

GREATER NEW BEDFORD REGIONAL REFUSE MANAGEMENT DISTRICT MEETING

Meeting Minutes

Wednesday, September 23, 2020

1. Call to order

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on **Wednesday, September 23, 2020 at 8:00 AM** via web conferencing service.

District Committee members participated remotely.

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 23, 2020 Order imposing strict limitations on the number of people that may gather in one place, as extended by the Governor's March 31, 2020 Order, this meeting of the Greater New Bedford Regional Refuse Management District's District Committee is open to the public, but attendees are required to socially distance. Members of the District Committee are participating remotely, members being Ken Blanchard, Michael Gagne, Christine LeBlanc, Daniel Patten, and John Beauregard,

Pursuant to the Open Meeting Law, any person may make an audio or video recording of this public meeting or may transmit the meeting through any medium. Attendees are therefore advised that such recordings and transmissions are being made, whether perceived or unperceived, by those present, and are deemed acknowledged and permissible.

Chairperson Beauregard reminded members that texting and private chats on the video conference platform are not an acceptable method of remote participation. He also wanted to make sure that all members could be heard when they are speaking and if any member cannot hear another member to please let him know. Finally, he informed members that if their remote connection is lost, that they should attempt to sign back in. The time they were disconnected and the time they signed back in will be noted.

2. Legal notice

Chairperson Beauregard noted that the legal notices of the meeting were posted in Dartmouth and New Bedford more than 48 hours prior to the meeting.

3. Roll call of members

Chairperson, John Beauregard; yes

Daniel Patten, yes

Christine LeBlanc, yes

Ken Blanchard, yes

Michael Gagne, yes

Also present Scott Alfonse, Executive Director; Leonor Ferreira, Secretary; Attorney Matthew J. Thomas, District Counsel, Cynthia Cammarata, District Accountant, and Parker Elmore from Odyssey Advisors.

4. Warrant Report and Ratification – Warrant dated August 7, 2020 and August 21, 2020.

Chairperson Beauregard asked for a motion to receive and ratify the warrant report dated August 7, 2020 and August 21, 2020. Motion made by Ms. LeBlanc, seconded by Mr. Patten. Roll call vote: John Beauregard, yes; Daniel Patten, yes; Christine LeBlanc, yes; Ken Blanchard, yes; Michael Gagne; yes.

Motion passed - 5 to 0

5. Approval of Minutes – August 12, 2020; Correction on January 16, 2020 minutes

Chairperson Beauregard asked for a motion to approve the minutes of the August 12, 2020 meeting. Motion made by Mr. Blanchard, seconded by Mr. Patten. Roll call vote: John Beauregard, yes; Daniel Patten, yes; Christine LeBlanc, yes; Ken Blanchard, yes; Michael Gagne, yes.

Motion passed – 5 to 0

Chairperson Beauregard asked for a motion to correct the January 16, 2020 minutes and accept the corrected minutes. Motion made by Ms. LeBlanc, seconded by Mr. Blanchard. Roll call vote: John Beauregard, yes; Daniel Patten, yes; Christine LeBlanc, yes; Ken Blanchard, yes; Michael Gagne, abstained.

Motion passed – 4 to 0; 1 abstention

6. New Business

a. Presentation by Odyssey Advisors / Discussion of OPEB Trust

Chairperson Beauregard asked a motion to hear a presentation by Parker Elmore of Odyssey Advisors. Motion made by Ms. LeBlanc, seconded by Mr. Blanchard.

Mr. Alfonse introduced Mr. Elmore to the board. Mr. Elmore provided a brief background on Odyssey Advisors. The purpose of the evaluation was to summarize the actuarial valuation of the District's Other Post-Employment Benefits (OPEB) Plan.

The Total OPEB Liability increased slightly from approximately \$2.36 million to approximately \$2.6 million. The assets have gone up slightly also. What used to be called the Unfunded Liability is now referred to as Net OPEB Liability. There is a surplus of \$2.3 to \$2.5 million on the Net OPEB Liability (NOL). Given the limited life nature of the organization, he noted it was preferable to have a surplus. He explained "service cost" definition (the value of benefits that active employees accrue each year) and what it represented to the District. He noted that "financial statement expense" represents "income" due to the surplus. He noted that "employer share of costs" of approximately \$45,000 represents the employers portion of the premiums each year and implicit cost.

He noted the Discount Rate increased from 3% to 3.25%. GASB75 allows a way to calculate a discount rate. Calculation is based on how the funds are invested and the amount of money set aside. He said that he spoke with the auditors, the Executive Director and District Accountant about this and everyone agrees.

He explained where the \$2.6 million liability was derived from (active employees under the age of 65 and over the age of 65; retired employees under the age of 65 and over the age of 65). If Medicare Supplement premiums double, the premium liabilities will increase. If premiums decrease, liabilities will decrease. The Medicare supplement plan is what is driving up the cost. Change in retirement assumptions were done in terms of when employees will retire. That will decrease liability by \$240,000. Medicare Supplement premiums have been pretty flat. Assumptions do not change the real cost; all they do is change when the costs are recognized. The current assumption projects the plan would end 2102. The Medicare supplement plan (Medex) rates are fairly standard; not high, not low. He noted the Network Blue rates are a little high, but not unusual for the region. He noted the District would have to consider a way to manage the fund after 2034 if it were no longer operating.

Mr. Beauregard questioned how often Mr. Elmore saw a plan that was overfunded by 200%, and if the District should start reducing contributions or change its path. Mr. Elmore noted that the District probably should not put any money in this year. If the funding ratio starts to drop, then the District should start putting more funds in to ensure it stays on track. Unlike a city or town, there is no one to go to in 2039 or 2052 to ask for more money.

Mr. Alfonse noted that the District has been putting in annual contributions as the program it uses to calculate OPEB liability. Odyssey was retained to check the accuracy of the computer program used by the District. There were fluctuations from year to year when using the program

Mr. Elmore noted that projections will continue to fluctuate.

Mrs. Cammarata noted that in 2008, with the enactment of the Modern Municipal Modernization Act, the District reduced the number of potential retirees by four (4). She and Mr. Alfonse have also discussed that in the near future, five District employees may retire, and five new employees hired. That is another consideration not in the presentation numbers, but is something that the District has to keep in mind. Mr. Elmore noted the importance of that point. He also noted that another issue in Massachusetts is the years of service that an employee may bring with them if they are hired from another eligible entity (municipality or state).

Mr. Beauregard asked if Mr. Elmore thought this was a good exercise for the District to have. Mr. Elmore noted that the computer model assumes everyone will retire at 62.

Attorney Thomas noted that the District OPEB funding has been based on the computer model. He asked if there would be a new schedule for funding.

Mrs. Cammarata noted that no contribution was budgeted for FY 19 or FY20. Mr. Alfonse also noted that since OPEB trust is over funded, there is no justification for making additional contributions.

Mr. Patten noted the schedule Mr. Elmore shared on the screen (page 13) and noted column two, "II. Fiduciary Net Position". He asked if the increase, as it goes down to year 2059, was based on earnings or is that also based on earnings and contributions. Mr. Elmore noted that it is all based on earnings and other contributions. Mr. Patten questioned if the schedule reflected the District maintaining employees or if the schedule reflected the District in 15 or 20 years only maintaining two or three employees. Mr. Elmore noted that it assumes the District maintain existing population through 2034.

Mr. Patten then noted if the District maintains its population through 2034, not everyone will be retiring or move out and get other jobs. He then questioned if the District shouldn't see its likability staying steady or going down after that point because the schedule will only be reflecting on remaining employees who have retired. Mr. Elmore said that liabilities will go up over time but as it gets closer to that retirement date the numbers get more accurate and the cone of uncertainty shrinks as you get closer to the date.

Mr. Beauregard thanked Mr. Elmore for his presentation.

Mr. Elmore signed off at 8:32 am.

Mr. Alfonse noted that the evaluation represents a snapshot in time. The board should revisit this issue periodically. The District may not need to conduct a full actuarial evaluation annually, but may consider doing it every three years. There are some general assumptions that go into the computer model. He likes the interaction with an actual person and getting an understanding of all of the variables that go into the calculation.

Mrs. Cammarata agreed, and added that this exercise has given her some confidence in the computer model because the outcomes are similar. She also noted that she does consult with a representative of the firm that provides the computer model (Abraham).

Mr. Beauregard noted that the value of the effort.

Mr. Gagne said he is familiar with Mr. Elmore at Odyssey Advisors from his work in Dartmouth and Mattapoisett. He likes the simplicity of Mr. Elmore's reports because the language used is relatable.

Mr. Patten noted that the District should evaluate its OPEB liability every three years. Mr. Alfonse noted the District is required to do it with that frequency, the evaluation is done annually. Because the District is an organization that has a limited life, it is important to know early if there was to be a shortfall. Mr. Alfonse noted the frequent question from city and town representatives regarding the status of the District's OPEB funding. New Bedford and Dartmouth have their own OPEB liability and they have to be concerned with whether the District will increase that.

b. Request to fill upcoming vacancy (due to retirement)

Chairperson Beauregard asked for a motion to advertise an Equipment Operator position at a starting rate to be determined by the Executive Director and Director of Operations based on the preferred candidate's experience. The starting rate shall not exceed \$24.50 per hour. Motion made by Ms. LeBlanc, seconded by Mr. Blanchard.

Mr. Alfonse noted that Rui Cardoso will be retiring at the end of October, and the District would like to advertise the position with a starting rate of pay \$24.50 per hour, maximum rate of pay, and that would be for an employee that demonstrates some proficiency in equipment operation and a lot of experience.

Mr. Cardoso has been with the District for 23 years. The group discussed options for a retirement gift. Mr. Alfonse noted that in the past the board voted to grant the retiring employee a \$100 gift. The board adequacy of the amount.

Mr. Patten noted that a policy should be set where it is clearly stated who gets what amount for the number of years of service, etc. Mr. Alfonse noted that he was working on updating the Personnel policy.

Mr. Gagne made a motion to authorize the Executive Director to select a gift with a value of no more than \$150 for an employee with over 20 years of service that is retiring, seconded by Ms. LeBlanc. Roll call vote: John Beauregard, yes; Daniel Patten, yes; Christine LeBlanc, yes; Ken Blanchard, yes; Michael Gagne, yes.

Motion passed 5 to 0

c. Director's report

Motion to receive the Director's report. Motion made by Ms. LeBlanc, seconded by Mr. Gagne.

Mr. Alfonse reviewed the Director's report and noted that he is working on updating the Personnel policy. He explained the process of establishing a policy and noted that Mr. Beauregard has provided him with a model for review. Mr. Alfonse noted that he would review the town's and city's model and also take a look at MIIA HR Sentry for models and incorporate those into the District's Personnel policy.

Ms. LeBlanc questioned if there was a basis for it and Mr. Alfonse noted that there was an existing Personnel Policy, but it was approximately over 10 years old.

Mr. Gagne suggested Mr. Alfonse begin by taking advantage of what MIIA has to offer for a model policy and start from that. He questioned if the current policy included Sexual Harassment and Drug and Alcohol section. Mrs. Cammarata noted that District's policy only included Sexual Harassment section. He said will provide a copy of Drug & Alcohol for Mr. Alfonse's review.

Mr. Beauregard stated that he would prefer the policy be updated through the subcommittee level. Mr. Gagne was appointed to the Personnel Subcommittee Committee.

Mr. Alfonse noted that the audit is still ongoing remotely. Mrs. Cammarata has been providing all the necessary documentation as needed.

He also provided an update on COVID-19, and Shred day and Household Hazardous Waste Collection Day. He noted that the Long-Term Plan procurement is ongoing and expects it to be done next week.

d. Items which could not have been reasonably anticipated 48 hours in advance.

7. Set Date for Next Meeting

Next meeting is scheduled for Wednesday, October 21, 2020 at 8:00 a.m.

8. Adjourn

Chairperson asked for a motion to adjourn. Motion made by Ms. LeBlanc, seconded by Mr. Blanchard. Roll call vote: John Beauregard, yes; Daniel Patten, yes; Christine LeBlanc, yes; Ken Blanchard, yes; Michael Gagne, yes.

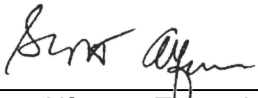
Motion passed 5 to 0

Meeting was adjourned at 9:01 a.m. on September 23, 2020.

MEMOS

- 6a. Presentation by Odyssey Advisors / Discussion of OPEB Trust
- 7a. Director's Report
- 7b. Temporary Labor Services

Approved by vote of District Committee on November 19, 2020.



Scott Alfonse, Executive Director