

Town of Wenham
BOARD OF SELECTMEN

AGENDA

Monday July 16th

6:00 PM

Wenham Town Hall – 138 Main Street

Notice of public meeting as required by M.G.L. Chpt.30 §18-28

All audience members wishing to address the Board of Selectmen must go to the podium microphone and give their name & address.

6:00 P.M.

WELCOME: Call to order

EXECUTIVE SESSION

Executive Session #2 under M.G.L. Ch. 30A, § 21 – To conduct strategy sessions in preparation for negotiations with nonunion personnel or to conduct collective bargaining sessions or contract negotiations with nonunion personnel.

- Acting Fire Chief

6:30 P.M.

PUBLIC INPUT: ITEMS NOT ON THE AGENDA

ANNOUNCEMENTS

1. 375th Anniversary Event Update – Art Grows Here Installation through July 22nd JW
2. Council on Aging Ice Cream Social – Wednesday, July 18th, 1PM – 3PM CH
3. Wenham Day – Saturday, August 25th, 10AM – 4PM JC

6:35 P.M.

REPORTS

TOWN ADMINISTRATOR – Update
CHAIRMAN
SELECTMEN

6:45 P.M.

PUBLIC HEARING

Proposed Personnel Policy Changes Related to Comprehensive Employee Handbook Update CH

7:00 P.M.

NEW BUSINESS

- A. Fire Chief Appointment: Stephen B. Kavanagh CH
- B. Appointments JC
 - Forest Warden: Stephen B. Kavanagh
 - Historic District Commission: Dana P. Bagnell, Don O. Bannon, Barbara K. Locke
 - Veterans Committee: William J. Wilson, III
- C. Overview of Habitat for Humanity Project on Hull Street – Josh Anderson, Affordable Housing Trust Chair CH
- D. Discussion of Proposed Updates to Employee Handbook CH
- E. Bi-annual OPEB Actuarial Analysis – Audit Committee Report JW
- F. Update on Electrical Inspectional Services JW
- G. Review and Approval of Updated School Grounds Maintenance Agreement JC
- H. Discussion and Potential Approval of Grievance Procedure under The Americans with Disabilities Act JC
- I. Other matters, as may not have been reasonably anticipated by the Chair (Discussion Only) CH

8:10 P.M.

OLD BUSINESS

- J. Update on Essex County Regional Emergency Communications Center and Potential Approval of Finalized Scope of Work for Regional Dispatch Feasibility Study JW

8:25 P.M.

ANTICIPATED ADJOURNMENT

BOARD OF SELECTMEN MEETING

July 16, 2018

ANNOUNCEMENTS

- | | |
|--|----|
| 1. 375 th Anniversary Update – Art Grows Here Installation
Through July 22 nd | JW |
| 2. Council on Aging Ice Cream Social – Wednesday, July 18 th
1PM – 3PM | CH |
| 2. Wenham Day – Saturday, August 25 th , 10AM – 4PM | JC |

Jack's Announcement – Trudy Reid is here to update.

Art Grows Here

375th Anniversary Installation

Stop by Town Hall through July 22nd to see the Art Grows Here Installation by the 375th Anniversary Committee, featuring entries from their Visual Art Contest held this spring and a 375th sign made by Wenham resident Paul Mendonca.

Art Grows Here is an annual 10-day, map guided tour of outdoor art throughout Hamilton & Wenham.

Art Grows Here 2018

Tour open July 13 - 22



Art Grows Here is a **FREE**, 10-day, map-guided tour of outdoor art throughout Hamilton and Wenham.

Map goes live on the Art Grows Here website at 9 am, Friday, July 13: www.artgrowshere.com

Printed maps will be available at all AGH art sites, the Hamilton-Wenham Public Library, Wenham Town Hall, and The Community House in Hamilton.



Thanks to our sponsor



Visit the AGH website for more information

Wenham's 375th Committee Presents

WENHAM'S 375TH ANNIVERSARY CELEBRATION



JOIN US FOR A TOWN WIDE PARADE FOLLOWED
BY A COMMUNITY DAY AT PINGREE PARK
September 8th

Parade will start at the Buker School at 10:00 am
Followed by the Community Day at Pingree Park from 11:30am-3:00pm

375th Anniversary Merchandise is available at the Town Clerk's Office

[Facebook.com/wenham375/](https://www.facebook.com/wenham375/)

Email wenham375@wenhamma.gov for questions or accommodations

Here's the Scoop

ICE

CREAM

Social



COMPLIMENTARY ICE CREAM SUNDAES
ENJOY WITH YOUR GRANDCHILDREN!

1:00PM-3:00PM

Sponsored by
THE FRIENDS OF WENHAM COA
10 SCHOOL STREET, WENHAM





WENHAM MUSEUM FAMILY FESTIVAL AND SUMMER FAIR

Saturday, August 25, 2018

10 a.m. – 4 p.m.

Rain Date: Sunday, August 26, 2018

FREE Admission to the Fair

Over 60 vendors and artisans...lawn games and children's Activities...face painting....petting zoo ... The Music Man... live music from Time and Again singing 'decades of hits'... free tours of the historic Claflin-Gerrish-Richards House.. open houses at the Wenham Fire Department and Wenham Town Hall... and free admission to the Wenham Museum!

Food trucks and craft beer.

One of the North Shore's finest craft fairs featuring the region's best artisans offering unique hand crafted items, family activities, and the free entry to the museum galleries.

BOARD OF SELECTMEN MEETING

July 16, 2018

REPORTS

- TOWN ADMINISTRATOR – Update
- CHAIRMAN
- SELECTMEN

BOARD OF SELECTMEN MEETING

July 16, 2018

PUBLIC HEARING

Proposed Personnel Policy Changes Related to Comprehensive Employee Handbook Update

- Draft Motion – Open Public Hearing
- Legal Notice – Public Hearing on Comprehensive Employee Handbook Update published in The Salem News, Monday, June 11, 2018
- Memo regarding Discussion of Proposed Updates to Employee Handbook from Peter Lombardi, Town Administrator, July 12, 2018
- Proposed Town of Wenham Employee Handbook, Draft, 07.16.18
- Town of Wenham Employee Handbook, June 2001
- Draft Motion – Close Public Hearing

CH

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

- Vote: I move the Board of Selectmen open the Public Hearing for the purpose of considering public input on proposed personnel policy changes related to a comprehensive employee handbook update.

Seconded / Discussion/ Vote

PUBLIC HEARING ON EMPLOYEE HANDBOOK UPDATE

The Board of Selectmen of the Town of Wenham, Massachusetts will hold a public hearing regarding updates to the employee handbook. The public hearing will be held on **Tuesday, June 19th at 6:30 p.m.** at Town Hall, 138 Main Street, Wenham, MA. Supporting information may be viewed at the Town Administrator's Office between the hours of 9:00 a.m. and 4:30 p.m. on Mondays, Wednesdays and Thursdays; 9 a.m. and 7 p.m. on Tuesdays; and 9 a.m. and 1 p.m. on Fridays. Inquiries or questions may be directed to the Town Administrator's Office by calling 978-468-5520 ext. 2. The public is encouraged to attend and participate.

SN - 6/11/18



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

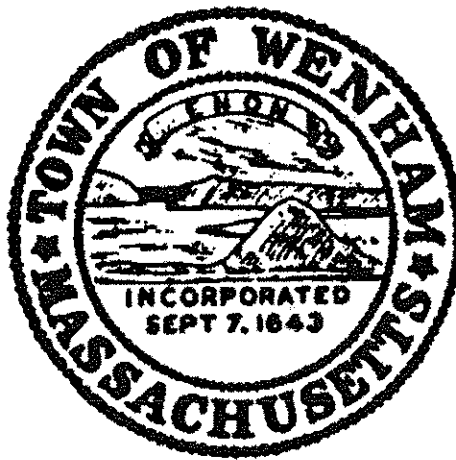
MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: Discussion of Proposed Updates to Employee Handbook
DATE: July 12, 2018

Attached is a copy of the Town's proposed Employee Handbook. Given the volume of suggested edits to this document, this first update includes changes to existing policies recommended by labor counsel, supplemental policies recommended by labor counsel to comply with various state and federal statutes and regulations that have been adopted since this document was last updated in 2001, and changes to existing policies in line with our current practices. Since the original document was only available in pdf format and based on the extent of these recommended changes, a redlined document showing the original text and all of the proposed edits has not been provided. The original 2001 document is attached for your reference.

To try to simplify the review and discussion process, another iteration of the updated Handbook will be presented at your next meeting which will include the addition of a number of stand-alone personnel policies that have already been adopted but not yet incorporated into the Handbook. At that time, the Board will also be able to consider several new policies recommended for adoption.

TOWN OF WENHAM



EMPLOYEE HANDBOOK

Draft – 07.16.18

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PURPOSE OF THE EMPLOYEE HANDBOOK

The purpose of this Handbook is to acquaint employees with various policies, procedures and regulations concerning their duties, responsibilities and privileges, to outline the benefits offered to the employees of the Town of Wenham ("Town"), and to foster good working relationships and orderly administration.

Obviously, all contingencies that might arise cannot be anticipated. Information about matters not covered herein may be obtained from the Town Administrator or from your department head.

To ensure that policies, procedures and benefits are kept current and to promote the goals of the Town, this manual will be reviewed periodically. Any suggested changes may be forwarded to the Town Administrator. Efforts will be made to inform employees of any changes in the content of this manual by the Town Administrator as soon as reasonably possible after any such change is adopted.

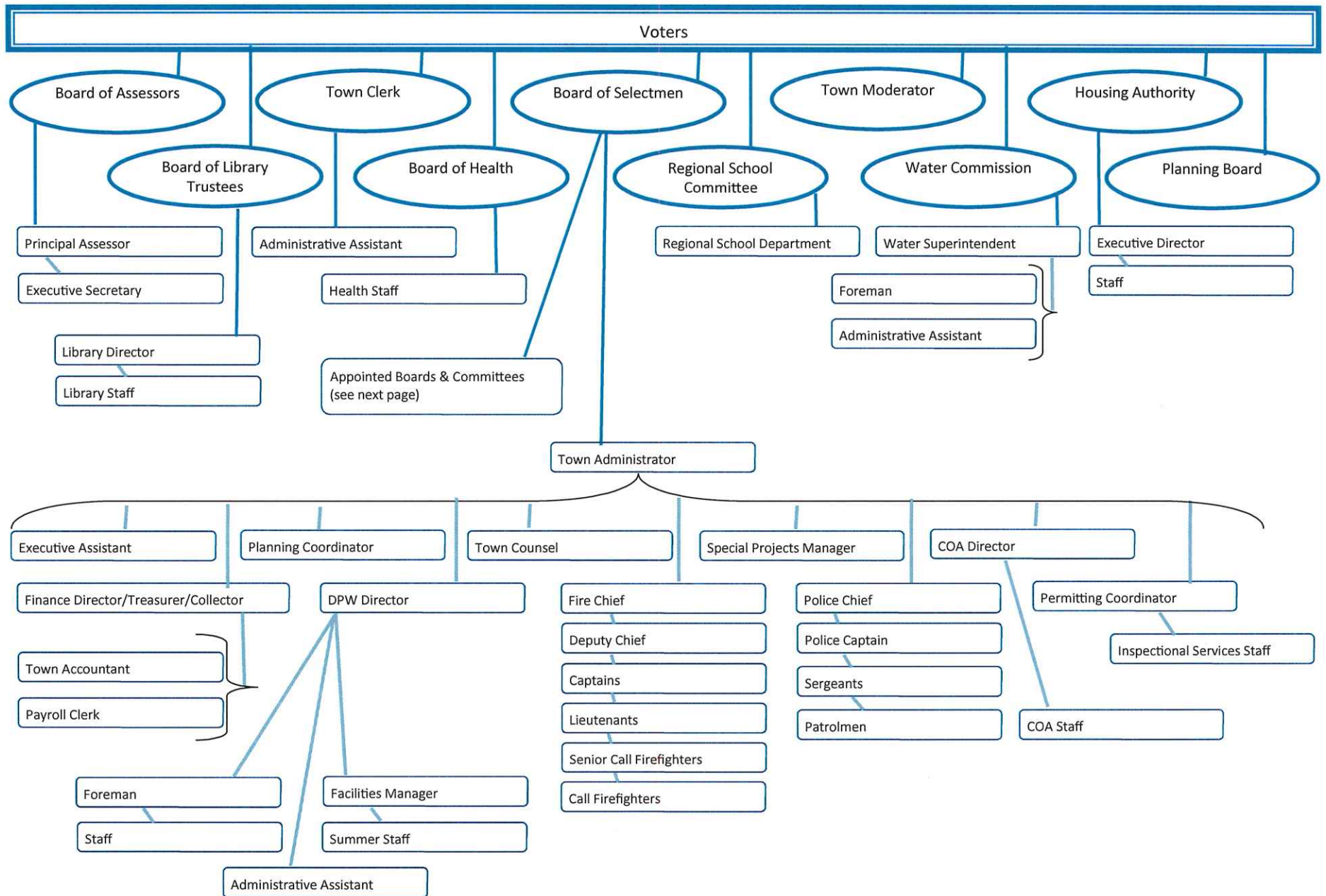
General Disclaimer

The contents of this Handbook are presented as a matter of information in order to acquaint employees with the Town's policies and regulations. While the Town will adhere to the policies and procedures contained herein, they shall not be construed to form a contract relationship. The Town reserves the right to modify, revoke, suspend, terminate or change any or all of the policies or procedures contained herein, in whole or in part, at any time, with or without prior notice, and for any reason, including funding limitations, legal requirements or any other conditions and reasons. Additionally, this Handbook shall not be construed to vest any right to an employee relating to the subjects contained herein. Department heads may be contacted to discuss questions an employee may have regarding this manual. To the extent that any part of this manual conflicts with state or federal law, or Town By-laws, the provision of the state or federal law, or Town By-law, shall govern. To the extent that any part of this manual conflicts with the terms of a collective bargaining agreement, the collective bargaining agreement shall govern.

Chapter 1 - Introduction to the Town of Wenham

1-1 Town Government/Organization Charts

Organizational Chart



See next page for appointed boards and committees. For more information about each department, please refer to the Departmental Budget section.

Key:

Voters

Elected Officials

Hired or Appointed Officials

Organizational Chart

Voters

Board of Selectmen

Appointed Boards & Committees:

375th Anniversary Committee
Affordable Housing Trust (AHT)
Audit Committee
Board of Election Registrars
Cemetery Commission
Community Preservation Act Committee (CPC)
Conservation Commission (ConCom)
Council on Aging (COA)
Economic Development Committee (EDC)
Election Officers
Finance and Advisory Committee (FinCom)
Hamilton-Wenham Cable Access & Media Committee (HWCAM)
Hamilton-Wenham Cultural Council
Hamilton-Wenham Joint Recreation Committee
Historical Commission/Historic District Commission (HDC)
Iron Rail Commission
Open Space and Recreation Committee (OSRC)
Veterans Committee
WISSH (Wenham Issues of Social Service Help)
Zoning Board of Appeals (ZBA)

Volunteer Opportunities:

If you would like more information about serving on one of our many Boards and Committees, please contact Nicci Roebuck in the Town Administrator's Office at 978-468-5520 x2. Letters of interest and resumes (if applicable) should be addressed to the Board of Selectmen at Wenham Town Hall, 138 Main Street, Wenham, MA 01984 or emailed to nroebuck@wenhamma.gov in the Town Administrator/Board of Selectmen's Office. For a complete list of vacancies, please contact Nicole Roebuck or visit the Town of Wenham website under "Job and Volunteer Opportunities" tab.

For more information about elected official positions and when openings occur, please contact Town Clerk Dianne Bucco at 978-468-5520 x1. or dbucco@wenhamma.gov.

Key:

Voters

Elected Officials

Appointed Officials

Chapter 2 – Employee Recruitment and Selection

2-1 Recruitment and Selection Policy

1. Purpose

To define the Town's policy concerning recruitment of candidates for employment.

2. Policy

The policy of the Town of Wenham is to provide equal employment opportunity in employment and selection, consistent with the equal employment opportunity policy detailed in section 3-2 below.

3. Application

This policy shall apply to all positions covered by the appointing authority of the Board of Selectmen, and to other non-elected positions.

4. Procedure

A. Boards, committees, commissions or departments having a vacant position to be filled shall notify the Town Administrator and provide an updated/current job description containing the necessary qualifications.

B. Once informed of a vacancy, the Town Administrator will prepare a job posting notice in accordance with collective bargaining agreements as applicable.

1. The Town Administrator will recruit candidates by drafting employment advertisements. Upon application for a position, the Town Administrator will advise qualified applicants of openings and the minimum qualifications necessary for consideration. The Town Administrator will inform the applicants of the pay scale, employee benefits, and general working conditions in the Town and departments.

2. The Town Administrator will receive and screen all applicants and will work collaboratively with the appropriate department head or chairperson of the board, committee or commission throughout the interview and selection process.

3. The Town Administrator will be actively involved in the interview and selection process of all employees, and shall work collaboratively with the Board of Selectmen in the hiring and appointment process of the Police Chief, Fire Chief, DPW Director, and Finance Director.

C. Depending on the nature of the position, the Town Administrator may elect to check applicants' references and/or conduct a background check.

D. Candidates whose background checks are satisfactory shall be sent an offer or confirmation of offer of position in writing by the Town Administrator. The offer will be contingent upon the satisfactory completion of a pre-placement

physical examination to determine whether the candidate is capable of performing the essential functions of the position. The written offer shall notify the candidate of the starting date and rate of pay. In the event that the preferred candidate declines the offer of employment, the department head or chairperson of the board, committee or commission shall be advised and the appropriate parts of the forgoing procedure be repeated.

E. Upon commencement of employment, the new employee shall report to the Treasurer/Collector to complete the required payroll enrollment forms, as well as optional benefit enrollment applications. This step must be completed within the first week of employment in order for the new employee to be processed for the payroll.

Chapter 3 - Personnel Management

3-1 Employment Categories/Definitions

Full-time employee: An employee who regularly works the established weekly schedule of the department in which he/she is employed, but not less than 32½ hour week.

Regular part-time employee: An employee who is regularly scheduled to work twenty (20) hours or more each week, but less than the established weekly schedule of the department.

Other employees: Those employed less than twenty (20) hours per week, or those whose employment is for a specific period of less than one year.

Appointed Officials: All persons, who are selected by vote of the Town Meeting, or Appointment by the Board of Selectmen, to serve the Town in a specific capacity. Appointed officials may be paid or unpaid, with or without regular hours.

Pro-rated benefits: A regular part-time employee is entitled to that portion of the benefits of a full-time employee determined by the fraction:

Average scheduled hours worked per week

Hours per week scheduled for full-time employees in the same department, but in no case more than forty (40) hours per week.

Eligibility: In determining eligibility for benefits hereunder, length of service shall be measured from the most recent date of hire. Service must be continuous from such date.

3-2 Equal Employment Opportunity, Discrimination, and Sexual Harassment Policy

1. Purpose

This Policy describes the Town's prohibition of unlawful discrimination and harassment in the workplace, in order to ensure compliance with all applicable federal laws and state statutes and regulations.

2. Application

The Policy applies to all employees of the Town of Wenham. Employees whose employment is governed by a collective bargaining agreement are subject only to those provisions of this Policy not specifically regulated by law or agreement.

3. Policy

It is the Policy of the Town to promote a professional and productive workplace in which all employees are treated with dignity and respect. Employees are expected to act in a positive manner and contribute to a productive work environment that is free from harassing or disruptive activity. Discrimination, including harassment, whether based upon race, color, gender, gender identity, national origin, religion, ancestry, age, sexual orientation, disability, pregnancy or pregnancy-related condition, genetic information, active military status, or other bases prohibited under state or federal anti-discrimination statutes, will not be tolerated. To achieve the goal of providing a workplace free from discrimination, the Town will implement the procedure described below to address any potential inappropriate conduct.

A. Coverage

This Policy applies to all employment practices and employment programs sponsored by the Town. This Policy shall apply, but not be limited to, the areas of:

- Recruitment
- Selection
- Compensation and benefits
- Professional development and training
- Reasonable accommodation for disabilities or religious practices
- Promotion
- Transfer
- Termination
- Layoff, and
- Other terms and conditions of employment.

This Policy may apply to discrimination (including harassment) that occurs between co-workers that takes place outside the workplace (including, but not limited to, online conduct or conduct utilizing the internet or other electronic media). When the conduct complained of occurs outside of the workplace, the Town may consider the following and other factors in assessing whether the conduct constitutes conduct in violation of this Policy:

- whether the event at which the conduct occurred is linked to the workplace in any way, such as at a Town-sponsored function;

- whether the conduct occurred during work hours;
- the severity of the alleged outside-of-work conduct;
- the work relationship of the complainant and alleged harasser, which includes whether the alleged harasser is a supervisor and whether the alleged harasser and complainant come into contact with one another on the job;
- whether the conduct adversely affected the terms and conditions of the complainant's employment or impacted the complainant's work environment.

Because the Town takes allegations of unlawful discrimination and harassment seriously, officials will respond promptly to complaints and, where it is determined that such inappropriate conduct has occurred, will act promptly to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action where appropriate.

Please note that while this Policy sets forth the Town's goals of promoting a workplace that is free of discrimination and harassment, **the Policy is not designed or intended to limit the Town's authority to discipline or take remedial action for workplace conduct which is deemed unacceptable, regardless of whether that conduct satisfies the legal definitions of discrimination or harassment.**

B. Examples of Prohibited Discriminatory Behavior

It is not possible to list all the circumstances that may constitute discrimination in violation of this Policy. Discrimination may take many forms, including both verbal and nonverbal behaviors. Prohibited behavior includes, but is not limited to, the following behaviors connected to someone's membership in one or more groups protected by law as noted in the first paragraph above: slurs or other derogatory comments; sharing demeaning pictures, cartoons, or jokes; demeaning gestures, and; any conduct constituting sexual harassment.

C. Definition of Sexual Harassment

Sexual Harassment - That conduct, including unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, which may constitute sexual harassment when:

- 1) submission to such conduct is made explicitly or implicitly a term or condition of an individual's employment;
- 2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- 3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Hostile Work Environment – A form of sexual harassment, where pervasive and sexually hostile working conditions unreasonably interfere with an employee's ability to do his or her job.

Quid Pro Quo – Another form of sexual harassment, where tangible job benefits are offered or withheld in exchange for sexual favors.

Note: While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct which, if unwelcome, may constitute

sexual harassment depending upon the totality of the circumstances including the severity of the conduct and its pervasiveness:

- Unwelcome sexual advances, whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, cartoons;
- Unwelcome leering, whistling, brushing against the body, sexual gestures, suggestive or insulting comments;
- Inquiries into one's sexual experiences; and,
- Discussion of one's sexual activities.

Under these definitions, direct or implied requests by a supervisor for sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits, or continued employment constitutes sexual harassment.

The legal definition of sexual harassment is broad and in addition to the above examples, other sexually-oriented conduct, whether it is intended or not, that is unwelcome and has the effect of creating a work place environment that is hostile, offensive, intimidating, or humiliating to male or female workers may also constitute sexual harassment. This can include conduct that is aimed at a person's sexual orientation or gender identity.

4. Procedures

A. Complaints of Sexual Harassment

If an employee believes that he or she has been subjected to sexual harassment, it is the Town's policy to provide the employee with the right to file an internal complaint. This may be done orally or in writing.

An employee may file a complaint of sexual harassment by contacting the Town Administrator. Alternatively, an employee may file his or her complaint with the Finance Director. These persons will remain available to discuss any concerns employees may have and to provide information about the Town's Policy on sexual harassment and the complaint process.

B. Sexual Harassment Investigation

When a complaint of sexual harassment is received, the Town will promptly investigate the allegation in a fair and expeditious manner. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. The Town's investigation will include a private interview with the person filing the complaint and with any witnesses. The Town will also interview the person alleged to have committed sexual harassment. When the investigation has concluded, the Town will, to the extent appropriate inform the person filing the complaint and the person alleged to have committed the conduct of the results of that investigation.

If it is determined that inappropriate conduct has occurred, the Town will act promptly to eliminate the offending conduct, and where appropriate, impose disciplinary action.

C. Complaints Concerning Other Forms of Discrimination and/or Harassment

Complaints alleging forms of discrimination and/or harassment, other than sexual harassment, will be processed in accordance with Paragraphs 1 and 2, above, whenever appropriate.

D. Confidentiality

Given the sensitive nature of complaints of discrimination and/or harassment, all parties and witnesses in a complaint, as well as department heads, supervisors, etc. who are aware of a complaint or investigation thereof, are strongly encouraged to maintain this information as confidential, so as not to negatively impact an investigation. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances.

All employees are reminded of the provisions of G.L. c. 268A, § 23(c)(2), which prohibit a municipal employee or official from improperly disclosing information that is protected from disclosure under the public records law, and acquired by an employee or official in the course of official duties. Section 23 also prohibits a municipal employee or official from using such information to further the employee's/official's personal interest. Violations of Section 23 may lead to disciplinary action, up to and including termination.

E. Retaliation

Any retaliation against an individual who has formally or informally complained about discrimination, including harassment, or has cooperated with an investigation of a discrimination complaint, is prohibited.

Retaliation can be overt or subtle. Retaliation may include, but is not limited to, treating a complainant or witness differently, more harshly or in a hostile manner; physical interference with movement such as blocking a path; derogatory comments or action which would tend to have a chilling effect on other complainants; sudden investigations of the complainant's private life, or; sudden strict enforcement of work rules. Retaliation in any form will not be tolerated.

5. Sanctions

If it is determined that inappropriate conduct has been committed by an employee, the Town will take such action as is appropriate under the circumstances. Such actions may include: counseling, informal or formal reprimands, written or verbal warnings, suspension, reduction in pay, reduction in duties, transfers, and other formal sanctions, including termination from employment.

6. State and Federal Remedies

In addition to the above, if an employee believes he or she has been subjected to sexual harassment, he or she may file a formal complaint with either or both of the government agencies listed below. Using the Town's complaint process does not prohibit an employee from filing a complaint with either of these agencies. Please note that both agencies have a short time period for filing a claim (300 days).

The United States Equal Employment Opportunity Commission (EEOC)

John F. Kennedy Federal Building
475 Government Center
Boston, MA 02203
Phone: (800) 669-4000
TTY: (800) 669-6820

The Massachusetts Commission Against Discrimination (MCAD)

Boston Office

One Ashburton Place
Sixth Floor, Room 601
Boston, MA 02108
Phone: 617-994-6000
TTY: 617-994-6196

Springfield Office

436 Dwight Street
Second Floor, Room 220
Springfield, MA 01103
(413) 739-2145

Worcester Office

Denholm Building
484 Main Street, Suite 320
Worcester, MA 01604
(508) 453-9630
(508) 453-9641 – FAX

New Bedford Office

Demello International Center
128 Union Street, Suite 206
New Bedford, MA 02740
(774) 510-5801
(774) 510-5802 - FAX

7. Reasonable Accommodation

The Town will not discriminate against people with disabilities in any employment practices or in terms, conditions or privileges of employment, including, but not limited to: application, testing, hiring, assignment, evaluation, disciplinary action, training, promotion, medical examination, layoff/recall, termination, compensation, leaves or benefits. The Town will make reasonable accommodation to the known physical or mental limitations of a qualified applicant or employee with a disability, unless such action would cause an undue hardship to the operations of the Town.

Employees seeking reasonable accommodations may submit their request in writing to the Town Administrator.

8. Equal Employment Opportunity Statement

The Town will not discriminate in its employment practices, on the basis of race, color, gender, gender identity, national origin, religious creed, ancestry, age, sexual orientation, disability, maternity leave, genetic information, active military status, or another basis prohibited under state or federal anti-discrimination statutes. This shall include such areas as recruitment, selection, compensation and benefits, professional development and training, reasonable accommodation for disabilities or religious practices, promotion, transfer, termination, layoff, and other terms and conditions of employment.

3-3 Performance Reviews

Each Town employee shall receive an annual performance evaluation which shall be conducted by their supervisor, with input from the Town Administrator or relevant board or committee as appropriate. Full-time and regular part-time, non-union employees shall be eligible to receive annual salary increases in the amount of up to 2.0% based on the results of this annual evaluation process, subject to the recommendation of the Town Administrator, approval by the Board of Selectmen, and funding in the budget as approved by Town Meeting.

3-4 Safety and Health

The Town strives to maintain a safe and healthy work environment for all employees. We do receive periodic safety reviews from our insurance carrier. Recommendations are reviewed and changes made when appropriate.

Fire, Police, and Highway Departments address safety issues to varying degrees through a variety of methods, including trainings, field exercises, etc.

3-5 Physical Examination

All new full-time and regular part-time employees, including those who have been absent from the employ of the Town for six months or more and are returning thereto, and those who are changing from part-time to full-time or regular part-time employ of the Town, shall take a physical examination prior to commencing employment. The Town may, in its discretion, require a physical examination before an employee may return to work after sick leave or medical leave of absence.

Such examination will be at the Town's expense. Such examination shall be conducted by a physician chosen by the Town.

3-6 Personnel Records

Centralized personnel records are maintained through the offices of the Town Administrator and Treasurer/Collector. All employees have the right to view their personnel file and are encouraged to do so on a periodic basis. All employees should also check to make sure that all personal data such as addresses and beneficiaries are up to date.

3-7 Probationary Period

All new full-time and regular part-time employees, other than those who are elected to their position by a vote of the local electorate, shall be employed initially for a period of up to ninety (90) days during which time the Town may terminate the employee for any

reason and the employee may resign without providing prior notice.

Chapter 4 - Payroll Information

4-1 Classification and Salary

Grades and corresponding salary ranges have been established for all full-time and regular part-time employees. See attached compensation and classification schedule for non-union employees that may be amended from time to time by the Board of Selectmen as appropriate. Salary ranges for union personnel shall be governed by their respective collective bargaining agreements.

4-2 Accounting for Time Off

All employees shall be charged leave (Vacation, Sick Time, Personal) for any day in which more than 1 hour is taken off during normal working hours. Time will be charged in increments of 2 hours.

4-3 Payday

Bi-weekly payday is on Thursday.

4-4 Wage Assignments and Garnishments

Any such actions are handled directly through the Treasurer/Collector's office.

4-5 Overtime Pay

In accordance with the Fair Labor Standards Act ("FLSA"), non-exempt employees shall be entitled to time and one-half for hours worked in excess of 40 per week.

4-6 Deferred Compensation

Contact the Treasurer/Collector's office for detailed information regarding the available plan.

4-7 Direct Deposit

Payroll checks can be directly deposited to your bank. Contact the Treasurer/Collector's office to sign up for this service.

Chapter 5 - Employee Benefits

5-1 Holidays

The Town Bylaws establish the following paid holidays for all full-time and regular part-time employees:

New Year's Day
Martin Luther King Day
Washington's Birthday
Patriots Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

The Selectmen have also designated the day after Thanksgiving as a paid holiday for full-time and regular part-time employees. Town employees who are required to work on that day (eg. Library staff) will receive the corresponding amount of compensatory time to be taken at their discretion upon approval of their supervisor.

5-2 Vacation

Unless otherwise delineated in an employment letter or agreement, full-time employees shall be entitled to vacation with pay in each fiscal year as determined by reference to the employee's anniversary date of continuous employment on the following schedule:

- One (1) week after six (6) months of service
- Two (2) weeks after one (1) year of service (but in no event more than two (2) weeks in one year, until after five years of service).
- Three (3) weeks after five (5) years of service.
- One (1) additional day for every year of service beyond five (5) years, up to a maximum of four (4) weeks.

Regular part-time employees shall be entitled to pro-rated vacation benefits. All other employees shall be ineligible for vacation benefits.

Employees shall not be permitted to carry-over unused vacation at the end of a fiscal year without the approval of the Selectmen.

Vacation time shall accrue at the beginning of each fiscal year for the purposes of using vacation time. However, upon separation of employment for any reason, an

employee or his estate shall only be paid for vacation time earned but not used in that year, based on the corresponding monthly accrual rate of that employee.

Vacations are to be scheduled upon approval by the Department Head so that an employee's absence does not adversely affect Town operations. Department Heads reserve the right to rescind the approval of a vacation request in cases of emergency. In scheduling vacations within a department, preference shall be given based on seniority.

Vacations taken by Department Heads shall be approved in advance by the Town Administrator so that their absence does not adversely affect Town operations. The Town Administrator similarly reserves the right to rescind the approval of a vacation request in cases of emergency.

When a Town holiday falls during an employee's scheduled vacation, the employee shall not be required to use vacation for the holiday. In the event of sickness or injury of the employee prior to a scheduled vacation, the Department Head may permit an employee with available sick leave to use accumulated sick leave benefits for the days of such sickness or injury and reschedule his/her vacation. In such cases, an employee may be required to produce a physician's note. If an employee becomes sick or injured while on vacation, the time shall still be recorded as vacation time.

5-3 Personal Leave

The Town provides for up to three (3) days of paid leave per fiscal year to eligible employees for absences necessitated by compelling personal business of the employee or the employee's family.

Personal leave shall accrue at the beginning of each fiscal year and may not be carried over at the end of the fiscal year. Except in cases of emergency, employees shall notify their supervisor in advance of the need to take a personal leave.

Full-time employees shall become eligible for Personal Leave upon successful completion of a ninety (90) day probationary period. Such leave allotment shall be pro-rated during their first year following hire.

Regular part-time employees shall be eligible for personal leave on a pro-rated basis.

All employees shall be charged time (Vacation, Sick Time, Personal Absence) for any day in which more than 1 hour is taken off during normal working hours. Time will be charged in increments of 2 hours. A religious holiday that is not an officially-recognized Town holiday will be charged against personal time, unless the employee elects to take it as vacation time.

5-4 Jury Duty

If a full-time or regular part-time employee, with one year's service to the Town, is called to jury duty and is thereby precluded from discharging his or her Town duties, and thereby loses compensation, the Town will make up the jury pay (excluding any travel allowances) upon presentation or certification of the amount paid by the court in accordance with MGL Ch 234A Sections 48 and 51.

All other employees are ineligible for compensation for wages lost due to jury duty beyond the first three (3) days of juror service.

5-5 Educational Reimbursement

In the event that an employee is required to take a course in order to fulfill the essential functions of their position, any resulting costs shall be paid by the Town and the employee shall be permitted leave without loss of pay to attend the course.

5-6 Travel and Transportation

Authorized travel shall be reimbursed at the IRS mileage rate as shall be updated on an annual basis.

5-7 Length of Service Pay

Full-time employees who have completed the following years of continuous service in the Town of Wenham shall receive an annual payment in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Amount of Lump Sum Longevity Compensation</u>
At least 5 years, but less than 10 years	\$100
At least 10 years, but less than 15 years	\$200
At least 15 years, but less than 20 years	\$300
20 years or more of continuous service	\$400

58 Indemnification

The Town recognizes that its employees may become involved in claims or lawsuits as a result of their employment by the Town. The Town will assume responsibility for the defense of such claims of lawsuits, and will indemnify Town employees for expense and liability up to a maximum of one million dollars (\$1,000,000.00) resulting from employee conduct while acting within the scope of their employment, provided the employees do not act in a grossly negligent, malicious or willful manner. Legal expenses incurred by employed are includable in the amount to be indemnified subject to reimbursement by the employee should the employee's conduct ultimately be determined to be outside the permissible bounds of behavior for Town employees.

Chapter 6 - Leaves of Absence

6-1 Sick Leave

Full-time employees shall accrue one and one quarter (1¼) days of paid sick leave for each month of service with the Town. Sick leave may be accumulated to a maximum of one-hundred eighty (180 days), with any sick leave used to be deducted from the accumulated total. Sick leave may only be used for personal illnesses and injuries. In addition, employees may use up to five (5) days/year for the care of immediate family members.

Regular part-time employees shall be entitled to pro rated sick leave. All other employees shall not be eligible to accrue or use paid sick leave.

Sick leave with pay is to be awarded only when an employee is unable to perform his or her duties by reason of sickness or injury, including maternity. After five working days of sickness, a doctor's certificate of disability may be required by the department head or the selectmen.

If employment is terminated by the Town or the employee, there shall be no payout for accumulated sick leave.

If an employee is eligible for paid sick leave and is receiving Worker's Compensation because the disability is employment related, the Town will grant a reimbursement equal to the difference between the employee's regular wages and the Workmen's Compensation payments, but only during the period of sick leave to which such employee is entitled. For each day in which sick leave is used to supplement Worker's Compensation, the employee will be charged a full day of sick leave even though the amount used is not the equivalent of a full day's pay.

6-2 Workers' Compensation

Town employees who are injured in the course of performing their job duties are covered by the provisions of Chapter 152 of the Massachusetts General Laws. Contact the Town Administrator if you have questions about your coverage or eligibility for benefits.

6-3 Family and Medical Leave Act (“FMLA”) Policy

Purpose:

The purpose of this policy is to describe the eligibility, duration and procedural requirements relating to the administration of leave taken pursuant to the Family and Medical Leave Act (FMLA), 29 U.S.C. §2612, et seq.

The Town is committed to complying with the FMLA, as it may be amended from time to time. In the event of any conflict between the Town’s FMLA policy and the federal law and regulations, the federal law and regulations applicable to the Town and its employees shall prevail.

Procedures

A. Eligibility

Employees who have completed at least twelve (12) months of employment with the Town and who have worked at least 1,250 hours during the preceding twelve (12) months are eligible to take leave in accordance with the FMLA. The FMLA entitles eligible employees to take unpaid leave with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:

- Twelve (12) workweeks of leave in a 12-month period for:
 - the birth of a child and to care for the newborn child within one year of birth;
 - the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
 - to care for the employee’s spouse, child, or parent who has a serious health condition;
 - a serious health condition that makes the employee unable to perform the essential functions of his or her job; or
 - any qualifying exigency arising out of the fact that the employee’s spouse, son, daughter, or parent is a covered military member on “covered active duty”
- Twenty-six (26) workweeks of leave in a 12-month period for:
 - to care for a covered servicemember who is seriously injured or ill as a result of active duty military service.

B. 12-Month Period

For purposes of this policy, the twelve (12) month period shall be defined as a rolling 12-month period measured backward from the date an employee uses any FMLA leave “rolling period.” An eligible employee’s leave entitlement consists of up to

twelve (12) weeks (or 26 weeks, where applicable) of FMLA leave during this twelve 12- month period.

C. Concurrent Use of Accrued, Unused Paid Leave

Employees taking FMLA leave shall be required to use concurrently with FMLA leave any paid sick leave, vacation, emergency, and personal leave benefits accrued as of the beginning of such leave. Once these benefits have been exhausted, the remainder of FMLA leave shall be unpaid.

D. Notice

Leave for a serious medical condition: If the leave is foreseeable based on planned medical treatment, you are required to make a reasonable effort to schedule the treatment so as to not disrupt unduly the operations of the Town and you are required to provide 30 days advance notice, or if the treatment is in less than 30 days, such notice as is practicable.

BASIC CONDITIONS OF THE LEAVE

Intermittent or Reduced Leave:

If you are requesting leave because of your own serious health condition, or the serious health condition of a child, spouse or parent, you may take leave intermittently or on a reduced leave schedule, as it is medically necessary. The term "intermittently" describes a schedule in which you do not take all 12 weeks consecutively, but rather you take a series of shorter leaves over an extended period of time. The term "reduced" leave describes a leave schedule in which you simply work fewer hours per week than usual.

The Town may require employees who seek an intermittent or reduced leave schedule to transfer temporarily to another position which can better accommodate recurring periods of leave. The alternative position must provide equivalent pay and benefits.

If you are requesting leave to care for a newborn or newly placed adopted or foster child, you may also take intermittent or reduced leave if the Town agrees to such an arrangement.

Certification Requirement:

The Town of Wenham may require that you provide medical certification to support leave for your own serious health condition or to care for a seriously ill family member. For your own medical leave, the certification must include a statement that you are unable to perform the functions of your position. For leave to care for a seriously ill family member, the certification must include an estimate of the amount of time you are needed to care for the person. In its discretion, the Town may require a second medical opinion and periodical re-certifications.

Holiday Occurring During Leave:

A paid holiday is not granted to an employee on an unpaid FMLA leave and cannot be used to extend your leave of absence.

Employee Benefits During Leave:

In the event that you elect not to return to work upon the completion of an approved FMLA leave, the Town may recover from you the cost of any payment made to maintain your medical, dental and/or life insurance coverage, from the first day of the unpaid FMLA leave, unless failure to return to work was for reasons beyond your physical control.

Benefit entitlements based upon length of service will be calculated as of the last paid workday prior to the start of the FMLA leave.

Medical and Dental Insurance:

The Town of Wenham will continue to maintain group medical and dental insurance for eligible participants based on existing terms prior to any approved FMLA leave. If a participant fails to pay the appropriate premiums in a timely (considered timely if it is made by the thirtieth day after the first day of the coverage period or due date) manner.

Retirement Plans:

The Town will maintain your retirement status as of the first day of FMLA leave. If you are participating in a contributory plan, these contributions will be suspended during any period of time when you are not receiving a regular paycheck. The Town of Wenham will adhere to the approved plan document for governance.

Reinstatement Following Leave:

An employee of the Town is entitled to reinstatement to the same or equivalent position with equivalent pay, benefits, and other terms and conditions of employment as was held before going on the FMLA leave, unless you are in the highest ten percent of the workforce, in which case you may not be eligible for reinstatement if, in the determination of the Town of Wenham, denial of your job restoration is necessary to prevent substantial and grievous economic injury to the Town.

You will be informed of such denial as soon as possible after the determination is made, and may then elect to return to work to avoid being denied reinstatement.

E. Posting:

The Town shall post the attached document prepared by the U.S. Department of Labor summarizing the major provisions of the FMLA.

6-4 Small Necessities Leave

Pursuant to the Small Necessities Leave Act, employees are eligible to take up to 24 hours of unpaid time off per year for the following reasons:

- Participation in school activities directly related to the educational advancement of a son or daughter of the employee, such as parent teacher conferences or

interviewing for new schools;

- Accompanying the son or daughter of an employee to routine medical or dental appointments, such as check-ups or vaccinations; and
- Accompanying an elderly relative of the employee (i.e., an individual at least 60 years old who is related by blood or marriage to the employee) to routine medical or dental appointments or other professional services relating to elder care, such as interviewing at nursing or group homes.

To be eligible for time off under this policy, an employee must have completed at least one year of service with the town of Wenham and have worked a minimum of 1,250 hours in the 52-week period preceding the start of the leave.

Time off under this policy will be granted to eligible employees for periods totaling up to 24 hours in any 12 month period. The 12 month period is a rolling period measured from the date an employee takes any time off under this policy. Each time an employee takes time off in one of the situations listed above; the amount of time taken will be computed and subtracted from the 24 hours of available leave. Time off under this policy may be taken intermittently or in less than one day increments.

An employee may elect, but is not required, to use paid vacation or other paid time instead of taking unpaid time as allowed by the Small Necessities Leave Act.

Approved time taken under this policy will not be counted against employee in any attendance occurrence program or job performance evaluation.

How to Apply for Small Necessities Leave

To request a Small Necessities Leave, an employee will need to inform his or her supervisor at least seven (7) days in advance if the leave is foreseeable. Otherwise, the employee must inform the supervisor as soon as practical, preferably in writing but orally if necessary. A form is available in the office of the Town Administrator for completion in advance and return to your supervisor for approval.

6-5 Military Leave

An employee shall be entitled in each calendar year up to 17 consecutive days compensated leave of absence for the purpose of attending military training and/or required active duty in State or Federal Armed Services activities. The Town will make up the difference between the employee's lost wages and the military pay received (excluding any travel allowances) upon presentation of certification that the military pay has been received. If military pay exceeds the employee's lost wages, the employee is not required to reimburse the Town for the difference. Additional leave of absence for such scheduled training activities will be granted

by the Department Head, as required by law, but without pay.

6-6 Bereavement Leave

1. In the event of death in the immediate family, full-time and regular part-time employees shall be allowed to be absent from work, with pay, on all workdays following within the four (4) working days commencing on the date of the death.

"Immediate family" means spouse, child, step-child, foster child, mother, father, brother, sister, grandparent, mother-in-law and father-in-law.

2. In the event of the death of a member of such employee's immediate household (not a member of the immediate family), the employee shall be allowed to be absent from work, with pay, on all workdays following within the three (3) calendar days commencing on the date of the death.
3. Full-time and regular part-time employees shall be entitled to leave, with pay, on the day of the funeral to attend the funeral of his or her aunt, uncle, niece, nephew, brother-in-law or sister-in-law.
4. In exceptional circumstances, the Town Administrator may, in his or her discretion, grant additional bereavement leave.

6-7 Training

An employee may request to attend meetings, seminars or training sessions that are related to their primary job function. Said training must be approved, in advance, by the employee's Department Head, in order to allow for proper department scheduling. The cost of all approved training sessions shall be borne by the Town. Such training sessions shall not exceed six (6) working days each fiscal year. Attendance at such training is subject to funding being available for the training. Each department head or supervisor shall exercise full and final authority in determining relevance to job enhancement and benefit to the town, as well as department scheduling.

6-8 Parental Leave Policy

1. Purpose

This Policy describes the eligibility, duration and procedural requirements relating to the administration of parental leave, in accordance with the provisions of the Massachusetts Maternity Leave Act, G.L. c. 149, § 105D.

2. Application

This Policy shall apply to all full-time Town employees of the Town of who have completed the three (3) month probationary period.

3. Policy

It is the Policy of the Town to fully comply with the provisions of the Massachusetts Parental Leave Act, G.L. c. 149, §105D.

4. Procedures

- A. Eligible employees shall be entitled to up to eight (8) weeks of unpaid leave for the following purposes:
 - 1. birth of a child;
 - 2. adoption of a child under 18 years of age; or
 - 3. adoption of a child under 23 years of age, if the child is mentally or physically disabled.
- B. To be eligible for leave under this Policy, an employee is required to provide two weeks' notice in advance of his/her anticipated date of departure, stating their intention to return and the anticipated date of return. Upon return to work, the employee is entitled to be restored to his/her previous position, or to a similar position which has the same status and pay as her previous position, and to the length of service credit and seniority as of the date of leave.
- C. Leave taken pursuant to this Policy will be counted against an employee's available FMLA leave allowance.
- D. Leave taken pursuant to this Policy shall be unpaid; however, an employee may elect to use any amount of accrued paid leave while on parental leave.
- E. The Town shall post a notice of employees' rights under this Policy in a conspicuous place.

Chapter 7 - Insurance

7-1 Health Insurance

The Town of Wenham currently offers health insurance coverage to eligible employees in accordance with General Laws Chapter 32B.

Contact the Treasurer/Collector's office for a complete description of the available plans.

7-2 COBRA (Consolidated Omnibus Reconciliation Act of 1985)

If you separate your employment with the Town, or your hours are reduced, you may be eligible, under COBRA, for continuation of health insurance coverage. Contact the Treasurer/Collector's office for more detailed information regarding coverage as it may apply to your particular situation.

7-3 Life Insurance

The Town offers optional life insurance and accidental death coverage for all employees, on a shared cost basis. Contact the Treasurer/Collector's office for more detailed descriptions of the available plans.

7-4 Disability Insurance

Employees may also elect to enroll in a long-term disability insurance plan, with the cost assumed by the employee. Contact the Treasurer/Collector's office for a detailed description of the plan.

Chapter 8– Participation in Retirement System

Eligible Town employees are covered under the State's Contributory Retirement System, administered through the Essex County Retirement System, in accordance with General Laws Chapter 32. Employee contributions are mandatory, and are deducted from your pay. Contact the Treasurer/Collector's office for more information regarding your rights and obligations under the law.

Chapter 9- Employee Services

9-1 Employee Assistance Program

An employee assistance plan is offered through our insurance carrier for all personnel. See Town Administrator for more information.

9-2 Credit Union

Town employees are eligible for membership in the Beverly Municipal Credit Union. Contact the Treasurer/Collector's office for information on enrollment, and how you can utilize an automatic payroll deduction for a savings plan at the credit union.

Employee Acknowledgment

I hereby acknowledge that I have received a copy of the Town of Wenham's Employee Handbook, which outlines the benefits, policies and my responsibilities as an employee of the Town. I have read and understand the information in this Handbook. I further agree to ask about policies that are unclear to me, and will comply with the policies, benefit requirements and procedures pertaining to the areas in which I am employed.

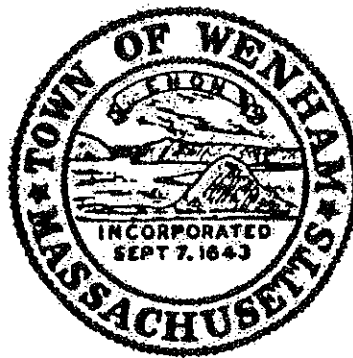
I understand that the information contained in the Handbook is subject to change as situations warrant, and I understand that changes in policy may supersede, modify or eliminate the policies summarized in the Handbook. Changes in policy shall be communicated to me through official notices. I accept responsibility for keeping informed of these changes.

Printed Name

Signature

Date

TOWN OF WENHAM



EMPLOYEE HANDBOOK

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(as of June 2001)

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PURPOSE OF THE EMPLOYEE HANDBOOK

The purposes of this manual are to acquaint employees with various policies, procedures and regulations concerning their duties, responsibilities and privileges; to outline the many benefits offered to the employees of the Town of Wenham (Town); and to foster good working relationships and orderly administration.

Obviously, all contingencies that might arise cannot be anticipated. Information about matters not covered herein may be obtained from the Town Administrator or from your department head.

To ensure that policies, procedures and benefits are kept current and to promote the goals of the Town, this manual will be reviewed periodically. Any suggested changes may be forwarded to the Town Administrator. Effort will be made to inform employees of any changes in the content of this manual by the Town Administrator as soon as reasonably possible after any such change is adopted. However, such changes may be effective even before notice is given.

General Disclaimer

The contents of this manual are presented as a matter of information in order for employees to acquaint themselves with the Town's policies and regulations. While the Town wholeheartedly supports the plans, policies and procedures contained herein, they are not terms or conditions of employment. The Town reserves the right to modify, revoke, suspend, terminate or change any or all such plans, policies, or procedures, in whole or in part, at any time, with or without prior notice, because of funding limitations, changing legal requirements, and other conditions and reasons. The language used in this manual is not intended to create, nor is it to be construed to constitute, a contract between the Town and any one or all of its employees. Additionally, this manual is not intended to vest to any employee any right relating to the subjects contained herein. Department heads may be contacted to discuss questions an employee may have regarding this manual. To the extent that any part of this manual conflicts with state or federal law, or Town By-laws, the provision of the state or federal law, or Town By-law shall govern. To the extent that any part of this manual conflicts with the terms of an employee's collective bargaining agreement, the collective bargaining agreement shall govern.

Chapter 1- Introduction to the Town of Wenham

1-1 History of the Town of Wenham

"In Celebration of Wenham"

Source: 1993 Tersemicentenary Celebration
Commemorative Booklet

Wenham was officially set off from the Town of Salem on May 10, 1643, but was not incorporated by the legislature until September 7, 1643. Wenham was the first village to be set off as a definite township from Salem, as it was the first laid out. The territory appears to have belonged to the Agawam Indians from whom the land was purchased for a nominal sum. In approximately 1639, the earliest settlements were made by the lake and later that year the Legislature passed an act giving the land, not belonging to any other town or person, to the village. The first settlers called their village "Enon". However, when it was incorporated in 1643, the Legislature ordered that "Enon shall be called Wenham and be granted to be a Town and hath liberty to send a deputy."

The name Wenham is from a parish in Suffolk County, England, from which early settlers supposedly came. The first Meeting House was built and was located to encourage settlement in the middle of the Town.

Town history is vague for many years and, like today, inhabitants were careless about attending town meetings to the point where fines were assessed for such laxness. Early perambulation of the bounds, still done today, was necessary, as there arose many boundary disputes with neighboring villages.

The setting aside of the Charter of the Massachusetts Colony in 1684 brought a period of great unrest and the establishment of "Committees of Safety". The year 1692 saw the witchcraft hysteria in which Sara Good, raised in Wenham, was hanged as a witch. King Phillip's War and the French and Indian Wars had Wenham men serving in order to protect their homes and land. John Fiske, wounded and incapacitated in these conflicts, was granted a license to keep a public house of entertainment by the General Court.

The following fifty years were relatively calm and peaceful until the passage of the Stamp Act of 1765. Although it was soon repealed, the tax remained on tea. So great was the unrest that "Committees of Correspondence" were formed, and Wenham citizens checked to see that their ammunition was safe-under the pulpit of the Meeting House. A call to arms came in 1774 and fifteen Minute Men were requested of Wenham. Although Wenham was too far removed from the battles at

Concord and Lexington to participate, they took part in the Battle at Bunker Hill. Wenham sent men to join Washington's army, some serving as long as two years.

In 1776, the Declaration of Independence was read and approved in Wenham by the voters. The year 1776 was also the year that there was a terrible epidemic of small pox, and many people died. In order to control the spread of the disease, primitive inoculations were given, and a special house was set aside to house those with the disease- a "pest house".

Although it was noted in 1642 that all children should be educated, nothing was really done, and children were taught at home. The first formal school was finally established in 1700, but the students had to pay for their education. It wasn't until 1739 that the Town finally appropriated the funds.

A period of peace and prosperity again followed the Revolution and the opening of the land beyond the Alleghenies. Some Wenhamites joined Hamilton's Dr. Cutler on his trek to Marietta, Ohio. Wenham men were also instrumental in petitioning for the building of a bridge between Beverly and Salem to replace the ferry which was the only way to reach Salem.

The war of 1812 had some effect on Wenham, and it is noted that the Town hired men to enlist. In 1854, it was voted to build a Town Hall since the Meeting House was no longer adequate. In 1821, the Town voted to procure fire fighting equipment, ladders and fire hooks, but no fire company was organized until 1835.

The middle of the 1800's saw Wenham as primarily an agricultural society, but there were many shoe shops in Town that did piece work for shoe factories in Danvers and Lynn. The harvesting of ice was also a very important industry lasting into the early 20th century. Wenham Lake ice was prized around the world.

Life remained rather quiet as the years progressed. Wenham sent many men to the Civil War, the Spanish-American War, World Wars I and II, as well as Korea and Vietnam. Their names are suitably recorded in the Town Hall and on the War Memorial outside on the Town Hall lawn. Wenham continued as a small town up until the end of World War II when the population increased dramatically to over 4,000 by the time of the 1990 census. There is still very little industry and business in Town; it remains predominantly residential, a bedroom community for the many adjacent towns and cities.

For a more in depth view of the earlier times, it is suggested that one read M.O. Allen's History of Wenham from 1639 to 1860 from which much of this material has been gleaned. A recent publication is Wenham in Pictures and Prose by the Wenham Museum. Both of these books can be purchased at the Wenham Museum.

1-2 Town Government/ Organization Charts

June 2001

Chapter 2 - Recruitment and Selection

2-1 Equal Employment Opportunity Employer

EQUAL OPPORTUNITY EMPLOYER

Policy Statement:

1. It is the policy of the Town of Wenham to provide equal employment opportunity to all staff members and applicants for employment, in accordance with applicable federal and state laws, without regard to race, color, religion, sex, age, national origin, physical or mental handicap, sexual orientation, or status as a disabled or Vietnam era veteran of the United States Armed Forces.
2. It is the policy of the Town of Wenham to further its commitment to equal employment opportunity by recruiting, hiring, compensating, training, and promoting staff members in all job classifications without regard to race, color, religion, sex, or age (except when sex or age is a bona fide occupational qualification), sexual orientation, national origin, physical or mental handicap, or status as a disabled or Vietnam era veteran.
3. The Town of Wenham will review promotion decisions to ensure that only valid requirements are used when evaluating and selecting staff members for promotional opportunities.
4. The Town of Wenham will systematically review its personnel actions and general work environment to continue to ensure that Town practices and atmosphere are free from discrimination with regard to race, color, religion, sex or age (except where sex or age is a bona fide occupational qualification), national origin, physical or mental handicap, sexual orientation, or status as a disabled or Vietnam era veteran. In so doing, the Town will review: employment and employment advertising, compensation and benefits, transfers, job status changes, terminations, working conditions and facilities, staff communications, Town sponsored training, and education, as well as social and recreational programs.

Control and Responsibility

1. The Town Administrator has overall responsibility for implementation of the Equal Employment Opportunity Program. His/Her responsibilities include monitoring compliance and periodically reporting to the Board of Selectmen.
2. Daily responsibility for carrying out the Equal Employment Opportunity Policy rests with all supervisors, who should familiarize themselves with these policies.

3. As part of work performance evaluations, each supervisor's efforts and results in the area of equal employment opportunity will be considered.

Communication

The Town of Wenham's commitment to equal opportunity will be communicated to all managers, supervisors, and staff members, and to recruiting agencies, subcontractors, prospective staff members, as well as generally to outside individuals and organizations with whom the Town does business or maintains other relationships.

2-2 Recruitment and Selection

1. Purpose

To define the policy of the Town of Wenham concerning employment recruitment.

2. Policy

The policy of the Town of Wenham is to achieve equal employment opportunity in employment and selection, consistent with the equal employment opportunity policy detailed in section 2-1 above. This policy applies to all full-time and regular part-time employees

3. Application

This policy shall apply to all positions covered by the appointing authority of the Board of Selectmen, and to other non-elected positions.

4. Procedure

A. Boards, committees, commissions or departments having a vacant position to be filled must complete a Personnel Requisition Form and forward it to the Town Administrator (T.A.) with the necessary approvals and an updated/current job description containing the necessary qualifications. Requisition approval must include the signature of the department head or chairman of the board, committee, or commission.

B. Upon receipt, the T.A. will prepare a job posting notice when appropriate for posting and action in accordance with applicable collective bargaining agreements or an internal position vacancy notice for non-union positions of 20 hours or more per week on a permanent and regular basis for application by current permanent employees.

1. If the appropriate supervisory personnel decide not to select any internal applicant, or if the position is not subject to posting, the T.A. will

recruit candidates by drafting employment ads. Upon application for a position, the T.A. will advise applicants of openings and the minimum qualifications necessary for consideration. The T.A. will inform the applicants of the pay practices, employee benefits, and general working conditions in the Town and departments, especially where openings exist.

2. The T.A. will receive and screen all applicants and designate qualified applicants to the appropriate department head or chairperson of the board, committee or commission for interview based on the information in the Personnel Requisition, and the updated job description. The department head or chairperson will have the option to review all applications and confer with the T.A. regarding minimum qualification equivalencies.

3. The T.A. will have the option to monitor and be present at interviews thus providing consistency in the selection process on a Town-wide basis.

C. The person having responsibility and authority for hiring shall give the T.A. the name of the candidate selected for hire after which the hiring authority, or the T.A., at the request of the hiring authority, will check the applicant's references.

D. Upon receipt of favorable reference checks, the hiring authority shall complete a Personnel Action Form and forward it to the T.A. with the necessary approvals. Such approval must include the signature of the department head or chairperson of the board, committee or commission.

E. Candidates whose reference checks prove satisfactory shall be sent an offer or confirmation of offer of position in writing by the T.A. upon receipt of a personnel Action Form from the hiring authority. The offer will be contingent upon the satisfactory completion of a pre-placement physical examination. The written offer shall notify the candidate of the starting date and rate of pay. In the event that the preferred candidate declines the offer of employment, the department head or chairperson of the board, committee or commission shall be advised and the appropriate parts of the forgoing procedure be repeated.

F. Upon commencement of employment, the new employee shall report to the T.A. to complete the required payroll enrollment forms, as well as optional benefit enrollment applications. This step must be completed within the first week of employment in order for the new employee to be processed for the payroll

Chapter 3 - Personnel Management

3-1 Employment Categories/Definitions

- Full-time employee: One who regularly works the established weekly schedule of the department in which he is employed, but not less than 32 1/2 hour week.
- Regular part-time employee: One who is regularly scheduled to work twenty hours or more each week, but less than the established weekly schedule of the department.
- Other employees: Those employed less than twenty hours per week, or those whose employment is for a specific period of less than one year.
- Appointed Officials: All persons, who are selected by vote of the Town Meeting, or Appointment by the Board of Selectmen, to serve the Town in a specific capacity. Appointed official may be paid or unpaid, with or without regular hours.
- Pro-rata benefits: A regular part-time employee is entitled to that portion of the benefits of a full-time employee determined by the fraction:
- Average schedule hours worked per week

Hours per week scheduled for full-time employees in the same department, but in no case more than forty (40) hours per week.
- Eligibility: In determining eligibility for benefits hereunder, length of service shall be measured from the most recent date of hire. Service must be continuous from such date.

3-2 Sexual Harassment Policy

SEXUAL HARASSMENT POLICY TOWN OF WENHAM

(Adopted by the Board of Selectmen on November 5, 1996)

1. Introduction

It is the goal of the Town of Wenham to promote a workplace that is free of sexual harassment. Sexual harassment of employees occurring in the workplace or in other settings in which employees may find themselves in connection with their employment is unlawful and will not be tolerated. Further, any retaliation against an individual who has complained about sexual harassment or retaliation against individuals for cooperating with an investigation of a sexual harassment complaint is similarly unlawful and will not be tolerated. To achieve our goal of providing a workplace free from sexual harassment, the conduct that is described in this policy will not be tolerated and we have provided a procedure by which inappropriate conduct will be dealt with, if encountered by employees.

Because the Town of Wenham takes allegations of sexual harassment seriously, we will respond promptly to complaints of sexual harassment and where it is determined that such inappropriate conduct has occurred, we will act promptly to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action where appropriate.

Please note that while this policy sets forth our goals of promoting a workplace that is free of sexual harassment, the policy is not designed or intended to limit our authority to discipline or take remedial action for conduct which we deem unacceptable, regardless of whether that conduct satisfies the definition of sexual harassment.

II. Definition of Sexual Harassment

“sexual harassment” means sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature when:

- a) submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of employment or as a basis for employment decision; or

b) such advances, requests or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or sexually offensive work environment.

Under these definitions, direct or implied requests by a supervisor for sexual favors in exchange for actual or promised job benefits such as a favorable review, salary increases, promotions, increased benefits, or continued employment constitutes sexual harassment.

The legal definition of sexual harassment is broad and in addition to the above examples, other sexually-oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work place environment that is hostile, offensive, intimidating, or humiliating to male or female workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct which if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances including the severity of the conduct and its pervasiveness:

- Sexual advances - whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life, comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, cartoons;
- Leering, whistling, brushing against the body, sexual gestures, suggestive or insulting comments;
- Inquiries into one's sexual experiences; and
- Discussion of one's sexual activities.

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment, and retaliation against individuals for cooperating with an investigation of a sexual harassment complaint is unlawful and will not be tolerated.

III. Complaints of Sexual Harassment

If any of our employees believes that he or she has been subjected to sexual harassment, the employee has the right to file a complaint with the Town. This may be done in writing or orally.

If you would like to file a complaint you may do so by contacting:

Stephen L. Delaney, Town Administrator
Town Hall
138 Main Street
Wenham, MA 01984
978-468-5522

IV. Sexual Harassment Investigation

When we receive a complaint of sexual harassment we will promptly investigate the allegation in a fair and expeditious manner. The investigation will be conducted in such a way as to maintain confidentiality to the extent consistent with a fair and full investigation and practicable under the circumstances. Our investigation will include private interviews with the person filing the complaint, and with witnesses. We will also interview the person alleged to have committed sexual harassment. When we have completed our investigation, we will, to the extent appropriate inform the person filing the complaint and the person alleged to have committed the conduct of the result of that investigation.

If it is determined that inappropriate conduct has occurred, we will act promptly to eliminate the offending conduct, and where it is appropriate we will also impose disciplinary action.

V. Disciplinary Action

If it is determined that inappropriate conduct has been committed by a Town employee, we will take such action as is appropriate under the circumstances. Such action may range from counseling to termination from employment, and may include such other forms disciplinary action as we deem appropriate under the circumstances.

V. State and Federal Remedies

In addition to the above, if you believe you have been subjected to sexual harassment, you may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies. Each of the agencies has a short period for filing a claim (EEOC - 180 days, MCAD 6 months).

1. **The United States Equal Employment Opportunity Commission ("EEOC")**
1 Congress Street - 10th Floor
Boston, MA 02114
617-565-3200

2. **The Massachusetts Commission Against
Discrimination ("MCAD")**

Boston Office:

One Ashburton Place -Rm. 601

Boston, MA 02108

(617) 727-3990

Springfield Office:

424 Dwight Street, Rm. 220

Springfield, MA 01103

(413) 739-2145

3-3 Drug and Alcohol Policy

NOTE: THIS POLICY APPLIES ONLY TO THOSE EMPLOYEES WHOSE JOB RESPONSIBILITIES REQUIRE THE POSSESSION OF A COMMERCIAL DRIVERS LICENSE (CDL). AT THE PRESENT TIME THIS INCLUDES ONLY THOSE EMPLOYEES WITHIN THE HIGHWAY DEPARTMENT.

TOWN OF WENHAM ALCOHOL AND CONTROLLED SUBSTANCE TESTING POLICY FOR SAFETY-SENSITIVE DRIVERS

(Adopted by the Board of Selectmen February 25, 1997)

INTRODUCTION

The Town, its citizens and all of our employees, including the drivers subject to the federally mandated testing rules and procedures for alcohol and controlled substances, share a mutual concern and long-term interest in protecting and maintaining an employment environment free from the negative effects and impact of the misuse/use of such substances. The Federal Highway Administration regulations which established such testing and procedures were published only after public hearings, with input received from federal agencies, unions, management and many other interested bodies. (Federal Highway Administration, Fed. Reg. Part VII, 49CFR Parts 382 and others; February 15, 1994.)

The Regulations were issued and designed to protect the life, personal health and safety of Town employee-drivers who are required to have commercial driver licenses (CDL); the life, personal health and safety of others and the protection of personal property.

The Federal Highway Administration regulations require that the employer, the Town of Wenham, establish and publish a Town policy to educate the employees and to let its employee-drivers, who are subjected to the regulations, know what is expected of them. The Town policy explains the requirements of the federal regulations, including the alcohol and controlled substances testing and the Town's policies and procedures with respect to meeting those requirements.

The following is the statement of the Town of Wenham's policy regarding testing associated with alcohol misuse and controlled substance use by those employees operating motor vehicles which require a Commercial Drivers' License (CDL). A discussion of the physical and mental state effects of alcohol and certain substance abuse, prescribed or otherwise, on the body is included. The terms alcohol misuse and controlled substance use are used interchangeably in this document. The name and telephone number of the person, or designee, who can answer any questions you may

have about the alcohol and controlled substance rules and assist you in substance misuse/use situations appears on the last page of this policy.

The employee-driver, supervisor and appropriate management employees must sign for a copy of the Town policy. The effective date for the implementation of the Federal law and regulations was January 1, 1996, or for practicable purposes, as soon as the Town policy is provided to covered employees and procedures implements.

TERMS AND ABBREVIATIONS

BAT	Breath Alcohol Technician
CDL	Commercial Drivers' License
CMV	Commercial Motor Vehicle
DHHS	Department of Health and Human Services
DOT	Department of Transportation
EAP	Employee Assistance Program
EBT	Evidential Breath Testing
MRO	Medical Review Officer
us	The Employer
you	The Driver/Employee

DEFINITIONS

Alcohol or	The intoxicating agent in beverage alcohol, ethyl alcohol, other low molecular weight alcohol including methyl and isopropyl alcohol.
Alcohol Concentration	Also called alcohol content, the alcohol in a volume of breath, (expressed as grams of alcohol per 210 liters of breath) as indicated by an evidential breath test, such as a breathalyzer
Alcohol Use	The consumption of any beverage, mixture or preparation, including medications, containing alcohol.
Breath Alcohol Technician	An individual who instructs and assists individuals in the alcohol testing process and operates an evidential breath testing (EBT) device.
Confirmation Test	<i>In alcohol testing:</i> a second test, following a screening test with a result of 0.02 or greater, that provides quantitative measurement of alcohol concentration. <i>In drug testing:</i> a second test to identify the presence of a

specific drug or metabolite. In order to ensure reliability and accuracy, this test is separate from and uses a different technique and chemical principle from that of the alcohol screening test.

Controlled Substances	<p>In this booklet, the terms 'drug' and 'controlled substances' are interchangeable and have the same meaning. Unless otherwise provided, these terms refer to:</p> <ul style="list-style-type: none">marijuanacocaineopiatesphencyclidine (PCP)amphetamines, including methamphetamines
Driver	<p>Any person who operates a commercial motor vehicle, (CMV) including:</p> <ul style="list-style-type: none">full-time, regularly employed driverscasual, intermittent or occasional driversleased driversindependent, owner-operator contractors who are either directly employed by or under contract to an employer or who operate a commercial motor vehicle (CMV) at the direction of or with the consent of an employer.
Evidential Breath Testing	<p>A device used for alcohol breath testing that has been approved by the National Highway Safety Administration.</p>
Medical Review Office	<p>A licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results generated by an employer's drug testing program. The MR. must have knowledge of substance abuse disorders and appropriate medical training to interpret and evaluate</p> <p>an</p> <p>individual'[s confirmed positive test, medical history and other relevant biomedical information.</p>
Screening Test	<p><i>In alcohol testing:</i> the initial test to determine if a driver has a prohibited concentration of alcohol in his or her system. <i>In controlled substances testing:</i> a screen to</p>

eliminate 'negative' urine specimens from further consideration.

Substance Abuse

Refers to patterns of substance use that result in health consequences or impairment in social, psychological and occupational functioning.

Substance Abuse Professional

A licensed physician (medical doctor or doctor of osteopathy) or a licensed or certified psychologist, social worker, employee assistance professional, or certified addition counselor with knowledge or and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

WHO IS COVERED BY THE ALCOHOL AND DRUG RULE?

The Federal Highway Administration, Department of Transportation Alcohol and Drug ruling applies to every person who operates a commercial motor vehicle (CMV) in interstate or intrastate commerce, and is subject to the commercial driver's license (CDL) requirements of part 383.

WHAT IS A SAFETY-SENSITIVE FUNCTION?

A safety-sensitive function is defined as including any of the following circumstances and/or activities:

- at a carrier or shipper plant, terminal or facility, or other property, or on any public property, waiting to be dispatched, unless the driver is relieved from duty by the employer;
- inspecting service brakes, including trailer brake connections, parking (hand) brakes, steering mechanism, lighting devices and reflectors, tire, horn, windshield wipers, rear vision mirrors, coupling devices, fire extinguisher, spare fuses, or warning devices for stopped vehicles;
- inspecting, servicing, or conditioning any (CMV) in operation;
- at the driving controls of a CMV in operation;
- while in or upon any CMV, except when resting in a sleeper berth;
- supervising or assisting in loading or unloading a vehicle;
- attending a vehicle being loaded or unloaded;
- while in readiness to operate the vehicle;
- when giving or receiving receipts for shipments loaded or unloaded;

- performing the driver requirements of sections 392.40 and 392.41 of part 392, Driving Motor Vehicles, relating to accidents;
- repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

WHAT ARE THE ALCOHOL AND DRUG PROHIBITIONS?

The DOT refers to the restrictions for the use of both alcohol and controlled substances as *prohibitions*.

Alcohol prohibitions are tied to the performance of safety-sensitive functions in the following ways:

1. A driver may not report for duty or stay on duty:
 - a. with a blood alcohol concentration of 0.04 or greater
 - b. if in possession of alcohol (unless it is being transported as cargo)
NOTE: this includes any product (medication, food or other product) containing alcohol, regardless of the alcohol content.
 - c. if using alcohol
 - d. within four hours of using alcohol
2. A driver who has an accident may not use alcohol until post-accident testing is done or for a period of eight hours, whichever comes first.
3. Drivers cannot refuse to submit to alcohol testing.
4. Employers who know about any of the above acts cannot permit the driver to perform a safety-sensitive function.

The Federal Highway Administrations bans the use of **controlled substances** by drivers.

DRUG PROHIBITIONS:

1. Drivers may not report for duty or stay on safety-sensitive duty while using any controlled substance. There may be an exception to this ruling if a physician has prescribed a substance and has advised you that it does not interfere with your ability to operate a vehicle in a safe manner.
2. Drivers may not report for duty or stay on duty if they have tested positive for a controlled substance.
3. Employers who know about either of the above acts cannot permit the driver to perform a safety-sensitive function.
4. Employers may require a drivers to report the use of any therapeutic drugs.

WHAT TESTS ARE REQUIRED AND WHEN WILL I BE TESTED?

There are five situations where testing can be done to determine the presence of alcohol and/or drugs.

1. **Pre-employment**

When: Before a new hire can perform any safety-sensitive duties or when a person transfers into a safety-sensitive function from elsewhere in the municipality.

Note: no person will be considered for a Driver's position who has had a positive drug and/or alcohol test within two years of his or her application.

2. **Post-accident**

When: Following an accident where a life was lost the driver was cited for a moving traffic violation

post-accident alcohol testing should be done within two hours of the accident. If a test cannot be done within eight hours, it probably will not be done. Post-accident drug testing shall be done with 32 hours, or not done at all.

3. **Random**

Unannounced **random** testing is required on certain percentage of drivers each year.

How: the random selection process used shall ensure that each driver has an equal change of being tested each time selections are made.

When: Drivers are randomly selected from the pool. Random testing for alcohol shall be completed just before, during or immediately after performing safety-sensitive work. Random testing for drugs may be done at any time you are at work. Once you are notified that you have been selected for random testing, you must proceed immediately to the test site.

Random testing is done as follows:

25% of all drivers shall be randomly tested for alcohol during the first year of the testing program. The number to be randomly tested in following years depends on the percentage of positive test for the entire industry.

50% of drivers shall be randomly tested for controlled substances during each year of the testing program.

4. **Reasonable suspicion**

When: If your supervisor has reason to believe that your behavior or appearance may indicate alcohol or drug use.

Testing for reasonable suspicion is based on:

the observances of a trained supervisor
specific, clearly stated observations concerning the driver's appearance,
behavior, speech or body odor
observations made for alcohol testing shall be made just before, during, or
just after the performance of a safety-sensitive function.

Important points:

The supervisor who makes the observation and determines that reasonable suspicion testing should be done, may not conduct the alcohol test on the driver.

Alcohol testing for reasonable suspicion must be done within two hours of the observation. Tests that cannot be done within eight hours of the observation shall not be done.

You cannot report for duty or stay on the job while under the influence of alcohol or while impaired by alcohol as shown by behavior, speech or performance that indicates alcohol misuse. You will not be allowed to continue to perform safety-sensitive duties until:

Your alcohol concentration is less than 0.02

-or-

24 hours have passed from the time of the initial observation.

Action regarding alcohol misuse cannot be taken against a driver unless an alcohol test was administered or was refused by the driver.

5. Return to duty and follow-up

When:

Return to duty testing is required for drivers who violate prohibitions and are returning to work. In order to return to work, an alcohol concentration of less than 0.02 or a negative drug test is required.

Follow-up testing is required when a driver returns to a safety-sensitive function. A minimum of six tests shall be performed during the first year back in a safety-sensitive position. However, follow-up testing may continue for up to five years.

WHAT HAPPENS IF I REFUSE TO BE TESTED?

As part of the alcohol and drug rule, you must submit to alcohol and drug testing. If you refuse to be tested, you cannot continue on the job.

Refusal to test is considered to be any time you either fail to provide enough breath for alcohol testing or enough urine for controlled substances testing without a valid medical reason after being notified of the testing requirements, or if you clearly obstruct the testing

process. Refusal to be tested will subject the employee to disciplinary action, consistent with the personnel policies of the Town.

HOW IS ALCOHOL TESTING DONE?

1. All alcohol testing is done by a certified breath Alcohol Technician, of BAT, in a private setting where no one but you and the BAT can see or hear the test result. An evidential breath testing device (EBT) approved by the National Highway Safety Administration must be used.
2. The BAT will ask you for identification. you may ask for the BAT's identification as well.
3. To complete the test, you must blow forcefully into the mouthpiece of the testing device. The BAT must show you the test result on the testing device.
4. A screening test is done first. If the reading is less than 0.02, you will sign the certification and fill in the date on the form. The test will be reported as negative to the employer.
5. If the reading is 0.02 or greater, a confirmation test must be done (after 15 minutes but within 20 minutes of the first test). You will be asked not to eat, drink, belch or put anything in your mouth. These steps prevent the building up of mouth alcohol, which could lead to an artificially high result.
6. If the screening and confirmation test results are not the same, the confirmation test result is used.

If you refuse to be tested or to sign the testing form, the BAT will immediately notify your employer.

HOW IS DRUG TESTING DONE

1. Drug testing is done by analyzing a urine sample, which is collected in a private location.
2. Urine specimens are divided into two containers by the collection site person--in your presence. These two samples, called 'primary' and 'split', are sent to a testing laboratory certified by the Department of Health and Human Services. (DHHS)
3. At the laboratory, a screening test is performed on the primary sample. If this test is positive for drugs, a confirmation test is required.

4. The confirmation test must use a specialized procedure called gas chromatography/mass spectrometry, to ensure that over-the-counter drugs are not reported as positive.
5. If the first test is positive, the Medical Review Officer (MRO) will notify you to find out if there is a medical reason for the drug use. If you can document why the substance is being taken and the MRO finds it is a legitimate medical use, the test may be reported as negative to the employer.
6. After being notified that the first test was positive, you have 72 hours to request a test of the split specimen. If you make this request, the split specimen is sent to another DHHS-certified lab for the test.
 - a. If you do not contact the MRO within 72 hours but can prove to the MRO that you had a legitimate reason for not doing so, the MRO can order the split specimen tested.

Removal from safety-sensitive duty as required by the DOT following a positive drug test is not delayed to await the result of the split specimen test.

7. If the analysis of the split sample does not confirm the presence of a drug, the MRO cancels the test and reports this to the DOT, to the employer, and to you.

WHAT ARE THE CONSEQUENCES OF VIOLATING THE ALCOHOL OR DRUG PROHIBITIONS?

Alcohol violations:

- a. Removal from safety-sensitive functions.
- b. Following a violation, a driver cannot return to safety-sensitive duties until an evaluation has been done and any recommended treatment has been completed.
- c. Anyone with an alcohol concentration of 0.02 or greater, but less than 0.04, cannot return to safety-sensitive duties for at least 24 hours.

Drug violations:

- a. Removal from safety-sensitive functions.
- b. A driver cannot return to a safety-sensitive job until an evaluation has been done, recommended therapy is completed, and a verified negative drug test is produced.

Drug or alcohol violations will be cause for disciplinary action, which may include suspension and/or dismissal.

WHERE CAN I GO FOR HELP?

The Alcohol and drug rule requires us to provide you with an opportunity for treatment. The ruling does not, however, require us to hold a job open for you or to pay for rehabilitation. These issues are handled according to our alcohol and drug policy.

If you violate an alcohol or drug prohibition you must be evaluated by a substance abuse professional to determine what help is needed.

Before you can return to a safety-sensitive job, you must:

- a. have an alcohol concentration of less than 0.02, or a verified negative drug test (depending on the violation)
- b. complete recommended treatment
- c. complete a minimum of 6 follow-up tests within the first year back to work (follow-up testing may be done for up to five years after return to work).

WHAT ARE THE EFFECTS OF ALCOHOL AND DRUGS ON THE BODY?

Alcohol, a nervous system depressant, is the most widely abused drug. About half of all auto accident fatalities in this country are related to alcohol abuse. A 12-ounce can of beer, a 5-ounce glass of wine and a 1 1/2 ounce shot of hard liquor all contain the same amount of alcohol. Each 1/2 ounce of alcohol takes the average body about one hour to process and eliminate. Coffee, cold showers and exercise do not hasten sobriety.

Alcohol first acts on those parts of the brain that affect self-control and other learned behaviors. Low self-control often leads to the aggressive behavior associated with some people who drink. In large doses, alcohol can dull sensation and impair muscular coordinator, memory, and judgment. Taken in larger quantities over a long period of time, alcohol can damage the liver and heart and can cause permanent brain damage. On the average, heavy drinkers shorten their life spans by about ten years.

Other Effects:

- greatly impaired driving ability
- reduced coordinator and reflex action
- impaired vision and judgment
- inability to divide attention
- lowering of inhibitions
- hang over, which can be accompanied by headaches, nausea, dehydration, unclear thinking, unsettled digestion aching muscle

Marijuana, also known as 'pot', 'weed', 'grass' and other street names, alters the user's sense of time and reduces the ability to perform tasks requiring concentration. The drug has a significant effect on judgment, caution, and sensory/motor functions.

Marijuana stays in the body for 28 days, unlike alcohol, which dissipates in a few hours.

Other Effects:

- impaired driving for at least 4-6 hours after smoking 1 'joint'.
- restlessness
- inability to concentrate
- increased pulse rate and blood pressure

rapidly changing emotions and erratic behavior
altered sense of identity
dulling of attention
hallucinations, fantasies and paranoia
reduction or temporary loss of fertility

Cocaine is a stimulant drug which increase heart rate and blood pressure. As a powder, cocaine is inhaled, ingested, or injected. Cocaine is also used as free-base cocaine known as 'crack' or 'rock', which is smoked. The crack 'high' is reached in 4-6 seconds and lasts for about 15 minutes.

Many people mistakenly believe that, because it is smoked, crack is safer than other forms of cocaine use. It is not. Crack cocaine is one of the most addictive drugs known today. The most dangerous effects of crack are that its use can cause vomiting, rapid heart beat, tremor and convulsions. All of this muscle activity increases the demand for oxygen, which can result in a cocaine-induced heart attack. Since the heat regulating center in the brain is also disrupted, dangerously high body temperatures can occur. With high doses, brain functioning, breathing, and heart beat are depressed, which can lead to death.

Other Effects:

A rush of pleasurable sensations
a heightened, but momentary, feeling of confidence, strength and endurance
accelerated pulse, blood pressure and respiration
impaired driving ability
paranoia, which can trigger mental disorders in users prone to mental instability
irritation of the nostrils and nasal membrane
mood swings
anxiety
reduced sense of humor
compulsive behavior, such as teeth grinding or repeated hand washing

Amphetamines are drugs that stimulate the central nervous system and promote a feeling of alertness and an increase in speech and general physical activity. Some common street names for amphetamines are 'speed', 'uppers', 'black beauties', 'bennies', 'footballs', and 'dexies'.

People with a history of sustained low-dose amphetamine use quite often become addicted, believing that they need the drug to get by. These users frequently keep taking amphetamines to avoid the 'down' mood they experience when the drug wears off.

Even small, infrequent doses can produce toxic effects in some person. Restlessness, anxiety, mood swings, panic, heart rhythm disturbances, paranoid thoughts, hallucinations, convulsions and coma have been reported. Long-term users often have

acne resembling measles, trouble with their teeth, gums and nails, and dry, dull hair. Heavy, frequent use can produce brain damage resulting in speech disturbances.

Other Effects:

- Loss of appetite
- irritability, anxiety, apprehension
- increased heart rate and blood pressure
- difficulty in focusing eyes
- exaggerated reflexes
- distorted thinking
- perspiration, headaches dizziness
- short-term insomnia

Opiates include heroin, morphine, codeine and narcotics used to relieve pain and induce sleep. Heroin, also called 'junk' or 'smack', accounts for 90% of the narcotic abuse in this country.

Sometimes narcotics found in medicines are abused. This includes pain relievers containing opium and cough syrups containing codeine. Heroin is illegal and cannot ever be obtained with a physician's prescription.

Most medical problems are caused by the uncertain dosage level, the use of unsterile needles, contamination of the drug, or the combination of a narcotic with other drugs. These dangers depend on the specific drug, its source and the way it is used.

Other Effects:

- short-lived euphoria
- impaired driving ability
- drowsiness, followed by sleep
- constipation
- decreased physical activity
- reduced vision
- change in sleeping habits
- possible death

Phencyclidine or PCP, also called 'angel dust', was developed as a surgical anesthetic in the late 1950s. Later, due to its unusual side effects in humans, it was restricted to use as a veterinary anesthetic and tranquilizer. Today, it has no lawful use and is no longer legally manufactured.

PCP is a very dangerous drug. It can produce violent and bizarre behavior even in people otherwise not prone to such behavior. More people die from accidents caused by erratic and unpredictable behavior produced by the drug than from the drug's direct effect on the body.

PCP scrambles the brain's internal stimuli and alters how users see and deal with their environment. Routine activities such as driving and walking become very difficult. Low doses produce a rush, sometime associated with a feeling of numbness. Increased doses produce an excited, confused state including any of the following: muscle rigidity, loss of concentration and memory, visual disturbances, delirium, feelings of isolation and convulsions.

Other Effects:

- Impaired driving ability
- drowsiness
- perspiration
- repetitive speech patterns
- incomplete verbal responses
- blank state
- thick, slurred speech
- involuntary eye movement

For further information:

Contact the Town Administrator at Town Hall, or call the Administrator's office at 468-5522

3-4 Performance Reviews

Each Town employee shall receive an annual performance review.

3-5 Safety and Health

The Town strives to maintain a safe and healthy work environment for all employees. We do receive periodic safety reviews from our insurance carrier. Recommendations are reviewed and changes made when appropriate.

There is no formal active cross-departmental safety program. However, Fire, Police, and Highway to varying degrees, address safety issues through a variety of methods, including training, field exercises, etc.

3-6 Physical Examination

All new full-time and regular part-time employees, including those who have been absent from the employ of the Town for six months or more and are returning thereto and those who are changing from part-time to full-time or regular part-time employ of the Town, shall take a physical examination prior to commencing employment. The Town may, in it's discretion, require a physical examination before an employee may return to work after sick leave or medical leave of absence.

Such examination will be at the Town's expense according to a standard established by the Selectmen to whom the results shall be rendered in writing. Such examination shall be by a physician chosen by the Town unless the Selectmen agree in advance in a particular case to the choice of a different physician chosen by the prospective employee.

3-7 Personnel Records

Centralized personnel records are maintained through the offices of the Town Administrator, and the Treasurer/Collector. All employees have the right to view their personal file, and are encouraged to do so on a periodic basis. All employees should also check to be sure that all personal data such as addresses and beneficiaries are up to date.

3-8 Probationary Period

All new full-time and regular part-time employees, other than those who are elected to their position by a vote of the people of the Town, shall be employed initially for a period of up to ninety days during which time the Town may terminate the employee for any reason and the employee may resign without prior notice.

Chapter 4 - Payroll Information

4-1 Classification and Salary

Not all positions are classified, particularly those positions within a collective bargaining unit. For more information see the town administrator and reference the 1996 pay and classification study.

For non-union personnel, salary increases are normally set, or recommended to the Town Meeting by the Board of Selectmen and Finance and Advisory Committee.

4-2 Accounting for Time Off

All employees shall be charged time (Vacation, Sick Time, Personal Absence) for any day in which more than 1 hour is taken off during normal working hours. Time will be charged in increments of 2 hours.

4-3 Payday

Weekly payday on Thursday.

4-4 Wage Assignments and Garnishments

Any such actions are handled directly through the Treasurer/Collector's office.

4-5 Overtime Pay

Payable after 40 hours, for non-exempt employees.

4-6 Deferred Compensation

Contact the Treasurer/Collector's office for detailed information regarding the available plan.

4-7 Direct Deposit

Payroll checks can be directly deposited to your bank. Contact the Treasurer/Collector's office to sign up for this service.

Chapter 5 - Employee Benefits

5-1 Holidays

The Town Bylaws establish the following paid holidays for all full-time and regular part-time employees:

New Year's Day	Independence Day
Martin Luther King Day	Labor Day
Washington's Birthday	Columbus Day
Patriots Day	Veterans' Day
Memorial Day	Thanksgiving Day
	Christmas Day

All employees whose duties require working on one of these holidays shall receive another day off with pay. If an employee is not scheduled to work on a holiday, the employee will not be eligible for holiday pay.

5-2 Vacation

Full-time employees shall be entitled to vacation with pay in each fiscal year as determined by reference to the employee's anniversary date of continuous employment on the following schedule:

One week after six months of service

Two weeks after one year of service (but in no event more than two weeks in one year, until after five years of service).

Three weeks after five years of service.

One additional day for every year of service beyond five years, to a maximum of four weeks.

Regular part-time employees shall be entitled to pro rata vacation with pay benefits. All other employees are ineligible for vacation with pay.

Vacations are non-cumulative. It is intended that they be taken in the fiscal year when they are earned; however, if a vacation must be canceled by a department head due to an emergency or for other unforeseen circumstances, the canceled time may be carried over to the following fiscal year with the approval of the Selectmen.

When employment is terminated, for any reason, an employee or his estate shall be paid for vacation time earned but not used in that year.

Vacations are to be scheduled by agreement with the Department head at a time to best serve the public interest; they may be canceled by the department head in cases of emergency. In scheduling vacations within a department, preference in dates shall be accorded to employees with the longest service, where practical, and where it does not conflict with a vacation already scheduled by agreement with the Department Head. When a scheduled vacation includes a town holiday, an extra day shall be added to the vacation's length. In the event of sickness or injury of the employee prior to a scheduled vacation, the department head may permit an employee eligible for sick leave to use accumulated sick leave benefits for the days of such sickness or injury and reschedule the displaced vacation days. A doctor's note may be required. If an employee becomes sick or injured while on vacation, the time shall still be recorded as vacation time.

5-3 Personal Absence

The Town provides for up to three days per fiscal year for absences for compelling personal business of the employee or the employee's family.

"Personal Absence" time is not earned. When an employee needs time off for essential kinds of personal absences, the Town will protect the employee from loss of pay. Personal absences time can not be "saved" or used as additional vacation. The employee must advise the supervisor in advance of the need to take a personal absence day, except in cases of emergency.

Full-time employees are eligible for Personal Absence time after they have completed the ninety (90) day probationary period, up to six (6) days within the calendar year, although such absence is pro rated during the first year of hire. Regular part-time employees are eligible for this absence benefit on a pro-rated basis.

It may be possible to arrange with the supervisor to make up a personal absence, during the same workweek, in which case the absence will not count against the total. All employees shall be charged time (Vacation, Sick Time, Personal Absence) for any day in which more than 1 hour is taken off during normal working hours. Time will be charged in increments of 2 hours. A religious holiday that is not an official Town holiday will be charged against personal time, unless the employee elects to take it as vacation time.

5-4 Jury Duty

If a full-time or regular part-time employee, with one year's service to the Town, is called to jury duty and is thereby precluded from discharging his or her Town duties, and thereby loses compensation, the Town will make up the jury pay (excluding any travel allowances) upon presentation or certification of the amount paid by the court.

All other employees are ineligible for compensation for wages lost due to jury duty beyond the first three (3) days of juror service.

5-5 Educational Reimbursement

There is currently no formal policy regarding educational reimbursement, however, mandatory courses required by a department are paid for by the Town.

5-6 Travel and Transportation

Authorized travel reimbursed at \$.31/mile, effective January 1, 1999.

5-7 Length of Service Pay

Full-time employees who complete the following years of continuous service in the Town of Wenham shall receive an annual payment in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Amount of Lump Sum Longevity Compensation</u> (Eff. 7/1/01)	
At least 5 years, but less than 10 years	\$ 50	\$100
At least 10 years, but less than 15 years	\$100	\$200
At least 15 years, but less than 20 years	\$200	\$300
20 years or more of continuous service	\$300	\$400

5-8 Indemnification

The Town recognizes that its employees may become involved in claims or lawsuits as a result of their employment by the Town. The Town will assume responsibility for the defense of such claims or lawsuits, and will indemnify Town employees for expense and liability up to a maximum of one million dollars resulting from employee conduct while acting within the scope of their employment, provided the employees do not act in a grossly negligent, malicious or willful manner. Legal expenses incurred by employees are includable in the amount to be indemnified subject to reimbursement by the employee should the employee's conduct ultimately be determined to be outside the permissible bounds of behavior for Town employees.

Chapter 6 - Leave of Absence

6-1 Sick Leave

Full-time employees shall be entitled to one and one quarter(1 1/4) days of sick leave with pay for each month of service. Sick leave may be accumulated to a maximum of one-hundred-twenty (120) days (180 days, effective July 1, 2001), with any sick leave used to be deducted from the accumulated total. Use of sick leave shall be for personal use only, not for the care of family members.

Regular part-time employees shall be entitled to pro rata sick leave. All other employees are ineligible for sick leave with pay.

Sick leave with pay is to be awarded only when a employee is unable to perform his or her duties by reason of sickness or injury, including maternity. After five working days of sickness, a doctor's certificate of disability may be required by the department head or the selectmen.

If employment is terminated by the Town or the employee, there shall be no reimbursement in lieu of accumulated sick leave. However, an employee who, voluntarily or involuntarily, terminates service, after the age of fifty-five (55) years and after ten years of service to the Town, shall be entitled to reimbursement for one-half (1/2) of his or her accumulated sick leave at the employee's regular pay scale at retirement (exclusive of over-time or any other extra credit.).

If an employee is eligible for sick leave and is receiving Workmen's Compensation because the disability is employment related, the Town will grant a reimbursement equal to the difference between the employee's regular wages and the Workmen's Compensation payments, but only during the period of sick leave to which such employee is entitled. For each day in which sick leave is used to supplement Workmen's Compensation, the employee will be charged a full day of sick leave even though the amount used is not the equivalent of a full day's pay.

6-2 Workers' Compensation

Injured workers are covered by Massachusetts General Laws (M.G.L.). Contact the office of the Town Administrator if you have questions about your coverage.

6-3 Personal Leave

A leave of absence may be granted to an employee for a variety of reasons, among which are maternity, paternity, adoption of a child under (3) years of age, family crisis, travel, expiration of occasional absence time or sick leave. This is not intended to include all of the reasons that might prompt a request for leave of absence. In considering any request for a leave, the Town will take into account the employee's work record and attendance, reason for requesting a leave, the effect such leave will have on departmental operation, and, if necessary, the cost of a temporary replacement. Except as may be required by law or for unusual circumstances, no leave of absence will be granted for longer than a three-month period. The request for the leave must be in writing.

Full-time employees may request leaves of absence only after completion of the ninety-day initial period of employment.

Leaves are granted with the understanding that the employee will not be paid for the period of the leave, but the employee's service record and most benefits will continue without interruption. The employee must pay the full amount of benefits like health insurance, including the portion the Town normally pays, to assure that the benefits will continue during the leave.

The Town will make a reasonable effort to reinstate the employee into the same job upon return from a leave. If the former job is no longer available, the Town will try to offer another position for which the employee is qualified even if it is a lower level. There is a risk that the job or an equivalent one will not be available upon return from a leave. In these cases, the Town will have to terminate employment at the end of the leave. If an employee fails to return from a leave of absence, termination is automatic.

In the case of maternity leave under M.G.L. c. 149, Section 105D, wherever this policy conflicts with such statute, the provision of the statute prevail.

6-4 Family and Medical Leave

FAMILY AND MEDICAL LEAVE ACT (FMLA)

Purpose:

To outline the conditions under which an employee of the Town of Wenham may request a Leave of Absence without pay for a limited time, with job protection and no loss of accumulated service provided that you return to work at the completion of the agreed Leave of Absence.

Definition:

A Family or Medical Leave of Absence shall be defined as an approved absence available to eligible employees for up to 12 weeks of a "rolling" 12-month period measured backward from the date you use any FMLA leave for one or more of the following reasons:

- a. you give birth and care for said child;
- b. you receive a child through adoption or foster care;
- c. to care for your spouse, child or parent, if such spouse, child or parent has a serious health condition;
- d. a serious health condition that makes you unable to perform the functions of the position held by you.

A serious health condition exists if the employee, or the employee's child, spouse or parent has an illness, injury, impairment, or physical condition that involves either inpatient care or continuing treatment by a health care provider. Examinations to determine the existence of a serious health condition or to evaluate the condition may constitute "treatment", but "treatment" does not include routine physical, eye, or dental examinations.

Eligibility:

To be eligible for leave under this policy you must have been employed by the Town of Wenham for at least 12 months, and must have worked at least 1,250 hours within the 12 month period preceding the commencement of the leave.

A full time female employee who intends to take leave for the birth or adoption of a child and she has been employed by the Town of Wenham less than one year as of the date the leave begins must have completed an initial introductory period of three months to be eligible for an unpaid maternity leave of 8 weeks.

Substitution of Paid Leave:

You must exhaust ALL Accrued vacation and personal day(s) prior to going on leave without pay which will be included as part of your 12 week FMLA leave if:

- a. leave is taken because of the birth of your child, or the placement of an adopted or foster child in your home;
- b. leave is taken to care for a child, spouse or parent with a serious health condition; or
- c. leave is taken because of your own serious health condition that makes you unable to perform the functions of your job.

Notice Requirement:

Leave for a birth or placement of a child: You must provide 30 days advance notice before the date on which the leave will begin. If you are unable to provide 30 days notice, you must provide such notice as is practicable.

Leave for a serious medical condition: If the leave is foreseeable based on planned medical treatment, you are required to make a reasonable effort to schedule the treatment so as to not disrupt unduly the operations of the Town and you are required to provide 30 days advance notice, or if the treatment is in less than 30 days, such notice as is practicable.

BASIC CONDITIONS OF THE LEAVE

Intermittent or Reduced Leave:

If you are requesting leave because of your own serious health condition, or the serious health condition of a child, spouse or parent, you may take leave intermittently or on a reduced leave schedule, as it is medically necessary. The term "intermittently" describes a schedule in which you do not take all 12 weeks consecutively, but rather you take a series of shorter leaves over an extended period of time. The term "reduced" leave describes a leave schedule in which you simply work fewer hours per week than usual. The Town of Wenham may require employees who seek an intermittent or reduced leave schedule to transfer temporarily to another position which can better accommodate recurring periods of leave. The alternative position must provide equivalent pay and benefits.

If you are requesting leave to care for a newborn or newly placed adopted or foster child, you may also take intermittent or reduced leave if the Town of Wenham agrees to such an arrangement.

Certification Requirement:

The Town of Wenham will require that you provide medical certification to support leave for your own serious health condition or to care for a seriously ill family member. For your own medical leave, the certification must include a statement that you are unable to perform the functions of your position. For leave to care for a seriously ill family member, the certification must include an estimate of the amount of time you are needed to care for the person. In its discretion, the Town of Wenham may require a second medical opinion and periodical re-certifications. If the first and second medical opinions differ, the Town may require the binding opinion of a third health care provider, approved jointly by the Town of Wenham and you.

Holiday During Leave:

A paid holiday is not granted to an employee on an unpaid FMLA leave and cannot be used to extend your leave of absence.

Employee Benefits During Leave:

In the event that you elect not to return to work upon the completion of an approved FMLA leave, the Town of Wenham may receive from you the cost of any payment made to maintain your medical, dental and/or life insurance coverage, from the first day of the unpaid FMLA leave, unless failure to return to work was for reasons beyond your physical control.

Benefit entitlements based upon length of service will be calculated as of the last paid workday prior to the start of the FMLA leave.

Medical and Dental Insurance:

The Town of Wenham will continue to maintain group medical and dental insurance for eligible participants based on existing terms prior to any approved FMLA leave. If a participant fails to pay the appropriate premiums in a timely (considered timely if it is made by the thirtieth day after the first day of the coverage period or due date) manner.

Retirement Plans:

The Town of Wenham will maintain your retirement status as of the first day of FMLA leave. If you are participating in a contributory plan, these contributions will be suspended during any period of time when you are not receiving a regular paycheck. The Town of Wenham will adhere to the approved plan document for governance.

Reinstatement Following Leave:

An employee of the Town of Wenham is entitled to reinstatement to the same or equivalent position with equivalent pay, benefits, and other terms and conditions of employment as was held before going on the FMLA leave, unless you are in the highest ten percent of the workforce, in which case you may not be eligible for reinstatement if, in the determination of the Town of Wenham, denial of your job restoration is necessary to prevent substantial and grievous economic injury to the Town.

You will be informed of such denial as soon as possible after the determination is made, and may then elect to return to work to avoid being denied reinstatement.

First Day Back to Work:

For your convenience, The Town of Wenham has approved MONDAY as the first weekday back to work following 12 consecutive weeks of FMLA leave. Intermittent or reduced leave is not applicable.

6-5 Small Necessities Leave

General Background and Policy

The State of Massachusetts has passed legislation that makes leaves available to employees in addition to the leave available under the federal Family and Medical Leave Act. Under the new law, nicknamed the Small Necessities Leave Act, employers the size of the town of Wenham will provide employees up to 24 hours of unpaid time off per year for the following reasons:

- Participation in school activities directly related to the educational advancement of a son or daughter of the employee, such as parent teacher conferences or interviewing for new schools;
- Accompanying the son or daughter of an employee to routine medical or dental appointments, such as check-ups or vaccinations; and
- Accompanying an elderly relative of the employee (i.e., an individual at least 60 years old who is related by blood or marriage to the employee) to routine medical or dental appointments or other professional services relating to elder care, such as interviewing at nursing or group homes.

To be eligible for time off under this policy, an employee must have completed at least one year of service with the town of Wenham and have worked a minimum of 1,250 hours in the 52-week period preceding the start of the leave.

Time off under this policy will be granted to eligible employees for periods totaling up to 24 hours in any 12 month period. The 12 month period is a rolling period measured from the date an employee takes any time off under this policy. Each time an employee takes time off in one of the situations listed above, the amount of time taken will be computed and subtracted from the 24 hours of available leave. Time off under this policy may be taken intermittently or in less than one day increments.

An employee may elect, but is not required, to use paid vacation or other paid time instead of taking unpaid time as allowed by the Small Necessities Leave Act.

Approved time taken under this policy will not be counted against employee in any attendance occurrence program or job performance evaluation.

How to Apply for Small Necessities Leave

To request a Small Necessities Leave, an employee will need to inform his or her supervisor at least seven days in advance if the leave is foreseeable. Otherwise, the employee must inform the supervisor as soon as practical, preferably in writing but orally if necessary. A form is available in the office of the town administrator for completion in advance and return to your supervisor for approval.

6-6 Military Leave

A full-time or regular part-time employee, after one year's service to the Town, shall be entitled in each calendar year up to 17 consecutive days compensated leave of absence for the purpose of attending military training and/or required active duty in State or Federal Armed Services activities. The Town will make up the difference between the employee's lost wages and the military pay received

(excluding any travel allowances) upon presentation of certification the military pay received. If military pay exceeds the employee's lost wages, the employee is not required to reimburse the Town for the difference. Additional leave of absence for such scheduled training activities will be granted by the department head, as required by law, but without pay.

All other employees are ineligible for compensation for a military leave of absence.

6-6 Bereavement Leave

1. In the event of death in the immediate family of an employee who regularly works twenty or more hours per week, the employee shall be allowed to be absent from work, with pay, on all workdays following within the four (4) working days commencing on the date of the death.

"Immediate family" means spouse, child, step-child, foster child, mother, father, brother, sister, grandparent, mother-in-law and father-in-law.

2. In the event of the death of a member of such employee's immediate household (not a member of the immediate family), the employee shall be allowed to be absent from work, with pay, on all workdays following within the three (3) calendar days commencing on the date of the death.

3. An employee who regularly works twenty (20) or more hours per week shall be entitled to be absent, with pay, on the day of the funeral to attend the funeral of his or her aunt, uncle, niece, nephew, brother-in-law or sister-in-law.

4. In exceptional circumstances, the Town Administrator may, in his or her discretion, grant additional bereavement leave.

6-7 Training

Any employee may request to attend meetings, seminars or training sessions, relative to their primary job function. Said training must be approved, in advance, by the employee's Department Head, in order to allow for proper department scheduling. The cost of all approved training sessions shall be borne by the Town of Wenham. Such training sessions shall not exceed six working days each fiscal year. Attendance at such training is subject to funding being available for the training.

Each department head or supervisor shall exercise full and final authority in determining relevance to job enhancement and benefit to the town, as well as department scheduling.

Chapter 7 - Insurance

7-1 Health and Medical Insurance

The Town of Wenham currently offers a health plan which includes an HMO primary as well as supplemental plans. The HMO primary and supplemental care requires care by a primary care physician (P.C.P.), and, except for the co-payment, most preventive services as well as medical care benefits are covered in full if provided by, or referred by the P.C.P.

HMO Blue Seniors and Managed Blue for Seniors are both supplemental care that cover similar services, plus prescription drugs, co-payments, and deductibles.

Contact the Treasurer/Collector's office for a complete description of the available plans.

7-2 COBRA (Consolidated Omnibus Reconciliation Act of 1985)

If you are no longer employed by the Town, or your hours are reduced, you may be eligible, under COBRA, for continuation of health insurance coverage. You should contact the Treasurer/Collector's office for more detailed information regarding the coverage, as it may apply to your particular situation.

7-3 Life Insurance

The Town offers optional life insurance and accidental death coverage for all employees, on a shared cost basis. Contact the Treasurer/Collector's office for more detailed descriptions of the available plans.

7-4 Disability Insurance

Employees may also elect to enroll in a long-term disability insurance plan, with the cost assumed by the employee. Contact the Treasurer/Collector's office for a detailed description of the plan.

Chapter 8 - Retirement

The Town employees are covered under the State regulated retirement system, administered through the Essex County Retirement System. Employee contributions are mandatory, and are deducted from your pay. Contact the Treasurer/Collector's office for more information regarding the plan.

Chapter 9 - Employee Services

9-1 Employee Assistance Program

A telephone employee assistance plan is offered through our insurance carrier for non-public safety personnel. See town administrator for more information.

9-2 Credit Union

Town employees are eligible for membership in the Beverly Municipal Credit Union. Contact the Treasurer/Collector's office for information on enrollment, and how you can utilize an automatic payroll deduction for a savings plan at the credit union.

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

➤ Vote: I move Board of Selectmen close the Public Hearing.

Seconded / Discussion/ Vote

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

- | | |
|---|----|
| A. Fire Chief Appointment: Stephen Kavanagh | CH |
| B. Appointments | JC |
| • Forest Warden: Stephen Kavanagh | |
| • Historic District Commission: Dana Bagnell, Don Bannon, Barbara Locke | |
| • Veterans Committee: William J. Wilson, III | |
| C. Overview of Habitat for Humanity Project on Hull Street
– Josh Anderson, Affordable Housing Trust Chair | CH |
| D. Discussion of Proposed Updates to Employee Handbook | CH |
| E. Bi-annual OPEB Actuarial Analysis – Audit Committee Report | JW |
| F. Update on Electrical Inspectional Services | JW |
| G. Review and Approval of Updated School Grounds Maintenance Agreement | JC |
| H. Discussion and Potential Approval of Grievance Procedure under
The Americans with Disabilities Act | JC |
| I. Other matters, as may not have been reasonably anticipated by the Chair
(Discussion Only) | CH |

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

A.

Fire Chief Appointment

- Draft Motion

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Fire Chief Appointment

Stephen B. Kavanagh

- Vote: I move to appoint Stephen B. Kavanagh as Fire Chief for a term beginning on July 16, 2018 and ending June 30, 2019 at an annual salary of \$111,912.62 including compensation for his continued duties serving as the Clock Winder and Animal Control Officer for the Town, and subject to such additional terms and conditions as are included in the Memorandum of Agreement between the Selectboard and Mr. Kavanagh.

Seconded / Discussion/ Vote

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

B.

Appointments

- Forest Warden: Stephen Kavanagh
 - Draft Motion

- Historic District Commission: Dana Bagnell, Don Bannon, Barbara Locke
 - Letters of Interest
 - Draft Motion

- Veterans Committee: William J. Wilson, III
 - Letter of Interest
 - Letter of Recommendation
 - Draft Motion

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Forest Warden Appointment

- Vote: I move to appoint Stephen B. Kavanagh as Forest Warden for a one (1) year term beginning July 16, 2018 and ending June 30, 2019.

Seconded / Discussion/ Vote

6-6-18

Dear Selectmen:

Please be advised I wish
to be reappointed to
the Wendell Historical Commission
for a full term of
three years.

Yours Truly
David S. Segner

Nicole Roebuck

From: Don Bannon <donbannonarc@gmail.com>
Sent: Saturday, May 26, 2018 10:01 AM
To: Nicole Roebuck
Subject: Historic District Commission

Nicci,

I wish to continue serving on the HDC. I consider it an honor to serve the town on this important committee.

Don Bannon

Nicole Roebuck

From: Barbara Locke <bklocke@me.com>
Sent: Tuesday, May 15, 2018 4:53 PM
To: Nicole Roebuck
Subject: Historic District Commission

Hi Nicci,

I am responding to a letter that Peter Lombardi sent in regards to my re-appointment to the HDC. I would very much like to continue on the Commission.

Best,
Barbara

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Historic District Commission Appointments

- Vote: I move to appoint Dana P. Bagnell, Don O. Bannon and Barbara K. Locke to the Historic District Commission for (3) year terms beginning July 16, 2018 and ending June 30, 2021.

Seconded / Discussion/ Vote

Nicole Roebuck

From: William Wilson <wjwilson43@comcast.net>
Sent: Monday, May 14, 2018 10:39 AM
To: Nicole Roebuck
Subject: Annual Appointments

Nicki: I'm going to change it up for the coming year and hopefully rotate to a new Committee. I will not be requesting a membership extension on the Open Space and Recreation Committee but would be interested in being considered for the Veterans Committee. Let me know if this is possible....Bill

Nicole Roebuck

From: Dean Pedersen <dped63@gmail.com>
Sent: Tuesday, June 19, 2018 10:44 AM
To: Jack Wilhelm; Catherine Harrison; John Clemenzi
Cc: Nicole Roebuck
Subject: recommendation for Wenham Veterans Committee

TO: The Board of Selectmen
FROM: Dean Pedersen, Chair of Wenham Veterans Committee

Bill Wilson has attended several meetings and is actively involved in the project to identify veterans graves in the Wenham Cemetery. As a retired Navy Officer he has contributed much to the Veterans Committee.

I recommend him highly for the remaining position on the committee.

Dean

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Veterans Committee Appointment

- Vote: I move to appoint William J. Wilson, III to the Veterans Committee for a one (1) year term beginning July 16, 2018 and ending June 30, 2019.

Seconded / Discussion/ Vote

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

C.

Overview of Habitat for Humanity Project on Hull Street

Josh Anderson, Affordable Housing Trust Chair

- Memo regarding 40 Hull Street, Wenham from North Shore Habitat for Humanity to the Wenham Affordable Housing Trust
- Proposed Site Plan – 40 Hull Street, Wenham, DMS Design, LLC
- Proposed Elevation – 40 Hull Street, Wenham, DMS Design, LLC



We build strength, stability, self-reliance and shelter.

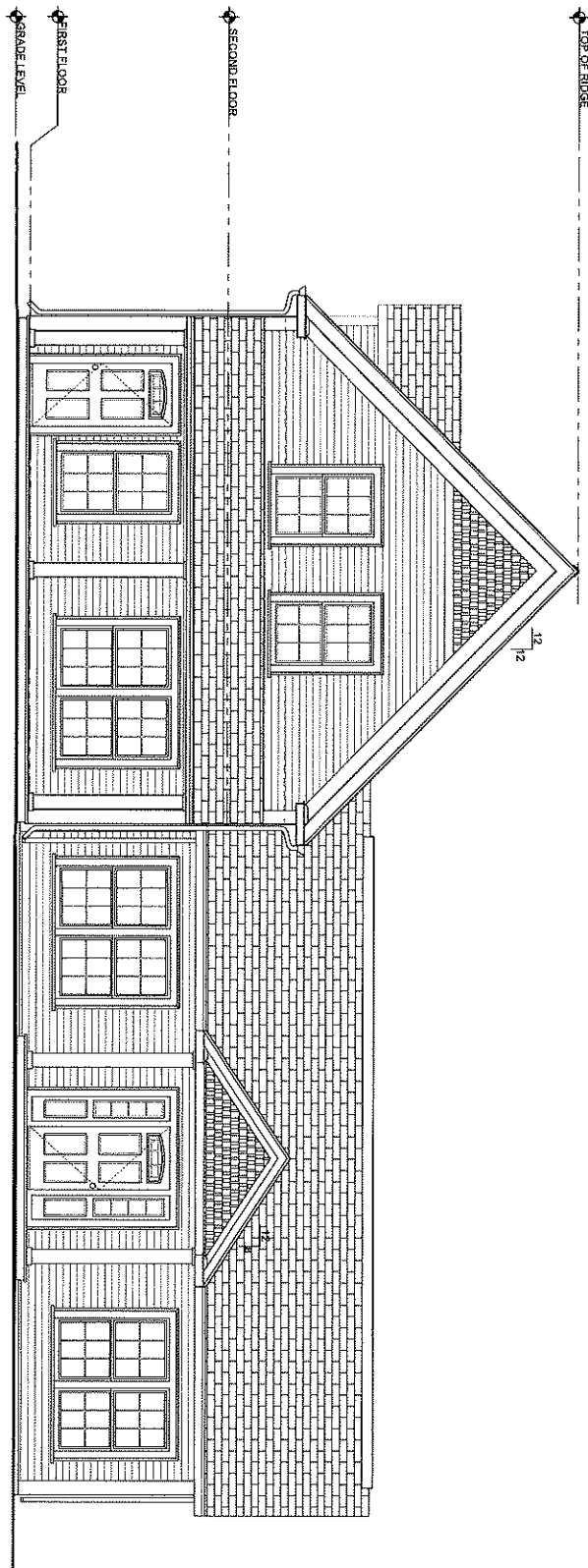
To: Wenham Affordable Housing Trust:

Re: 40 Hull Street, Wenham

Habitat for Humanity North Shore has a signed P & S for a property located at 40 Hull St in Wenham and is proposing to tear down the existing structure and develop a two unit affordable home ownership condo on this site. The acquisition cost is \$230,000 and the total cost for the project as proposed is \$460,000, this includes the acquisition and construction costs.

HFHNS will sell these units, a 2 bedroom and a 1 bedroom for under \$145,000.00 to two low-income families. We will have a local preference for one of the units which means that the family can live, work or go to school in Wenham. Our mortgages are at 0% interest. Both of these units will come with deed restrictions that will maintain their affordability and they will count towards the town's affordable housing inventory.

HFHNS follows fair housing guidelines in selecting our families as well as Habitat procedures. We advertise throughout the community, in newspapers, churches, social service agencies and online looking for income qualified applicants. We serve families earning between 40 & 60% of area median income which is considered low income. We review the applications; we request paystubs, tax returns and credit reports in this process. We then schedule home visits with all our qualified applicants, after this review process we enter the applicants into a lottery and draw the family names. Habitat requires that the families commit to 400 hours of sweat equity in the building of their home as their down payment. We are the bank and issue a 0% mortgage for 20-30 years. We also will form a condo association for this project and HFHNS will be part of this association as a voting member. This association will be responsible for the maintenance of the property and the exterior of the housing units.



1
1/4" = 1'-0"

Proposed Elevation

A1.1

Proposed
Elevation

Scale: 1/4" = 1'-0"
Date: 6-18-18
Drawn By: DMS Team

40 Hull Street Road

Wenham, MA

DMS design, llc
Architectural Design Services
100 Cummings Center, Suite 339C
Beverly, MA 01915
Phone: 978-667-5470
Fax: 978-667-8531

Revisions

#	Date:

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

D.

**Discussion of Proposed Updates to
Employee Handbook**

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

E.

Bi-Annual OPEB Actuarial Analysis – Audit Committee Report

- Letter regarding GASB 74 and 75 – Summary of Results from Parker E. Elmore, President, CEO & Actuary, Odyssey Advisors, April 25, 2018
- Town of Wenham Other Postemployment Benefits Plan, GASB 74/75 Actuarial Valuation, Valuation and Measurement Date of June 30, 2017, April 2018
- Presentation of GASB 75 Results, Odyssey Advisors, June 12, 2018

April 25, 2018

Personal and Confidential

Mr. Christopher Holak
Town Accountant
Town of Wenham
138 Main Street
Wenham, MA 01984

Re: GASB 74 and 75 – Summary of Results

Dear Mr. Holak:

The purpose of this letter is to summarize our actuarial valuation of the Town of Wenham Other Postemployment Benefits Plan (the "Plan") for the Reporting Date and fiscal year ending June 30, 2018 with a Valuation Date of June 30, 2017 and a Measurement Date of June 30, 2017 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

What caused plan liabilities to change from FY 16 to FY 18?

Plan experience was in line with expectation - for the year ending on the Measurement Date of June 30, 2017, the Plan saw an experience loss of \$118,520 or 2.68%. This was mainly due to the addition of actives with service who were not reflected on the prior valuation. This was mostly offset by premiums increasing by less than the expected to increase 10% increase over the two-year period. The actuarial experience loss is amortized into the net OPEB expense over time until fully recognized.

Over the two year period, the Total OPEB Liability ("TOL") went from \$5,059,967 as of June 30, 2015 to \$4,845,052 as of June 30, 2017 for a decrease of \$214,915. The Net OPEB Expense was \$234,960 for the fiscal year June 30, 2018. As this is the first year using GASB 75 methodology, there is no baseline for comparison. For a 30-year projection of future costs and liabilities refer to Exhibit C of our GASB 75 report.



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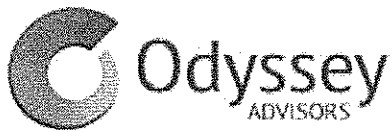
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If you or your auditors have questions on this report, feel free to give us a call.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Elmore', with a long horizontal flourish extending to the right.

Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary



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**Town of Wenham Other
Postemployment Benefits Plan**

GASB 74/75 Actuarial Valuation

With a Valuation Date of June 30, 2017

& a Measurement Date of June 30, 2017

For the Reporting Dates of

June 30, 2018

June 30, 2019

Delivered April 2018



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April 25, 2018

Personal and Confidential

Mr. Christopher Holak
Town Accountant
Town of Wenham
138 Main Street
Wenham, MA 01984

Dear Mr. Holak:

We have performed an actuarial valuation of the Town of Wenham Other Postemployment Benefits Plan for the Reporting Date & fiscal year ending June 30, 2018 with a Measurement Date of June 30, 2017 and a Valuation Date of June 30, 2017. The figures presented in this report reflect the adoption, by the Town of Wenham, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75") effective for the fiscal year ending June 30, 2017 and June 30, 2018 respectively.

The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, reflecting the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.



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We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Elmore', with a long horizontal flourish extending to the right.

Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary



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April 25, 2018

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Wenham other postemployment benefit programs with a Valuation Date of June 30, 2017 with a Measurement Date of June 30, 2017 for the Reporting Date & fiscal year ending June 30, 2018 in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

The actuarial data is based on the plan of benefits verified by the Town and on participant claims or premium data provided by the Town and/or vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may yield results significantly different than those reported here. As such, additional determinations may be needed for other purposes including determining the benefit security at termination and/or adequacy of the funding of an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 74 and 75 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.

A handwritten signature in black ink, appearing to read 'P. Elmore'.

Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

A handwritten signature in black ink, appearing to read 'K. Thompson'.

Kurtis J. Thompson, ASA, MAAA
Consulting Actuary



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Executive Summary

GASB 74 and 75 Impact

The Town adopted GASB 74 for the fiscal year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. The adoption of GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. Significant changes have been made to the recognition of OPEB expenses, which makes the comparison of Net OPEB Expense in the current valuation to the expenses reported under GASB 45 misleading. The liability reported on the Town's balance sheet is likely to increase dramatically as GASB 74/75 require the recognition of liabilities immediately rather than over a 30 year period as GASB 45 allowed.

What caused plan liabilities to change from FY 16 to FY 18?

Plan experience was in line with expectation - for the year ending on the Measurement Date of June 30, 2017, the Plan saw an experience loss of \$118,520 or 2.68%. This was mainly due to the addition of actives with service who were not reflected on the prior valuation. This was mostly offset by premiums increasing by less than the expected to increase 10% increase over the two-year period. The actuarial experience loss is amortized into the net OPEB expense over time until fully recognized. Changes in assumptions decreased disclosed liabilities by \$1 million.

Over the two year period, the Total OPEB Liability ("TOL") went from \$5,059,967 as of June 30, 2015 to \$4,845,052 as of June 30, 2017 for a decrease of \$214,915. The Net OPEB Expense was \$234,960 for the fiscal year June 30, 2018. As this is the first year using GASB 75 methodology, there is no baseline for comparison. For a projection of future costs and liabilities refer to Exhibit D.

Executive Summary

(continued)

Assumption changes

A key assumption has changed since the prior valuation - the impact is detailed below.

- ✓ Due to the GASB 75 standards the discount rate was changed from 4.00% to 5.25% decreasing the disclosed liability by \$1 million.
- ✓ Assumption changes caused Normal Cost to decrease by \$80 thousand.

It is important to remember that actuarial assumptions or changes in such do not impact the actual cost of the Plan. Rather, they impact the timing of the recognition of such costs.

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare Integrated) plans - represent 76% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate - We currently assume medical costs increase at 5.0% per year
- ✓ Discount Rate (5.25%) - Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing - Under Massachusetts law you may charge retirees up to 50% of premiums for health insurance.

Executive Summary

(continued)

What is Implicit Subsidy? How does it impact us?

The implicit subsidy arises because retirees who are not eligible for Medicare are charged the same premium as active employees, even though their actual medical costs are higher on average. Consequently, a portion of the premiums being paid for active employees are being used to “subsidize” the premiums of retirees. Actuarial Standards of Practice and GASB standards require the liability associated with this implicit subsidy to be valued. The chart below shows a breakdown of how implicit cost impacts reported cash flows and liabilities.

Impact of Implicit Subsidy		
	As Of The Measurement Date	
Impact on Liability	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Actuarial Accrued Liability	4,845,052	5,059,967
II. Actuarial Accrued Liability (Excluding Implicit Subsidy)	<u>4,575,710</u>	<u>N/A</u>
III. Liability from Implicit Subsidy [I. - II.]	269,342	N/A

	For The Fiscal Year Ending	
Impact on Payments	<u>June 30, 2018</u>	<u>June 30, 2016</u>
IV. Employer Payments (Including Implicit Subsidy)	171,732	159,749
V. Actual Employer Payments	<u>N/A</u>	<u>N/A</u>
VI. Implicit Subsidy [IV. - V.]	N/A	N/A



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Executive Summary (continued)

What are some key plan metrics?

While an actuarial valuation under GASB 74/75 can be very complex with many variables, we find it helpful to look at several key metrics shown below to better allow you to manage your plan.

Representative Plan Statistics

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
Total OPEB Liability	4,845,052	5,059,967
Per Eligible Active Plan Participant	64,449	67,256
Per Retiree/Spouse Plan Participant	62,618	76,443
Total Annual Service Cost (annual benefit accrual)	190,103	256,883
Per Eligible Active Plan Participant	4,045	6,422
Expected Employer Share of Retiree Costs	171,732	159,749
Per Retiree/Spouse Plan Participant	5,922	5,153
Net OPEB Liability as a % of Payroll	165.00%	136.10%
Average Annual Medical Plan Premium (Single Coverage)	7,930	6,861
Average Annual Medical Plan Premium (Family Coverage)	19,565	18,853
<u>Projected 2020 Excise Tax Thresholds</u>		
Annual Medical Plan Premium (Single Coverage)	12,511	
Annual Medical Plan Premium (Family Coverage)	32,676	

Executive Summary

(continued)

Liabilities & Benefit Payments in today's dollars

With the growth of medical care costs over time, the nominal accrued liabilities ("TOL") and benefit payments can appear daunting. However, it is important to remember that a dollar paid in the future is worth less than a dollar paid today.

Measurement Date	Number of Retirees, Spouses & Surviving Spouses	Present Value at 3.00% of Total OPEB Liability	Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"
June 30, 2017	29	4,845,052	171,732
June 30, 2022	35	5,580,427	167,713
June 30, 2027	42	6,177,547	223,592
June 30, 2032	46	6,708,747	271,460
June 30, 2037	47	7,234,290	270,085
June 30, 2042	47	7,862,221	303,400
June 30, 2047	48	8,481,119	351,381

A full projection of plan costs and liabilities in today's dollars is shown in Exhibit E of this report.

We have an "unfunded liability". How do we fund it? Can we fund it?

If you're looking to fund your OPEB liability, there are a variety of manner to do so. The amount of funding in combination with your Investment Policy will impact the discount rate and disclosed liabilities. Below are a few sample funding options, but it's important to develop a funding policy that fits your organization as each situation is different.

	Partial Funding	Full Funding Level Dollar	Full Funding increasing at 3.00% per year
Net OPEB Liability	\$4,778,985	\$4,006,202	\$4,006,202
Required Trust Contribution	\$20,000	\$204,700	\$152,000
Discount Rate	5.25%	6.50%	6.50%



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SECTION I

PRINCIPAL RESULTS OF THE VALUATION

Town of Wenham

Assuming Partial Funding - 5.25% discount rate

Comparison of Plan Liabilities to Prior Valuation

	As of the Measurement Date	
	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Present Value of Future Benefits		
A. Actives	4,686,689	5,691,927
B. Retirees/Disabled	<u>1,815,935</u>	<u>2,369,731</u>
C. Total	6,502,624	8,061,658
II. Present Value of Future Normal Cost	1,657,572	3,001,691
III. Total OPEB Liability (Individual Entry Age Normal)		
A. Actives	3,029,117	2,690,236
B. Retirees/Disabled	<u>1,815,935</u>	<u>2,369,731</u>
C. Total	4,845,052	5,059,967
IV. Fiduciary Net Position [Plan Assets]	66,067	25,371
V. Net OPEB Liability (Asset) [III. - IV.]	4,778,985	5,034,596
VI. Funded Ratio [IV. / III.]	1.36%	0.50%
VII. Annual Covered Payroll	2,896,297	3,698,986
VIII. Net OPEB Liability (Asset) as % of Covered Payroll	165.0%	136.1%
IX. Number of Eligible Participants		
A. Actives	47	40
B. Retirees/Disabled	<u>29</u>	<u>31</u>
C. Total	76	71
	<u>For the Reporting Date and Fiscal Year Ending</u>	<u>June 30, 2016</u>
X. Service Cost	190,103	256,883
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103	N/A
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	N/A
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	N/A
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	N/A
XV. Projected Earnings on OPEB Plan Investments	(3,514)	N/A
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>N/A</u>
XVII. Financial Statement Expense [X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	426,692	N/A
XVII. Employer Share of Costs	(171,732)	(159,749)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(20,000)	(20,000)
XIX. Total Employer Contribution [XVII. + XVIII.]	(191,732)	(179,749)
XX. Other Changes	<u>0</u>	<u>N/A</u>
XXI. Net OPEB Expense [XVII.+XIX.+XX.]	234,960	N/A
XXII. Discount Rate	5.25%	4.00%



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SECTION I

PRINCIPAL RESULTS OF THE VALUATION (continued)

Town of Wenham Comparison of Plan Funding vs. Partial Funding

As of the June 30, 2017 Measurement Date

	<u>Partial Funding - 5.25%</u> <u>discount rate</u>	<u>Funding - 6.50%</u> <u>discount rate</u>
I. Present Value of Future Benefits		
A. Actives	4,686,689	3,499,738
B. Retirees/Disabled	<u>1,815,935</u>	<u>1,662,652</u>
C. Total	6,502,624	5,162,390
II. Present Value of Future Normal Cost	1,657,572	1,090,121
III. Total OPEB Liability (Individual Entry Age Normal)		
A. Actives	3,029,117	2,409,617
B. Retirees/Disabled	<u>1,815,935</u>	<u>1,662,652</u>
C. Total	4,845,052	4,072,269
IV. Fiduciary Net Position [Plan Assets]	66,067	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	4,778,985	4,006,202
VI. Funded Ratio [IV. / III.]	1.36%	1.62%
VII. Annual Covered Payroll	2,896,297	2,896,297
VIII. Net OPEB Liability (Asset) as % of Covered Payroll	165.0%	138.3%
IX. Number of Eligible Participants		
A. Actives	47	47
B. Retirees/Disabled	<u>29</u>	<u>29</u>
C. Total	76	76
For the Reporting Date and Fiscal Year Ending June 30, 2018		
X. Service Cost	190,103	140,996
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103	247,773
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0
XV. Projected Earnings on OPEB Plan Investments	(3,514)	(10,562)
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>
XVII. Financial Statement Expense [X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	426,692	378,207
XVIII. Employer Share of Costs	(171,732)	(171,732)
XIX. Employer (Payments)/Withdrawals to/from OPEB Trust	(20,000)	(204,700)
XX. Total Employer Contribution [XVIII. + XIX.]	(191,732)	(376,432)
XXI. Other Changes	0	0
XXII. Net OPEB Expense [XVII.+XX.+XXI.]	234,960	1,775



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SECTION I

PRINCIPAL RESULTS OF THE VALUATION

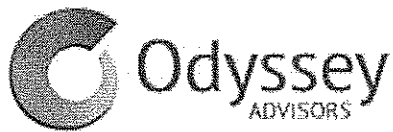
(continued)

Town of Wenham

Assuming Partial Funding - 5.25% discount rate

Plan Liabilities as of the June 30, 2017 Measurement Date

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	4,649,754	0	20,377	16,558	4,686,689
B. Retirees/Disabled	<u>1,794,025</u>	<u>0</u>	<u>21,880</u>	<u>30</u>	<u>1,815,935</u>
C. Total	6,443,779	0	42,257	16,588	6,502,624
II. Present Value of Future Normal Cost	1,641,479	0	5,961	10,132	1,657,572
III. Total OPEB Liability					
A. Actives	3,008,275	0	14,416	6,426	3,029,117
B. Retirees/Disabled	<u>1,794,025</u>	<u>0</u>	<u>21,880</u>	<u>30</u>	<u>1,815,935</u>
C. Total	4,802,300	0	36,296	6,456	4,845,052
IV. Fiduciary Net Position [Plan Assets]	65,484	0	495	88	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	4,736,816	0	35,801	6,368	4,778,985
VI. Annual Covered Payroll	2,896,297	2,896,297	2,896,297	2,896,297	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	163.5%	0.0%	1.2%	0.2%	165.0%
VIII. Number of Eligible Participants					
IX. A. Actives	47	47	47	47	
B. Retirees/Disabled	<u>29</u>	<u>0</u>	<u>12</u>	<u>29</u>	
C. Total	76	47	59	76	
For the Reporting Date and Fiscal Year Ending June 30, 2018					
X. Service Cost	188,409	0	839	855	190,103
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	237,987	0	1,763	353	240,103
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0
XV. Projected Earnings on OPEB Plan Investments	(3,514)	0	0	0	(3,514)
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XVII. Financial Statement Expense [X. + XI. + XII. + XIII. + XIV. + XV. + XVI.]	422,882	0	2,602	1,208	426,692
XVIII. Employer Share of Costs	(170,019)	0	(1,713)	0	(171,732)
XIX. Employer (Payments)/Withdrawals to/from OPEB Trust	(19,868)	0	(111)	(21)	(20,000)
XX. Total Employer Contribution [XVIII. + XIX.]	(189,887)	0	(1,824)	(21)	(191,732)
XXI. Other Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XXII. Net OPEB Expense [XVII. + XX. + XXI.]	232,995	0	778	1,187	234,960



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SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Wenham

Plan Liabilities as of the June 30, 2017 Measurement Date
Assuming Partial Funding

	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits							
A. Actives	665,420	1,626,173	540,342	761,151	697,981	395,622	4,686,689
B. Retirees/Disabled	478,793	808,732	76,032	120,745	206,860	124,773	1,815,935
C. Total	1,144,213	2,434,905	616,374	881,896	904,841	520,395	6,502,624
II. Present Value of Future Normal Cost	451,223	569,442	109,944	255,718	209,971	61,274	1,657,572
III. Total OPEB Liability							
A. Actives	214,197	1,056,731	430,398	505,433	488,010	334,348	3,029,117
B. Retirees/Disabled	478,793	808,732	76,032	120,745	206,860	124,773	1,815,935
C. Total	692,990	1,865,463	506,430	626,178	694,870	459,121	4,845,052
IV. Fiduciary Net Position [Plan Assets]	9,445	25,446	6,949	8,526	9,437	6,264	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	683,545	1,840,017	499,481	617,652	685,433	452,857	4,778,985
VI. Annual Covered Payroll	673,961	829,973	240,074	497,725	452,616	201,948	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	101.4%	221.7%	208.1%	124.1%	151.4%	224.2%	165.0%
VIII. Number of Eligible Participants							
A. Actives	14	11	3	8	8	3	47
B. Retirees/Disabled	11	8	2	3	3	2	29
C. Total	25	19	5	11	11	5	76
For the Reporting Date and Fiscal Year Ending June 30, 2018							
IX. Service Cost	59,814	52,579	12,725	34,555	23,769	6,661	190,103
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	27,428	95,144	25,875	32,781	35,713	23,162	240,103
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(505)	(1,351)	(369)	(455)	(502)	(332)	(3,514)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	0	0	0	0	0	0	0
XVI. Financial Statement Expense [IX.+X.+XII.+XIII.+XIV.+XV.]	86,737	146,372	38,231	66,881	58,980	29,491	426,692
XVII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(20,742)	(20,654)	(13,259)	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(2,935)	(7,626)	(2,083)	(2,629)	(2,567)	(1,860)	(20,690)
XIX. Total Employer Contribution [XVII. + XVIII.]	(44,499)	(71,491)	(13,731)	(23,371)	(23,221)	(15,119)	(191,732)
XX. Other Changes	0	0	0	0	0	0	0
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	42,238	74,881	24,500	43,510	35,459	14,372	234,960

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Wenham

Detail of Plan Liabilities by Group and Dependency Status

Assuming Partial Funding - 5.25% discount rate

Plan Liabilities as of the June 30, 2017 Measurement Date

	<u>Present Value of</u> <u>Future Benefits</u>	<u>Total OPEB Liability</u> <u>(Individual Entry Age</u> <u>Normal)</u>	<u>Service Cost</u>
Actives			
Under Age 65			
A. Participants	784,306	494,190	25,994
B. Spouses	<u>764,431</u>	<u>487,591</u>	<u>25,218</u>
C. Total	1,548,737	981,781	51,212
Age 65 and Over			
A. Participants	1,679,986	1,152,692	79,811
B. Spouses	<u>1,457,966</u>	<u>894,644</u>	<u>59,080</u>
C. Total	3,137,952	2,047,336	138,891
Actives Total			
A. Participants	2,464,292	1,646,882	105,805
B. Spouses	<u>2,222,397</u>	<u>1,382,235</u>	<u>84,298</u>
C. Total	4,686,689	3,029,117	190,103
Retirees/Disabled			
Under Age 65			
A. Participants	119,484	119,484	0
B. Spouses	<u>66,435</u>	<u>66,435</u>	<u>0</u>
C. Total	185,919	185,919	0
Age 65 and Over			
A. Participants	1,173,704	1,173,704	0
B. Spouses	<u>456,312</u>	<u>456,312</u>	<u>0</u>
C. Total	1,630,016	1,630,016	0
Retirees/Disabled Total			
A. Participants	1,293,188	1,293,188	0
B. Spouses	<u>522,747</u>	<u>522,747</u>	<u>0</u>
C. Total	1,815,935	1,815,935	0
Total Population			
A. Participants	3,757,480	2,940,070	105,805
B. Spouses	<u>2,745,144</u>	<u>1,904,982</u>	<u>84,298</u>
C. Total	6,502,624	4,845,052	190,103



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SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Wenham

Assuming Funding over 30 years at 6.50% discount rate
Plan Liabilities as of the June 30, 2017 Measurement Date

	Medical	Dental	Life	Excise Tax	Total
I. Present Value of Future Benefits					
A. Actives	3,476,189	0	14,748	8,801	3,499,738
B. Retirees/Disabled	<u>1,642,403</u>	<u>0</u>	<u>20,233</u>	<u>16</u>	<u>1,662,652</u>
C. Total	5,118,592	0	34,981	8,817	5,162,390
II. Present Value of Future Normal Cost	1,080,908	0	4,313	4,900	1,090,121
III. Total OPEB Liability (Individual Entry Age Normal)					
A. Actives	2,395,281	0	10,435	3,901	2,409,617
B. Retirees/Disabled	<u>1,642,403</u>	<u>0</u>	<u>20,233</u>	<u>16</u>	<u>1,662,652</u>
C. Total	4,037,684	0	30,668	3,917	4,072,269
IV. Fiduciary Net Position [Plan Assets]	65,505	0	498	64	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	3,972,179	0	30,170	3,853	4,006,202
VI. Annual Covered Payroll	2,896,297	2,896,297	2,896,297	2,896,297	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	137.1%	0.0%	1.0%	0.1%	138.3%
VIII. Number of Eligible Participants					
A. Actives	47	47	47	47	
B. Retirees/Disabled	<u>29</u>	<u>0</u>	<u>12</u>	<u>29</u>	
C. Total	76	47	59	76	

For the Reporting Date and Fiscal Year Ending June 30, 2018

IX. Service Cost	139,740	0	622	634	140,996
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	245,669	0	1,866	238	247,773
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(10,472)	0	(80)	(10)	(10,562)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XVI. Financial Statement Expense [IX.+X.+XI.+XII.+XIII.+XIV.+XV.]	374,937	0	2,408	862	378,207
XVII. Employer Share of Costs	(170,019)	0	(1,713)	0	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(202,961)	0	(1,542)	(197)	(204,700)
XIX. Total Employer Contribution [XVII. + XVIII.]	(372,980)	0	(3,255)	(197)	(376,432)
XX. Other Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	1,957	0	(847)	665	1,775



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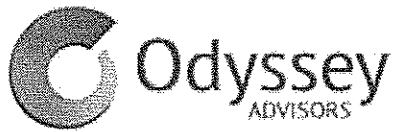
SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Wenham Plan Liabilities as of the June 30, 2017 Measurement Date Assuming Funding over 30 years at 6.50% discount rate

	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits							
A. Actives	496,896	1,214,328	403,495	568,382	521,210	293,427	3,499,738
B. Retirees/Disabled	438,378	740,467	69,614	110,553	189,399	114,241	1,662,632
C. Total	935,274	1,954,795	473,109	678,935	710,609	409,668	5,162,390
II. Present Value of Future Normal Cost	296,751	374,500	72,306	168,176	138,090	40,298	1,090,121
III. Total OPEB Liability							
A. Actives	170,390	840,614	342,375	402,064	388,205	265,969	2,409,617
B. Retirees/Disabled	438,378	740,467	69,614	110,553	189,399	114,241	1,662,632
C. Total	608,768	1,581,081	411,989	512,617	577,604	380,210	4,072,269
IV. Fiduciary Net Position (Plan Assets)	9,445	25,446	6,949	8,326	9,437	6,264	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	599,323	1,555,635	405,040	504,091	568,167	373,946	4,006,202
VI. Annual Covered Payroll	673,961	829,973	240,074	497,725	452,616	201,948	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	88.9%	187.4%	168.7%	101.3%	125.5%	185.2%	138.3%
VIII. Number of Eligible Participants							
A. Actives	14	11	3	8	8	3	47
B. Retirees/Disabled	11	8	2	3	3	2	29
C. Total	25	19	5	11	11	5	76
For the Reporting Date and Fiscal Year Ending June 30, 2018							
IX. Service Cost	44,363	38,597	9,438	25,629	17,629	4,940	140,996
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	37,040	96,199	25,067	31,190	35,144	23,133	247,773
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(1,510)	(4,068)	(1,111)	(1,363)	(1,509)	(1,071)	(10,562)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	0	0	0	0	0	0	0
XVI. Financial Statement Expense [IX.+X.+XI.+XII.+XIII.+XIV.+XV.]	79,893	131,128	33,394	55,456	51,264	27,072	378,207
XVII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(30,742)	(20,654)	(13,259)	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(30,601)	(79,476)	(20,769)	(23,768)	(29,634)	(19,112)	(204,330)
XIX. Total Employer Contribution [XVII. + XVIII.]	(72,165)	(143,341)	(32,357)	(46,510)	(49,688)	(32,371)	(376,432)
XX. Other Changes	0	0	0	0	0	0	0
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	7,728	(12,213)	1,037	8,946	1,576	(5,289)	1,775



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Overview of GASB 74 and 75

Before Statements 74 and 75, GASB statement 45 established the reporting standards for Other Postemployment Benefit ("OPEB") plans. It was designed to recognize the Other Postemployment Benefits earned by employees throughout their working career vs. when they are paid in retirement - accrual accounting vs. "pay-as-you-go" accounting. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a "Service Cost". These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

In 2012 GASB issued GASB Statements 67 and 68 to update and standardize the financial reporting of pension liabilities. This increased the transparency of pension liabilities by moving them to the balance sheet and made financial statement disclosures of pension liabilities more comparable between municipal entities. GASB Statements 74 and 75 are designed to have the same effect on OPEB plans.

GASB 74 and 75 require retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 74 only applies in situations where a separate trust is established to prefund these benefits. GASB 75 requires employers to perform periodic actuarial valuations to determine annual accounting costs and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 74 and 75 apply to those benefits provided after retirement, except for pension benefits, such as medical, dental and life insurance. The philosophy behind the accounting standard is that these post-employment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 74 and 75 extend this practice to all other post-employment benefits.

Overview of GASB 74 and 75 (continued)

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims cost assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive benefits?

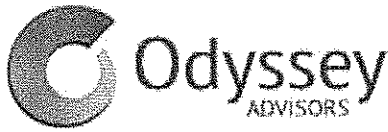
Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Total OPEB Liability" or "Past Service Liability"), the part that is being earned this year (the "Service Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Service Cost have been calculated, the next step is to determine an actuarially determined contribution. This is an amount that if paid annually would fully prefund the benefits for current active and retired employees. This consists of two pieces:

- ✓ Service Cost – because the benefits earned by active employees each year should be paid for each year
- ✓ Past Service Cost – a catch-up payment to fund the Accrued Liability over a period of time determined by an actuary

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements as the Net OPEB Liability (NOL). If you decide to fully fund the NOL this will appear in the financial statement as a Net OPEB Asset. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.



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Commentary on Plan Experience and Contribution Amounts

1. GASB 74/75 – How we got here:

GASB 74 and 75 were designed to recognize the Other Postemployment Benefits ("OPEB") earned by employees throughout their working career vs. when they are paid in retirement – accrual accounting vs. "pay-as-you-go" accounting while increasing disclosures to better reflect the plan's liabilities and future funding requirements. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a "Service Cost". These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment. Additionally, GASB 74 and 75 require increased disclosures comparable to those required under GASB 67 and 68 and interest rates used in the valuation are more closely tied to the plan's underlying investment and funding policy.

2. GASB 74 and 75 Impact

The Town has adopted GASB 74 for the fiscal year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. The adoption of GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. Significant changes have been made to the recognition of OPEB expenses, making the comparison of Net OPEB Expense in the current valuation to the expenses reported under GASB 45 misleading. The liability reported on the Town's balance sheet will increase dramatically as GASB 74/75 require the recognition of liabilities immediately rather than recognizing liabilities (Net OPEB Obligation) over a 30 year period as GASB 45 allowed. Please keep these changes in mind when considering any comparison to previously reported liabilities and expenses.

Commentary on Plan Experience and Contribution Amounts
(continued)

3. Balance Sheet Items as of the Measurement Date

	June 30, 2017	June 30, 2015
Total OPEB Liability	\$4,845,052	\$5,059,967
Fiduciary Net Position	\$66,067	\$25,371
Net OPEB Liability	\$4,778,985	\$5,034,596
Funded Ratio	1.36%	0.50%

4. Income Statement Items as of the Fiscal Year Ending

	June 30, 2018	June 30, 2016
Service Cost	\$190,103	\$256,883
Interest Expense	\$240,103	N/A
Recognition of (Inflow)/Outflow from Plan Design Changes	\$0	N/A
Recognition of (Inflow)/Outflow from Plan Experience	\$0	N/A
Recognition of (Inflow)/Outflow from Changes in Assumptions	\$0	N/A
Projected Investment Earnings	\$(3,514)	N/A
Recognition of (Inflow)/Outflow from Earnings on Investments	\$0	N/A
Financial Statement Expense	426,692	N/A
Employer Share of Costs	\$(171,732)	\$(159,749)
Employer Payments (Withdrawals) to/from Trust	\$(20,000)	\$(20,000)
Total Employer Payments	\$(191,732)	\$(179,749)
Other Changes	\$0	N/A
Net OPEB Expense	\$234,960	N/A
Interest Rate	5.25%	4.00%

SECTION IISUMMARY OF PLAN PROVISIONSEffective Date

GASB 45 is adopted July 1, 2009
GASB 74 is adopted for the fiscal year ending June 30, 2017
GASB 75 is adopted for the fiscal year ending June 30, 2018

Plan Year

July 1 through June 30.

Eligibility

An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.

Creditable Service

Elapsed time from date of hire to termination of service date.

Participant Contributions

Retirees shall pay 25% of stated premiums for Medical and Life Insurance.

Benefits Offered

Comprehensive Medical Insurance offered through the Group Insurance Commission ('GIC'), Dental Insurance and Group Term Life Insurance.

Normal Retirement Date

The normal retirement date is the first day of the month following a participant's 65th birthday.

Early Retirement

Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Individual Entry Age Normal Actuarial Cost Method. Under this method, the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement. The annual normal cost for each active member is a level percent of payroll. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Actuarial gains and losses are calculated each year and amortized into the OPEB expense. Gains and losses arising from plan design changes are recognized immediately. Gains and losses arising from differences between expected and actual investment returns are amortized over a five (5) year period. Gain and losses arising from differences between expected and actual plan experience and changes in actuarial assumptions are amortized over the remaining lifetime of all active and retired plan participants (5.54 years for the Town for the 2018 fiscal year).

All employees who are plan participants on the valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets as of the measurement date.

SECTION IIIACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS
(continued)C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre-Retirement Mortality

It is assumed that pre-retirement mortality is represented by the RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Post-Retirement Mortality

It is assumed that post-retirement mortality is represented by the RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Disabled Mortality

It is assumed that disabled mortality is represented by the RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year 2012 for males and females

Mortality Experience Study

The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

Discount Rate

5.25% per annum (previously 4.00%)

Long Term Rate of Return

6.33% (based on investment policy)

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Municipal Bond Rate

3.13% as of June 30, 2017 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

Non-Public Safety Employees						
<u>Age</u>	<u>0-4 Years of Service (Males)</u>	<u>0-4 Years of Service (Females)</u>	<u>5-9 Years of Service (Males)</u>	<u>5-9 Years of Service (Females)</u>	<u>10+ Years of Service (Males)</u>	<u>10+ Years of Service (Females)</u>
20	27.00%	27.00%	12.00%	12.00%	6.00%	6.00%
30	23.00%	23.00%	10.00%	10.00%	5.50%	5.50%
40	16.00%	16.00%	8.00%	8.00%	3.50%	3.50%
50	18.00%	18.00%	6.00%	6.00%	3.00%	3.00%
60	18.00%	18.00%	5.00%	5.00%	3.50%	3.50%

Public Safety Employees		
<u>Service</u>	<u>Public Safety Male</u>	<u>Public Safety Female</u>
0	9.00%	9.00%
5	6.00%	6.00%
10	3.50%	3.50%
15	2.00%	2.00%
20	1.50%	1.50%
25	1.50%	1.50%
30	1.50%	1.50%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Non Public Safety Male</u>	<u>Non Public</u>	<u>Public Safety</u>
		<u>Safety Female</u>	
45	0.00%	0.00%	1.00%
46	0.00%	0.00%	1.00%
47	0.00%	0.00%	1.00%
48	0.00%	0.00%	1.00%
49	0.00%	0.00%	1.00%
50	1.00%	1.50%	2.00%
51	1.00%	1.50%	2.00%
52	1.00%	2.50%	2.00%
53	1.00%	2.50%	5.00%
54	2.00%	2.50%	7.50%
55	2.00%	5.50%	15.00%
56	2.50%	6.50%	10.00%
57	2.50%	6.50%	10.00%
58	5.00%	6.50%	10.00%
59	6.50%	6.50%	15.00%
60	12.00%	5.00%	20.00%
61	20.00%	13.00%	20.00%
62	30.00%	15.00%	25.00%
63	25.00%	12.50%	25.00%
64	22.00%	18.00%	30.00%
65	40.00%	15.00%	100.00%
66	25.00%	20.00%	100.00%
67	25.00%	20.00%	100.00%
68	30.00%	25.00%	100.00%
69	30.00%	20.00%	100.00%
70	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

Disability rates

It was assumed that the following percentage of eligible employees would become permanently disabled each year:

<u>Age</u>	<u>Standard</u>	<u>Teachers</u>	<u>Public Safety</u>
20	0.01%	0.05%	0.20%
25	0.01%	0.06%	0.20%
30	0.01%	0.07%	0.21%
35	0.03%	0.10%	0.40%
40	0.07%	0.21%	0.71%
45	0.10%	0.30%	1.00%
50	0.13%	0.42%	1.10%
55	0.14%	0.50%	0.80%
60	0.12%	0.50%	0.80%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

Participation Rate

It was assumed that 80% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement. For life insurance plans, it was assumed that 80% of eligible employees would elect coverage upon retirement.

Percent Married

It was assumed that 80% of male participants and 70% of female participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that a male spouse is three years older than a female spouse and same sex spouses are assumed to be the same age. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

3.00% per year.

Open Group Forecast

It was assumed for projecting plan liabilities in future years that the active population would remain unchanged and that those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	8.0%	5.0%
30	7.0%	14.0%
40	20.0%	19.0%
50	10.0%	10.0%
60	<u>3.0%</u>	<u>4.0%</u>
Total	48.0%	52.0%

Additional Comments

The values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

Medicare Part B Penalties are not reflected

Medicare Part B Reimbursement is not reflected

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely on the retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- ✓ The cost sharing program is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:
- ✓ The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit subsidy". GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. Actuarial Standard of Practice No. 6 ("ASOP 6") requires us to recognize this implicit subsidy while the plan sponsor may only pay the premiums billed by an insurance provider. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page.

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors.



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SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	Single	Two-Person	Family	Total
Fallon Direct			7	7
Fallon Select			2	2
Harvard Pilgrim	5		5	10
Harvard Primary Choice	1		3	4
Tufts Navigator	3		3	6
Tufts Spirit			1	1
Unicare Basic w/ CIC	1		1	2
Unicare Basic w/o CIC				0
Unicare Comm Choice			2	2
Unicare Plus			3	3
Unicare OME w/ CIC	4	3		7
Unicare OME w/o CIC				0
Tufts Medicare Preferred		2		2
Harvard Senior	1	4		5
Fallon Senior				0
Total	15	10	27	52

	Per Contract Costs (monthly) - FY 2018		
	Single	Two-Person	Family
Fallon Direct	554.64		1,331.20
Fallon Select	737.08		1,768.88
Harvard Pilgrim	824.24		2,011.12
Harvard Primary Choice	620.72		1,514.52
Tufts Navigator	728.84		1,778.40
Tufts Spirit	553.28		1,331.92
Unicare Basic w/ CIC	1,038.80		2,430.56
Unicare Basic w/o CIC	991.80		2,321.52
Unicare Comm Choice	520.60		1,249.48
Unicare Plus	693.20		1,656.12
Unicare OME w/ CIC	380.64	761.28	
Unicare OME w/o CIC	369.92	739.84	
Tufts Medicare Preferred	301.04	602.08	
Harvard Senior	423.04	846.08	
Fallon Senior	336.16	672.32	

Gross Expected FY 2018 Incurred Premiums	737,734
Adjustment to reflect children's claims	(90,498)
Total Expected FY 2018 Incurred Premiums (adults only)	647,235

II. PRE-65 AND POST-65 PER CAPITA RETIREE ANNUAL CLAIM COSTS

	Employer Primary	Medicare Primary
Age 65	12,297	4,124
Average Age	8,751	4,555

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	1.312	0.549	7,196	3,011	873,520
25 to 29	1.312	0.591	7,196	3,242	4,691,750
30 to 34	1.312	0.712	7,196	3,905	5,749,409
35 to 39	1.312	0.850	7,196	4,662	5,606,510
40 to 44	1.312	1.000	7,196	5,485	6,966,249
45 to 49	1.456	1.193	7,986	6,544	8,379,594
50 to 54	1.599	1.441	8,771	7,904	9,337,032
55 to 59	1.740	1.753	9,544	9,615	10,008,909
60 to 64	1.968	2.102	10,794	11,529	8,725,815
65 to 69	2.168	2.316	11,891	12,703	3,149,133
70 & Over	2.396	2.557	13,142	14,025	<u>1,254,980</u>
Total					64,742,901

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	1.312	1.000	7,196	5,485	280,693
45 to 49	1.456	1.193	7,986	6,544	363,916
50 to 54	1.599	1.441	8,771	7,904	964,448
55 to 59	1.740	1.753	9,544	9,615	2,536,828
60 to 64	1.968	2.102	10,794	11,529	7,812,861
65 to 69	2.168	2.316	11,891	12,703	1,699,422
70 to 74	2.396	2.557	13,142	14,025	1,375,024
75 to 79	2.593	2.769	14,223	15,188	483,834
80 to 84	2.724	2.910	14,941	15,961	394,586
85 to 89	2.864	3.059	15,709	16,779	240,985
90 & Over	3.010	3.215	16,510	17,634	<u>118,942</u>
Total					16,271,539

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	2.168	2.316	3,988	4,260	4,044,840
70 to 74	2.396	2.557	4,407	4,703	3,748,765
75 to 79	2.593	2.769	4,770	5,093	2,423,260
80 to 84	2.724	2.910	5,011	5,353	2,058,860
85 to 89	2.864	3.059	5,268	5,627	1,576,030
90 & Over	3.010	3.215	5,537	5,914	<u>1,193,410</u>
Total					15,045,165

Grand Totals 96,059,605



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SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS (continued)

E. DEVELOPMENT OF REPRESENTATIVE DENTAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - with Active & Retiree Incurred Premiums

	Per Contract Costs (monthly) - FY 2018		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Dental Plan	47.86	108.85	168.19

FY 2018 Expected Per Person Rate 574

EXHIBIT AFinancial Statement Disclosure
(As of the June 30, 2017 Measurement Date)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements related to the retiree medical, dental and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical Insurance offered through the Group Insurance Commission ('GIC')
- b. Administrator: Town of Wenham
- c. Eligibility: An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
- d. Cost Sharing: Retirees shall pay 25% of premiums.

2. A DESCRIPTION OF THE RETIREE DENTAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Dental Insurance
- b. Administrator: Town of Wenham
- c. Eligibility: Same as above
- d. Cost sharing: Retirees shall pay 100% of premiums.

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$5,000
- b. Administrator: Town of Wenham
- c. Eligibility: Same as above
- d. Cost sharing: Retirees shall pay 25% of premiums.

EXHIBIT AFinancial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)**4. RETIREE MEDICAL AND LIFE INSURANCE CONTRIBUTIONS:**

Group	Individual	Family
Medical	25%	25%
Dental	100%	100%
Life	25%	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the year ending on the June 30, 2017 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$171,732. The Town is also made a contribution to an OPEB Trust of \$20,000 for a total contribution during the period of \$191,732.

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

6. INVESTMENT POLICY

The chart below shows how the long-term rate of return on assets is developed based on the Town's Investment Policy.

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity - Large Cap	26.75%	Domestic Equity - Large Cap	4.00%
Domestic Equity - Small/Mid Cap	13.25%	Domestic Equity - Small/Mid Cap	6.00%
International Equity - Developed Market	13.25%	International Equity - Developed Market	4.50%
International Equity-Emerging Market	6.75%	International Equity-Emerging Market	7.00%
Domestic Fixed Income	30.00%	Domestic Fixed Income	2.00%
International Fixed Income	10.00%	International Fixed Income	3.00%
Alternatives	0.00%	Alternatives	6.50%
Real Estate	0.00%	Real Estate	6.25%
Cash	0.00%	Cash	0.00%
Total	<u>100.00%</u>		
		I. Real Rate of Return	<u>3.83%</u>
		II. Inflation Assumption	2.75%
		III. Total Nominal Return [I. + II.]	6.58%
		IV. Investment Expense	0.25%
		V. Net Investment Return [III.-IV.]	6.33%

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

7. ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which represents a level of funding that, if paid on an ongoing basis, is projected to cover the service cost each year and amortize any unfunded actuarial liabilities (or funding excess). The following table shows the components of the Town's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)	
<u>For the Fiscal Year Ending June 30, 2018</u>	
I. Service Cost	190,103
II. 30 year level flat dollar amortization of NOL at 5.25%	<u>303,843</u>
III. Actuarial Determined Contribution [I. + II.]	493,946
IV. Contributions in relation to the actuarially determined contribution	<u>(191,732)</u>
V. Contribution deficiency / (excess) [III. + IV.]	<u>302,214</u>
Covered employee payroll	2,896,297
Contributions as a % of covered employee payroll	6.62%

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

8. FUNDED STATUS AND FUNDING PROGRESS

As of the June 30, 2017 Measurement Date, the plan was 1.36% funded. The Total OPEB Liability (TOL) for benefits was \$4,845,052, and the Fiduciary Net Position was \$66,067, resulting in a Net OPEB Liability (NOL) of \$4,778,985. The covered payroll (annual payroll of active employees covered by the plan) was \$ 2,896,297 and the ratio of the NOL to the covered payroll was 165.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Total OPEB Liabilities for benefits.

Measurement Date	Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
06/30/2019 (est.)	\$148,836	\$5,457,205	\$5,308,369	2.7%	\$3,072,682	172.8%
06/30/2018 (est.)	\$101,184	\$5,147,673	\$5,046,489	2.0%	\$2,983,186	169.2%
06/30/2017	\$66,067	\$4,845,052	\$4,778,985	1.4%	\$2,896,297	165.0%
06/30/2016	\$45,662	\$5,363,389	\$5,317,727	0.9%	\$3,809,956	139.6%
06/30/2015	\$25,371	\$5,059,967	\$5,034,596	0.5%	\$3,698,986	136.1%
06/30/2014	\$0	\$4,348,299	\$4,348,299	0.0%	\$3,591,249	121.1%

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

9. FIDUCIARY NET POSITION

Statement of Fiduciary Net Position		
June 30, 2017 and June 30, 2018		
	<u>June 30, 2018 (Projected)</u>	<u>June 30, 2017</u>
Assets		
I. Cash and cash equivalents	0	0
<u>Receivables & Prepaid expenses:</u>		
II. Contributions	0	0
III. Investment Income	0	0
IV. Receivables from brokers for unsettled trades	0	0
V. Prepaid expenses	<u>0</u>	<u>0</u>
VI. Total Receivables [II.+III.+IV.+V.]	<u>0</u>	<u>0</u>
<u>OPEB Trust Investments:</u>		
VII. Fixed Income	40,474	26,427
VIII. Stocks	60,710	39,640
IX. Cash and cash equivalents	0	0
X. Real estate	0	0
XI. Alternative investments	<u>0</u>	<u>0</u>
XII. Total Investments [VII.+VIII.+IX.+X.+XI.]	<u>101,184</u>	<u>66,067</u>
Invested securities lending cash collateral	0	0
Capital assets, net of accumulated depreciation	0	0
Total Assets	101,184	66,067
Liabilities		
XIII. Accrued expenses and benefits payable	0	0
XIV. Securities lending cash collateral	0	0
XV. Payable to brokers for unsettled trades	<u>0</u>	<u>0</u>
XVI. Total liabilities [XIII.+XIV.+XV.]	<u>0</u>	<u>0</u>
XVII. Net Position restricted for OPEB [XII.-XVI.]	101,184	66,067



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

9. FIDUCIARY NET POSITION (CONTINUED)

Statement of Changes in Fiduciary Net Position for the Year ended June 30, 2018 (Projected)	
	<u>June 30, 2017</u>
Additions	
<u>Contributions</u>	
Employer Contributions to OPEB Trust	<u>20,000</u>
Total Contributions	20,000
<u>Investment Income / (loss)</u>	
Interest	1,321
Dividends	793
Equity fund income, net	0
Net increase in fair value of investments	13,003
Securities lending income	0
Less investment expenses:	
Direct investment expense	0
Securities lending management fees	0
Securities lending borrower rebates	0
Net investment income	15,117
Other income	0
Total Additions	<u>35,117</u>
Deductions	
Service benefits	0
Disability benefits	0
Death benefits	0
Refunds	0
Administrative expenses	0
Total deductions	<u>0</u>
Net increase (decrease)	35,117
Net Position restricted for OPEB	
Beginning of year	<u>66,067</u>
End of year	101,184

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

10. OPEB LIABILITY, OPEB EXPENSE AND ADC

Fiscal Year Ending June 30, 2018							
	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability	692,990	1,865,463	365,430	626,178	694,870	459,121	4,845,052
II. Fiduciary Net Position as of June 30, 2017	9,445	25,446	6,949	8,526	9,437	9,264	66,067
III. Net OPEB Liability (Asset) [I.-II.]	683,545	1,840,017	499,481	617,652	685,433	452,857	4,778,985
IV. Service Cost	59,814	52,579	12,725	34,555	23,769	6,661	190,103
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	27,428	95,144	25,875	32,781	35,713	23,162	240,103
VI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	-	-	-	-	-	-	-
VII. Recognition of Deferred (Inflows)/Outflows from Plan Experience	-	-	-	-	-	-	-
VIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	-	-	-	-	-	-	-
IX. Projected Earnings on OPEB Plan Investments	(505.00)	(1,351)	(369)	(455)	(502)	(332)	(3,514)
X. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	-	-	-	-	-	-	-
XI. Financial Statement Expense [IV.+V.+VI.+VII.+VIII.+IX.+X.]	86,737	146,372	38,231	66,881	58,980	29,491	426,692
XII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(20,742)	(20,654)	(13,259)	(171,732)
XIII. Employer Payments (Withdrawals) to/from OPEB Trust	(2,935)	(7,626)	(2,083)	(2,629)	(2,867)	(1,800)	(20,000)
XIV. Total Employer Contribution [X.+XII.]	(44,499)	(71,491)	(13,731)	(23,371)	(23,521)	(15,119)	(191,732)
XV. Net OPEB Expense [XI.+XIV.]	42,238	74,881	24,500	43,510	35,459	14,372	234,960
XVI. Actuarial Determined Contribution (ADC)	106,620	168,215	44,155	72,937	66,737	35,282	493,946
XVII. Total Expected Contribution	44,499	71,491	13,731	23,371	23,521	15,119	191,732
XVIII. Percentage of ADC Contributed [XVII./XVI.]	42%	42%	31%	32%	33%	43%	39%

Fiscal Year Ending June 30, 2019							
	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Total OPEB Liability	755,208	1,962,765	536,117	676,769	738,083	478,731	5,147,673
II. Fiduciary Net Position as of June 30, 2018	23,381	34,920	9,337	11,727	12,991	8,578	101,184
III. Net OPEB Liability (Asset) [I.-II.]	731,827	1,927,845	526,780	664,992	725,092	470,153	5,046,489
IV. Service Cost	58,279	51,228	12,398	33,667	23,158	6,490	185,220
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	29,746	103,180	28,060	35,550	38,729	25,118	260,583
VI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	-	-	-	-	-	-	-
VII. Recognition of Deferred (Inflows)/Outflows from Plan Experience	3,139	8,157	2,228	2,813	3,068	1,990	21,394
VIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	-	-	-	-	-	-	-
IX. Projected Earnings on OPEB Plan Investments	(735)	(1,967)	(537)	(663)	(731)	(483)	(5,116)
X. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	91	237	65	82	89	58	622
XI. Financial Statement Expense [IV.+V.+VI.+VII.+VIII.+IX.+X.]	90,520	160,835	42,214	71,448	64,313	33,172	462,503
XII. Employer Share of Costs	(34,606)	(53,174)	(9,698)	(17,270)	(17,196)	(11,039)	(142,983)
XIII. Employer Payments (Withdrawals) to/from OPEB Trust	(4,402)	(11,439)	(3,124)	(3,944)	(4,301)	(2,790)	(30,000)
XIV. Total Employer Contribution [X.+XII.]	(39,008)	(64,613)	(12,822)	(21,214)	(21,497)	(13,829)	(172,983)
XV. Net OPEB Expense [XI.+XIV.]	51,512	96,222	29,392	50,234	42,816	19,343	289,520
XVI. Actuarial Determined Contribution (ADC)	104,808	173,799	45,877	75,947	69,259	36,382	506,072
XVII. Total Expected Contribution	39,008	64,613	12,822	21,214	21,497	13,829	172,983
XVIII. Percentage of ADC Contributed [XVII./XVI.]	37%	37%	28%	28%	31%	38%	34%



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

11. OPEB LIABILITY, OPEB EXPENSE AND DEFERRED INFLOW/OUTFLOW

Source of Deferred Inflow/Outflow		
	For the Reporting Date	
	June 30, 2018	June 30, 2019
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	118,520	97,126
II. Deferred (Inflow)/Outflow from Investment Experience	3,109	2,487
III. Deferred (Inflow)/Outflow from Changes in Benefit Terms	0	0
IV. Deferred (Inflow)/Outflow from Changes in Assumptions	0	0

Change in Deferred Inflow/Outflow		
	For the period ending on the Measurement Date	
	June 30, 2017	June 30, 2018
I. Deferred Outflow at the beginning of the period	0	121,629
II. Deferred Outflow created during the period	121,629	0
III. Deferred Outflow recognized during the period	0	22,016
IV. Change in Deferred Outflow (II. + III.)	121,629	22,016
V. Deferred Outflow at end of the period (I. - IV.)	121,629	99,613
VI. Deferred Inflow at the beginning of the period	0	0
VII. Deferred Inflow created during the period	0	0
VIII. Deferred Inflow recognized during the period	0	0
IX. Change in Deferred Inflow (VII. + VIII.)	0	0
X. Deferred Inflow at end of the period (VI. - IX.)	0	0

Net OPEB Liability		
	For the Reporting Date	
	June 30, 2018	June 30, 2019
I. Net OPEB Liability at beginning of period	4,422,396	4,778,985
II. Net OPEB Expense - Excluding Payments	426,692	462,503
III. Total Employer Contributions	(191,732)	(172,983)
IV. Net OPEB Expense - Before Recognition of Deferred (Inflow)/Outflow (II. + III.)	234,960	289,520
V. Deferred Outflow created during the period	121,629	0
VI. Deferred Inflow created during the period	0	0
VII. Net OPEB Liability at end of period (I. + IV. + V + VI)	4,778,985	5,068,505

Net OPEB Expense		
	For the period ending on the Measurement Date	
	June 30, 2017	June 30, 2018
I. Service Cost	190,103	185,220
II. Interest on Total OPEB Liability, Service Cost, and Payments	240,103	260,383
III. Projected Investment Income	(3,514)	(5,116)
IV. Recognition of Deferred (Inflow)/Outflow	0	22,016
V. Financial Statement Expense [I. + II. + III. + IV.]	426,692	462,503
VI. Benefit Payments	(171,732)	(142,983)
VII. Contributions to Trust	(20,000)	(30,000)
VIII. Total Employer Payments [VI. + VII.]	(191,732)	(172,983)
IX. Total Net OPEB Expense under GASB 75 (V. + VIII.)	234,960	289,520

Measurement Date

June 30, 2017

June 30, 2018

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

12. EFFECT OF 1% CHANGE IN HEALTHCARE TREND

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability would increase to \$6,045,630 or by 24.8% and the Net OPEB Liability would increase to \$5,979,563 or by 25.1%. The corresponding Service Cost would increase to \$262,338 or by 38.0%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$3,902,039 or by 19.5% and the Net OPEB Liability would decrease to \$3,835,972 or by 19.7%. The corresponding Service Cost would decrease to \$136,614 or by 28.1%.

Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2017 Measurement Date

	<u>1% Decrease (4.00%)</u>	<u>Current Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
I. Total OPEB Liability	3,902,039	4,845,052	6,045,630
II. Fiduciary Net Position	66,067	66,067	66,067
III. Net OPEB Liability (Asset) [I-II.]	3,835,972	4,778,985	5,979,563
IV. Service Cost	136,614	190,103	262,338

13. EFFECT OF 1% CHANGE IN DISCOUNT RATES

As of the June 30, 2017 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$4,207,846 or by 13.2% and the Net OPEB Liability would decrease to \$4,141,779 or by 13.3%. The corresponding Service Cost would decrease to \$149,278 or by 21.5%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$5,638,456 or by 16.4% and the Net OPEB Liability would increase to \$5,572,389 or by 16.6%. The corresponding Service Cost would increase to \$244,784 or by 28.8%.

Impact of a 1% Change in the Discount Rate as of the June 30, 2017 Measurement Date

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
I. Total OPEB Liability	5,638,456	4,845,052	4,207,846
II. Fiduciary Net Position	66,067	66,067	66,067
III. Net OPEB Liability (Asset) [I-II.]	5,572,389	4,778,985	4,141,779
IV. Service Cost	244,784	190,103	149,278

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

14. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	5.25% per annum (previously 4.00%)
Healthcare Trend Rates	

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

General Inflation Assumption:	2.75% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

15. RECOGNITION OF OPEB TRUST ASSETS

The State of Massachusetts has passed legislation allowing municipal entities to establish a Trust for Other Postemployment Benefits ("OPEB") under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 75. This legislation was amended effective November 9, 2016 to clarify who may adopt such a Trust and provide guidance on the ongoing operation of such a Trust. To the best of our knowledge, the Town of Wenham has established an irrevocable trust for the purposes of prefunding liabilities under GASB 74/75.

16. OPEB EXPENSE DEVELOPMENT

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2018	
Description	Amount
I. Service Cost	190,103
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103
III. Deferred (Inflows)/Outflows from Plan Design Changes*	0
IV. Deferred (Inflows)/Outflows from Plan Experience**	0
V. Deferred (Inflows)/Outflows from Changes of Assumptions**	0
VI. Projected earnings on OPEB plan investments	(3,514)
VII. Deferred (Inflows)/Outflows from Earnings on Plan Investments***	0
VIII. Total Employer Contributions	(191,732)
IX. OPEB Plan administrative expense	0
X. Other changes in fiduciary net position	0
XI. Net OPEB expense [I.+II.+III.+IV.+V.+VI.+VII.+VIII.+IX.+ X.]	234,960

* Recognized Immediately

** Amortized over 5.54 years

*** Amortized over 5 years



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

17. CHANGES IN NET OPEB LIABILITY

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2016 GASB 45	5,363,389	45,662	5,317,727
II. Change in Assumptions for GASB 75	(895,331)	0	(895,331)
III. Balances at June 30, 2016 GASB 75 [I. + II.]	4,468,058	45,662	4,422,396
Changes for the year:			
IV. Service Cost	190,103	0	190,103
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	240,103	0	240,103
VI. Changes in Benefit terms *	0	0	0
VII. Change in assumptions **	0	0	0
VIII. Differences between actual and expected experience **	118,520	0	118,520
IX. Net Investment Income	0	405	(405)
X. Employer Contributions to Trust	0	191,732	(191,732)
XI. Benefit Payments Withdrawn from Trust	0	(171,732)	171,732
XII. Benefit payments excluding Implicit Cost	N/A	0	N/A
XIII. Implicit Cost amount	N/A	0	N/A
XIV. Total Benefit payments including Implicit Cost [XII. + XIII.]	(171,732)	0	(171,732)
XV. Administrative expense	0	0	0
XVI. Other Charges	0	0	0
XVII. Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	376,994	20,405	356,589
XVII. Balances at June 30, 2017 [III.+XVII.]	4,845,052	66,067	4,778,985

* Recognized Immediately

** Amortized over 5.54 years

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

18. MONEY WEIGHTED RATE OF RETURN

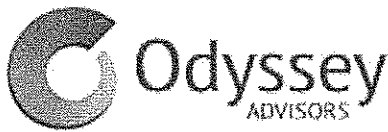
Determination of Beginning & Ending Balances of OPEB Plan Investments for Purposes of Calculating the Annual Money-Weighted Rate of Return		
	Ending OPEB Plan Investments *	Beginning OPEB Plan Investments **
Assets		
Cash and cash equivalents	0	0
Receivables:		
Investment income	0	0
Receivables from brokers for unsettled trades	0	0
Investments		
Fixed income	40,474	26,427
Stocks	60,710	39,640
Cash and cash equivalents	0	0
Real estate	0	0
Alternative investments	0	0
Invested securities lending cash collateral	0	0
Liabilities		
Securities lending cash collateral	0	0
Payable to brokers for unsettled trades	0	0
Total OPEB plan investments	101,184	66,067
* From balances at June 30, 2018 (Projected)		
** From balances at June 30, 2017		

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

18. MONEY WEIGHTED RATE OF RETURN (CONTINUED)

	Plan Investments / Net External	Periods Invested	Period Weight
I. Beginning value - July 1, 2016	45,662	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	20,000	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	<u>0</u>	<u>0.0000</u>
II. Total net external cash flow	20,000		
III. Earnings and increase in fair value	(701)		
IV. Ending value - June 30, 2017 [I.+II.+III.]	64,961		
Money Weighted Rate of Return	-1.26%		
Asset Value - June 30, 2017	66,067		



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

19. PLAN CASH FLOWS

Aggregate External (Noninvestment Cash Flows)	
	<u>June 30, 2018</u>
Additions	
<u>Contributions</u>	
Member contributions	0
Employer contributions	20,000
Other income	0
Deductions	
Service benefits	0
Disability benefits	0
Death benefits	0
Refunds	0
Administrative expenses	0
Beginning balances of noninvestment-related assets and liabilities *	
Contribution receivable	0
Prepaid expenses	0
Accrued expenses & benefits payable	0
Ending balances of noninvestment-related assets and liabilities **	
Contribution receivable	0
Prepaid expenses	0
Accrued expenses & benefits payable	0
Change in capital assets - depreciation	0
Aggregate external cash flows	20,000
* From balances at June 30, 2018 (Projected)	
** From balances at June 30, 2017	



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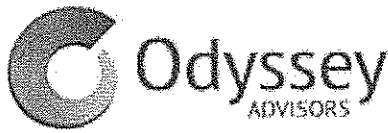
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EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

19. PLAN CASH FLOWS (CONTINUED)

Reconciliation of Beginning & Ending Balances of OPEB Plan Investments, Aggregate External Cash Flows, and Net Investment Income	
	<u>June 30, 2018 (Projected)</u>
I. Total OPEB plan investments, beginning of year	66,067
II. Aggregate external cash flows	20,000
III. Net investment income	<u>15,117</u>
IV. Total OPEB plan investments, end of year [I.+II.+III.]	<u><u>101,184</u></u>



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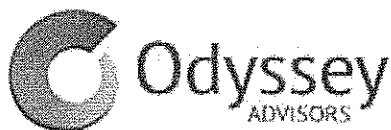
EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

20. PLAN PROJECTION DISCLOSURES

Projection of Contributions using a June 30, 2017 Valuation Date

Fiscal Year	I. Payroll for current employees	II. Payroll for future employees	III. Total employee payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
2018	2,896,297	0	2,896,297	0	171,732	0	171,732
2019	2,691,948	291,238	2,983,186	0	142,985	0	142,985
2020	2,502,475	570,207	3,072,682	0	147,649	0	147,649
2021	2,392,403	772,459	3,164,862	0	164,826	0	164,826
2022	2,287,261	972,547	3,259,808	0	178,536	0	178,536
2023	2,075,875	1,281,727	3,357,602	0	194,425	0	194,425
2024	1,994,581	1,463,749	3,458,330	0	220,934	0	220,934
2025	1,867,009	1,695,071	3,562,080	0	241,631	0	241,631
2026	1,795,131	1,873,811	3,668,942	0	266,568	0	266,568
2027	1,688,819	2,090,191	3,779,010	0	288,404	0	288,404
2028	1,579,647	2,312,733	3,892,380	0	300,489	0	300,489
2029	1,494,120	2,515,031	4,009,151	0	325,533	0	325,533
2030	1,328,273	2,801,153	4,129,426	0	346,306	2,173	348,479
2031	1,220,937	3,032,372	4,253,309	0	351,683	5,607	357,290
2032	1,110,884	3,270,024	4,380,908	0	380,918	10,657	391,575
2033	1,031,982	3,480,353	4,512,335	0	405,792	17,134	422,926
2034	946,202	3,701,503	4,647,705	0	405,940	24,984	430,924
2035	861,063	3,926,073	4,787,136	0	417,631	32,654	450,285
2036	818,574	4,112,176	4,930,750	0	432,609	40,992	473,601
2037	761,443	4,317,230	5,078,673	0	427,465	50,492	477,957
2038	691,365	4,539,668	5,231,033	0	428,156	59,647	487,803
2039	641,930	4,746,034	5,387,964	0	444,855	69,781	514,636
2040	598,856	4,950,747	5,549,603	0	452,329	81,867	534,196
2041	554,579	5,161,512	5,716,091	0	463,514	98,464	561,978
2042	506,162	5,381,412	5,887,574	0	476,996	119,130	596,126
2043	468,017	5,596,184	6,064,201	0	492,327	142,926	635,253
2044	415,914	5,830,213	6,246,127	0	513,866	170,901	684,767
2045	352,744	6,080,767	6,433,511	0	524,540	197,710	722,250
2046	293,758	6,332,758	6,626,516	0	539,640	227,438	767,078
2047	244,971	6,580,340	6,825,311	0	548,338	258,797	807,135
2048	204,719	6,825,351	7,030,070	0	562,435	290,460	852,895
2049	164,245	7,076,727	7,240,972	0	538,490	324,278	862,768
2050	128,398	7,329,803	7,458,201	0	526,713	359,595	886,308
2051	102,202	7,579,745	7,681,947	0	531,814	400,621	932,435
2052	76,179	7,836,226	7,912,405	0	509,546	445,147	954,693
2053	47,888	8,101,889	8,149,777	0	490,368	492,906	983,274
2054	39,168	8,355,102	8,394,270	0	486,532	545,938	1,032,470
2055	31,711	8,614,387	8,646,098	0	484,629	600,394	1,085,023
2056	26,196	8,879,285	8,905,481	0	471,105	658,620	1,129,725
2057	15,492	9,157,153	9,172,645	0	466,170	719,239	1,185,409



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

Projection of Contributions using a June 30, 2017 Valuation Date (Continued)

Fiscal Year	I. Payroll for current employees	II. Payroll for future employees	III. Total employee payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
2058	13,021	9,434,803	9,447,824	0	461,253	783,552	1,244,805
2059	11,339	9,719,920	9,731,259	0	451,410	851,189	1,302,599
2060	9,287	10,013,910	10,023,197	0	443,182	921,705	1,364,887
2061	7,610	10,316,283	10,323,893	0	433,985	998,117	1,432,102
2062	5,836	10,627,774	10,633,610	0	424,140	1,078,820	1,502,960
2063	0	10,952,618	10,952,618	0	413,315	1,164,335	1,577,650
2064	0	11,281,197	11,281,197	0	402,470	1,255,634	1,658,104
2065	0	11,619,633	11,619,633	0	390,187	1,350,390	1,740,577
2066	0	11,968,222	11,968,222	0	377,283	1,450,628	1,827,911
2067	0	12,327,269	12,327,269	0	363,915	1,556,235	1,920,150
2068	0	12,697,087	12,697,087	0	350,253	1,666,664	2,016,917
2069	0	13,078,000	13,078,000	0	336,325	1,782,572	2,118,897
2070	0	13,470,340	13,470,340	0	322,097	1,903,450	2,225,547
2071	0	13,874,450	13,874,450	0	308,520	2,030,488	2,339,008
2072	0	14,290,684	14,290,684	0	296,437	2,162,863	2,459,300
2073	0	14,719,405	14,719,405	0	283,756	2,301,349	2,585,105
2074	0	15,160,987	15,160,987	0	270,452	2,446,954	2,717,406
2075	0	15,615,817	15,615,817	0	256,400	2,598,868	2,855,268
2076	0	16,084,292	16,084,292	0	241,567	2,758,010	2,999,577
2077	0	16,566,821	16,566,821	0	225,940	2,924,559	3,150,499
2078	0	17,063,826	17,063,826	0	209,536	3,098,710	3,308,246
2079	0	17,575,741	17,575,741	0	192,434	3,280,579	3,473,013
2080	0	18,103,013	18,103,013	0	174,899	3,470,565	3,645,464
2081	0	18,646,103	18,646,103	0	157,248	3,669,721	3,826,969
2082	0	19,205,486	19,205,486	0	139,635	3,877,999	4,017,634
2083	0	19,781,651	19,781,651	0	122,791	4,096,208	4,218,999
2084	0	20,375,101	20,375,101	0	106,651	4,325,094	4,431,745
2085	0	20,986,354	20,986,354	0	91,576	4,565,342	4,656,918
2086	0	21,615,945	21,615,945	0	77,694	4,817,323	4,895,017
2087	0	22,264,423	22,264,423	0	65,260	5,081,825	5,147,085
2088	0	22,932,356	22,932,356	0	54,156	5,359,349	5,413,505
2089	0	23,620,327	23,620,327	0	44,410	5,650,680	5,695,090
2090	0	24,328,937	24,328,937	0	36,003	5,956,391	5,992,394
2091	0	25,058,805	25,058,805	0	28,759	6,277,525	6,306,284
2092	0	25,810,569	25,810,569	0	22,714	6,614,903	6,637,617
2093	0	26,584,886	26,584,886	0	17,663	6,969,313	6,986,976
2094	0	27,382,433	27,382,433	0	13,530	7,341,882	7,355,412
2095	0	28,203,906	28,203,906	0	10,240	7,733,569	7,743,809
2096	0	29,050,023	29,050,023	0	7,659	8,145,277	8,152,936



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Projection of OPEB Plan's Fiduciary Net Position using a June 30, 2017 Valuation Date								
Fiscal Year	I. Projected Beginning Fiduciary Net Position	II. Portion of Employer Contributions for Current Plan Members	III. Total Projected Benefit Payments	IV. Projected Administrative Expense	V. Total Contributions to Trust	VI. Contributions to Trust for Current Plan Members	VII. Projected Investment Earnings	VIII. Projected Ending Fiduciary Net Position for Current Plan Members
2018	66,067	171,732	171,732	0	20,000	20,000	15,117	101,184
2019	101,184	142,985	142,985	0	30,000	27,071	7,340	135,595
2020	135,595	147,649	147,649	0	40,000	32,577	9,830	178,002
2021	178,002	164,826	164,826	0	50,000	37,796	12,826	228,624
2022	228,624	178,536	178,536	0	60,000	42,099	16,342	287,065
2023	287,065	194,425	194,425	0	70,000	43,278	20,353	350,696
2024	350,696	220,934	220,934	0	80,000	46,140	24,692	421,528
2025	421,528	241,631	241,631	0	90,000	47,172	29,488	498,188
2026	498,188	266,568	266,568	0	100,000	48,928	34,652	581,768
2027	581,768	288,404	288,404	0	110,000	49,158	40,254	671,180
2028	671,180	300,489	300,489	0	120,000	48,700	46,225	766,105
2029	766,105	325,533	325,533	0	130,000	48,448	52,546	867,099
2030	867,099	346,306	348,479	0	140,000	45,032	59,250	969,208
2031	969,208	351,683	357,290	0	150,000	43,058	66,026	1,072,685
2032	1,072,685	380,918	391,575	0	160,000	40,572	72,887	1,175,487
2033	1,175,487	405,792	422,926	0	170,000	38,879	79,706	1,276,938
2034	1,276,938	405,940	430,924	0	180,000	36,645	86,440	1,375,039
2035	1,375,039	417,631	450,285	0	190,000	34,175	92,961	1,469,521
2036	1,469,521	432,609	473,601	0	550,000	91,308	110,161	1,629,998
2037	1,629,998	427,465	477,957	0	550,000	82,461	120,319	1,782,286
2038	1,782,286	428,156	487,803	0	550,000	72,691	129,959	1,925,289
2039	1,925,289	444,855	514,636	0	550,000	65,528	139,011	2,060,047
2040	2,060,047	452,329	534,196	0	550,000	59,350	147,541	2,185,071
2041	2,185,071	463,514	561,978	0	550,000	53,361	155,455	2,295,423
2042	2,295,423	476,996	596,126	0	550,000	47,284	162,441	2,386,018
2043	2,386,018	492,327	635,253	0	550,000	42,447	168,175	2,453,714
2044	2,453,714	513,866	684,767	0	550,000	36,623	172,461	2,491,897
2045	2,491,897	524,540	722,250	0	550,000	30,156	174,877	2,499,220
2046	2,499,220	539,640	767,078	0	550,000	24,382	175,341	2,471,505
2047	2,471,505	548,338	807,135	0	550,000	19,740	173,587	2,406,035
2048	2,406,035	562,435	852,895	0	550,000	16,016	169,442	2,301,033
2049	2,301,033	538,490	862,768	0	550,000	12,475	162,796	2,152,026
2050	2,152,026	526,713	886,308	0	550,000	9,469	153,364	1,955,264
2051	1,955,264	531,814	932,435	0	550,000	7,317	140,909	1,702,869
2052	1,702,869	509,546	954,693	0	550,000	5,295	124,932	1,387,949
2053	1,387,949	490,368	983,274	0	0	0	87,857	982,900
2054	982,900	486,532	1,032,470	0	0	0	62,218	499,180
2055	499,180	484,629	1,085,023	0	0	0	31,598	31,598
2056	31,598	471,105	1,129,725	0	0	0	2,000	2,000
2057	2,000	466,170	1,185,409	0	0	0	127	127



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

Projection of OPEB Plan's Fiduciary Net Position using a June 30, 2017 Valuation Date (Continued)									
Fiscal Year	I. Projected Beginning Fiduciary Net Position	II. Portion of Employer Contributions for Current Plan Members	III. Total Projected Benefit Payments	IV. Projected Administrative Expense	V. Total Contributions to Trust	VI. Contributions to Trust for Current Plan Members	VII. Projected Investment Earnings	VIII. Projected Ending Fiduciary Net Position for Current Plan Members	
2058	127	461,253	1,244,805	0	0	0	8	8	
2059	8	451,410	1,302,599	0	0	0	1	1	
2060	1	443,182	1,364,887	0	0	0	0	0	
2061	0	433,985	1,432,102	0	0	0	0	0	
2062	0	424,140	1,502,960	0	0	0	0	0	
2063	0	413,315	1,577,650	0	0	0	0	0	
2064	0	402,470	1,658,104	0	0	0	0	0	
2065	0	390,187	1,740,577	0	0	0	0	0	
2066	0	377,283	1,827,911	0	0	0	0	0	
2067	0	363,915	1,920,150	0	0	0	0	0	
2068	0	350,253	2,016,917	0	0	0	0	0	
2069	0	336,325	2,118,897	0	0	0	0	0	
2070	0	322,097	2,225,547	0	0	0	0	0	
2071	0	308,520	2,339,008	0	0	0	0	0	
2072	0	296,437	2,459,300	0	0	0	0	0	
2073	0	283,756	2,585,105	0	0	0	0	0	
2074	0	270,452	2,717,406	0	0	0	0	0	
2075	0	256,400	2,855,268	0	0	0	0	0	
2076	0	241,567	2,999,577	0	0	0	0	0	
2077	0	225,940	3,150,499	0	0	0	0	0	
2078	0	209,536	3,308,246	0	0	0	0	0	
2079	0	192,434	3,473,013	0	0	0	0	0	
2080	0	174,899	3,645,464	0	0	0	0	0	
2081	0	157,248	3,826,969	0	0	0	0	0	
2082	0	139,635	4,017,634	0	0	0	0	0	
2083	0	122,791	4,218,999	0	0	0	0	0	
2084	0	106,651	4,431,745	0	0	0	0	0	
2085	0	91,576	4,656,918	0	0	0	0	0	
2086	0	77,694	4,895,017	0	0	0	0	0	
2087	0	65,260	5,147,085	0	0	0	0	0	
2088	0	54,156	5,413,505	0	0	0	0	0	
2089	0	44,410	5,695,090	0	0	0	0	0	
2090	0	36,003	5,992,394	0	0	0	0	0	
2091	0	28,759	6,306,284	0	0	0	0	0	
2092	0	22,714	6,637,617	0	0	0	0	0	
2093	0	17,663	6,986,976	0	0	0	0	0	
2094	0	13,530	7,355,412	0	0	0	0	0	
2095	0	10,240	7,743,809	0	0	0	0	0	
2096	0	7,659	8,152,936	0	0	0	0	0	



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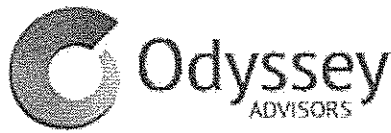
EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Actuarial Present Values of Projected Benefit Payments using a June 30, 2017 Valuation Date

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments	Present Value of Unfunded Benefit Payments	Present Value of Benefit Payments using Single Discount Rate
2018	66,067	171,732	66,067	105,665	66,067	105,665	171,732
2019	101,184	142,985	101,184	41,801	95,160	40,533	135,855
2020	135,595	147,649	135,595	12,054	119,931	11,334	133,292
2021	178,002	164,826	164,826	0	137,107	0	141,379
2022	228,624	178,536	178,536	0	139,670	0	145,503
2023	287,065	194,425	194,425	0	143,045	0	150,551
2024	350,696	220,934	220,934	0	152,872	0	162,548
2025	421,528	241,631	241,631	0	157,240	0	168,911
2026	498,188	266,568	266,568	0	163,140	0	177,051
2027	581,768	288,404	288,404	0	165,997	0	182,003
2028	671,180	300,489	300,489	0	162,656	0	180,174
2029	766,105	325,533	325,533	0	165,722	0	185,458
2030	867,099	346,306	346,306	0	165,802	0	187,455
2031	969,208	351,683	351,683	0	158,353	0	180,873
2032	1,072,685	380,918	380,918	0	161,306	0	186,140
2033	1,175,487	405,792	405,792	0	161,609	0	188,408
2034	1,276,938	405,940	405,940	0	152,044	0	179,079
2035	1,375,039	417,631	417,631	0	147,111	0	175,049
2036	1,469,521	432,609	432,609	0	143,315	0	172,286
2037	1,629,998	427,465	427,465	0	133,180	0	161,749
2038	1,782,286	428,156	428,156	0	125,454	0	153,932
2039	1,925,289	444,855	444,855	0	122,588	0	151,961
2040	2,060,047	452,329	452,329	0	117,227	0	146,809
2041	2,185,071	463,514	463,514	0	112,974	0	142,938
2042	2,295,423	476,996	476,996	0	109,339	0	139,761
2043	2,386,018	492,327	492,327	0	106,135	0	137,061
2044	2,453,714	513,866	513,866	0	104,183	0	135,924
2045	2,491,897	524,540	524,540	0	100,016	0	131,829
2046	2,499,220	539,640	539,640	0	96,770	0	128,861
2047	2,471,505	548,338	548,338	0	92,476	0	124,409
2048	2,406,035	562,435	562,435	0	89,207	0	121,245
2049	2,301,033	538,490	538,490	0	80,324	0	110,295
2050	2,152,026	526,713	526,713	0	73,890	0	102,503
2051	1,955,264	531,814	531,814	0	70,165	0	98,335
2052	1,702,869	509,546	509,546	0	63,225	0	89,520
2053	1,387,949	490,368	490,368	0	57,223	0	81,855
2054	982,900	486,532	486,532	0	53,395	0	77,165
2055	499,180	484,629	484,629	0	50,020	0	73,031
2056	31,598	471,105	182,079	289,026	17,674	89,668	67,453
2057	2,000	466,170	146,100	320,070	13,337	96,287	63,418



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Actuarial Present Values of Projected Benefit Payments using a June 30, 2017 Valuation Date (Continued)

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments	Present Value of Unfunded Benefit Payments	Present Value of Benefit Payments using Single Discount Rate
2058	127	461,253	101,565	359,688	8,720	104,923	59,620
2059	8	451,410	137,456	313,954	11,099	88,805	55,439
2060	1	443,182	133,808	309,374	10,161	84,855	51,714
2061	0	433,985	129,708	304,277	9,263	80,926	48,116
2062	0	424,140	125,800	298,340	8,449	76,940	44,680
2063	0	413,315	121,774	291,541	7,692	72,906	41,368
2064	0	402,470	117,593	284,877	6,986	69,079	38,274
2065	0	390,187	113,775	276,412	6,357	64,993	35,256
2066	0	377,283	109,121	268,162	5,734	61,141	32,390
2067	0	363,915	104,617	259,298	5,170	57,327	29,685
2068	0	350,253	100,228	250,025	4,658	53,600	27,146
2069	0	336,325	95,724	240,601	4,184	50,015	24,766
2070	0	322,097	91,252	230,845	3,751	46,532	22,536
2071	0	308,520	86,882	221,638	3,359	43,321	20,510
2072	0	296,437	83,095	213,342	3,021	40,435	18,724
2073	0	283,756	79,325	204,431	2,712	37,570	17,029
2074	0	270,452	75,325	195,127	2,422	34,773	15,421
2075	0	256,400	71,191	185,209	2,153	32,004	13,891
2076	0	241,567	66,787	174,780	1,900	29,286	12,435
2077	0	225,940	62,164	163,776	1,663	26,610	11,051
2078	0	209,536	57,353	152,183	1,443	23,976	9,737
2079	0	192,434	52,366	140,068	1,239	21,398	8,497
2080	0	174,899	47,289	127,610	1,052	18,904	7,337
2081	0	157,248	42,223	115,025	884	16,523	6,268
2082	0	139,635	37,254	102,381	733	14,260	5,288
2083	0	122,791	32,550	90,241	602	12,188	4,419
2084	0	106,651	28,115	78,536	489	10,286	3,646
2085	0	91,576	24,028	67,548	393	8,578	2,975
2086	0	77,694	20,314	57,380	313	7,066	2,398
2087	0	65,260	17,018	48,242	246	5,760	1,914
2088	0	54,156	14,101	40,055	192	4,638	1,509
2089	0	44,410	11,555	32,855	148	3,689	1,176
2090	0	36,003	9,369	26,634	113	2,900	906
2091	0	28,759	7,488	21,271	85	2,246	687
2092	0	22,714	5,921	16,793	63	1,719	516
2093	0	17,663	4,612	13,051	46	1,295	381
2094	0	13,530	3,539	9,991	33	962	277
2095	0	10,240	2,684	7,556	24	705	199
2096	0	7,659	2,013	5,646	17	511	142



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EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

21. CHANGES TO NET OPEB EXPENSE

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience								
Fiscal Year	Differences between actual & expected experience	Recognition Period (years)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018	118,520	5.54	<u>0</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>
Net increase (decrease) in OPEB expense			0	21,394	21,394	21,394	21,394	21,394



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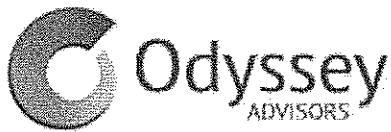
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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

21. CHANGES TO NET OPEB EXPENSE (CONTINUED)

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of Changes in Assumptions								
Fiscal Year	Differences from changes in Actuarial Assumptions	Recognition Period (years)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018	0	5.54	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in OPEB expense			0	0	0	0	0	0



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EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date) (continued)

21. CHANGES TO NET OPEB EXPENSE (CONTINUED)

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between Projected & Actual Earnings on OPEB Plan Investments								
Fiscal Year	Differences between actual & expected experience	Recognition Period (years)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018	3,109	5.00	<u>0</u>	<u>622</u>	<u>622</u>	<u>622</u>	<u>622</u>	<u>622</u>
Net increase (decrease) in OPEB expense			0	622	622	622	622	622

EXHIBIT AFinancial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)**22. Impact of Patient Protection and Affordable Care Act ("PPACA") Excise Tax**

Under the Patient Protection and Affordable Care Act ("PPACA"), an excise tax will be imposed for tax years beginning after December 31, 2021 (formerly December 31, 2017, but amended by Congressional Legislation) for high cost employer sponsored health coverage. The law specifies a 40% excise tax, to be paid by the provider of such coverage, of the excess value beyond a basic dollar amount plus an additional "kicker" for qualified retirees or those engaged in a high risk profession. The projected 2022 threshold amounts are \$12,511 for single coverage and \$32,676 for family coverage and a "kicker" amount of \$1,650 for single coverage and \$3,450 for family coverage.

For the fiscal year ending June 30, 2018, the TOL for the excise tax is \$6,456 and the increase in OPEB Expense is \$1,187. Given your premiums through the 2018 fiscal year and the excise tax threshold, your average single premiums are \$4,581 below the excise tax threshold and your average family premiums are \$13,111 below the excise tax threshold. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2017.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2017.

Actuarial Assumptions:

Investment Rate of Return: 6.33%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate 3.13% as of June 30, 2017 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 5.25%, net of OPEB plan investment expense, including inflation.

Inflation: 2.75% as of June 30, 2017 and for future periods

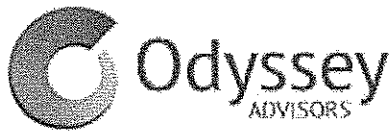
Salary Increases: 3.00% annually as of June 30, 2017 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Post-Retirement Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Disabled Mortality: RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year 2012 for males and females



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

Plan Membership

Plan Membership: At June 30, 2017, OPEB plan membership consisted of the following

Inactive employees or beneficiaries currently receiving benefits:	29
Active Employees:	<u>47</u>
Total:	76

Changes in Assumptions: Effective June 30, 2017

- Discount rate is 5.25% previously 4.00%



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources Arising between Expected & Actual Experience					
Fiscal Year	Experience Losses	Experience Gains	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	118,520	0	0	118,520	0
Total				118,520	0



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions					
Fiscal Year	Increase in the Total OPEB Liability	Decrease in the Total OPEB Liability	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	0	0	0	0	0
Total				0	0



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources between Projected & Actual Earnings on OPEB Plan Investments					
Fiscal Year	Increase in the Total OPEB Liability	Decrease in the Total OPEB Liability	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	3,109	0	0	3,109	0
Total				3,109	0



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2018		
	Deferred Outflows of Resources	Deferred Inflows of Resources
I. Differences between actual & expected experience	118,520	0
II. Changes of assumptions	0	0
III. Net difference between projected & actual earnings on OPEB plan investments	<u>3,109</u>	<u>0</u>
IV. Total [I.+II.+III.]	121,629	0
 Year ended June 30:		
	2019	22,016
	2020	22,016
	2021	22,016
	2022	22,016
	2023	22,016
	Thereafter	11,549



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EXHIBIT B

Required Supplementary Information (As of the June 30, 2017 Measurement Date) (continued)

Notes to Required Supplementary Information (Continued):

Contributions:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$20,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2017 Measurement Date. For the year ending on the June 30, 2017 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$171,732 .



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EXHIBIT C

Reconciliation of Plan Participation (As of the June 30, 2017 Valuation Date)

ACTIVE EMPLOYEES

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
A. Average Age at Hire	38.12	39.54
B. Average Service	<u>10.61</u>	<u>9.09</u>
C. Average Current Age	48.73	48.63

RETIRED EMPLOYEES & DEPENDENTS

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Retirees		
A. Under Age 65	3	3
B. Age 65 & Over	<u>15</u>	<u>16</u>
C. Total Retirees	18	19
II. Dependents of Retirees		
A. Under Age 65	2	3
B. Age 65 & Over	<u>9</u>	<u>9</u>
C. Total Retirees	11	12
III. Retirees & Dependents		
A. Under Age 65	5	6
B. Age 65 & Over	<u>24</u>	<u>25</u>
C. Total Retirees	29	31

EXHIBIT D

Projected Cash Flows (Open Group) - Partial Funding Approach

Total Medical, Dental & Life Insurance - Partial Funding - 5.25% discount rate

For the Fiscal Year	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with expected 6.33% return	III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Excess Employer Payments (beyond claims)	VIII. Total Employer Payments [VI. + VII.]
2018	4,845,052	66,067	4,778,985	1.36%	190,103	171,732	20,000	191,732
2019	5,147,673	101,184	5,046,489	1.97%	185,220	142,983	30,000	172,983
2020	5,457,205	148,836	5,308,369	2.73%	194,811	147,649	40,000	187,649
2021	5,781,126	209,816	5,571,310	3.63%	203,478	164,826	50,000	214,826
2022	6,119,544	284,967	5,834,577	4.66%	214,859	178,536	60,000	238,536
2023	6,469,244	375,187	6,094,057	5.80%	224,632	194,425	70,000	264,425
2024	6,813,942	481,429	6,332,513	7.07%	228,748	220,934	80,000	300,934
2025	7,175,099	604,708	6,570,391	8.43%	247,600	241,631	90,000	331,631
2026	7,535,400	746,102	6,789,298	9.90%	253,560	266,568	100,000	366,568
2027	7,908,651	906,758	7,001,893	11.47%	269,491	288,404	110,000	398,404
2028	8,302,106	1,087,896	7,214,210	13.10%	282,356	300,489	120,000	420,489
2029	8,703,476	1,290,811	7,412,665	14.83%	295,086	325,533	130,000	455,533
2030	9,117,440	1,516,882	7,600,558	16.64%	309,823	348,479	140,000	488,479
2031	9,553,449	1,767,575	7,785,874	18.50%	319,412	357,290	150,000	507,290
2032	9,999,510	2,044,449	7,955,061	20.45%	340,887	391,575	160,000	551,575
2033	10,452,010	2,349,161	8,102,849	22.48%	355,755	422,926	170,000	592,926
2034	10,939,177	2,683,472	8,255,705	24.53%	374,543	430,924	180,000	610,924
2035	11,428,340	3,049,257	8,379,083	26.68%	391,860	450,285	190,000	640,285
2036	11,957,946	3,809,415	8,148,531	31.86%	408,961	473,601	550,000	1,023,601
2037	12,531,490	4,617,691	7,913,799	36.85%	429,351	477,957	550,000	1,027,957
2038	13,065,932	5,477,131	7,588,801	41.92%	448,911	487,803	550,000	1,037,803
2039	13,654,872	6,390,974	7,263,898	46.80%	468,160	514,636	550,000	1,064,636
2040	14,296,943	7,362,663	6,934,280	51.50%	491,074	534,196	550,000	1,084,196
2041	14,993,197	8,395,860	6,597,337	56.00%	514,184	561,978	550,000	1,111,978
2042	15,715,063	9,494,458	6,220,605	60.42%	537,904	596,126	550,000	1,146,126
2043	16,461,745	10,662,598	5,799,147	64.77%	564,397	635,253	550,000	1,185,253
2044	17,216,497	11,904,681	5,311,816	69.15%	592,913	684,767	550,000	1,234,767
2045	18,012,236	13,225,388	4,786,848	73.42%	622,429	722,250	550,000	1,272,250
2046	18,824,376	14,629,695	4,194,681	77.72%	654,436	767,078	550,000	1,317,078
2047	19,686,983	16,122,895	3,564,088	81.90%	690,101	807,135	550,000	1,357,135
2048	20,585,903	17,710,615	2,875,288	86.03%	727,023	852,895	550,000	1,402,895
2049	21,560,456	19,398,837	2,161,619	89.97%	764,968	862,768	550,000	1,412,768

EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - 6.50% discount rate increasing at 0.00% per year

For the Fiscal Year	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with expected 6.33% return	III. Net OPEB Liability (Asset) ("NOL") [I. - II.]	IV Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Annual Funding / (Payments)	VIII. Total Employer Payments [VI. + VII.]
2018	4,072,269	66,067	4,006,202	1.62%	140,997	171,732	204,700	376,432
2019	4,332,772	281,328	4,051,444	6.49%	137,374	142,983	204,700	347,683
2020	4,613,509	510,215	4,103,294	11.06%	144,615	147,649	204,700	352,349
2021	4,900,729	753,591	4,147,138	15.38%	151,036	164,826	204,700	369,526
2022	5,201,003	1,012,373	4,188,630	19.46%	159,573	178,536	204,700	383,236
2023	5,511,575	1,287,536	4,224,039	23.36%	166,955	194,425	204,700	399,125
2024	5,815,898	1,580,116	4,235,782	27.17%	169,298	220,934	204,700	425,634
2025	6,132,163	1,891,217	4,240,946	30.84%	183,457	241,631	204,700	446,331
2026	6,445,977	2,222,010	4,223,967	34.47%	187,377	266,568	204,700	471,268
2027	6,768,998	2,573,743	4,195,255	38.02%	199,465	288,404	204,700	493,104
2028	7,110,603	2,947,740	4,162,863	41.46%	209,152	300,489	204,700	505,189
2029	7,456,999	3,345,411	4,111,588	44.86%	218,588	325,533	204,700	530,233
2030	7,812,384	3,768,255	4,044,129	48.23%	229,468	348,479	204,700	553,179
2031	8,189,241	4,217,865	3,971,376	51.50%	236,064	357,290	204,700	561,990
2032	8,569,605	4,695,935	3,873,670	54.80%	252,248	391,575	204,700	596,275
2033	8,951,815	5,204,267	3,747,548	58.14%	263,229	422,926	204,700	627,626
2034	9,365,818	5,744,776	3,621,042	61.34%	277,241	430,924	204,700	635,624
2035	9,782,914	6,319,500	3,463,414	64.60%	290,047	450,285	204,700	654,985
2036	10,231,883	6,930,604	3,301,279	67.74%	302,575	473,601	204,700	678,301
2037	10,722,422	7,580,391	3,142,031	70.70%	317,503	477,957	204,700	682,657
2038	11,191,039	8,271,309	2,919,730	73.91%	331,782	487,803	204,700	692,503
2039	11,701,838	9,005,962	2,695,876	76.96%	345,884	514,636	204,700	719,336
2040	12,255,801	9,787,119	2,468,682	79.86%	362,648	534,196	204,700	738,896
2041	12,854,579	10,617,723	2,236,856	82.60%	379,475	561,978	204,700	766,678
2042	13,473,615	11,500,904	1,972,711	85.36%	396,700	596,126	204,700	800,826
2043	14,110,793	12,439,991	1,670,802	88.16%	416,067	635,253	204,700	839,953
2044	14,751,543	13,438,522	1,313,021	91.10%	436,919	684,767	204,700	889,467
2045	15,421,558	14,500,260	921,298	94.03%	458,529	722,250	204,700	926,950
2046	16,104,240	15,629,206	475,034	97.05%	482,073	767,078	204,700	971,778
2047	16,822,184	16,829,614	(7,430)	100.04%	508,335	807,135	204,700	1,011,835
2048	17,565,447	18,106,008	(540,561)	103.08%	535,445	852,895	0	852,895
2049	18,377,595	19,252,118	(874,523)	104.76%	563,231	862,768	0	862,768



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EXHIBIT E

Projected Cash Flows (Open Group) - Funded Approach

Total Medical, Dental & Life Insurance - 6.50% discount rate and increasing at 3.00% per year

For the Fiscal Year	II. Fiduciary Net			IV Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Annual Funding / (Payments)	VIII. Total Employer Payments [VI. + VII.]
	I. Total OPEB	Position as of	III. Net OPEB					
	Liability ("TOL")	Measurement	Liability (Asset)					
	as of	Date with	("NOL")					
Measurement	expected 6.33%	("NOL")						
Date	return	[I. - II.]						
2018	4,072,269	66,067	4,006,202	1.62%	148,428	171,732	152,000	323,732
2019	4,332,772	226,986	4,105,786	5.24%	144,615	142,983	156,560	299,543
2020	4,613,509	402,793	4,210,716	8.73%	151,036	147,649	161,257	308,906
2021	4,900,729	594,572	4,306,157	12.13%	190,103	164,826	166,095	330,921
2022	5,201,003	803,480	4,397,523	15.45%	137,374	178,536	171,078	349,614
2023	5,511,575	1,030,750	4,480,825	18.70%	144,615	194,425	176,210	370,635
2024	5,815,898	1,277,698	4,538,200	21.97%	151,036	220,934	181,496	402,430
2025	6,132,163	1,545,728	4,586,435	25.21%	159,573	241,631	186,941	428,572
2026	6,445,977	1,836,339	4,609,638	28.49%	166,955	266,568	192,549	459,117
2027	6,768,998	2,151,129	4,617,869	31.78%	169,298	288,404	198,325	486,729
2028	7,110,603	2,491,801	4,618,802	35.04%	183,457	300,489	204,275	504,764
2029	7,456,999	2,860,173	4,596,826	38.36%	187,377	325,533	210,403	535,936
2030	7,812,384	3,258,182	4,554,202	41.71%	199,465	348,479	216,715	565,194
2031	8,189,241	3,687,894	4,501,347	45.03%	209,152	357,290	223,216	580,506
2032	8,569,605	4,151,510	4,418,095	48.44%	218,588	391,575	229,912	621,487
2033	8,951,815	4,651,378	4,300,437	51.96%	229,468	422,926	236,809	659,735
2034	9,365,818	5,189,999	4,175,819	55.41%	236,064	430,924	243,913	674,837
2035	9,782,914	5,770,040	4,012,874	58.98%	252,248	450,285	251,230	701,515
2036	10,231,883	6,394,343	3,837,540	62.49%	263,229	473,601	258,767	732,368
2037	10,722,422	7,065,936	3,656,486	65.90%	277,241	477,957	266,530	744,487
2038	11,191,039	7,788,046	3,402,993	69.59%	290,047	487,803	274,526	762,329
2039	11,701,838	8,564,111	3,137,727	73.19%	302,575	514,636	282,762	797,398
2040	12,255,801	9,397,793	2,858,008	76.68%	317,503	534,196	291,245	825,441
2041	12,854,579	10,292,995	2,561,584	80.07%	331,782	561,978	299,982	861,960
2042	13,473,615	11,253,872	2,219,743	83.53%	345,884	596,126	308,981	905,107
2043	14,110,793	12,284,852	1,825,941	87.06%	362,648	635,253	318,250	953,503
2044	14,751,543	13,390,651	1,360,892	90.77%	379,475	684,767	327,798	1,012,565
2045	15,421,558	14,576,293	845,265	94.52%	396,700	722,250	337,632	1,059,882
2046	16,104,240	15,847,126	257,114	98.40%	416,067	767,078	347,761	1,114,839
2047	16,822,184	17,208,848	(386,664)	102.30%	436,919	807,135	257,114	1,064,249
2048	17,565,447	18,563,295	(997,848)	105.68%	458,529	852,895	0	852,895
2049	18,377,595	19,738,352	(1,360,757)	107.40%	482,073	862,768	0	862,768



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EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Town of Wenham

OPEB Projection of Funding Annual Service Cost and Impact on Unfunded Obligation

Total Medical, Dental & Life Insurance - Funding Annual Service Cost - 5.25% discount rate

Measurement Date	I. Total OPEB Liability	II. Service Cost	III. Employer Share of Premiums / Claims including "implicit cost"	IV. Funding Service Cost beyond claims	V. Total Funding Costs [III. + IV.]	VI. Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"	VII. Present Value at 3.00% of Funding Service Cost beyond claims	VIII. Present Value at 3.00% of Total Funding Costs [VI. + VII.]	IX. Fiduciary Net Position at Beginning of year	X. Net OPEB Liability (Asset) [I. - IX.]	XI. Present Value at 3.00% of Net OPEB Liability (Asset)
June 30, 2017	4,845,052	190,103	171,732	18,371	190,103	171,732	18,371	190,103	66,067	4,778,985	4,778,985
June 30, 2018	5,147,673	185,220	142,983	42,237	185,220	138,818	41,007	179,825	87,907	5,059,766	4,912,394
June 30, 2019	5,457,205	194,811	147,649	47,162	194,811	139,173	44,455	183,628	134,759	5,322,446	5,016,916
June 30, 2020	5,781,126	203,478	164,826	38,652	203,478	150,839	35,372	186,211	188,996	5,592,130	5,117,591
June 30, 2021	6,119,544	214,859	178,536	36,323	214,859	158,627	32,273	190,900	237,570	5,881,974	5,226,058
June 30, 2022	6,469,244	224,632	194,425	30,207	224,632	167,713	26,057	193,770	286,365	6,182,879	5,333,406
June 30, 2023	6,813,942	228,748	220,934	7,814	228,748	185,029	6,544	191,573	331,606	6,482,336	5,428,854
June 30, 2024	7,175,099	247,600	241,631	5,969	247,600	196,468	4,853	201,321	356,829	6,818,270	5,543,877
June 30, 2025	7,535,400	253,560	266,568	(13,008)	253,560	210,431	(10,269)	200,162	381,532	7,153,868	5,647,329
June 30, 2026	7,908,651	269,491	288,404	(18,913)	269,491	221,038	(14,495)	206,543	388,554	7,520,097	5,763,528
June 30, 2027	8,302,106	282,356	300,489	(18,133)	282,356	223,592	(13,493)	210,099	390,040	7,912,066	5,887,320
June 30, 2028	8,703,476	295,086	325,533	(30,447)	295,086	235,172	(21,996)	213,176	392,384	8,311,092	6,004,110
June 30, 2029	9,117,440	309,823	348,479	(38,656)	309,823	244,416	(27,113)	217,303	382,537	8,734,903	6,126,485
June 30, 2030	9,553,449	319,412	357,290	(37,878)	319,412	243,297	(25,793)	217,504	363,964	9,189,485	6,257,592
June 30, 2031	9,999,510	340,887	391,575	(50,688)	340,887	258,877	(33,511)	225,366	345,194	9,654,316	6,382,640
June 30, 2032	10,452,010	355,755	422,926	(67,171)	355,755	271,460	(43,115)	228,345	312,629	10,139,381	6,508,083
June 30, 2033	10,939,177	374,543	430,924	(56,381)	374,543	268,538	(35,135)	233,403	261,871	10,677,306	6,653,744
June 30, 2034	11,428,340	391,860	450,285	(58,425)	391,860	272,430	(35,348)	237,082	219,238	11,209,102	6,781,691
June 30, 2035	11,957,946	408,961	473,601	(64,640)	408,961	278,191	(37,969)	240,222	172,323	11,785,623	6,922,811
June 30, 2036	12,531,490	429,351	477,957	(48,606)	429,351	272,572	(27,719)	244,853	116,730	12,414,760	7,079,964
June 30, 2037	13,065,932	448,911	487,803	(38,892)	448,911	270,085	(21,534)	248,551	74,252	12,991,680	7,193,178
June 30, 2038	13,654,872	468,160	514,636	(46,476)	468,160	276,642	(24,983)	251,659	39,258	13,615,614	7,319,063
June 30, 2039	14,296,943	491,074	534,196	(43,122)	491,074	278,793	(22,505)	256,288	0	14,296,943	7,461,467
June 30, 2040	14,993,197	514,184	561,978	(47,794)	514,184	284,750	(24,217)	260,533	0	14,993,197	7,596,929
June 30, 2041	15,715,063	537,904	596,126	(58,222)	537,904	293,254	(28,641)	264,613	0	15,715,063	7,730,770
June 30, 2042	16,461,745	564,397	635,253	(70,856)	564,397	303,400	(33,841)	269,559	0	16,461,745	7,862,221
June 30, 2043	17,216,497	592,913	684,767	(91,854)	592,913	317,523	(42,592)	274,931	0	17,216,497	7,983,199
June 30, 2044	18,012,236	622,429	722,250	(99,821)	622,429	325,149	(44,938)	280,211	0	18,012,236	8,108,912
June 30, 2045	18,824,376	654,436	767,078	(112,642)	654,436	335,272	(49,233)	286,039	0	18,824,376	8,227,697
June 30, 2046	19,686,983	690,101	807,135	(117,034)	690,101	342,505	(49,663)	292,842	0	19,686,983	8,354,100
June 30, 2047	20,585,903	727,023	852,895	(125,872)	727,023	351,381	(51,858)	299,523	0	20,585,903	8,481,119



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EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Total Medical & Life Insurance - Partial Funding

Measurement Date	Number of Retirees, Spouses & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums / Claims including "implicit cost"	Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"
June 30, 2017	29	4,845,052	4,845,052	171,732	171,732
June 30, 2018	32	5,147,673	4,997,741	142,983	138,818
June 30, 2019	33	5,457,205	5,143,939	147,649	139,173
June 30, 2020	33	5,781,126	5,290,549	164,826	150,839
June 30, 2021	34	6,119,544	5,437,136	178,536	158,627
June 30, 2022	35	6,469,244	5,580,427	194,425	167,713
June 30, 2023	38	6,813,942	5,706,569	220,934	185,029
June 30, 2024	39	7,175,099	5,834,012	241,631	196,468
June 30, 2025	40	7,535,400	5,948,514	266,568	210,431
June 30, 2026	41	7,908,651	6,061,322	288,404	221,038
June 30, 2027	42	8,302,106	6,177,547	300,489	223,592
June 30, 2028	43	8,703,476	6,287,576	325,533	235,172
June 30, 2029	44	9,117,440	6,394,789	348,479	244,416
June 30, 2030	45	9,553,449	6,505,434	357,290	243,297
June 30, 2031	45	9,999,510	6,610,854	391,575	258,877
June 30, 2032	46	10,452,010	6,708,747	422,926	271,460
June 30, 2033	47	10,939,177	6,816,933	430,924	268,538
June 30, 2034	47	11,428,340	6,914,334	450,285	272,430
June 30, 2035	47	11,957,946	7,024,033	473,601	278,191
June 30, 2036	47	12,531,490	7,146,534	477,957	272,572
June 30, 2037	47	13,065,932	7,234,290	487,803	270,085
June 30, 2038	47	13,654,872	7,340,167	514,636	276,642
June 30, 2039	47	14,296,943	7,461,467	534,196	278,793
June 30, 2040	47	14,993,197	7,596,929	561,978	284,750
June 30, 2041	47	15,715,063	7,730,770	596,126	293,254
June 30, 2042	47	16,461,745	7,862,221	635,253	303,400
June 30, 2043	47	17,216,497	7,983,199	684,767	317,523
June 30, 2044	47	18,012,236	8,108,912	722,250	325,149
June 30, 2045	48	18,824,376	8,227,697	767,078	335,272
June 30, 2046	48	19,686,983	8,354,100	807,135	342,505
June 30, 2047	48	20,585,903	8,481,119	852,895	351,381
June 30, 2048	48	21,560,456	8,623,905	862,768	345,096
June 30, 2049	48	22,602,763	8,777,490	886,308	344,186
June 30, 2050	48	23,707,651	8,938,407	932,435	351,552
June 30, 2051	48	24,881,300	9,107,673	954,693	349,461
June 30, 2052	48	26,206,546	9,313,371	983,274	349,439
June 30, 2053	48	27,529,537	9,498,583	1,032,470	356,236
June 30, 2054	48	28,922,359	9,688,497	1,085,023	363,464
June 30, 2055	48	30,398,314	9,886,327	1,129,725	367,416
June 30, 2056	48	32,060,547	10,123,231	1,185,409	374,297

EXHIBIT F**GLOSSARY**

Accrual Accounting - A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarially Determined Contribution - Amount of funding required annually to fully fund plan benefits. Determined by the actuary using a consistent methodology.

Amortization - Allows the recognition of liability over a fixed period of time.

Cash Basis Accounting - A system of accounting in which revenues are recorded when received and outlays are recorded when payment is made.

Deferred Inflows/Outflows of Resources - Amounts arising from experience gains and losses that have not been recognized into the OPEB Expense, but will be recognized in the future.

Discount Rate - The interest rate used to calculate the present value of future cash flows. Under GASB 75, the rate should be the expected long term rate of return on investments for a plan that is being fully funded, the 20 year municipal bond index for a pay-as-you-go plan, and a blend of the two rates for a plan that is being partially funded.

Fiduciary Net Position - The value of cash, investments, other assets and property belonging to an OPEB trust.

GASB - Government Accounting Standards Board. "The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities."

Implicit Subsidy - The liability that arises because retirees who are not eligible for Medicare are charged the same premium as active employees even though their actual medical costs are higher on average.

Irrevocable Contribution - The transfer of assets to a qualified trust in which assets may only be withdrawn for the purpose of providing retiree other post employment benefits.



East Coast
11 Hayward Ave, Building 4
Colchester, CT 06415
(860) 517-9080

West Coast
1350 E. Flamingo Road, Suite 254
Las Vegas, NV 89119
(702) 979-2882

EXHIBIT F

GLOSSARY

(continued)

Net OPEB Liability (NOL) - Total OPEB Liability less the Fiduciary Net Position.

Other Post Employment Benefits (OPEB) - Benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee.

OPEB Trust - An entity which holds assets for the sole purpose of funding OPEB. All contributions and earning within this entity must be irrevocable and protected from creditors.

Pay-as-you-go funding - Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

Service Cost - The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Service cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

Total OPEB Liability (TOL) - That portion, as determined by the Individual Entry Age Normal Actuarial Cost Method, of the Actuarial Present Value of benefits and expenses which are not provided for by future Service Costs.

Town of Wenham



PRESENTATION OF GASB 75 RESULTS

JUNE 12, 2018

Odyssey Advisors

- Actuaries & Management Consultants – founded in 1998
- Provide actuarial consulting & valuation services to over 300 municipal entities including over 250 in Massachusetts including Essex, Ipswich, Hamilton, & Topsfield.
- Offices in Connecticut & Nevada – clients in 37 States & Europe
- Primarily focused on retirement plans
 - Retiree Medical (GASB 45/75 & FASB 106)
 - Defined Benefit Plans (GASB 67/68 & FASB 87/88/132/158)
 - Defined Contribution Plans (401(k), 403(b), 457, ESOP, etc.)

GASB 74/75

- What is it?
 - New accounting standards which largely mirror GASB 67 and 68 for pension plans
 - Requires increased disclosures
 - Discount Rate – tied to investment and funding policies
- Effective for your 2018 fiscal year

GASB 74/75

- Dates

- Valuation Date – Plan liabilities are determined as of the valuation date and rolled forward to the Measurement Date
- Measurement Date – Assets and Liabilities are stated as of the Measurement Date
- Reporting Date – Plan or Employer's Fiscal Year End

- Disclosures

- Deferred Inflows/Outflows
- Money Weighted Rate of Return
- Payroll

GASB 75 Results

	<u>6/30/2017</u>		<u>6/30/2015</u>
•TOL–	4,845,052	•TOL –	5,059,967
•Assets –	66,067	•Assets –	25,371
•NOL –	4,778,985	•NOL –	5,034,596

- Total OPEB Liability (TOL): The value of the benefits that have been earned by active and retired employees.
- Net OPEB Liability (NOL): The TOL less the assets.

GASB 75 Results

<u>FY 2018</u>		<u>FY 2016</u>	
•Service Cost –	190,103	•Service Cost –	256,883
•Financial Statement Expense –	426,692	•Financial Statement Expense –	542,142
•Employer Share of Costs –	171,732	•Employer Share of Costs –	159,749
•Contributions to OPEB Trust –	20,000	•Contributions to OPEB Trust –	20,000
•OPEB Expense –	234,960	•OPEB Expense –	N/A

- Service Cost: The value of benefits that active employees accrue each year.
- Net OPEB Expense: The expense (on an accrual basis) that is recognized annually on the financial statement.
- Employer Share of Costs: The employer's portion of the premiums each year and implicit cost.

GASB 75 Results

- Discount rate increased
 - Decreasing liabilities by \$900K
- Actives were added who were not reflected on prior valuation
 - Increasing liabilities by \$350K
- Premiums increased less than expected

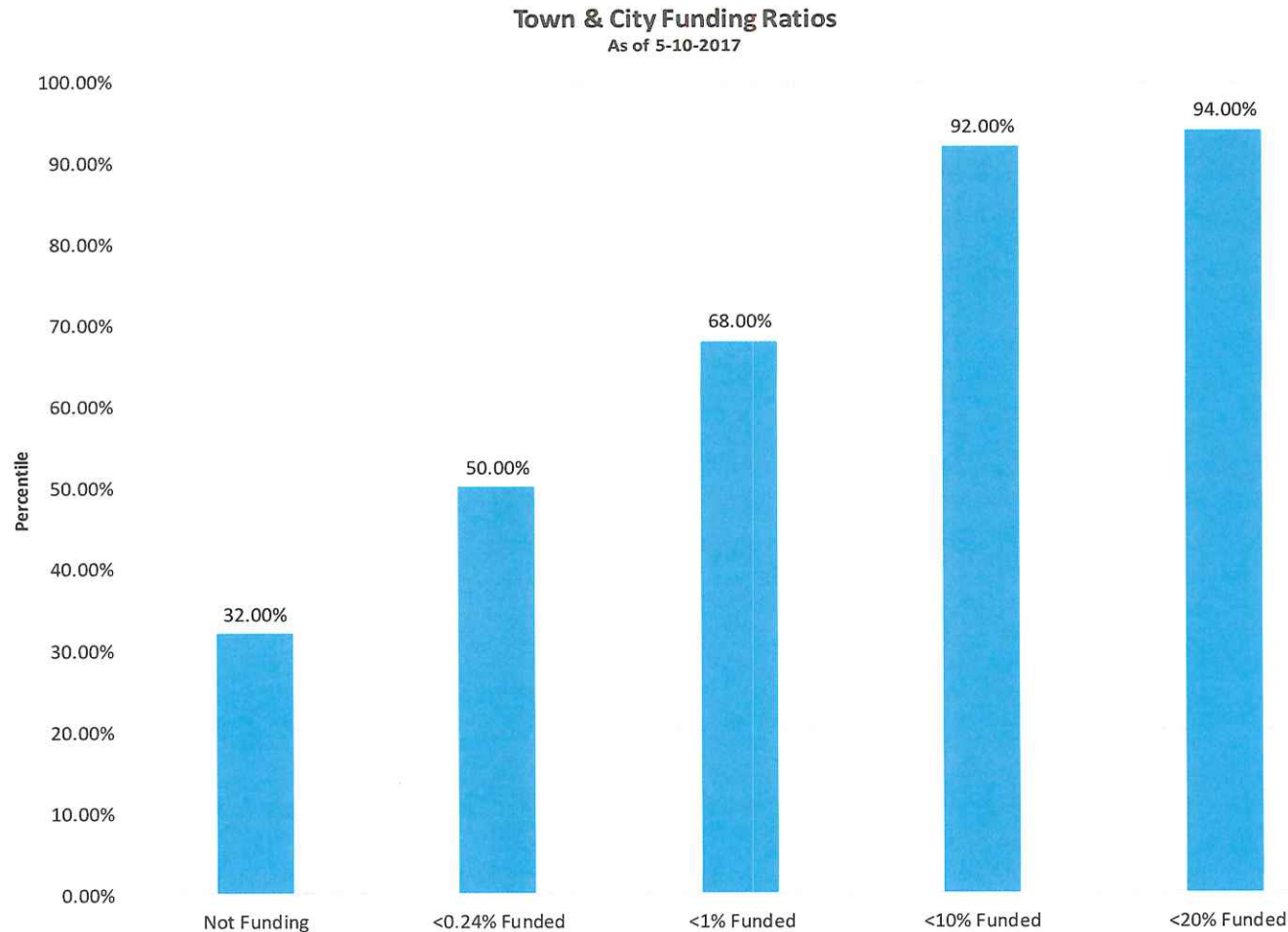
Actuarial Assumptions

- Discount Rate – 5.25% (previously 4.00%)
- Termination Rates
 - Probability of leaving employment each year prior to retirement
- Retirement Rates
 - Percentage of retirement eligible active employees who retire each year
- Election Percentage
 - Percentage of those eligible who elect to receive benefits in retirement
- Healthcare Cost Inflation – 5.00% per year (this may need to be revisited for your next valuation given recent trends)

Medical Plan offerings

	Per Contract Costs (monthly) - FY 2018		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Fallon Direct	554.64		1,331.20
Fallon Select	737.08		1,768.88
Harvard Pilgrim	824.24		2,011.12
Harvard Primary Choice	620.72		1,514.52
Tufts Navigator	728.84		1,778.40
Tufts Spirit	553.28		1,331.92
Unicare Basic w/ CIC	1,038.80		2,430.56
Unicare Basic w/o CIC	991.80		2,321.52
Unicare Comm Choice	520.60		1,249.48
Unicare Plus	693.20		1,656.12
Unicare OME w/ CIC	380.64	761.28	
Unicare OME w/o CIC	369.92	739.84	
Tufts Medicare Preferred	301.04	602.08	
Harvard Senior	423.04	846.08	
Fallon Senior	336.16	672.32	

Funding Comparison to Other Odyssey Clients



Comparison to Other Odyssey Clients – neighboring towns

	Discount Rate	Total Annual Normal Cost (annual benefit accrual)	Per Eligible Active Plan Participant	Unfunded Actuarial Liability	Unfunded Actuarial Liability as a % of Payroll	Benefit Payments	Per Covered Retiree	Funded Ratio
Town of Wenham	5.25%	190,103	4,045	4,778,985	165%	171,732	5,922	1.36%
Town of Groveland	4.75%	201,853	4,037	6,483,164	212%	188,554	4,489	1.34%
Town of Hamilton	6.75%	99,986	1,666	4,296,524	90%	180,976	4,640	5.93%
Hamilton-Wenham Regional School District	3.25%	1,375,144	4,450	34,952,280	186%	748,115	3,856	0.00%
Town of Ipswich	6.75%	683,460	1,492	22,899,373	80%	978,810	3,459	13.68%
Town of Merrimac	6.50%	116,018	2,275	2,408,064	80%	108,338	3,736	31.56%
Town of Newbury	4.25%	343,536	6,246	7,732,499	292%	233,310	6,140	1.74%
Town of Topsfield	4.75%	562,158	3,627	14,031,056	N/A	443,713	5,220	4.09%
Massachusetts Average (Odyssey Clients only)	4.00%	890,332	4,643	23,644,960	196%	707,258	5,218	8.04%

Comparison to Other Odyssey Clients – similar population size

	Number of Eligible Actives	Total Annual Service Cost (annual benefit accrual)	Per Eligible Active Plan Participant	Discount Rate	Net OPEB Liability	Net OPEB Liability as a % of Payroll	Benefit Payments	Per Covered Retiree	Funded Ratio
Town of Wenham	47	190,103	4,045	5.25%	4,778,985	165%	171,732	5,922	1.36%
South Essex Sewerage District	60	355,758	5,929	3.25%	12,386,430	312%	367,867	6,812	0.00%
Town of Groveland	50	201,853	4,037	4.75%	6,483,164	212%	188,554	4,489	1.34%
Town of Hamilton	60	99,986	1,666	6.75%	4,296,524	90%	180,976	4,640	5.93%
Town of Merrimac	51	116,018	2,275	6.50%	2,408,064	80%	108,338	3,736	31.56%
Town of Plympton	64	127,904	1,999	4.75%	3,236,213	80%	116,464	4,479	5.88%
Town of Spencer	55	166,595	3,029	5.00%	5,820,133	N/A	264,159	6,004	0.00%
Town of Sterling	62	269,837	4,352	5.50%	8,075,464	206%	296,519	6,446	1.79%
Massachusetts Average (Odyssey Clients only)	192	890,332	4,643	4.00%	23,644,960	196%	707,258	5,218	8.04%

Normal Cost per Active Employee

Town of Wenham Normal Cost per Capita as of June 30, 2017

	Town	Police	Fire	Highway	Library	Water Enterprise	Total
	Employees	Employees	Employees	Employees	Employees	Employees	
I. Service Cost	\$ 59,814	\$ 52,579	\$ 12,725	\$ 34,555	\$ 23,769	\$ 6,661	\$ 190,103
II. Eligible Actives	14	11	3	8	8	3	47
III. Normal Cost per Eligible Active [I. / II.]	\$ 4,272	\$ 4,780	\$ 4,242	\$ 4,319	\$ 2,971	\$ 2,220	\$ 4,045

Projected Cash Flows

Total Medical, Dental & Life Insurance - Partial Funding - 5.25% discount rate							
Measurement Date	I. Total OPEB Liability ("TOL")	II. Fiduciary Net Position	III. Net OPEB Liability ("NOL") [I. - II.]	IV. Funded Ratio [II. / I.]	V. Employer Share of Premiums / Claims	VI. Excess Employer Payments (beyond claims)	VII. Total Employer Contribution [VIII. + IX.]
June 30, 2017	4,845,052	66,067	4,778,985	1.36%	171,732	20,000	191,732
June 30, 2018	5,147,673	101,184	5,046,489	1.97%	142,983	30,000	172,983
June 30, 2019	5,457,205	148,836	5,308,369	2.73%	147,649	40,000	187,649
June 30, 2020	5,781,126	209,816	5,571,310	3.63%	164,826	50,000	214,826
June 30, 2021	6,119,544	284,967	5,834,577	4.66%	178,536	60,000	238,536
June 30, 2026	7,908,651	906,758	7,001,893	11.47%	288,404	110,000	398,404
June 30, 2031	9,999,510	2,044,449	7,955,061	20.45%	391,575	160,000	551,575
June 30, 2036	12,531,490	4,617,691	7,913,799	36.85%	477,957	550,000	1,027,957
June 30, 2041	15,715,063	9,494,458	6,220,605	60.42%	596,126	550,000	1,146,126
June 30, 2046	19,686,983	16,122,895	3,564,088	81.90%	807,135	550,000	1,357,135
June 30, 2051	24,881,300	25,132,178	(250,878)	101.01%	954,693	550,000	1,504,693
June 30, 2056	32,060,547	32,334,303	(273,756)	100.85%	1,185,409	(366,427)	818,982

Affordable Care Act and Excise Tax (Cadillac Tax)

- Premiums above \$11,850 for Individual plans and \$30,950 (these thresholds will increase annually by CPI) will be taxed at 40% starting in 2022 (previously 2018, but amended to 2020 and then 2022)
- An analysis conducted by Towers Watson in September 2014 predicted that 48% of firms surveyed are likely to trigger the tax in 2018 and 82% by 2023 with current plan designs. (The excise tax has since been delayed until 2022)

Questions?

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

F.

Update on Electrical Inspectional Services

- Memo regarding Update on Electrical Inspectional Services from Peter Lombardi, Town Administrator, July 11, 2018
- Job Description – Permitting Department – Electrical Inspector
- Intermunicipal Agreement Between the Towns of Wenham and Hamilton for Shared Inspectional Services, March 28, 2018



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: Update on Electrical Inspectional Services
DATE: July 11, 2018

In response to concerns raised at the June 19 Selectmen's meeting regarding the extent to which our current Electrical Inspector has been responsive to emergency calls, I have followed up on a number of fronts.

As background, shortly after our current Electrical Inspector was originally appointed in 2017, our Assistant Electrical Inspector responded to an incident after regional dispatch was unable to contact the Electrical Inspector. At the time, I met with both employees to better understand the issue and set clear expectations regarding the need for the Electrical Inspector to be available and responsive to emergency calls, after hours or otherwise. As has been past practice, if the Electrical Inspector was not going to be available for any reason, he would notify the Assistant to ensure adequate coverage. Any deviation from or issues related to this protocol were to be directly reported to the Permitting Coordinator or myself.

Since that time, the Assistant Inspector has responded to approximately 10 emergency calls. In researching the Town's records as well as regional dispatch call logs, it is unclear exactly how many of those instances were a result of the Electrical Inspector's lack of responsiveness or availability, but it appears that there was at least one such incident. On several occasions, the Assistant Inspector responded for reasons unrelated to his official position or was contacted directly by the Fire Department instead of going through the standard protocol with regional dispatch. Two similar such situations have occurred over the past few weeks. As far as we can tell from these records and based on my conversation with Chief Kavanagh, there have not been any instances where an Electrical Inspector did not respond to the Fire Department's request for assistance.

Regardless of the fact that the Assistant Inspector lives and works locally and is well-known, both regional dispatch and Wenham Fire have been reminded that they need to attempt to contact the Electrical Inspector before reaching out to the Assistant Inspector to respond to these kind of calls.

As previously discussed, we are on the verge of starting our new shared inspectional service program with Hamilton and are currently going through the hiring process for all of the inspector positions. This particular issue is being taken into consideration as part of this process. The updated job description clearly establishes that the new Electrical Inspector is responsible for responding to emergency calls 24/7 (see attached). We also specifically addressed the issue in our interview questions with each of the candidates. In doing so, we wanted to ensure that our expectations were very clear for whoever was going to be taking on this role for both towns.

Having completed interviews for all but the Building Inspector position at this time, I expect to be able to provide recommendations to fill all of the various inspector positions to the Board in the next few weeks. It should be noted that the Hamilton Board of Selectmen will also need to approve these appointments since all of these inspectors will hold the same position in both communities. I have attached the executed Intermunicipal Agreement for your reference. Once we know when the new inspectors will be appointed, we will have to revise the start date of the IMA and pro-rate Hamilton's annual contribution to Wenham for serving as the lead community.

I hope this information helps to provide some context to this issue.

**Permitting Department
Electrical Inspector**

DEFINITION

Position is responsible for enforcing all electrical installations and making interim, rough, and final inspections of construction. The Inspector reviews and approves construction documents as they pertain to wiring and electrical fixtures. This position ensures that all electrical work being done is in conformance with the applicable codes, thereby maintaining the safety of residents and occupants.

ESSENTIAL FUNCTIONS

The essential functions or duties listed below are intended only as illustrations of the various type of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the position.

- Examines plans and specifications with applications for permitting commercial and/or large scale electrical installations. Reviews and approves construction documents for compliance with state and local codes.
- Responds to calls or complaints regarding defective, inadequate, or illegal wiring.
- Performs interim, rough, and finish inspections as required, ensures all permits are closed.
- Reports all violations of electrical installations and directs and inspects all corrections.
- Verifies that electricians are licensed and qualified in accordance with state law.
- Responds to emergency calls 24 hours/ 7 days a week from the Fire Department.
- National Grid, emergency dispatch and/or other emergency responders such as utilities, Building Inspector, and/or Board of Health.
- Provides court testimony and support documentation as required by the State Board of Examiners.
- Prepares daily reports and maintains records of inspections and activities.
- Meets with architects, engineers, contractors and developers to review and comment on electrical plans for remodeling and/or new construction projects.
- Attends mandatory continuing education courses/seminars in order to maintain required certifications and knowledge of changes in the state code.
- Provides weekly office hours for residents and contractors with requests or questions and to complete any necessary paperwork.
- Assists Fire Department/Marshall in determining the cause of fires disconnects power or isolates power as needed to extinguish fires.
- Performs other relevant duties as assigned.

SUPERVISION RECEIVED

Under the general direction of the Building Commissioner, the employee is familiar with the work routine and uses initiative in carrying out recurring assignments independently with specific instruction. The supervisor provides additional, specific instruction for new, difficult or unusual assignments, including suggested work methods. The employee refers unusual situations to the supervisor for advice and further instructions. Reviews and checks of the employee's work are applied to an extent sufficient to keep the supervisor aware of progress, and to ensure that completed work and methods used are technically accurate and that instructions are being followed.

ACCOUNTABILITY

Consequences of errors or poor judgment may include missed deadlines, delay or loss of service monetary loss, legal repercussions, personal injury, danger to public health/safety, and/or poor internal or external customer service.

JUDGMENT

Numerous standardized practices, procedures, or general instructions govern the work and in some cases, may require additional interpretation. Judgment is needed to locate, select and apply the most pertinent practice, procedure, regulation, or guideline.

COMPLEXITY

The work consists of a variety of duties which generally follow standardized practices, procedures, regulations or guidelines. The sequence of work and/or the procedures followed vary according to the nature of the transaction and/or the information involved, or sought, in a particular situation.

NATURE AND PURPOSE OF CONTACTS

Relationships are primarily with co-workers and the public involving frequent explanation, discussion or interpretation of practices, procedures, regulations, or guidelines in order to render service, plan or coordinate work efforts, or resolve operating problems. Other regular contacts are with service recipients and employees of outside organizations. More than ordinary courtesy, tact and diplomacy may be required to resolve complaints or deal with hostile, uncooperative or uninformed persons.

CONFIDENTIALITY

Employee has access to some confidential information in the performance of their duties.

EDUCATION AND EXPERIENCE

Must have a Bachelor's degree or master craftsman level of trade knowledge; ten (10) years of electrical trade experience; or an equivalent combination of education and experience. Prior municipal inspectional experience preferred.

SPECIAL REQUIREMENTS

A candidate for this position is required to have a valid Class D Motor vehicle operator's license; Massachusetts Journeyman and Master Electrician's License.

KNOWLEDGE, ABILITY, AND SKILLS

Knowledge: Must have working knowledge of electrical work techniques and equipment, state and national codes related to electrical service. Knowledge of technology including office software and the Internet/e-mail in support of department operations. Knowledge to utilize mobile phone technology as well as mobile phone applications that support and connect to permitting software.

Abilities: Ability to interact effectively and appropriately with the public and other personnel, perform multiple tasks, read and interpret plans and blueprints, deal with irate customers, and maintain confidential information. Must be able to access the Internet to obtain information in support of department operations. Ability to read, interpret, and enforce rules, and codes in an impartial manner.

Skills: Proficient written and oral communication skills. Proficient customer service skills. Proficient skill at conducting inspections, making observations, and recording information in a detailed, impartial manner.

WORK ENVIRONMENT

The nature of duties may involve continuous presence of unpleasant or irritating elements, such as considerable noise, odors, chemical and toxic fumes, traffic, electricity, explosive materials, dust, smoke, heat, cold, oil, dirt or grease. Work is continually performed outdoors, regardless of weather conditions. The employee is required to work beyond normal business hours on a 24/7 basis in response to natural or man-made emergencies.

PHYSICAL, MOTOR, AND VISUAL SKILLS

Physical Skills

Work requires some agility and physical strength, such as moving in or about construction sites or over rough terrain; required to stand or walk for extended periods of time. Occasionally, work may require lifting objects and carrying them. There may be need to stretch and reach to

retrieve materials.

Motor Skills

Position requires minimal motor skills for activities such as: operating a personal computer and/or most other office equipment, keyboarding, high and low voltage meter reading equipment, moving objects or operating a motor vehicle.

Visual Skills

Position requires routine reading of documents, measuring instrumentation, computer screens, and reports for understanding. The employee is required on a regular basis to determine differences in colors.

**INTERMUNICIPAL AGREEMENT BETWEEN THE
TOWNS OF WENHAM AND HAMILTON
FOR SHARED INSPECTIONAL SERVICES**

THIS AGREEMENT dated as of *March 28*, 2018 ("Agreement") by and between the **TOWN OF WENHAM**, a Massachusetts municipal corporation having a usual place of business at 138 Main Street, Wenham, Massachusetts 01984, acting by and through its Board of Selectmen (also referred to as "Wenham") and the **TOWN OF HAMILTON**, a Massachusetts municipal corporation having a usual place of business at 577 Bay Road, Hamilton, Massachusetts 01936, acting by and through its Selectmen (also referred to as "Hamilton") (collectively, Wenham and Hamilton shall be referred to as the "Parties").

WHEREAS, each of the Parties is empowered to staff and maintain an inspectional services/building department for the administration and enforcement of the Massachusetts State Building Code, Electrical, Plumbing and Architectural Access Codes, the zoning by-laws and general by-laws of its town;

WHEREAS, pursuant to M.G.L. c. 143 § 3, two or more cities or towns may combine and share expenses in the appointment of any building commissioner or inspector of buildings and local inspectors;

WHEREAS, each of the Parties has determined that it is mutually beneficial to share between them the services and costs of common inspectional and code enforcement services as more fully described hereinafter, thereby providing increased consistency and efficiency in operations, proper oversight and enhanced customer service in each Party;

WHEREAS, Wenham is willing and capable of hosting shared inspectors and serving as the lead Party and Hamilton is willing to have Wenham serve as the host and lead Party; and

WHEREAS, each Party has authority to enter into this Agreement pursuant to M.G.L. c. 40, § 4A and has obtained authorization by vote of its Board of Selectmen as attested to by certified copies thereof attached hereto in Appendix A.

NOW, THEREFORE, the Parties, in mutual consideration of the covenants contained herein, intending to be legally bound thereby, agree under seal as follows:

1. PURPOSE

The purpose of this Agreement is to establish a contractual relationship between the Parties for a shared building commissioner and inspectional services, electrical inspectional services, plumbing and gas inspectional services, and code enforcement services, and for shared costs and expenses therein.

2. LEAD PARTY

- A. The Parties hereby designate Wenham as the lead Party (hereinafter the "Lead Party").
- B. The Lead Party shall:

- 1. Employ or contract, through its standard personnel practices, a full-time Inspector of Buildings/Building Commissioner ("Commissioner"), and such other part-time local building inspectors, electrical/wiring inspectors, and plumbing and gas inspectors

(collectively with the Commissioner, the "Inspectors") in accordance with the staffing model attached hereto in Appendix B as may be amended from time to time by mutual agreement of the Parties (the "Staffing Model"). All necessary steps in the hiring process of the Inspectors and maintenance of employee records shall be the responsibility of the Lead Party.

2. Provide all benefits to which the Inspectors are entitled under contract or the standard personnel practices of the Lead Party;
 3. Provide office space for the Inspectors;
 4. Maintain separate, accurate, and comprehensive records of all services performed for each Party and all funds received from the Parties;
 5. Issue financial reports for each fiscal year to the Parties by December 31 of the following fiscal year.
- C. Any property and materials owned by the Lead Party which are used by the Inspectors shall remain the property of the Lead Party.
- D. Any property and materials owned by Hamilton which are used by the Inspectors shall remain the property of the Hamilton.

3. THE INSPECTORS

- A. The Inspectors shall perform for each of the Parties the duties and have the responsibilities listed in the respective job descriptions attached hereto in Appendix C ("Shared Inspectional Services"). Changes to job descriptions shall not be made without the approval of each Party.
- B. The Inspectors shall have enforcement jurisdiction in each of the towns concerning any applicable laws and codes, zoning by-laws and general by-laws as may be in effect from time to time in that Party.
- C. All Inspectors shall be hired by the Lead Party with the mutual agreement of the Parties, including the opportunity to comment on candidates' resumes and participate in candidate interviews. The Commissioner shall be supervised by the Lead Party in the manner specified in the job description. An annual performance evaluation of the Commissioner will be prepared by the Lead Party with input from designees in the other Parties. Any disciplinary action involving suspension or termination of the Commissioner or any other Inspector shall be undertaken by the Lead Party in accordance with the standard personnel practices of the Lead Party, but such decisions shall be made in reasonable consultation with the Parties. The terms and conditions of employment of the Commissioner and inspectors by the Lead Party shall be governed by any applicable contract or collective bargaining agreement.
- D. The Shared Inspectional Services shall be provided under the administrative direction of the Commissioner, who shall develop and submit to the Town Manager/Administrator of each Party a Shared Inspectional Services operating plan for the current or upcoming fiscal year outlining such items as the Inspectors' office hours and availability for inquiries, emergencies, and timelines for permit review and scheduling/performance of inspections that are in compliance with applicable state laws and local by-laws (the "Operating Plan"). The Parties shall determine when the annual Operating Plan should be prepared and submitted, with the final decision thereon to be determined by the Lead Party.

4. ALL PARTIES

- A. Notwithstanding any other provision of this Agreement, each Party shall continue to maintain and staff at its own cost and expense an administrative building department in its town for the acceptance and processing of all permit applications and any other departmental forms and

paperwork, issuance of approved permits and certificates, and the payment and collection of fees for that Party.

- B. Each Party shall provide and maintain its own permitting software, applications, forms and certificates, and other supplies at its own cost and expense. Fee schedules shall be determined by each Party, and each Party may use its collected fees at its own discretion as permitted by law. Each Party shall be responsible for its own audit of its building-department related fees and finances.
- C. Each Party shall supply the Inspectors with complete copies, including supplements and revisions, of its respective local codes, regulations, and by-laws.
- D. All files, including closed and inactive files, records and support documents shall be permanently stored at the office of the generating Party.
- E. The Parties agree to allow the Inspectors to claim such vacation, sick, and personal days and other leave as they may be entitled to receive under the standard personnel practices of the Lead Party. No Party shall make any demand on the Inspectors or take any action with respect to them that is in violation of their rights under standard personnel practices of the Lead Party or under any applicable legislation.
- F. Any hearings resulting from the actions of the Inspectors shall be held by the Board of Selectmen or another appropriate authority in the town in which the action originated, in accordance with the code, regulations, or bylaws of that Party. Similarly, any proceeds from enforcement actions shall be paid to the Party in which the enforcement action took place. Any costs, such as legal fees, shall be paid by the Party in which the hearing or enforcement action took place.
- G. Complaints received concerning the action of the Commissioner shall be resolved by the Town Manager/Administrator in the Party in which the complaint originated in consultation with the other Party as appropriate, provided, however, that discipline or dismissal of the Commissioner shall be undertaken by the Lead Party. Complaints received concerning the action of any other Inspector shall be resolved by the Commissioner in consultation with the Town Manager/Administrator in the Party in which the complaint originated in consultation with the other Party as appropriate.
- H. If during the term of this Agreement a Party requires an increased demand for Shared Inspectional Services due to a large-scale development, activity or an event that cannot reasonably be accommodated under the Operating Plan, such Party shall bear alone the responsibility, cost, and expense of hiring additional inspectors as needed in consultation with the Commissioner.

5. TERM/TERMINATION

- A. The initial term of this Agreement shall be July 1, 2018 through June 30, 2020 (the "Initial Term"). This Agreement may be renewed for ten (10) additional one (1)-year terms ("Extended Terms") by vote of each Party through its respective Board of Selectmen by January 15 of the then current term, beginning January 15, 2020.
- B. In the event that any one Party does not vote to renew this Agreement during either the Initial Term or an Extended Term, this Agreement shall terminate effective June 30th of that year. All Parties shall continue to perform all obligations under this Agreement until the effective date of termination. The Lead Party shall prepare a full statement of the Parties' outstanding financial obligations for the remainder of the then current fiscal year with any final payments due within thirty (30) days of the end of the current fiscal year.
- C. If a Party defaults on payment of any assessment or otherwise breaches this Agreement during either the Initial Term or an Extended Term, the Lead Party shall prepare a full statement of the

Parties' outstanding financial obligations for the remainder of the then current term (whether it is the Initial Term or an Extended Term) with payment thereof due within thirty (30) days thereafter, and this Agreement shall terminate, in which case each party shall thereafter be solely responsible for the provision of inspectional services within its jurisdiction.

- D. Termination or breach of this Agreement shall not relieve any Party from any obligations of indemnification that may have arisen hereunder prior to such termination or breach nor from any financial obligations that by agreement extends beyond the termination date, nor, in the case of breach, the breaching Party's liability to compensate the non-breaching Party for that Party's damages caused by the breach.

6. BUDGET/FEE STRUCTURE/PAYMENTS

- A. The Lead Party shall establish for each fiscal year the annual operating cost for the provision of Shared Inspectional Services that supports the Staffing Model (the "Budget"). The Budget shall include, but not be limited to, the cost of the Inspectors' wages and salaries, taxes, benefits (retirement contributions, health insurance, life insurance, unemployment compensation, workers compensation, paid time off, etc.), liability insurance, stipends, recruitment costs, seminars, professional development, dues, cell phones, mileage reimbursement, training costs, and any other costs related to the proper functioning of this Agreement. If there are any costs borne by the Lead Party in equipping or housing the Inspectors, the Lead Party will account for and document those costs in the development of the Budget and adjust accordingly, including the contributions required by each of the Parties.
- B. The Parties shall proportionally share the cost of the total Budget based on the fee structure attached hereto in Appendix D (the "Fee Structure") as may be amended from time to time by mutual agreement of the Parties.
- C. Each Party shall be assessed on July 1 its share of the Budget for the current fiscal year, which shall be automatically due and payable to the Lead Party in that fiscal year without further notice in equal quarterly installments on July 1, October 1, January 1, and April 1.
- D. By January 15 of each fiscal year, the designees of the Parties shall meet to agree on the Budget for the next fiscal year. The Budget and Fee Structure shall be reviewed and adjusted, if necessary, by agreement of the Parties.
- E. Notwithstanding any other provision in this Agreement to the contrary, the Parties agree that they shall be responsible after dissolution or termination of this Agreement for appropriating their shared respective cost for an Inspector's retirement, unemployment or workers' compensation benefit that accrued while the Party was a party to this Agreement.

7. INDEMNIFICATION

- A. This Agreement is by and between the Parties which have executed it with the understanding that it is intended for their mutual benefit and is not intended to confer any express or implied benefits on any other person or entity. This Agreement is not intended to confer third-party beneficiary status on any person or entity.
- B. It is expressly understood that the services provided hereunder are deemed for public and governmental purposes and all privileges and immunities from liability enjoyed by the Parties shall extend to their participation hereunder and to the activities so undertaken to the fullest extent provided by law.
- C. To the extent permitted by law, each Party (the "Indemnifying Party") separately agrees to indemnify the Lead Party, including all officials, officers, employees, agents, servants and representatives, from and against any claim arising out of the duties performed by the Inspectors pursuant to this Agreement in or on behalf of the Indemnifying Party for any claim of

liability, loss, damages, costs and expenses for personal injury or damage to real or personal property by reason of any negligent act or omission by the Inspectors while performing services for the Indemnifying Party. As to any claim or occurrence, the express indemnification set forth above shall be limited to the services provided by the Inspectors for the specified Party.

- D. An Indemnifying Party's obligation to indemnify under this Section shall be limited to and benefited by the immunities or limitations of damages which may be extended to them by operation of law. Furthermore, the Indemnifying Parties shall not be liable for any claims arising from:
- a) Violations of state or federal civil rights statutes;
 - b) Violations of state or federal discrimination statutes;
 - c) Wrongful termination claims;
 - d) Violations of any state or federal statute dealing with employment practices; and
 - e) Claims that are covered by any insurance policy.

8. ASSIGNMENT

No Party shall assign or transfer any of its rights or interests in or to this Agreement, or delegate any of its obligations hereunder, without the prior written consent of the other.

9. CONFLICT RESOLUTION

The Town Managers/Administrators of the Parties shall confer periodically to address matters of policy, operations and logistics as may be necessary. The Parties may hold additional meetings to discuss and resolve any conflicts that may arise including, but not limited to, disagreements regarding the needs of each Party and changes to the Staffing Schedule or Fee Schedule. Any unresolved issues shall be decided by the Town Manager/Administrator of the Lead Party.

10. AMENDMENTS

This Agreement may be amended only by the unanimous written consent of all of the Parties.

11. SEVERABILITY AND COMPLIANCE WITH APPLICABLE LAW

Should any term, portion, or provision of this Agreement or the application thereof to any person or circumstances be in conflict with any local, state or federal law or otherwise be rendered unenforceable or ineffectual the validity of the remaining parts, terms, portions, or provisions or the application thereof to other persons or circumstances shall be deemed severable and shall not be affected thereby. The Parties further intend for this Agreement to be modified to comply with any applicable local, state or federal law should it be determined not to be in compliance and to remain binding between them as so modified, so long as the Purpose of the Agreement remains satisfied. In particular, but without limiting the generality of the foregoing, the Parties intend for this Agreement to remain binding against each of them notwithstanding any legal requirement that would alter the term hereof or change the way in which any party is required to pay its share of assessments. The Parties will remain bound hereunder subject to such modified terms.

12. NOTICES

Any notice permitted or required hereunder to be given or served on any Party shall be in writing signed in the name of or on behalf of the Party giving or serving the same. Notice shall be deemed to have been received at the time of actual receipt of any hand delivery, upon the date of verified delivery by courier or package delivery service, or three (3) business days after the date of any properly addressed notice sent by mail as set forth below:

For Wenham: Town of Wenham, 138 Main Street, Wenham, MA 01984
ATTN: Town Administrator

For Hamilton: Town of Hamilton, 577 Bay Road, Hamilton, MA 01936
ATTN: Town Manager

13. MISCELLANEOUS PROVISIONS

- A. Entire Understanding: This Agreement represents the entire understanding of the Parties with respect to its subject matter and supersedes all prior agreements, negotiations and representations, either written or oral.
- B. Governing Law: This Agreement shall be governed by the laws of the Commonwealth of Massachusetts and venue for any action shall be in the Superior Court of Essex County.
- C. Binding Effect: All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of and be enforceable by the respective Parties hereto, their successors and assigns.
- D. Headings: The headings used herein are for convenience only and shall not be considered in any interpretation of any disputes over the terms of this Agreement.
- E. Joint Drafting: Each Party acknowledges that it has participated equally in the drafting of this Agreement and that each has or had consulted with legal counsel of its own choosing in entering into this agreement.

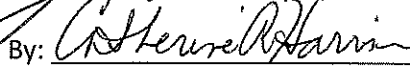
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IN WITNESS WHEREOF, the Parties have caused this agreement to be executed and attested by their proper officers hereunto duly authorized and their official seals to be hereto affixed as of the day and year first above written.

For the TOWN OF WENHAM,

By: 

Date: 2-20-18

By: 

Date: 2-20-18

By: _____

Date: _____

Approved as to Form Only

By: _____

Date: _____

Town Counsel

Approved as Availability of Appropriation

By: 

Date: 5/1/18

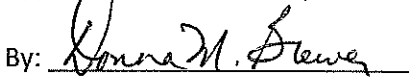
Town Accountant

For the TOWN OF HAMILTON,

By: 

Date: 3-28-2018

Approved as to Form Only

By: 

Date: 5/17/18

Town Counsel

Approved as Availability of Appropriation

By: 

Date: 5/17/18

Town Accountant

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

G.

Review and Approval of Update School Grounds Maintenance Agreement

- Memo regarding Updated School Grounds Maintenance Agreement from Peter Lombardi, Town Administrator, June 27, 2018
- Proposed Grounds Maintenance and General Cleanup (Non Winter Conditions) Agreement between the Town of Wenham and the Hamilton-Wenham Regional School District
- Proposed, Redlined Grounds Maintenance and General Cleanup (Non Winter Conditions) Agreement between the Town of Wenham and the Hamilton-Wenham Regional School District
- Draft Motion



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Town Administrator, Peter Lombardi
RE: Updated School Grounds Maintenance Agreement
DATE: June 27, 2018

For a number of years, the Hamilton and Wenham DPWs provided grounds maintenance and general clean-up services to the Hamilton-Wenham School District. Under this arrangement, Wenham DPW mowed the fields at the Buker and worked with the Hamilton DPW to mow the fields at Cutler as well as the Middle/High School. Hamilton DPW was responsible for mowing the Winthrop School. In October 2015, we made some minor modifications to the Intermunicipal Agreement between the three entities to try to lessen the workload that the DPWs were responsible for.

This past winter, Hamilton informed the School District that they would no longer be able to provide these services going forward. After meeting with Bill Tyack, Jason Waldron, and Jeff Sands, we agreed that Wenham would continue to provide this service but, in order to stay within our same 3 day/week schedule, would only cover the elementary schools and rear athletic field at the Middle/High School. The attached IMA reflects those changes.

By Wenham DPW agreeing to continue to provide these services, HWSRD realizes significant savings compared to what it would cost to outsource this work. A reminder that we have a separate revolving account for revenues brought in from this work that generates about \$15-18k/year in revenues, which are then used to purchase small DPW equipment (mowers, etc). This revolving fund was approved again by Town Meeting this year, with an annual expenditure limit of \$20k.

AGREEMENT BETWEEN THE TOWN WENHAM AND THE HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

GROUNDS MAINTENANCE AND GENERAL CLEANUP (NON WINTER CONDITIONS)

Agreement made as of _____ 2018 between the Town of Wenham ("Wenham") and the Hamilton – Wenham Regional School District ("School District") pursuant to G.L. ch40, § 4A, for the grounds maintenance and general cleanup at the School District property.

WHEREAS, the Hamilton – Wenham Regional School District has need of grounds maintenance and general cleanup services, not including services for treatment of snow, ice or other winter conditions;

WHEREAS, the Director of the Departments of Public Works for the town of Wenham is willing to provide such services to the School District; and

WHEREAS, the parties believe that this inter-municipal arrangement will reduce operational expenses to the benefit of all;

WHEREFORE, the town of Wenham by and through its Board of Selectmen and the Hamilton-Wenham Regional School District by and through its School Committee, agree to the following:

SERVICES: Personnel from Wenham Department of Public Works will be assigned by their Director to perform the tasks described on herein. More specifically, the services include the following:

1. Mow all lawn areas and athletic fields of the Buker, Cutler, and Winthrop Elementary Schools, including playgrounds and traffic islands, as well as the rear athletic field at the Middle/High School;
 - A. The weekly mowing schedule will be as follows: Monday – Buker School and rear athletic field at the Middle/High School, Tuesday - Cutler School, Wednesday –Winthrop School.
 - B. Mowing will be completed by 8AM on each respective day except for back field areas. The DPW Director shall notify the School District Director of Maintenance and Facilities if staff is unable to complete certain specific areas on a given day.
 - C. In the case of moderate to heavy rain, mowing will be delayed by one day.
 - D. In July and August, mowing will be every other week (except athletic fields that are irrigated), unless otherwise specifically requested by the School District Director of Maintenance and Facilities.
2. Provide the following services to the Buker, Cutler, and Winthrop Schools:
 - A. Clean-up of all clippings, debris, trimmings at the end of each work period;
 - B. Hand blow all walks after mowing;
 - C. Weed control all walkways on an as-needed basis;
 - D. Trim walks, walled areas, fenced areas, flower beds and sand pans (mulch beds) and such other areas as requested by the School District Director of Maintenance and Facilities;
 - E. Prune and shear trees and shrubs on an as-needed basis, but no less than twice during the growing season;
 - F. For items #4-6, the DPW Director will send written acknowledgement of receipt of request for supplemental services that specifies an anticipated completion date (generally expected to coincide with the next time staff is regularly scheduled to be on site, exempting emergency situations/conditions);
 - G. Collection of all loose brush, limbs and branches that are of a size capable of chipping, and removal of all resulting chips on an as needed basis. Once notified, DPW response time on these tree issues shall not exceed two workweek days;

3. Repair potholes as requested with cold patch within two work days, with permanent repairs coinciding with the next round of municipal asphalt work;
4. Prep baseball fields at the three elementary schools as needed in April before the start of the Little League season. Lining and further maintenance will be performed at the request of Recreation Department or relevant Little League officials with any such additional costs being borne by those entities. The DPW Director may consult with the School District Director of Maintenance and Facilities regarding maintenance of these fields.

Services shall not include disease/insect control, soil testing, or options regarding the necessity for fertilizers or soil treatments. The DPW Director shall determine the grass height for mowing and the dates and times when mowing shall be performed.

Hand power mowers of approximately 17 inches in width (or a green machine) are to be used around trees and shrubs where large machine uses are impractical. Due care shall be taken to prevent damage to trees and shrubs. Trimmings may be performed either by hand or by machine, as determined by the DPW workers.

Tools and equipment shall be attended at all times and removed from the premises or securely stored on site when not in use. In no event shall any products, equipment or tools be accessible to students. The DPW Directors shall task one person at each site to be responsible to ensuring that work areas are clean and secure at the end of each work day. The DPW Director will routinely perform Quality Assurance/Control checks on work performed for the School District.

DPW Director will determine what personnel to assign to each task. It is understood that personnel will be available at times consistent with the needs of the Towns and work schedule or personnel may be reassigned by the DPW Director if needed for Town business. At all times, the assigned personnel shall remain exclusively employees of their employing town and shall not be considered employees of the School District.

If the School District requests application of fertilizers and /or mulch, the work crew will apply said materials. Further, if the School District requests the application of pesticides, the products shall be applied so long as the application is scheduled in advance and is applied by a licensed contractor.

COMMUNICATION: As under previous agreements, the DPW Director will meet and consult with the School District Director of Maintenance and Facilities to prepare a work schedule for each building's grounds. The DPW Director and School District Director of Maintenance and Facilities shall meet on a quarterly basis at minimum to coordinate schedules and ensure appropriate service levels.

Further requests for work or for changes in schedule shall be transmitted by building Principals through the School District Director of Maintenance and Facilities, who shall be the primary point of contact between the School District and the DPW Director.

Any changes to the regular weekly mowing schedule outlined in Section 1A of this Agreement under Services will be made no later than September 1 by the DPW Director in consultation with the School District Director of Maintenance and Facilities. In no event shall mowing occur directly outside classrooms during school hours, except upon prior approval by the School District Director of Maintenance and Facilities in consultation with Building Principals.

COMPENSATION: If the School District requests application of products, the School District may purchase and provide the product to the DPW personnel, or it may consult with the DPW Directors to arrange for purchase by and through the DPW Departments. The School District will reimburse the DPW Department at cost for any purchases made at the request of the School District.

The Town of Wenham will bill the School District for all services performed on a monthly basis. Fees for services shall be as set forth in Attachment A. Billings shall detail the services provided, the hours for each service, and the cost of all products and materials purchased and used at the request of the School District.

Remittance shall be made within thirty days of receipt of each statement. The School District's maximum annual financial liability under this Agreement shall not exceed \$20,000.00.

Wenham shall maintain detailed records of all of their services performed, personnel assigned, hours worked, and equipment and materials used. These records shall be made available for review by the School District upon request. Financial statements summarizing the services provided under this Agreement shall be provided by the Town to the School District on an annual basis within thirty days of the end of the fiscal year.

AMENDMENT: This Agreement may not be modified except by writing executed by all parties.

TERMS OF AGREEMENT: This Agreement may be canceled upon written notice provided by any party to each other party, effective thirty (30) days after receipt of the notice or on such later date as set forth in the notice, with payment due for the services provided up to the date and time of the receipt if the notice. Therefore, this MOA shall remain intact until such time that the Parties dissolve the agreement and/or enter into another Inter-municipal Agreement.

HAMILTON-WENHAM REGIONAL

SCHOOL DISTRICT SUPERINTENDENT

Michael M. Harvey Ed.D

WENHAM BOARD OF SELECTMEN

Catherine Harrison, Chair

John Clemenzi, Vice Chair

Jack Wilhelm, Clerk

DATE OF AGREEMENT

_____, 2018

AGREEMENT ~~BETWEEN AMONG~~ THE TOWNS OF HAMILTON AND WENHAM AND THE
HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

GROUNDS MAINTENANCE AND GENERAL CLEANUP (NON WINTER CONDITIONS)

Agreement made as of _____ 201~~85~~ ~~by and among the Town of Hamilton, between~~ the Town of Wenham
("Wenham") and the Hamilton –Wenham Regional School District ("School District") pursuant to G.L. ch40, §
4A, for the grounds maintenance and general cleanup at the School District property.

WHEREAS, the Hamilton –Wenham Regional School District has need of grounds maintenance and general
cleanup services, not including services for treatment of snow, ice or other winter conditions;

WHEREAS, the Directors of the Departments of Public Works for the towns of ~~Hamilton and~~ Wenham ~~are is~~
willing to provide such services to the School District; and

WHEREAS, the parties believe that this inter-municipal arrangement will reduce operational expenses to the
benefit of all;

WHEREFORE, ~~the town of Hamilton by and through its Board of Selectmen,~~ the town of Wenham by and
through its Board of Selectmen and the Hamilton-Wenham Regional School District by and through its School
Committee, agree to the following:

SERVICES: Personnel from ~~Hamilton and~~ Wenham Departments of Public Works will be assigned by their
Directors to perform the tasks described on herein. More specifically, the services include the following:

1. Mow all lawn areas and athletic fields of ~~School District property~~ the Buker, Cutler, and Winthrop
Elementary Schools, including playgrounds and traffic islands, (except for the high school
football/soccer field), including the playground and traffic islands located at the Buker, Cutler, and
Winthrop Elementary Schools and as well as the rear athletic field at the Middle/High School;
 - A. The weekly mowing schedule will be as follows: Monday – High School/Middle School~~Buker
School and rear athletic field at the Middle/High School (ELM will mow fields in afternoon)~~, Tuesday
- Cutler School, Wednesday – ~~Buker &~~ Winthrop Schools.
 - B. Mowing will be completed by 8AM on each respective day except for back field areas. The DPW
Directors shall notify the School District Director of Maintenance and Facilities if staff is unable to
complete certain specific areas on a given day.
 - C. In the case of moderate to heavy rain, mowing will be delayed by one day.
 - D. In July and August, mowing will be every other week (except athletic fields that are irrigated),
unless otherwise specifically requested by the School District Director of Maintenance and
Facilities.
2. Provide the following services to the Buker, Cutler, and Winthrop Schools:
 - ~~2.A.~~ A. Clean-up of all clippings, debris, trimmings at the end of each work period;
 - ~~3.B.~~ B. Hand blow all walks after mowing;
 - ~~4.C.~~ C. Weed control all walkways on an as-needed basis;
 - ~~5.D.~~ D. Trim walks, walled areas, fenced areas, flower beds and sand pans (mulch beds) and such other
areas as requested by the School District Director of Maintenance and Facilities;
 - ~~6.E.~~ E. Prune and shear trees and shrubs on an as-needed basis, but no less than twice during the
growing season;
 - ~~7.F.~~ F. For items #4-6, the DPW Directors will send written acknowledgement of receipt of request for
supplemental services that specifies an anticipated completion date (generally expected to coincide with
the next time staff is regularly scheduled to be on site, exempting emergency situations/conditions);

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8.G. Collection of all loose brush, limbs and branches that are of a size capable of chipping, and removal of all resulting chips on an as needed basis. Once notified, DPW response time on these tree issues shall not exceed two workweek days;

9.3. Repair potholes as requested with cold patch within two work days, with permanent repairs coinciding with the next round of municipal asphalt work;

10.4. Prep baseball fields at the three elementary schools as needed in April before the start of the Little League season. Lining and further maintenance will be performed at the request of Recreation Department or relevant Little League officials with any such additional costs being borne by those entities. The DPW Directors may consult with the School District Director of Maintenance and Facilities regarding maintenance of these fields.

Services shall not include disease/insect control, soil testing, or options regarding the necessity for fertilizers or soil treatments. The DPW Directors shall determine the grass height for mowing and the dates and times when mowing shall be performed.

Hand power mowers of approximately 17 inches in width (or a green machine) are to be used around trees and shrubs where large machine uses are impractical. Due care shall be taken to prevent damage to trees and shrubs. Trimmings may be performed either by hand or by machine, as determined by the DPW workers.

Tools and equipment shall be attended at all times and removed from the premises or securely stored on site when not in use. In no event shall any products, equipment or tools be accessible to students. The DPW Directors shall task one person at each site to be responsible for ensuring that work areas are clean and secure at the end of each work day. The DPW Directors will routinely perform Quality Assurance/Control checks on work performed for the School District.

DPW Directors will determine what personnel to assign to each task. It is understood that personnel will be available at times consistent with the needs of the Towns and work schedule or personnel may be reassigned by the DPW Directors if needed for Town business. At all times, the assigned personnel shall remain exclusively employees of their employing towns and shall not be considered employees of the School District.

If the School District requests application of fertilizers and /or mulch, the work crew will apply said materials. Further, if the School District requests the application of pesticides, the products shall be applied so long as the application is scheduled in advance and is applied by a licensed contractor.

COMMUNICATION: As under previous agreements, the DPW Directors will meet and consult with the School District Director of Maintenance and Facilities to prepare a work schedule for each building's grounds. The DPW Directors and School District Director of Maintenance and Facilities shall meet on a quarterly basis at minimum to coordinate schedules and ensure appropriate service levels.

Further requests for work or for changes in schedule shall be transmitted by building Principals through the School District Director of Maintenance and Facilities, who shall be the primary point of contact between the School District and the DPW Directors.

Any changes to the regular weekly mowing schedule outlined in Section 1A of this Agreement under Services will be made no later than September 1 by the DPW Directors in consultation with the School District Director of Maintenance and Facilities. In no event shall mowing occur directly outside classrooms during school hours, except upon prior approval by the School District Director of Maintenance and Facilities in consultation with Building Principals.

COMPENSATION: If the School District requests application of products, the School District may purchase and provide the product to the DPW personnel, or it may consult with the DPW Directors to arrange for

purchase by and through the DPW Departments. The School District will reimburse the DPW Departments at cost for any purchases made at the request of the School District.

The Town of Wenham will bill the School District for all services performed ~~by both towns~~ on a monthly basis. Fees for services shall be as set forth in Attachment A. Billings shall detail the services provided, the hours for each service, and the cost of all products and materials purchased and used at the request of the School District.

Remittance shall be made within thirty days of receipt of each statement. The School District's maximum annual financial liability under this Agreement shall not exceed \$206,000.00.

~~Both Towns~~ Wenham shall maintain detailed records of all of their ~~departments~~ services performed, personnel assigned, hours worked, and equipment and materials used. These records shall be made available for review by the School District upon request. Financial statements summarizing the services provided under this Agreement shall be provided by the Towns to the School District on an annual basis within thirty days of the end of the fiscal year.

AMENDMENT: This Agreement may not be modified except by writing executed by all parties.

TERMS OF AGREEMENT: This Agreement may be canceled upon written notice provided by any party to each other party, effective thirty (30) days after receipt of the notice or on such later date as set forth in the notice, with payment due for the services provided up to the date and time of the receipt if the notice. Therefore, this MOA shall remain intact until such time that the Parties dissolve the agreement and/or enter into another Inter-municipal Agreement.

~~HAMILTON TOWN MANAGER~~ _____ HAMILTON-WENHAM REGIONAL
SCHOOL DISTRICT SUPERINTENDENT

~~Michael Lombardo~~ _____ Michael M. Harvey Ed.D

WENHAM BOARD OF SELECTMEN

Catherine Harrison, Chair

John Clemenzi, Vice Chair

Jack Wilhelm, Clerk

DATE OF AGREEMENT

| _____, 2018⁵

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Updated Agreement between the Town of Wenham & Hamilton-Wenham Regional School District for Grounds Maintenance

- **Vote:** I move to approve the proposed Agreement between the Town of Wenham and Hamilton-Wenham Regional School District for Grounds Maintenance and General Cleanup, contingent upon approval of the agreement by the Hamilton-Wenham Regional School Committee.

Seconded / Discussion/ Vote

BOARD OF SELECTMEN MEETING

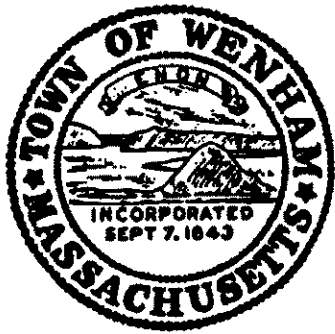
July 16, 2018

NEW BUSINESS

H.

**Discussion and Potential Approval of
Grievance Procedure under
The Americans with Disabilities Act**

- Town of Wenham Public Notice under the Americans with Disabilities Act
- Proposed Town of Wenham Grievance Procedure Under the Americans with Disabilities Act
- Draft Motion



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

GRIEVANCE PROCEDURE UNDER THE AMERICANS WITH DISABILITIES ACT

This Grievance Procedure is established to meet the requirements of the Americans with Disabilities Act of 1990 ("ADA"). This may be used by anyone who wishes to file a complaint alleging discrimination on the basis of disability in the provision of services, activities, programs, or benefits by the Town of Wenham.

The Town of Wenham's Personnel Policy governs employment-related complaints of disability discrimination. The complaint should be in writing and contain information about the alleged discrimination such as name, address, phone number of complainant and location, date, and description of the problem. Alternative means of filing complaints, such as personal interviews or a tape recording of the complaint, will be made available for persons with disabilities upon request.

The complaint should be submitted by the grievant and/or his/her designee as soon as possible but no later than 60 calendar days after the alleged violation to: James Reynolds, Town Hall, 138 Main Street, Wenham, MA, 01984.

Within 15 calendar days after receipt of the complaint, James Reynolds or his designee will meet with the complainant to discuss the complaint and the possible resolutions. Within 15 calendar days of the meeting, James Reynolds or his designee will respond in writing, and where appropriate, in a format accessible to the complainant, such as large print, Braille, or audio tape. The response will explain the position of the Town of Wenham and offer options for substantive resolution of the complaint.

If the response by James Reynolds or his designee does not satisfactorily resolve the issue, the complainant and/or his/her designee may appeal the decision within 15 calendar days after receipt of the response to the Board of Selectmen or their designee.

Within 15 calendar days after receipt of the appeal, a representative of the Board of Selectmen or their designee will meet with the complainant to discuss the complaint and possible resolutions. Within 15 calendar days after the meeting, the Board of Selectmen or their designee will respond in writing, and, where appropriate, in a format accessible to the complainant, with a final resolution of the complaint.

All written complaints received by James Reynolds or his designee, appeals to the Board of Selectmen or their designee, and responses from these two offices will be retained by the Town Clerk for at least three years.



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

PUBLIC NOTICE

In accordance with the requirements of title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Wenham will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities.

Employment: The Town of Wenham does not discriminate on the basis of disability in its hiring or employment practices and complies with all regulations promulgated by the U.S. Equal Employment Opportunity Commission under title I of the ADA.

Effective Communication: The Town of Wenham will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities so they can participate equally in the Town of Wenham programs, services, and activities, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, or vision impairments.

Modifications to Policies and Procedures: The Town of Wenham will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities. For example, individuals with service animals are welcomed in the Town of Wenham offices, even where pets are generally prohibited.

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the Town of Wenham, should contact the office of the Town Administrator's Executive Assistant as soon as possible but no later than 48 hours before the scheduled event.

The ADA does not require the Town of Wenham to take any action that would fundamentally alter the nature of its programs or services, or impose an undue financial or administrative burden. Complaints that a program, service, or activity of the Town of Wenham is not accessible to persons with disabilities should be directed to James Reynolds, ADA coordinator at jreynolds@wenhamma.gov; 978-468-5529; or at the COA Building.

The Town of Wenham will not place a surcharge on a particular individual with a disability or any group of individuals with disabilities to cover the cost of providing auxiliary aids/services or reasonable modifications of policy, such as retrieving items from locations that are open to the public but are not accessible to persons who use wheelchairs.

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

Grievance Procedure under ADA

- Vote: I move to approve the proposed Grievance Procedure to meet the requirements of the Americans with Disabilities Act of 1990.

Seconded / Discussion/ Vote

BOARD OF SELECTMEN MEETING

July 16, 2018

NEW BUSINESS

I.

**Other matters, as may not have been reasonably
anticipated by the Chair
(Discussion Only)**

CH

BOARD OF SELECTMEN MEETING

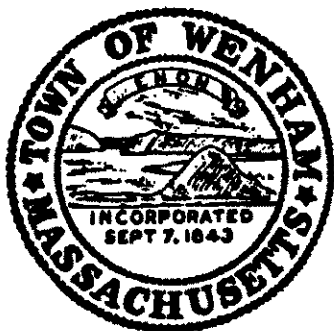
July 16, 2018

OLD BUSINESS

J.

Update on Essex County Regional Emergency Communications Center and Potential Approval of Finalized Scope of Work for Regional Dispatch Feasibility Study

- Memo regarding Update on Essex County Regional Emergency Communications Center and Final Review of Scope of Work for Regional Dispatch Feasibility Study from Peter Lombardi, Town Administrator, June 27, 2018
- Proposed Professional Services Agreement for Regional Dispatch Feasibility Study between the Town of Wenham and Municipal Resources, Inc.
- Email regarding State Exploring Option of Fully Funding Essex County Emergency Communication Center from Alyson Dell Isola, Essex County Regional Emergency Communications Center, Interim Director, June 27, 2018
- Essex County Regional Communications Center Organizational Assessment & Operational Audit Executive Summary, prepared by Municipal Resources, Inc., February 2018
- Memo regarding Update on Essex County Regional Emergency Communications Center and Potential Regional Dispatch Alternatives from Peter Lombardi, Town Administrator, February 2, 2018
- Draft Motion



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Wenham Town Administrator
RE: Update on Essex County Regional Emergency Communications Center and
Final Review of Scope of Work for Regional Dispatch Feasibility Study
DATE: June 27, 2018

Following up on our June 19 meeting, I circulated the draft contract with MRI to officials from both Hamilton and Danvers. Both entities confirmed their continued interest in working with us on this feasibility study, and only a few minor changes to the scope of work were made – see attached.

On a separate but clearly related note, per the attached press release, at yesterday morning's RECC Finance Advisory Board Meeting, the Town Administrators from each of the member communities met with the Sheriff, RECC management team, and EOPSS / State 911 officials. As mentioned in this press release and as we have expected now for several months, State 911 announced their intention to take over the RECC effective July 1, 2019. As part of this transition, State 911 plans to carry the full cost of the operation going forward. Accordingly, Wenham will have no cherry sheet contribution for this regional service if we stay with the RECC starting in FY20 - a reminder that we currently pay \$82k/year for this service.

While this latest development would seem to solve many of our concerns about the RECC's long-term financial sustainability, there are still several important questions to address regarding what impact this new arrangement will have on our level of service and what the new governance model will look like. Specifically, in terms of operational changes, it sounds like State 911 will likely be inclined to move to fully shared frequencies in order to further reduce staffing and overhead costs. While I am generally supportive of moving to a shared frequency with Essex to more closely follow a truly regional model, I have some potential concerns about adding in both Middleton and Topsfield to that mix if that is State 911's long-term plan. While Wenham has long been accustomed to sharing radio frequencies, I will solicit feedback from our Chiefs regarding the prospect of multiple departments on a single channel.

In addition, while State 911 seems to be comfortable with maintaining the current governance model or at least something closely resembling it, I am still concerned about whether we will actually have a seat at the table once this transition is complete, especially given that the member communities will not be making any financial contributions under

this new model. Accordingly, at the conclusion of yesterday's meeting, I asked State 911 / EOPSS to send formal correspondence to all member communities regarding some of the high-level commitments that were made on this front as part of this initial discussion.

More broadly, State 911 is getting ready to go live with running the Framingham center in a few days. This will be the first time that they have ever been involved in regional dispatch operations. I continue to have concerns about what is going to happen with the management team currently in place at the RECC come next July. Over the past few months (particularly since the audit was completed in February), the RECC and attendant Advisory Boards (Finance, Police, and Fire) have made significant progress in terms of standardizing policies and procedures, coming to agreement on service level standards, initiating shared frequencies, etc – I want to ensure that we will be given full discretion to continue to work on those important efforts once State 911 is overseeing the RECC.

At yesterday's meeting, I informed State 911 that Wenham is in the process of finalizing a scope of work to conduct a feasibility study looking at our options to join either Danvers or Hamilton, and told them that the Selectboard would be discussing that topic as well as this latest information at our July 10 meeting. Our next RECC Board meeting is set for Wednesday July 11. Representatives from State 911 will be in attendance again, as will all of the Police and Fire Chiefs.

Given all of these unknowns at this time in terms of what the RECC will look like under State 911, I would recommend we continue to move forward with the feasibility study so we can better understand our options in working with Danvers or Hamilton, particularly in the areas of governance and operations. After reaching out to MRI to follow up on some questions that were raised at our June 19 meeting, they confirmed that Beverly is the only other potential regional partner. Based on Beverly's call volume and form of government, I would suggest we focus our alternatives analysis on Danvers or Hamilton at this stage.

120 Daniel Webster Highway
Meredith, NH 03253
www.mrigov.com



Telephone: (603) 279-0352
Toll Free: (866) 501-0352
all@mrigov.com

PROFESSIONAL SERVICES AGREEMENT

I. PARTIES TO THE AGREEMENT

This Agreement, dated _____, is to retain professional consulting services for the **Town of Wenham, Massachusetts (the Client)**, to be provided by **Municipal Resources, Inc. (MRI)**, and is lawfully entered into between the Client, by its authorized representative, Peter Lombardi, Town Administrator, and MRI, by its authorized representative, Alan S. Gould, President.

II. SCOPE OF WORK

MRI will draw on materials, data, and analysis previously collected in the course of completing regional emergency dispatch feasibility studies in 2017 for Danvers, Massachusetts and 2014 for Hamilton, Massachusetts to undertake the following scope of work:

1. Conduct a comprehensive evaluation of the current facilities and technology in Wenham as a participating member of the ECRECC, and an assessment of both Danvers' and Hamilton's ability to host Wenham as part of their proposed consolidated emergency communications operations. This assessment will include, but not be limited to, the following:
 - An evaluation of current dispatch space at both the Danvers and Hamilton facilities
 - An evaluation of current dispatch equipment of all three entities
 - An evaluation of the compatibility of Wenham's systems and equipment with both Danvers and Hamilton's existing facilities
2. Develop cost projections for facilities and technology upgrades and related training necessary to make either Danvers or Hamilton fully operable to provide these services to Wenham, including but not limited to analysis of computer-aided dispatch (CAD) software, records management system (RMS), voice and data systems, radio systems, telephone systems, alarm monitoring systems, and other related equipment or technologies.
3. Conduct a thorough assessment of the staffing requirements for Wenham to transition to either Danvers or Hamilton, and develop recommendations in regards to related personnel costs, including budget development and cost allocation.

4. Based on existing infrastructure, identify methods for providing connectivity and redundancy in order to deliver 911 calls from Wenham to either Danvers or Hamilton, with appropriate levels of back-up to provide for continuity of operations.
5. Provide analysis of operational, staffing, infrastructure, and financial implications of using shared frequencies or maintaining separate frequencies if Wenham were to join either Danvers or Hamilton.
6. Perform an interoperability assessment and provide cost estimates to connect Wenham to either Danvers or Hamilton's existing facilities, taking into account all relevant state regulatory and statutory requirements that may have an impact on initial capital expenses and ongoing operating costs of Wenham joining either Danvers or Hamilton.
7. Conduct a thorough assessment of and provide recommendations concerning other transitional issues, both operational and human resource related.
8. Provide recommended governance model to ensure effective provision of services if Wenham were to transition to either Danvers or Hamilton.

Based on the findings of this report, MRI will make a recommendation on the overall feasibility of Wenham transitioning from the ECRECC to either Danvers or Hamilton.

III. FEES AND CHARGES

Our services for this study will be provided on a lump sum fee basis that is intended to cover all professional time and expenses. The process will be completed for a lump sum fee of **\$9800.00**; the parties will be responsible for the following payments:

\$4900.00 due upon completion of kick-off meeting

\$4900.00 due upon submission of final report

Payments will be made within thirty (30) days of receipt of the invoice unless otherwise agreed.

IV. MRI PERSONNEL IN CHARGE

Alan S. Gould, President, will serve as Principal-In-Charge of this engagement, coordinating activities, interfacing directly with the Client, and participating throughout the engagement as required. Team members will be assigned and participate upon request of the Client.

Communications or correspondence related to any problems, issues, or changes required for this project shall be directed to the Client at the following address:

Peter Lombardi, Town Administrator
Town of Wenham
138 Main Street
Wenham, MA 01984
978-468-5520 x 2

V. TERM

This agreement shall remain in force and effect through completion of the assignment.

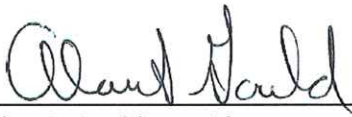
THIS AGREEMENT IS SUBJECT TO THE PROVISIONS CONTAINED IN ADDENDUM I, ATTACHED HERETO AND INCORPORATED HERewith.

ACCEPTED AND AGREED

THE TOWN OF WENHAM, MA

Peter Lombardi, Town Administrator
Date: _____

MUNICIPAL RESOURCES, INC.



Alan S. Gould, President
Date: June 21, 2018



ADDENDUM I

A. MUTUAL REPRESENTATIONS

MRI represents to the Client it is a duly constituted corporation under the laws of the State of New Hampshire and is authorized to do business in the Commonwealth of Massachusetts as a professional services corporation.

MRI has in force and effect general commercial liability and errors and omissions insurance coverage to protect the Client from accidents which MRI or its authorized representatives may cause to persons or property or from professional errors or omissions when performing under this agreement.

MRI has no liens or encumbrances which would adversely affect the ability of MRI to perform as stipulated under this agreement, its terms, and conditions.

The Client represents to MRI that sufficient funds have been appropriated so it may retain and compensate MRI for the services provided for herein.

The Client's representative is authorized to enter into this agreement on behalf of the Client.

The Client is aware of no action, contemplated action, liability or other encumbrance which would limit or otherwise preclude the Client from freely entering into this agreement and compensating MRI for the services provided.

B. NOTICE OF CHANGE OF PERSONNEL

Except as otherwise provided below, the MRI consultants assigned to any scope of work or project will remain throughout the duration of that specific scope of work or project. MRI retains the right, upon 30 days written notice, to remove from the project any of its consultants whom it believes can no longer suitably perform under its obligations to this agreement or any Supplement to it.

The Client, upon 30 days written notice, may request MRI to replace any of its consultants with another qualified representative.

C. ADMINISTRATION OF AGREEMENT MODIFICATIONS

In all cases where this agreement is modified or expanded a written Supplemental Scope of Work (Supplement) must be prepared which clearly defines the services to be provided and details the billing rates or amounts to be charged by MRI and paid by the Client. Supplements must be executed by the authorized representatives of the respective parties prior to any billable work being undertaken. The Supplement(s) shall identify:

- The MRI officer or principal responsible for the successful delivery of services and/or project completion and the client's contracting official(s) or officer(s);
- The specific details of the work to be performed;
- The MRI personnel to be assigned;
- The basis upon which MRI services are being retained, including the normal hourly rate(s), cost reduction considerations or the agreed upon fee(s) for the personnel assigned and/or the services provided;
- The Client's contact person responsible for administering the Supplement, activities or project and the associated reporting requirements; and
- Any special or other conditions such as time deadlines, special reporting requirements, budget limitations, or other similar constraints.

D. NON-SOLICITATION

The Client agrees that, for a period of one-year following the completion of the terms of this Agreement, they shall not, directly or indirectly, hire, solicit, or otherwise encourage any MRI personnel or affiliates assigned to this Agreement, to leave MRI's employment.

In the alternative, if the client should wish to hire any MRI personnel or affiliate assigned to this Agreement it agrees to compensate MRI with payment in the amount of 25% of that person's first year's total compensation package.

WENHAM, MA

Initialed for Client: _____

Date: _____

MUNICIPAL RESOURCES, INC.

Initialed for MRI: ASG

Date: June 21, 2018



Peter Lombardi

From: Alyson Dellisola <adellisola@ecrecc.org>
Sent: Wednesday, June 27, 2018 12:08 PM
To: Brendhan Zubricki; Andrew Sheehan; Kellie Hebert; Peter Lombardi; Mayor Kenneth Gray; Chief Jim DiGianvittorio; Chief Evan Haglund; Tom Perkins; Chief Peter Silva; William Scholtz; Chief Jen Collins-Brown; Chief Tom Martinuk; Stephen B. Kavanagh; Chief Daniel Doucette; Chief Ken Berkenbush
Subject: FW: STATE EXPLORING OPTION OF FULLY FUNDING ESSEX COUNTY REGIONAL EMERGENCY COMMUNICATION CENTER

Good Morning-

Below is the official press release that was released after the meeting yesterday held with the State, ECSD and the Financial Advisory Board.

Thank you,
Alyson

From: William Raynard <WRaynard@essexsheriffma.org>
Sent: Wednesday, June 27, 2018 11:31 AM
To: William Raynard <WRaynard@essexsheriffma.org>
Subject: STATE EXPLORING OPTION OF FULLY FUNDING ESSEX COUNTY REGIONAL EMERGENCY COMMUNICATION CENTER

FOR IMMEDIATE RELEASE
June 27, 2018

William Raynard
Public Information Officer
978-774-3281

STATE EXPLORING OPTION OF FULLY FUNDING ESSEX COUNTY REGIONAL EMERGENCY COMMUNICATION CENTER

Representatives from the Commonwealth of Massachusetts met yesterday with Sheriff Kevin Copping and the members of the Financial Advisory Board of the Essex County Regional Emergency Communications Center (ECRECC) to discuss future options for the center.

The ECRECC, located in Middleton and which currently falls under the Sheriff's oversight, has been in operation since 2013. It serves as both a regional dispatch center for the towns of Amesbury, Essex, Middleton, Topsfield and Wenham and a Wireless Call Center for the state, processing approximately 500,000 emergency cell phone calls annually across 70 plus cities and towns.

Currently, the ECRECC is funded through three revenue sources: an assessment paid by the member towns, a Support and Incentive grant from the State 911 Department, and a subsidy from the Sheriff's Department. Since 2017 when Copping took office, he and the Joint Advisory Board, made up of stakeholders from the 5 towns serviced, have worked jointly with State 911 to improve operations and fiscal management of the center.

A comprehensive operational and fiscal audit commissioned by the group shone light on several areas needing attention and improvement in order to situate the ECRECC for future sustainability. "I have always believed in regionalization and the potential of the ECRECC," stated Copping, "since the release of the audit we have been diligently working with our partners at State 911 and our member communities to affect the necessary changes needed to both stabilize and

structure the ECRECC for the future. We have made significant progress instituting new management, reworking the budget to yield something that is both fiscally and operationally responsible, and streamlining and universalizing operational procedures."

As part of the ongoing effort to right-side the ECRECC, Coppinger met with Secretary Daniel Bennett of the Executive Office of Public Safety and Security (EOPSS), who proposed the idea of moving the ECRECC under the management of the State 911 Department.

On July 1, 2018, the State 911 Department launches its new operational division overseeing the 911 Wireless Call Center in Framingham. As part of this new division, the ECRECC could join in July, 2019 as a phase two addition. "It makes a lot of sense to me" Coppinger said, referring to transitioning the ECRECC over to State 911 operations. "Today, State 911 funds the regional services, provides and maintains the equipment as well as the infrastructure, sets the training standards, and provides operational policies and procedures. It's a perfect fit for the State 911 Department to oversee the operation in its entirety!"

Matthew Moran, EOPSS Undersecretary for Forensic Science and Technology, and Frank Pozniak, Executive Director of the State 911 Department, indicated that it is the Commonwealth's intention to add the ECRECC to their new operational division effective July 1, 2019. They stated that once the ECRECC was part of the State 911 Department, they would fully fund the entire operation, which would eliminate any costs to the participating communities.

"We had a productive and encouraging meeting with the Sheriff and the Finance Advisory Board today," said Undersecretary Matt Moran. "The State 911 Department is appropriately positioned to provide the critical resources to support the financing and operations of the ECRECC, while ensuring that the highest level of public safety services are provided to each member community. We look forward to continuing the discussion around this partnership."

####

William Raynard
Public Information Officer
Essex County Sheriff's Department
20 Manning Road PO Box 870
Middleton, MA 01949
(978) 750 1900 ext 3660
wraynard@essexsheriffma.org

REPORT

**ESSEX COUNTY REGIONAL
COMMUNICATIONS CENTER**

**ORGANIZATIONAL ASSESSMENT
& OPERATIONAL AUDIT**

FEBRUARY 2018

Prepared by:
Municipal Resources Inc.
120 Daniel Webster Highway
Meredith, NH 03253
603-279-0352
866-501-0352 Toll Free
603-279-2548 Fax
all@mrigov.com
www.mrigov.com



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**Municipal
Resources
Inc.**

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REPORT



Municipal
Resources
Inc.



REPORT

ESSEX COUNTY REGIONAL COMMUNICATIONS CENTER

ORGANIZATIONAL ASSESSMENT & OPERATIONAL AUDIT

FEBRUARY 2018

CHAPTER I

EXECUTIVE SUMMARY AND CORE FINDINGS

The following provides an overview of the pertinent history relating to the Essex County Regional Emergency Communications Center (ECRECC). This information sets the stage for this report and provides readers with a historical review of the ECRECC formation, development, successes, and challenges.

PERTINENT BACKGROUND

The idea for Essex County to establish a regional emergency dispatch center was first discussed among various communities as early as 2005. Initially, 23 communities expressed at least some level of interest in joining a potential regional endeavor. As the discussions progressed, many communities ultimately decided that the ECRECC would not serve their interests appropriately and decided to withdraw from the process. However, in December 2008, a grant application was filed with the state 9-1-1 department to establish a regional emergency communications center (ECRECC). At the time, 13 communities (Beverly, Danvers, Essex, Hamilton, Ipswich, Manchester-by-the-Sea, Marblehead, Methuen, Middleton, North Andover, Swampscott, Topsfield, and Wenham) had filed letters stating their interest in participating. In March 2009, a grant of \$6,800,000.00 was awarded for the establishment of the ECRECC.

Ultimately, six communities, Amesbury, Beverly, Essex, Middleton, Topsfield, and Wenham, decided to join the ECRECC. The Inter-Municipal Agreements (IMAs) were executed between the sheriff's department and the participating communities during 2010. The IMA stated that it

would take effect once four communities had signed, and would remain in effect for a period of ten years, or until the number of participants decreased to less than five. The IMA allowed any municipality to withdraw after five years, contingent upon them providing a two-year notice of their intention to do so.

Amid much optimism and accolades from local and state officials in attendance, ground was broken for the new ECRECC facility in October 2011. The ECRECC was touted as a major step toward regionalization, which many proponents say increases efficiency, while simultaneously reducing costs. The new state of the art facility, which was outfitted with the latest technology, cost approximately \$12,000,000 to build and outfit. The \$6,980,000 funding for construction was provided by the Commonwealth of Massachusetts, as was additional money needed to equip and furnish the facility. Operational control and direction of the new facility was assigned to the Essex County Sheriff's Department (ECSD). The ECRECC facility opened for business in June 2013.

In late 2013, after entering into an agreement with the Commonwealth of Massachusetts, the ECRECC began handling 9-1-1 cell phone calls (wireless calls) made from throughout Essex County, thirty-two communities in Middlesex County, and three in Suffolk County. This agreement was designed to boost the usage of the ECRECC, as well as relieve workload on an overburdened state police communications center in Framingham.

It is reasonable to expect that any new, large-scale, endeavor, such as the creation of the ECRECC, will experience challenges, and as operations expand, the so-called "growing pains". This is particularly true in states like Massachusetts where concepts such as shared services and regionalization have been slow to catch on. Communities in the northeastern states tend to still want to perform operations and services at the local, rather than regional levels. However, the challenges that have faced the ECRECC to date are significant and continue to increase. These challenges are testing the ECRECC's very viability and prospects for future, long-term survival. Concern over the ECRECC initiative commenced when the size of the facility and costs for construction were announced. Although only six communities had committed to joining the regional center, the facility was designed and built to be able to accommodate at least 13 municipalities. The size of the facility was justified at the time by officials believing that several other communities would be interested in joining once the center was operational. The belief was that these communities were interested in participating, but did not want to be in the first group of participants. However, the reality is that not a single additional community has joined, and, as will be discussed later, two of the initial participants have chosen to withdraw. Looked at from a different perspective, the ECRECC is reported to have an effective operational capability to serve the needs of a total population of approximately 240,000. From a percentage basis, at the time of this assessment, more than four years after it opened, the center is still utilizing only about 16.5% of its capacity. The utilization of capacity will be further reduced to 9.7% when the City of Amesbury transfers public safety dispatching to their own center.

As previously noted, the ECRECC became operational in June 2013. However, ten months later, in April 2014, only two of the original six participants (the two smallest, Essex and Wenham) had fully transitioned into the center. The remaining communities were on hold awaiting the completion of necessary technology and connectivity upgrades. These connectivity issues included things such as the transmission of fire alarms and master boxes from various communities to the ECRECC, and the need for the construction of a 250' tower to allow communications between Amesbury, which is located more than 20 miles away, and the center.

In December 2014, officials at the ECRECC and from the City of Beverly, which would have been the center's largest participant and thus largest financial contributor, met to discuss an ongoing series of delays in the full transitioning of Beverly's emergency communications and dispatch operations to the center. When those issues could not be resolved, the sheriff and city both announced in January 2015 that Beverly was withdrawing its participation in the endeavor. Beverly's decision to terminate their agreement with the center, and withdraw from participation before they were even connected, set in motion a legal battle between the sheriff and the city over Beverly's obligations, if any, to still provide funding to the ECRECC. The sheriff's department continued to financially assess Beverly their per capita rate for fiscal years 2015 and 2016 based upon the provisions of the IMA. Beverly contended that it was under no obligation as the ECRECC had materially breached the contract and the city had never actually received any services from the center. When the sheriff requested the state department of revenue allocate about \$1,100,000 from Beverly's local aid to the ECRECC to cover the city's obligations for fiscal years 2015 and 2016, Beverly filed suit.

After the suit was filed, Beverly and the sheriff's department agreed that the money owed would be released to Beverly by the state and placed in an escrow account, pending the outcome of the litigation. In August 2017, the city, the sheriff's department, and the ECRECC reached a settlement in the case. Beverly agreed to pay the sheriff's department \$220,000 in exchange for being released from all obligations related to the ECRECC's IMA.

In mid to late 2014, it was reported that the City of Lawrence, with a population of 76,377, was considering joining the ECRECC. Should this proposal have come to fruition, the center's population served would have nearly tripled in size and added two very busy public safety departments. Ultimately, the city decided not to pursue joining the ECRECC.

In June 2015, the last of the ECRECC's participating entities – Amesbury Fire – was brought on board. However, just months later, in October 2015, the Amesbury firefighter's union had taken a vote of no confidence in the center's operations. It should also be noted that Amesbury's public safety departments were opposed to joining the ECRECC from the beginning and only did so as ordered by the governing body. This was followed by a similar vote of no confidence by the Topsfield police officer's union. Prior to that, emergency services chiefs from several of the participating communities expressed concerns about the center's operations, call taking,

dispatch times, communications, and miscommunications. The widely viewed perception of the center among the county's cities and towns was described as "horrendous" during a February 2015 meeting of the police advisory board. This perception, along with the Beverly litigation, prior to it being settled, has, at the time of this study, basically eliminated the possibility of any additional communities joining the ECRECC unless significant changes are implemented.

Concern has also been growing for several years about the financial deficit that the ECRECC operates under each year. The overall budget for the center to operate is more than \$6,000,000 per year, which is well above the average budget of peer communication centers. Yet the participating communities pay just \$688,579 per year (Fiscal 2016). The center receives another \$3,706,706 from the state. Finally, the sheriff is slated to contribute \$2,312,000 to subsidize the center in the current fiscal year (2018), even as the state is reducing funding for mandated Essex County sheriff's department (ECSD) operations.

In July 2017, the Amesbury City Council overwhelmingly approved a request by the city's mayor to leave the ECRECC and return to locally based dispatch operations. Based upon the two-year stipulation agreement in the IMA, Amesbury's departure will occur in mid-2019. The implications of this departure could be significant. First, Amesbury is the largest community that is still a participant in the ECRECC, and therefore, the largest local government financial contributor. The city's departure will further reduce the center's already low utilization as a local ECRECC (9.7% of capacity). In addition, Amesbury's departure will drop the number of participants in the ECRECC below five, which could result in the negation of the IMA, and induce other communities to also leave, or seek to renegotiate the participation terms and agreement.

Based on our interviews with numerous stakeholders, in conjunction with our own observations and analysis, the MRI study team believes there are many factors that have contributed to the ECRECC's troubled history to date. These will be discussed in detail in the subsequent chapters. However, one of the most significant issues appears to be that when the center was being proposed, and participants were being recruited, unrealistic promises were made to every potential participant to try to encourage them to join. Regardless of what they stated their needs would be, or what they wanted the center to do for them, every potential participant was promised that the ECRECC would do exactly what they wanted and be able to fulfill every request. While this type of service delivery to exact specifications is possible in small communities with their own dispatch and communications operations, it just is not realistic, or possible, in a regional endeavor such as the ECRECC. In essence, based on the promises that were made, the ECRECC is operating five small municipal dispatch centers. This customization requires more resources that have contributed to a fiscally unrealistic environment. Nonetheless, participants still expect, at least to a certain extent, what they were promised, and have resisted the inevitable suggestions that a more standardized approach to operations is necessary. Requiring that telecommunicators be familiar with multiple policies or procedures for the same type of incident based upon the jurisdiction it occurs in is not conducive to

effective operations. When the inevitable mistakes occur, then more complaints about the service are generated, creating a climate of negativity that can self-perpetuate.

Despite the challenges that it has, and continues to face, the ECRECC has achieved some very positive distinctions that both current and potential participants should view in a very favorable way. Most prominent among these positives is that in May 2016, it was announced the ECRECC met the minimum training standards for the Association of Public Safety Communications Officials (APCO) International Agency Training Program Certification and was awarded certification. Public safety agencies use the APCO International Agency Training Program Certification as a formal mechanism to ensure their training programs meet APCO American National Standards (ANS). The ECRECC is the first dispatch center in Massachusetts, and just the second one in New England, to receive the certification, also known as APCO P33. The ECRECC also became the second PSAP in Massachusetts to achieve National Center for Missing and Exploited Children (NCMEC) Missing Kids Readiness Project partnership. It also became the first PSAP in Massachusetts to become a National Weather Service Weather-Ready Nation Ambassador.

The purpose of this report is to provide a perspective on the ECRECC seven years after the IMAs were signed. This document identifies a number of internal and external issues, provides a financial review, and identifies numerous recommendations that have the potential to guide the ECRECC to a more stable and productive future.

This report concentrates on the following eight focus areas, which were necessary to complete the evaluation of the ECRECC. The majority of these areas can serve as a foundation for organizational change. These key topics are discussed within the body of this report:

- I. An Overview of the purpose, scope, and methods employed to complete this study
- II. Background, Community, and ECRECC profiles and relevant history
- III. Stakeholder perceptions
- IV. Governance, organizational structure, and management
- V. Operations and finance
- VI. Comparative analysis
- VII. Financial review (2016 Cherry Sheet Funds)
- VIII. Summary of Recommendations

As the study progressed, thirty-seven themes and critical risks emerged including:

1. The historical reluctance of Essex County communities to join the ECRECC. This results in only 16.5% of the anticipated capacity of the ECRECC being utilized.
2. The withdrawal of Beverly and Amesbury from the ECRECC.
3. The reduced stability of the IMAs based on less than five communities participating in the ECRECC.
4. The annual fiscal deficit that is required to be covered by the ECSD.
5. The unrealistic promises made to participants to get communities to join the ECRECC.
6. Customization of services for each community – creating five local dispatch operations.
7. Participating public safety agencies that are reluctant to change procedures to better accommodate a regional approach.
8. The lack of positive recognition. This applies to both employees and the ECRECC as a whole.
9. The lack of policy implementation.
10. The requirement for telecommunicators to monitor ten primary and six mutual aid radio frequencies. The lack of common radio frequencies and one set of protocols increase the probability of a mistake and are a primary cause of stress among the workforce. Many telecommunicators noted this stressor as a reason that they seek other employment.
11. The requirement to monitor five separate fire alarm receiving systems.
12. The current Spillman CAD/RMS is problematic as it adds to the telecommunicators stress and workload.
13. Employee turnover is exceptionally high. Currently, the rate of turnover is more than double the level experienced in most communication centers. The constant shortage of personnel also creates another issue as it results in mandatory overtime.

14. The telecommunicator work schedule is problematic and a major reason for turnover.
15. A perceived lack of respect and criticism from participating public safety personnel.
16. A perceived lack of focus on telecommunicators.
17. An artificially low cost per capita charged to participating communities.
18. A perceived lack of transparency leaving unanswered questions by ECRECC administration. This applies to communities, advisory boards, and the ECSD.
19. A high level of bureaucracy for spending authorization within the ECSD and the Massachusetts 9-1-1 Department.
20. Conflict relating to the history of the ECRECC frustrates additional participant recruitment.
21. A lack of clarity relative to the autonomy of the ECRECC, the role of the ECRECC Director as it relates to the ECRECC as a division of the ECSD.
22. A reluctance to use ECSD resources.
23. A lack of trust and reluctance on the part of ECSD personnel to cooperate and advocate for the ECRECC.
24. A level of disagreement among stakeholders regarding governance, the role of the ECSD, and the authority of the Sheriff.
25. A perceived lack of communication with employees.
26. Operational complexity that is well above average and consumes a level of resources far above average.
27. An overall staffing and budget that is well above average. This includes a budget which is not sustainable.
28. A larger number of supervisors and administrators than is present in similar communication centers.

29. A disagreement relative to what standard and premium sources should be offered.
30. A lack of ability to procure critical operational items rapidly.
31. A lack of implemented fiscal policies.
32. A lack of interpersonal interface between public safety personnel and telecommunicators.
33. A lack of understanding relative to who owns and pays to maintain some critical systems including radio system infrastructure.
34. Declining wireless 9-1-1 volume based on the introduction of Direct 9-1-1.
35. A lack of internal controls and financial documentation during Fiscal 2016.
36. A lack of complying with the IMAs and conducting an annual Cherry Sheet audit.
37. The practice of rolling Cherry Sheet funds forward and applying them to future projects at the expense of the fiscal resources of the ECSD.

TOP SEVEN CHALLENGES FOR THE ECRECC

After considering the content of the report, the top seven challenges facing the ECRECC include the following:

1. Right-sizing the ECRECC to address the change in volume and the need to develop a fiscally sustainable organization.
2. Establishing a transparent relationship with the ECSD and rebuilding a fractured relationship.
3. Reducing the level of employee turnover.
4. Development of consistent policies and procedures that apply to all participating public safety agencies.
5. Anticipating the change in volume by the withdrawal of Amesbury and the impact of Direct 9-1-1.

6. Reducing the complexity and stress within the workplace. This includes the reduction in the number of radio channels utilized and the development of a single fire alarm receiving system.
7. Reducing the level of employee turnover.

HIGH PRIORITY RECOMMENDATIONS

After considering the content of the report, the MRI team selected the following twelve recommendations as the recommendations that should receive the highest priority for implementation.

Recommendation IV.4

Once a policy has been developed and agreed upon, ECRECC staff should be held accountable for timely training and implementation.

Recommendation V.4

All ECRECC stakeholders need to collaboratively determine the interrelationships, duties, and responsibilities, between the sheriff's department, the advisory boards, the executive committee, and the ECRECC management. Clarifying and/or resolving the governance issues should be the number one priority since many of the other problems affecting the operation of the ECRECC cannot be properly addressed until this singular subject is resolved and universally understood by all stakeholders.

Recommendation V.7

Prior to the IMA being due for renewal in 2020, based upon the ten-year term, or 2019, and based upon the ECRECC having less than five participants, all terms and conditions should be carefully analyzed, renegotiated as necessary, and the language revised to remove as many of the current ambiguities as possible, and ensure that all terms and conditions for all stakeholders regarding governance, operations, financial responsibility, and levels and costs for services delivered are clearly delineated.

Recommendation V.9

The Essex County Sheriff's Department should adopt the revised and simplified organizational structure for the ECRECC as illustrated in Figure V.12.

Recommendation VI.4

The ECRECC should begin to work with willing fire departments with the goal of moving operations to a single common frequency for initial incident dispatch. All on-scene operations, except for major incidents, should be handled on a common operations channel. For major incidents, additional tactical channels should be available.

Recommendation VI.5

Based upon the anticipated success of the system recommended in VI.5, the ECRECC should then work with the police departments to implement a single, common radio frequency for all participating police agencies. Additional operational and tactical channels should also be available for significant and/or sensitive incidents.

Recommendation VI.6

The ECSD and ECRECC should consider requiring all future communities that join agree to operate on common radio frequencies with the public safety agencies of other participating towns.

Recommendation VIII.4

The ECRECC should utilize the APCO Project RETAINS Study (Appendix A) as guidance relative to restructuring and right-sizing the workforce to reflect operational volume.

Recommendation VIII.6

The ECRECC should recognize the level of employee turnover as an operational crisis and immediate threat to the long-term viability of the center.

Recommendation VIII.7

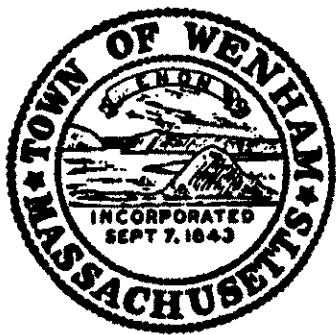
The ECRECC should work with its municipal partners to develop a single fire alarm system or transition away from all fire alarm monitoring, and use central station service to report alarm signals.

Recommendation IX.14

The practice of rolling Cherry Sheet funds forward for the benefit of the ECRECC, and at the expense of the sheriff's department, should be immediately discontinued.

Recommendation IX.15

Any remaining funds that have been rolled forward should be applied to reducing the deficit covered by the sheriff's department.



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Wenham Town Administrator
RE: Update on Essex County Regional Emergency Communications Center and Potential Regional Dispatch Alternatives
DATE: February 2, 2018

Following up on the RECC Board meeting of Tuesday January 16, I wanted to relay the latest information about the regional dispatch program in Middleton:

With State 911 set to take over management of statewide emergency dispatch from the State Police in the next several months and given the significant investment they have made in the RECC since its inception, I would expect they will very likely be taking over management of the RECC at some point in the next year or two, with the Sheriff's Department transitioning to a landlord role. At this preliminary stage, it is unclear when or what that new form of oversight would look like.

While they have administered the distribution of more than \$300M in grant funds statewide in the past decade to support regional dispatch efforts, State 911 has never actually managed dispatch operations before and are currently hiring new staff to begin doing so. Accordingly, there is a lot of uncertainty about the ability of a new State 911 management team to effectively take over RECC operations based on this lack of experience. Whatever the RECC program becomes, I expressed the importance of the towns continuing to have a seat at the table and maintaining the same level of partnership that we have seen with the RECC to date to both the Sheriff and State 911. The Administrators from the other communities echoed that sentiment. However, since only 20 of the 900+ emergency calls fielded by the RECC each day originate from the 5 towns, I am concerned about the role we will play going forward under this new management structure.

Once State 911 takes the lead in managing the RECC, they will likely look to gain some additional operational efficiencies. While the two radio rooms (towns and cell) were merged this past summer to cut down on supervisory overhead, they still currently maintain and monitor 10 separate frequencies (1 for each Fire and Police Departments for each of the 5 current communities) just for the towns. This model will probably be reduced down to 2-4 frequencies (1-2 each for Fire and Police) under State 911 in line with best practices and to cut down on staffing costs. Over the past few years, a number of the Chiefs have expressed concern about changing to this model.

For the FY18 budget, \$700k in additional expenses have been cut in the past several months, none of which have impacted dispatcher staffing or service levels. As a result, the Sheriff's FY18 subsidy has been reduced from \$2.3M down to just over \$300k. About \$600k in one-time funds have been applied on the revenue side to bring that number down by that amount. For FY19, additional budget cuts are being considered to keep the Sheriff's projected contribution at or under \$500k. Because we are so close to wrapping up our budget process, I asked to be made whole for FY19 at the same \$16.26/per capita rate (\$82k total annual cost for Wenham on the cherry sheet). The other Administrators all strongly expressed the same and I would not expect that amount to change unless we want the RECC to provide "value-added" service (answering business calls, etc). It is important to note that our actual per capita rate for FY18 is closer to \$18.69 as a result of the Town taking on about \$12k in operating costs for phone lines, support, etc that the RECC had been paying up until this year.

Amesbury is still planning to leave the RECC regardless of what happens. FY19 will be Amesbury's last year and they contribute about \$283k of the total \$668k in cherry sheet revenues from all 5 communities so their withdrawal will add another \$300+k in unaccounted for costs in FY20 that will either have to be covered by the remaining towns, State 911, or the Sheriff's Department (unlikely in FY20). Accordingly, for FY20, I would expect our contribution to increase regardless of whether the Sheriff or State 911 is in charge. It is impossible to say what that increase will look like, but I would not expect it to be too significant as State 911 has spent too much money on this facility and operation to not want it to succeed. They simply won't want to ramp up the costs to the point where they are encouraging communities to explore other options.

The operational, management, and financial audit report that was commissioned by the RECC Finance Board and Sheriff Coppinger should be finalized by the end of this month. The scope of work for that project is attached. I expect that the findings will likely justify, in part, the new role of State 911. Whatever entity is responsible for management of the RECC going forward will hopefully implement many of the recommended fixes identified in the report.

After meeting with the Acting Director earlier this week, we intend to draft and execute an agreement that clarifies the Town's ownership of our radio infrastructure. Effective this year, the Town has assumed all ongoing maintenance of this equipment.

As has been previously discussed, Danvers has capacity to provide regional dispatch services to a number of other area communities and is actively interested in doing so. A feasibility study including both Hamilton and Manchester was completed by Municipal Resources, Inc. earlier this summer – see attached. To date, neither Hamilton nor Manchester has moved forward on the next steps outlined in MRI's report. Based on this report, Danvers does not expect to have to change their staffing model in order to take on Wenham public safety dispatch, regardless of what happens with those other communities. However, there are many elements to consider in evaluating the feasibility and merits of joining with Danvers.

Given the many uncertainties, financial and otherwise, regarding the future of the RECC at this time, I would suggest engaging with Danvers to better understand what their model

would look like. We could consider other potential partners as well, the most likely of which would be Hamilton, given the capacity of their facility and past precedent. However, one of the main reasons we initially opted to join the RECC was because of the cost savings that resulted from this change and that issue would continue to be a driver in assessing various alternatives, independent of the operational and service level considerations. Importantly, according to the terms of the RECC IMA, that agreement ceases to be effective once the number of member communities drops down below 5, which it will be on July 1, 2019, so the notice requirements if we were to decide to join a different regional dispatch center no longer apply (since doing so would take at least a year and a half).

BOARD OF SELECTMEN MEETING

July 16, 2018

DRAFT MOTION

- Vote: I move to approve the proposed Professional Services Agreement between The Town of Wenham and Municipal Resources, Inc. for completion of a Regional Dispatch Feasibility Study for a fee not to exceed \$9,800, subject to the approval of a reserve fund transfer request by the Finance & Advisory Committee.

Seconded / Discussion/ Vote