:35 PM. Present from the Committee were Chairman Ken Szajda, Vice Chairperson Michelle Zeamer, Clerk Charles Kaslow, Dan Alfred, Bill Dowd and Beth Liberty.

1. Corrections and Apologies – Bill Dowd stated that his comments at the September 10, 2013 Finance Committee meeting complaining about delays in the posting of minutes and attributing the delay to the Town Clerk and or the website were incorrect. In fact the minutes that Bill was looking for on the web site had not yet been sent to Liz Greendale for posting. He apologized for the mistake and any distress his error caused the Town Clerk. Charlie Kaslow then apologized as well stating that he had erroneously told Bill the minutes had been sent to the Town Clerk. He also apologized to Liz for any embarrassment or distress his wrong remarks caused her.
2. Minutes of September 10, 2013– Ken Szajda questioned the date on the Issues Log in the minutes. He pointed out that the date was after the 9/10 meeting. Bill Dowd pointed out that the date was just version control and that the Log only reflected items either whose status changed at the 9/10 meeting or were added at the 9/10 meeting. Ken suggested adding another “as of” date to the Issues Log so that was clear. Charlie agreed. Moved by Dan Alfred, Seconded by Bill Dowd to approve the September 10 minutes. Five in favor, none opposed, one abstention (Zeamer)
3. Issues Log – The Issues Log was reviewed. (Attachment I) Bill Dowd reported that item 18 should be changed to Michelle Zeamer. Michelle had taken the minutes notes that night. Michelle agreed and said she was working on them. Item 32 was closed. That concluded the Issues Log review.
4. Role of Clerk and Town Website – Paul LeBeau expressed his appreciation for the apologies from Bill Dowd and Charlie Kaslow earlier in the meeting. He then briefed the Committee on the activities of the past week. After the claims at last week’s meeting about delays in minutes posting, he, his office , the Fire Chief and the Town Clerk had spent a great deal of time looking into the situation. As Bill and Charlie had already pointed out, the minutes had not been provided to the Town Clerk. During the week, the Town Clerk received a number of e-mails with FinCom minutes along with follow-up emails with different versions. In one e-mail, Charlie Kaslow suggested that someone other than the Town Clerk had updated the website with a minutes version that did not have an approved date. Paul was also concerned because Charlie had reported that there were problems with the FinCom website which when checked by a third party did not show up. Paul said the multiple e-mails and incorrect reports of problems had been a huge distraction for the Town Hall and was hopeful things would get straightened out. He acknowledged that the Committee had adopted role definitions and procedures back in May and

suggested they be revisited to avoid future problems. He said that events like this reflect badly on all parties. Charlie assured Paul that his emails were out of concern for the website and to ensure that the minutes for posting had approved dates on them. Ken then proposed that a change in procedure be adopted to make sure that only minutes approved for release are submitted to the Town Clerk. Included in an e-mail from Charlie to the Town Clerk with FinCom minutes of August 6 were minutes of an Executive Session that were not approved for release. Ken suggested that another Committee member be responsible for looking over the minutes before they are transmitted to the Town Clerk. Michelle Zeamer volunteered to do that. In the future, the Town Clerk will receive the FinCom minutes in an email showing review and approval by two members of the Committee. The Town Clerk reported at this time that the August 6 minutes had been taken down from the Website by Chief Cassidy and she would await a new version without the Executive Session minutes.

5. Capital Reviews – Technology – Charles Corman presented his proposed Capital spending to the Committee. (Attachment II) He is proposing to replace all 48 desktop computers in use by the Town and install Office 2011 on them. Currently, the computers are running Windows XP and Office 2003. He said the current computers were not powerful enough to run the new operating systems and software. He reported having done the same thing for the Library recently and that it went very well. He even provided a special program that allows users to work with prior Microsoft Operation Systems. In response to questions from the Committee, Mr. Corman reported that:
 - a. He was unaware of where the Schools are with their operating system and software
 - b. The Town no longer uses an e-mail server and has converted to a Gmail service
 - c. Doing a partial replacement would require a lengthy and ongoing training obligation
 - d. His request for 50 computers was to ensure a few spares when needed
 - e. All available continued use of the old computers and parts would be pursued before recycling
 - f. The computers being replaced were not just at Town Hall but deployed at the many building where employees work
 - g. There would be no impact on printers
 - h. The new machines would have a life expectancy of 4 – 5 years
 - i. There are approximately 6 laptops in use but those are not proposed for replacement at this time
 - j. He would be looking into going back to a partial computer replacement approach over a number of years as had been done in the past

The matter was taken under advisement by the Committee.

6. Capital Reviews – Fire and Ambulance – Chief Cassidy presented his proposed Capital spending to the Committee (Attachment III) His first proposal is the replacement of Engine I. It is over 20 years old, no longer conforms to established safety rules and is requiring more repairs as it ages. In the response to questions from the Committee, Chief Cassidy reported that:
- a. The main criteria for replacement are age of the vehicle, conformance to safety standards, and repair costs. The vehicle has already used over \$2,500 of the department's annual vehicle maintenance budget of \$12,000. The vehicle experienced a dangerous diesel fuel leak at a fire scene recently.
 - b. The proposed Engine would not require any building modifications
 - c. The current Engine might have some residual value, but not much
 - d. If the ISO rating changed from a 4 to a 5, commercial property insurance premiums could increase between 2% and 4%.
 - e. The safety deficiencies – particularly the absence of an enclosed crew seating area – give rise to a significant liability exposure to the Town.
 - f. Without Engine 1 available, response would depend on Mutual Aid and double the response time.

Ken Szajda pointed out that the replacement warranted serious consideration in two regards. First, the safety concerns present a real risk to the firefighter and second, the impact on response time. In response to follow-up questions from Bill Dowd, the Chief informed the Committee that:

- a. The diesel fuel leak had been repaired
- b. The safety issues including the absence of an enclosed crew cab have been known for over 20 years
- c. The response time issue is not on first response. The response time issue would occur when a fourth pumper is needed and must be obtained from another town.

The Second proposal is the purchase of a new ambulance. The Chief reviewed with the Committee that the third ambulance is in need of replacement and that the Ambulance Revolving Fund from which the money to pay for it would come currently has about \$240,000 in it. In response to questions from the Committee, the Chief reported that:

- a. The \$190,000 includes the vehicle being fully outfitted
- b. The months before the new rates went into effect were averaging about \$28,000 in revenue and the months after are averaging \$32,000, although there is a lag in the billing process
- c. The rate increase of 50% should increase monthly revenue to about \$42,000 per month and add \$10,000 to \$12,000 a month to the revolving fund balance

The Committee took the proposals under advisement

7. Website issues – Since the Chief was Chair of the Website Committee, Ken Szajda said he would be meeting with the Chief off-line to discuss how the FinCom could best maximize the value of the new website. Bill Dowd mentioned that it might be good for the whole Committee to participate given the problems we've had and the opportunities there may be. Dan Alfred he was fine with having Ken handle it with the Chief. Bill Dowd said he would try to attend any discussion so he could understand the process better.
8. Letter to Legislators on Retiree Health Insurance Reform – The Committee considered the draft letter to our legislators proposed by Bill Dowd. (Attachment IV) Dan Alfred, Michelle Zeamer and Ken Szajda were not in favor of sending the letter because it was either in conflict with their personal views on the subject, it was too long and/or because the tone of the letter was pontificating, lecturing and opinion based. Most on the Committee could support a communication to our legislators supporting passage of reforms, but that it should be very brief and merely convey the Town Meeting resolution. Ken Szajda agreed to draft an alternative approach for the Committee's consideration.
9. Preliminary Fall Town Meeting Warrant Review – The Committee noted receipt of the draft Warrant but deferred discussion to a later date.
10. Budget Worksheet Questions. Bill Dowd asked several questions about the latest version of the Budget Worksheet.
 1. What is the status of the contingent authorization for the Water Department to purchase a truck? The money appears in both the FY14 Water budget and revenue. Paul LeBeau reported that the Water Surplus requirement had not yet been satisfied and that depending upon how the Water Dept. wraps up a few projects involving borrowing, the actual balance in Water Surplus cannot be reliably determined. The Town Meeting authorization will remain open until cancelled by a future Town Meeting.
 2. There is a discrepancy between the amount of the Tax Levy shown in a worksheet just before May Town Meeting and the latest version where the latest version is about \$98,000 lower. Paul could not locate a spreadsheet with the higher number but said it could have been caused by an update to new growth. Bill said he would send Paul the worksheet version with the higher number.
 3. The latest version of the worksheet reflects a reduction in local receipts of about \$35,000. What caused this? Ken said it was the bond premium from refinancing and since it is not really a recurring annual revenue source, it was moved to a separate line.
 4. What is the plan for allocating the applicable portions of the \$1.5 million OPEB appropriation to Water and Ambulance? Paul reported that the issue had not yet been addressed. Ken Szajda said they would be. Bill pointed out that all of these things will need to be resolved before the Committee can deliberate on Fall Town Meeting spending. Bill also wanted to make sure there would be time to discuss the criteria for determining how the numbers balance in the end. Ken said there would be time and the topic was on a future meeting's topic list.

11. Minutes transmittal – Following up on the earlier conversation, Charlie Kaslow suggested a slight change in the process of submitting FinCom minutes to the Town Clerk. Instead of him sending them to Michelle Zeamer and then Michelle writing back to him that it was ok, followed by his forwarding of the Michelle e-mail to the Town Clerk, Charlie suggested that Michelle simply forward the e-mail to the Town Clerk directly. The Committee accepted that change and Charlie will so advise the Town Clerk.
12. Adjournment – At 10:00 PM, Moved by Dan Alfred, Seconded by Michelle Zeamer to adjourn. Six in favor, none opposed, no abstentions.

Approved September 24, 2013

Finance Committee
Issues List

Item	Meeting Date	Issue Description	Responsible	Resolved	Description of Resolution
2	6-Aug-13	The current \$50,000 limit on the Building Inspection revolving fund should be reviewed prior to October Town Meeting.	FinCom		Item revised by consensus of FinCom on September 3, 2013 to address prior to "May" town meeting whereas previously stated before "October" town meeting.
4	6-Aug-13	Dan agreed to put together an analysis of the current financial reserves and the potential for a rating upgrade if reserves are increased. This will include an estimated saving associated with the rating upgrade.	Dan Alfred		September 3, 2013 meeting Dan Alfred advised that analysis taking more effort than originally anticipated.
5	6-Aug-13	The FinCom needs to adopt an updated reserves target guideline in advance of other financial decisions to be made for October Town Meeting. Tentative consensus on adopting Paul's recommended 6.5% was put on hold pending #Dan Alfred's analysis of the current financial reserves and potential for rating upgrade.	FinCom		Issue to be discussed at October 5, 2013 FinCom meeting
18	13-Aug-13	Provide draft meeting minutes for 6/27 meeting	Michelle Zeamer		Transferred to M. Zeamer from W. Dowd on 9/17/13
22	13-Aug-13	Consider different approach to FY15 budget review with fewer longer meetings.	Ken Szajda		
24	13-Aug-13	Put budget worksheet on-line for view only	Ken Szajda		
25	13-Aug-13	Prepare a template and framework for a Capital Plan.	Bill Dowd		
27	13-Aug-13	Develop a list of topics/info the FinCom needs from the Town Accountant	FinCom		
28	13-Aug-13	Start quarterly in-person reviews with the Town Accountant	FinCom		Ongoing
29	13-Aug-13	Schedule a discussion on Bill Dowd's memo about pension funding	Ken Szajda		Schedule post October town meeting per Ken Szajda recommendation during 3 September meeting.
31	3-Sep-13	No record appears to exist that meeting minutes of April 18, 2013. Need to formally accept and post.	FinCom		Ken to inquire of Faith and advise (9/10/13 mtg)
34	3-Sep-13	Investigate college intern for Finance Committee projects	Bill Dowd		
35	3-Sep-13	Schedule Executive Session to discuss Police contract negotiations with Seelctmen after receipt of items 11 & 12.	FinCom		
37	3-Sep-13	Establish a trigger point in Revolving Account management to ensure advance notice of potential overspending.	Paul LeBeau & Accountant		
38	3-Sep-13	Interview candidate for recording secretary and either hire or return to posting	Ken Szajda		
39	3-Sep-13	Update Liaison Assignments to add Charlie Kaslow to Water in lieu of Michelle Johnson and add Michelle Johnson to Parks and Technology in lieu of Charlie Kaslow	Ken Szajda		Pending
40	10-Sep-13	Discuss and decide on the publication of Committee members phone and email contact information	FinCom		
41	10-Sep-13	Discuss, understand and decide on FinCom website content and maintenance	FinCom		
42	17-Sep-13	Draft revised retiree health insurance letter to legislators	Ken Szajda		
42	17-Sep-13	Provide ISO backup to homeowner insurance premium Impacts of fire department	Chief Cassidy		
42	17-Sep-13	Tax levy validation	FinCom		
42	17-Sep-13	Determine allocation of \$1.5 million OPEB appropriation to Water and Ambulance.	Paul LeBeau		
42	17-Sep-13	Communicate revised minutes transmission process to Town Clerk	Ken Szajda / Charlie Kaslow		

Chuck Corman

From: "Andrew Crewe" <andrew.crewe@infoteldistributing.com>
To: "Chuck Corman" <cormanc@holliston.k12.ma.us>
Cc: <andrew.crewe@infoteldistributing.com>
Sent: Monday, September 09, 2013 11:27 AM
Subject: Your Infotel Distributors Quotation #J5072707


Quote No. J5072707**Expires:** 9/9/2013 12:00:00 AM**Bill To:**

Chuck Corman
TOWN OF HOLLISTON MA
703 WASHINGTON ST
ACCOUNTS PAYABLE
HOLLISTON, MA 01746
5084290602

Ship To:

CHUCK CORMAN
TOWN OF HOLLISTON MA
703 WASHINGTON ST

HOLLISTON, MA 01746
5084290602

Dear Chuck Corman,

This email contains your quote summary. Should you have any additional questions or wish to complete your order, please feel free to call us at 8663100256. Please refer to quote number J5072707 when contacting us for assistance.

Regards,

Andrew Crewe
8663100256

andrew.crewe@infoteldistributing.com
Infotel Distributors

Sku	Manuf Part No	Sku Description	Unit Price	Qty	Total
A50-C1301	M11AA-US005S	Asus M11AA Desktop PC - 3rd Gen. Intel Core i3-3240 3.40GHz, 8GB DDR3, 1TB HDD, DVDRW, Windows 8 64-bit, Keyboard & Mouse, (M11AA-US005S)	\$ 459.00	50	\$22,950.00
M180-0210278	021-10278	Microsoft Office Standard 2013 - License - 1 PC - local - MOLP: Government - Win - English	\$ 297.00	50	\$14,850.00

Purchase Order:

Shipping Method Truck (3 to 9 days)

Total for all Items \$ 37,800.00

Shipping & Handling: \$ 220.00

Sales Tax: \$ 0.00

Quote Total: \$ 38,020.00

Lease Payments as low as
\$960.88/mo.**Click [here](#) for details
or contact your account manager.

Payment Method:



Protect your critical data and applications with ARCserve! CA ARCserve Backup unites innovative data deduplication technology, powerful storage resource management (SRM) reporting, disk to disk to tape and virtual tape library (VTL) backup solution with the potential to receive FREE replication. Ask us more today.

Ask your agent about installation. We now offer expert hardware and software deployment services. No job is too big for us to handle from a simple small network to an enterprise level rollout.

Thank you for the opportunity to provide you with the pricing and information above.

Terms & Conditions

- This offer shall be valid for 1 day. Because of market volatility, memory & CPU pricing are only valid for the same day as quotation, unless otherwise stated on this quote.
- This offer is contingent on quantities listed and is subject to product availability.
- Prices are subject to change without further notice in the event the manufacturer/supplier raises the price.
- State and county taxes will be assessed when applicable.
- Original or faxed copy of the purchase order is required on all PO orders.
- Returns of defective and mis-picked software and some hardware are limited to exchanges only. Some defective hardware covered by the Manufacturers' warranty must be handled directly through the respective manufacturer.
- All sales are final on special ordered items (no return, exchanges, or refunds).
- A Return Authorization Number (RMA) is required on all returns. The RMA can only be issued within 30 days of the original ship date.
- Shipping charges are contingent on quantity orders, total weight of products and unusual size.

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Finance Committee Minutes 9/17/13 Attachment III
 William Dond <william.dond@holliston.ma.us>

Capital Requests - Fire Department

9 messages

Michael R. Cassidy <mrcfmfbcsprynet.com>

Fri, Sep 13, 2013 at 4:35 PM

To: Paul LeBeau <lebeaup@holliston.k12.ma.us>, Andrea Minihan <minihana@holliston.k12.ma.us>, Andrea Minihan <andreamini@aol.com>, Jay Leary <jdlrph1@verizon.net>, Jay Marsden <marsden.jp@gmail.com>, Kevin Conley <kpconley100@gmail.com>
 Cc: fincom@hollistonfincom.com

Attached please find two sheets with background information for the capital requests which I will be discussing with the Finance Committee (Tuesday, Sept 17) and Board of Selectmen (Wednesday, Sept 18) next week.

Engine 3 (request - \$375,000)

The following is a listing of some of the NFPA standards for which Engine 3 is not compliant:

- o Engine 3 is the last pumper in our fleet which does not have a fully enclosed riding area (part of the NFPA standard since 1991).
- o Engine 3 does not have fail-safe door handles so that the sleeve of a coat does not inadvertently catch a handle and open a door (part of the NFPA standard since 1991).
- o Engine 3 does not have increased work lighting around the apparatus (part of the NFPA standard since 1996).
- o Engine 3 does not have slip resistant handrails (part of the NFPA standard since 1999).
- o Engine 3 does not have reflective striping on all four sides of the apparatus (part of the NFPA standard since 1999).
- o Engine 3 does not have increased head height at seating positions (part of the NFPA standard since 2003).
- o Engine 3 does not have bright red seat belts (part of the NFPA standard since 2003).
- o Engine 3 does not have automatic door-open lights (part of the NFPA standard since 2003).
- o Engine 3 does not have more secure mounting of SCBAs in seat backs (part of the NFPA standard since 2003).
- o Engine 3 does not have retro-reflective striping on at least 50 percent of the vertical surface at the rear of the vehicle (part of the NFPA standard since 2009).
- o Engine 3 does not have a means of securing the hose in all hose storage areas (part of the NFPA standard since 2009).

The above are just some of the ways in which the apparatus is not compliant with current national consensus standards. These are factors which could impact the safety of our personnel and the public.

Because the pumper is more than 20 years old, we no longer receive maximum credit from ISO as part of the Fire Suppression Rating Schedule, which impacts our community's Public Protection Classification.

Ambulance 1 (request - \$190,000)

A-1 is the back-up to our two primary ambulances. When one of our two primary ambulances is out of service for maintenance or repair, this vehicle operates in its place. There have also been several times in the last few years when we dispatched all three ambulances respond to medical emergencies concurrently. The replacement of this vehicle is part of a planned replacement of ambulances in our fleet, with funds from the Ambulance Revolving Account.

I look forward to meeting with the FinCom and Board of Selectmen next week to answer any other questions

9/22/13

Gmail - Capital Requests - Fire Department

relative to these requests.

- Chief

Finance Committee Meeting 9/17/13

Attachment III


Michael R. Cassidy, MSOL
Fire Chief / Emergency Management Director
Holliston Fire Department
59 Central Street
Holliston, MA 01746-2103

508.429.4631

508.429.0614 (fax)

2 attachments

 **A1 STM request.doc**
220K

 **Engine 3 STM request.doc**
205K



A-1 (2001 Freightliner)
46,303.9 miles

Recent repair/maintenance costs:

FY09 – \$2,822.74	FY10 – \$3,222.64	FY 11 – \$562.71
FY 12 – \$1091.30	FY 13 – \$273	

Unit responses:

FY02 – 108	FY03 – 380	FY04 – 364	FY05 – 358
FY06 – 386	FY07 – 368	FY08 – 295	FY09 – 345
FY10 – 37	FY11 – 9	FY12 – 5	FY13 – 4

Ambulance purchase history:

1976 Chevrolet
1985 Ford
1992 Ford
2000 Freightliner
2001 Freightliner
2007 Ford
2010 Ford

Capital request for FY14 Special Town Meeting: \$190,000

[Appropriation requested from the Ambulance Revolving Account]



Engine 3 (1989 Pierce Arrow)

16,224.4 miles | 1739.6 hours

Recent repair/maintenance costs:

FY11 - \$1,682.03 FY12 - \$1234.42 FY 13 - \$2,980.83 FY14 (YTD) - \$2,538.37

Unit responses:

FY02 – 114	FY03 – 108	FY04 – 100	FY05 – 105
FY06 – 127	FY07 – 94	FY08 – 67	FY 09 – 81
FY10 – 78	FY11 – 63	FY12 – 56	FY13 – 52

Apparatus that were not manufactured to the applicable NFPA fire apparatus standards or that are over 25 years old should be replaced.

- NFPA 1901 Standard for Automotive Fire Apparatus (2009 Edition), D.1

A fire apparatus is an emergency vehicle that must be relied on to transport fire fighters to and from an incident and to operate reliably and properly to support the mission of the fire department.

A piece of fire apparatus that breaks down at any time during an emergency operation not only compromises the success of the operation but might jeopardize the safety of the fire fighters relying on that apparatus to support their role in the operation.

An old, worn-out, or poorly maintained fire apparatus has no role in providing emergency services to a community.

- NFPA 1901 Standard for Automotive Fire Apparatus (2009 Edition), D.6

Capital request for FY14 Special Town Meeting: \$375,000

ID	Year / Model	Type	Mileage	Condition	Replacement Cost	Current Issues	Miscellaneous	Ave Respon	1 Yr Repair
C1	2008 Ford Expedition	Supervisor Vehicle	65088.8	Good	\$55,000			241	985.95
C2	2001 Ford Expedition	Supervisor Vehicle	109384	Poor	\$55,000	Failed state inspection 4/22	Old Chief's Truck	61	93.89
A1	2001 Freightliner	Ambulance	45645.6	Poor	\$175,000	Transmission issues		5	896.84
A2	2011 Ford	Ambulance	15639.1	Good	\$175,000			411	1539.45
A3	2007 Ford	Ambulance	41337	Good	\$175,000			398	3503.09
L1	2011 Pierce Mid-Mount	Ladder	2310	Good	\$875,000	Fuel guage broken		79	3613.51
E1	2000 Pierce Saber	Pumper	11901.7	Good	\$375,000			79	2517.92
E2	2008 Pierce Contender	Pumper	4743	Good	\$400,000			79	493.5
E3	1989 Pierce Arrow	Pumper	16125.9	Fair	\$375,000	Not NFPA compliant		85	2980.83
E4	2005 Pierce Contender	Pumper	8062	Good	\$400,000	Diesel fuel leak		69	2347.58
R1	1983 Cargostar	Medium Rescue	43994	Fair	\$325,000		Old Coke Truck	15	177.61
WR1	1992 F350	Water Rescue	53908	Poor	\$160,000	Electrical problem	Old Ambulance	2	359.97
FF1	2001 Ford 450	Brush Truck	19649	Good	\$50,000			59	1173.98
FF2	1986 Ford 350	Brush Truck	24165.3	OOS	\$48,500	Taken out of service 4/28		22	867.43
FF3	1970 International	Brush Truck	6043.7	Fair	\$55,000			4	119.99
T1	1966 Kaiser 6x6	Tanker	48849.7	Poor	\$325,000	Cannot pass state inspection	Federal Excess Property	4	1754.51
T2	1984 GMC	Tanker	7695.3	Fair	\$325,000		Federal Excess Property	3	187.12
	Zodiac	Boat		Fair	\$11,000				
	John Boat	Boat		Fair	\$2,000				
	1969 Holsclaw	Boat Trailer		Fair	\$1,500				
		Trailer		Good	\$4,000				
		Trailer		Good	\$4,500				
		Trailer		Good	\$4,500				

(ON FINANCE COMMITTEE LETTERHEAD)

September x, 2013

Honorable Carolyn Dykema
Representative in the General Court
Room 473F
State House
Boston, MA 02133

Honorable Karen Spilka
Senator
Room 511C
State House
Boston, MA 02133

Dear Representative Dykema and Senator Spilka,

The Governor's Commission on Other Post Employment Benefits (OPEB) issued its report earlier this year and recommended a number of reforms that deal with the subjects described below. We urge you in the strongest terms to make these reforms to Chapter 32B a top legislative priority.

Here are the four areas specifically in need of major change.

1. Chapter 32B requires a minimum 50% contribution toward employee health insurance without regard to full or part time work status. Even if the Town decided to calibrate its contribution for health insurance based on weekly work schedule just like the Commonwealth does, the law does not permit less than a 50% contribution. This is inconsistent with the way we handle pay and other benefits and contrary to sound government finance. We don't pay the same weekly wages or the same annual pension to employees without regard to the number of hours they work. The Town's financial obligation for pay is calibrated to hours worked. So it should be with the contribution for health insurance. For example, an employee working half time should receive one-half of the contribution made by the Town for full time employees.
2. Chapter 32B does not permit any differentiation in the Town's contribution for health insurance for retirees based on the number of years of service. Generally, Chapter 32B works off of Chapter 32 and specifies eligibility as "retirees" with 10 or more years of service. This means that an employee

retiring with just 10 years of service receives the same contribution toward retiree health insurance from the Town as does an employee retiring with 20, 25, 30, 35 or more years of service. This is also inconsistent with other types of pay and benefits and contrary to sound government finance. We don't pay the same monthly pension to all workers without regard to years of service. Longer service employees receive larger pensions. As is now true in the very few remaining private employer retiree health insurance plans, retiree health insurance should likewise be a career earned and benefit. The Town's contribution should be calibrated to years of service. For example, using 30 years as a standard career, an employee retiring with 15 years of service should receive one half ($15/30$) of the otherwise applicable Town contribution toward health insurance.

3. Chapter 32B, by working off of Chapter 32 (Pensions) makes retiree health insurance available as early as age 55 for employees hired before April of 2012. Eligibility at age 55 probably sounded reasonable back in the 1950's, but given the very high cost of health insurance today, it is no longer appropriate. The Federal Medicare program for retirees begins at age 65. As is now the case in the very few remaining private employer retiree health insurance plans, eligibility for retiree benefits begins at age 60 or later and then, only with a large number of years of service, typically 30. The recent Massachusetts public pension reform postponed "retirement age" to age 60 for new hires only. Eligibility for retiree health insurance at that age should be contingent on completing 30 years of service for all employees, and cities and towns need the flexibility to further postpone the eligibility age for current employees as well.
4. This item was, regrettably, not included in the OPEB Commission's reforms. The second paragraph of Section 10 of Chapter 32B contains language added after Holliston adopted certain sections of Chapter 32B that makes acceptance irrevocable. This is unacceptable. The Constitution of the Commonwealth can be amended. Entire Chapters of the General Laws can be repealed. But cities and towns that voluntarily accepted sections of Chapter 32B lose the right to reconsider their decision? This is extremely bad law and public policy, not to mention possible ex post facto constitutional problems where the irrevocability of acceptance was enacted after the municipal acceptances were voted. Any acceptance of any section of Chapter 32B should be available for reconsideration should the need arise. This paragraph needs to be removed from Section 10.

Holliston, like all the other cities and towns in Massachusetts, finds itself heavily burdened by the debt associated with the health insurance benefits provided to our retirees. The Massachusetts Taxpayer Foundation did an extensive study on this subject just about two years ago and came to the same conclusions with regard to

reform of Chapter 32B. The Commonwealth itself is billions of dollars in debt for the same benefits to its employees. We, in Holliston, have begun the hard work around figuring out how to fund these benefits. But with an accumulated liability of \$45 million and counting, and an annual additional cost to fund these benefits of \$1.5 million each year for 26 years, the current arrangement is not only unsustainable, it impairs our ability to maintain our local government and school services.

In May of 2011, Holliston's Town Meeting passed the attached resolution urging local officials to take action advocating reform of certain provisions of Chapter 32B as they relate to retiree health insurance benefits. While we very much appreciate the municipal health insurance reforms included in the FY 12 budget amendment, they did not address the areas of concern identified in the resolution and in this letter.

Please advance, and send to the Governor's desk, the OPEB reform legislation at your earliest opportunity.

If you have any questions or need anything else, please feel free to get back to us.

Thank you very much.

Respectfully,