

TOWN OF FOXBOROUGH

ADVISORY COMMITTEE

MINUTES

MARCH 1ST, 2017

Committee Members Present: Sue Dring, Thom Freeman, Sean McCarthy, Stephanie McGowan, Seth Ferguson, Heidi Krockta, Bernard Dumont, Brent Ruter, Rob Canfield, Javed Hussein, Michelle Raymond

Members Absent: Jessica Allen

Others Present: Randy Scollins, Lisa Sinkus, Jim Devellis, Virginia Coppola

The meeting was brought to order at 7:01 by Susan Dring.

7:02 PM Sue welcomes Michelle Raymond to the Advisory Committee (ADCOM).

7:05 PM Sue asked Randy to start with Article 15, OPEB TRUST FUND STATUTE REACCEPTANCE. This article seeks to “make the OPEB fund IRS compliant, add new state reporting requirements, clarify investment options, custody and appropriation rules; or take any other action related thereto.” This article was passed in a previous format years ago, however the Municipal Modernization Act, an act seeking to update municipal finances and their regulations, passed this year at state level. Foxborough has already embraced some of the best practices mentioned long before the act was passed as it already reports to the state. Bernard asked if there needed to be a new article to fund the trust each year, to which Randy responded yes. Bernard then asked if the funding information was available somewhere and Randy replied that the town updates this information every two years and is located on the town website. Sue asked in what way was Foxborough’s OPEB fund not compliant. Randy explained that it didn’t have language that defined it as a trust which could lead to massive risk. Thom asked if this would change how the town operates and if there was a floor or ceiling to how much can be funded per year. Randy stated no and that there is no requirement to put money in. Seth asked if there was any risk to not accepting the article. Randy replied that it protects the trust, keeps it secure from any other uses except to pay pensions.

7:14 PM Randy presented on Article 16, FUND QUALIFIED OPEB TRUST. This article is meant to keep the trust funded per the Annual Required Contribution, or the “ARC”, which is what is required to amortize the unfunded liability by the target year. Randy made the ADCOM aware that the number won’t change until next actuary at end of Fiscal Year 17. Along with the Municipal Modernization Act, there are penalties and cost changes with new rules by state. Bernard asked why 100% funding was necessary by a specific date. Randy responded that it keeps costs and liability down. Sue asked if 2038 was a reasonable projected date for the trust to

be funded, Randy replied yes and that town has done everything it could do specifically sticking to a schedule on paying into it. Sue then asked how the fund would work assuming the numbers stay the same in 2039 Randy responded that the town could pay out of the trust and put a nominal amount for the full cost of the benefit the employees are accruing. Sue inquired about the amount taken in with the meals tax. Randy stated a bit over 900,000, with hopes of breaking a million this year. Javed asked if health insurance is included in the pension, to which Randy replied yes but they are mostly supplemental forms of insurance such as Part D or MediGaps, as Javed stated that at retirement age the individuals should have a form of Medicare at retirement age. Bernard asked Randy that from a government stand point is there an option to cash out? Randy stated that there isn't an effective option as they will only get a nominal amount, and a decision would need to be made at the state level to allow a full payout option.

7:29 PM Randy Presented on Article 9 FY'17 Operating and Capital Budget Adjustments.

The first adjustment was compensation for building inspectors. In regards to building inspection, Randy reported that the town eliminated the commission structure and made those employees salaried. The town felt that the split was inequitable and found a competitive rate/amount to pay the inspectors. The next adjustment was for radio replacements for the fire department. Chief Hatfield applied for grants and received them, totaling 100,000 in federal aid. Due to this, Randy stated he was able to adjust the budget to reflect the aid and thus lower the total amount from the town. Seth asked about savings for the first budget adjustment and Sean asked for a dollar amount. Randy stated that before the town was not receiving an equitable split of the inspection fees, now the town will. The inspectors are at 25 hours benefited, which Randy stated was actually a huge savings because of the income the town will make from the inspections. Thom asked if there are provisions to call in other inspectors to help if the work load becomes demanding as the town could lose revenue depending on amount of inspections. Randy stated there will be a process.

7:44 PM Article 10 Elderly Real Estate Tax Exemption Qualification Changes. Randy stated that the article will allow the town to go to the max limit on incomes, lower the age limit to age 65, and allow the Board Of Assessors (BOA) to meet Social Security threshold increases each year. Heidi asked what was the push for a change in the program. Randy responded that a lot of people were interested in it, and as a community Foxborough wants to provide relief to seniors and meet state statutes. Michelle asked how the estate established, to which Randy responded that it included all other assets besides the home. Seth asked Randy if he had any insight on how much the increase of individuals will be. Randy replied that he did not as it would have to be evaluated every year. Stephanie was concerned about the new parameters eliminating an individual with increased need. Randy explained that BOA can use its judgment to award Clause 18, the hardship clause, to any individual they deem in need.

7:57 PM Randy Presented on Article 11, Real Estate Tax Deferral Qualifications. This article will allow the town to offer relief to individuals who are unable to pay their taxes, operating in essence like a reverse mortgage. In regards to interest associated with the program 8% is the max allowable by state law, while the minimum can be set by vote. Typically the minimum is around 4%. Randy stated that the caveat for such a program is if becomes oversubscribed. This leads to cash flow issues for the town if too many people are deferring their taxes. Sean inquired about controls to mitigate this type of scenario from occurring? Randy stated that a cap can be set by a dollar amount per year.

8:09 PM Randy Presented on Article 12, Senior Tax Work Off Program Bylaw Amendment . This article will update the exemption to meet the current law. Furthermore the article will allow for a designee of the senior's choosing to perform the work in their stead if they are of employable age. Michelle inquired where federal withholdings are applied; to the designee or senior? Randy stated that per the program it would be applied to the senior. The ADCOM asked if there were parameters of who is eligible for the program. Randy replied that the Council On Aging has parameters and the program is well managed. Above all the program focuses on fairness, using a first come first serve approach to who is eligible. Lisa Sinkus, town tax collector, stated that if the individual completes their assignment early, and have gone through the rotation, they can start to reduce their bill for the next fiscal year. Thom asked if there were instances where seniors can utilize both the work off program and the senior 41c exemption and if the town had a cap on tax liability. Randy replied in the affirmative for both, stating it does happen and there were controls in place.

8:18 PM Randy discussed the special legislative option for Means Tested Senior Exemption, found in communities such as Sudbury, Wayland & Reading. Research showed that the adoption of the special legislative option turns into a tax shift to all other residential property tax payers and would be inequitable.

8:22 PM Randy Presented on Article 14, Revolving Funds Annual Spending Limits, and Article 13 Bylaw to Establish Department Revolving Funds. These articles provide language to impose spending limits on Revolving Funds, and provide general housekeeping actions for those funds. Randy reported that the Commonwealth codified the funds. Thom inquired if these funds could be invested so that money can be made off of them. Randy stated that the funds are right sized for spending activity and revenue in their current form. Seth inquired why there wasn't a deficit limit. Randy replied that the current statute doesn't allow it. Seth followed up by inquiring why there was a cap on revolving funds. Randy stated that it was Commonwealth's way of providing control on the departments to keep them from running into problems.

8:33 PM Randy Presented on Article 17, Expend Highway Funds. Randy stated that his was a straight forward article that would allow the town manager to expend any funds received or to be received by the Commonwealth in regards to creation and maintenance of highways. Thom inquired if there was any language that town had to use its own funds first. Randy replied that it did not. Bernard asked what was the likelihood of the town receiving those funds. Randy replied that these funds are predictable and there are no foreseeable problems. Seth asked if these were ever used for sidewalks, to which Randy replied yes.

8:40 PM Randy Presented on Article 18, Denial of Licenses & Permits Statute Reacceptance. This article eliminates the greater than 12 months delinquency threshold to pay municipal taxes or charges, and changes it to a good standing status. The article tightens the verbiage and is essentially one way for the town to force payment of outstanding balances.

8:48 PM Randy asked sue for agenda time for Bill Keegan next week to present on his articles.

8:52 PM General discussion.

8:54 PM ADCOM asked the Board Of Selectmen what the new budget was. Budget asked to be \$500,000 lower, to be set by the Town Manager.

8:59 PM The ADCOM voted on the previous sessions' minutes.

For the minutes of Jan 26 Bernard motioned to accept the minutes, seconded by Stephanie.

Vote: 8/0/3

For the minutes of Feb 1 Heidi motioned to accept the minutes, seconded by Brent.

Vote: 9/0/2

For the minutes of Feb 8 Sue motioned to accept the minutes as revised, seconded by Bernard.

Vote: 8/0/3

9:02 PM Sue stated that Article assignments are forthcoming.

Next meeting to be held in March 8 in the McGinty Room.

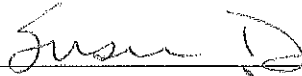
9:05 PM Adjourned. Heidi made a motion to adjourn, seconded by Brent.

Vote: 11/0/0

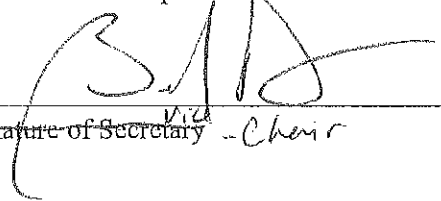
Minutes approved by Vote of the Advisory Committee.

Date of Meeting: 03/29/17

Vote: 9-0-1



Signature of Chairperson



Signature of Secretary - Chair