



Warrant Committee
Meeting Packet
February 28, 2023

**Department of Public Works
Proposed FY24 Operating Budget**

STAFFING

Tree Care

1 PT

Overtime \$24,491

Highway

Director

Admin Assistant

11 FT (Foremen, Laborers, Operators, etc)

Overtime \$60,062

Equipment Maintenance

2 FT

Overtime \$21,295

Solid Waste and Recycling

2 FT

2 PT

Overtime \$63,846

Cemetery

2 FT

Overtime \$41,670

Water

½ Admin Assistant

5 FT

Overtime \$92,023

Sewer

½ Admin Assistant

4 FT

Overtime \$55,546

Snow and Ice

Overtime \$110,463

Total: 29 FT

Overtime \$469,396

01-294-1 and 01-294-2: TREE BUDGET

- Total Request => \$73,591 (8.08% increase from \$67,611)
- Increase due to Police Details and Contracted Tree Services

01-422-1 and 01-422-2: HIGHWAY BUDGET

- Total Request => \$1,548,436 (3.23% increase from \$1,500,042)
- Major Increase Drivers:
 - Salary grade step increases
 - Highway Materials increase of \$15,000. Funds go towards grinding and paving roads in between larger roadway projects, in order to keep roads in good shape. Currently Medfield has a Roadway Surface Rating (RSR) of 77.45, which DPW would like to maintain or improve.
 - Utility-Telephone increase of \$3,000. Additional tablets and mobile plans
 - Stormwater Management increase by **\$25,000** for DEP required compliance with our MS4 Permit compliance (FY23 had increase of \$20,000)

01-491-1 and 01-491-2: CEMETERY BUDGET

- Total Request => \$213,000 (2.71% increase from \$207,386)
- Salary grade step increases
- Contract Services increase of \$4,000

01-429-2: SIDEWALK BUDGET

- Total Request => \$35,000 (level funded)

01-423-1 and 01-423-2: SNOW/ICE BUDGET

- Total Request => \$293,437 (level funded)
- Currently \$188,967 remaining in budget for FY23

01-433-1 and 01-433-2: SOLID WASTE BUDGET

- Total Request => \$631,794 (0.96% increase from \$625,814)
- Salary grade step increases
- Grounds and Building Maintenance increase \$3,000

01-426-1 and 01-426-2: EQUIPMENT REPAIR AND MAINTENANCE BUDGET

- Total Request => \$467,8585 (3.78% increase from \$450,559)
 - Salary step grade increases
 - Fuel Diesel/Gas increase of \$15,000 (28.43 % increase)

60-410-1 and 60-410-2: WATER BUDGET

****Enterprise Fund***

- Total Request => \$1,247,041 (17.85% increase from \$1,058,151)
- Major Increase Drivers:
 - Salary grade step increases
 - Equipment Repair and Service increase \$3,000
 - Utility – Electricity increase of \$130,000, cost increase and additional operating costs for new water treatment facility
 - Police Details increase \$1,000
 - Contract Services: increase \$5,000
 - Water Supplies increase \$10,000, cost increase and additional operating costs for new water treatment facility.
 - Water Chemicals increase \$20,000, cost increase and additional operating costs for new water treatment facility
 - Lab Fees increase \$750, cost increase and additional operating costs for new water treatment facility

61-420-1 and 61-420-2: SEWER BUDGET

****Enterprise Fund***

- Total Request => \$1,380,967 (8.44% increase from \$1,273,463)
- Major Increase Drivers:
 - Utility – Electricity increase of \$75,000, cost increase
 - Contract Services: increase \$10,000
 - Sewer Sludge Disposal increase \$8,000 for cost increase
 - Chemicals increase \$10,000 for cost increase

PUBLIC WORKS DEPARTMENT

To the Honorable Board of Selectmen and the Residents of Medfield:

We hereby submit our 7th Annual Report of the Medfield Department of Public Works under my tenure.

The mission of the Public Works Department is to provide the Town residents with quality public services, utilizing the Department's talents, professionalism, and dedication, balanced through efforts to preserve the Town's infrastructure, maintain a cost effective operation, and to provide these services in a responsible and efficient manner.

HIGHWAY DIVISION:

Snow and Ice Operations:

The Town experienced 54 inches of snow, which is just over the annual average of 45-50 inches.

Pavement Management Projects:

Holcim Inc. (formerly known as Aggregate Industries) from Waltham, MA continues as our paving contractor, utilizing a SuperPave mix design with a warm mix additive, which allows pavement to be more pliable for installation. This was used to reconstruct West Street from North Meadows Road to the Millis Town Line and North Street from Pine Street to Janes Avenue. Also, All States Asphalt of Sunderland, MA conducted a Bonded Wearing Course on the entire length of Brook Street and Main Street from Brook Street to the Dover Town Line. Rubber Chip Seal was installed on Longmeadow Road, Evergreen Way, Kamark Drive, Spring Valley Road, Stonybrook Road, Woodfall Road and Surrey Run.

Pavement Maintenance

The Medfield Highway Division maintains and repairs sections of Town roadways where the asphalt starts to deteriorate to the point it may develop, or has already developed, into potholes. These sections are ground down approximately 1-1/2 – 2 inches, and then hot mix asphalt is compacted into these prepared areas for the roadway to hold its integrity until the roadway is scheduled for reconstruction or another method of maintenance.

Infrared Process

The Highway Division contracted with Firehouse Infrared Asphalt Repair of Franklin, MA to rehab asphalt defects to ensure a smoother riding surface throughout Town. This process is very effective when used on newly paved roads as it makes the trench or defect seamless to the top course pavement.

Sidewalk Rehabilitation/Overlays

Many of the Town sidewalks are aging and in need of repair. The Highway Division is actively upgrading existing sidewalks throughout the Town. This past year we have completed over 7,000 linear feet of sidewalk rehabilitation in the locations of Kenny Road, Frairy Street, Dale Street, and Main Street.

Bay Colony Rail Trail

The Medfield Highway Division assisted with the installation of the 1.30 miles of Rail Trail, which extends from Ice House Road along the abandoned rail line to the Dover Town Line. The project involved clearing and grubbing of all trees and other organic materials that were in the rail line right-of-way.

Once the rails had been exposed by the Town, R. Zoppo of Stoughton, MA with specialized equipment, was contracted to remove all the rails and wooden ties from the rail bed and separated the materials for reconditioning and disposal. The Highway Division then worked on the rail bed as it needed to be boxed out and graded with a dozer and a road grader to prepare the trail for the final surface. M.J. Tuttle of Holliston was then contracted to install a 4" layer of stone dust that was hauled in from the Kimball Sand Company in Blackstone, MA.

The project continues with the Bay Colony Rail Trail Study Committee overseeing the installation of crossing signals, visual vegetation and fencing buffers and many other amenities to help make the trail a safe, pleasant recreation activity.

Stormwater Management

The Medfield Highway Division continues to make upgrades to the drainage system by creating stormwater detention and drywells in the system. The maintenance of the existing system involved repairing multiple catch basins and manholes. There are many more responsibilities for our Department to comply with our Stormwater Management Permit. This includes, but is not limited to, wet and dry weather sampling at our drainage outfalls, catch basin cleaning and measuring/removing of spoils, street sweeping our roadways, and multiple public outreach efforts to educate the community. The Town is working with the Neponset Stormwater Partnership on these initiatives and developing Best Management Practices (BMPs) through our MassDEP 604b grant.

TRANSFER STATION:

The Medfield Highway Division hauled 2,574.41 tons of solid waste to the Millbury incinerator. Fluorescent bulbs continue to be collected at the Transfer Station, as there is a shed in the recycling area for this purpose. The Mercury Collection Program is ongoing at the Public Works Department at Town Hall. Residents are encouraged to drop off items containing mercury (e.g. thermometers and thermostats).

Single Stream Recycling:	811.07 tons	Textiles	16.75 tons
Organic Waste	26.25 tons	Rigid Plastics	34.93 tons
E-Waste	10 tons	Brush and Leaves	2375 tons
Mattresses	49 units		

Mattress collection at the Transfer Station has been re-established as they have been determined as a waste ban item starting in November 2022.

The residential vehicle sticker program has continued at the Transfer Station. The program was instituted to allow Medfield residents to utilize the Transfer Station for solid waste and recycling services. Stickers are continually available at the Town Hall in the Public Works office on the lower level.

There are new Gate Attendants at the Transfer Station to assist residents with information about the services and to explain any of the rules and regulations. Special thanks to the Transfer Station and Recycling Committee for their commitment and efforts throughout the year.

CEMETERY DIVISION:

The Cemetery Division continued its weekly maintenance of the grounds including mowing grass, pruning trees and bushes; slice seeding, as well as Spring and Fall cleanup of leaves.

Internments:

In 2022, there were 81 internments including 34 cremations and 38 burials along with 9 inurnments at the Columbarium.

Sale of Lots:

65 lots were sold as well as 10 Columbarium niches.

Trees and Shrubs:

There were 2 trees and 4 shrubs removed do to storm damage, age or disease. Two stumps were removed by grinding, then loam and seed. We planted 6 trees throughout the Cemetery. Due to the drought in the summer, the Cemetery employees watered trees and shrubs in the Cemetery, using the Fire Department's repurposed Forest Fire Brush Truck and the Highway Division's Water Wagon.

Foundations:

We prepared 21 specific lots upon request by digging, pouring, and finishing concrete foundations for headstone installation. We also installed 5 Veteran flat markers provided by the Veteran Administration by forming, pouring and finishing concrete. We would like to thank the Cemetery Commissioners for all their work, support and dedication to the Vine Lake Cemetery.

WATER & SEWER DIVISION:

The Medfield Water & Sewer Division continues its maintenance of the Town's water and sewer system including mains, gravity lines, hydrants, services, gate valves, meters, curb stops, storage tanks, pumping stations, and lift stations. The following statistics have been accomplished in 2022:

Hydrants Replaced:	6
Hydrants Repaired:	4
Services Re-laid:	5
Service Leaks Replaced:	4
Water Main Leaks Repaired:	4
New Water Services Installed:	3
New Sewer Services Installed:	21
Gate Boxes Replaced	24
Gallons of Water Pumped: (in millions)	407.03
Meters Installed:	41
MXU's (Radio Transmitter for Meter) Installed:	1,235

Hydrant Flushing and Leak Detection is conducted semi-annually. All Water Division personnel are up-to-date on their required Drinking Water Treatment and Distribution licenses.

The Water Division prepared many roadways for resurfacing by replacing/repairing water and sewer infrastructure components on Main Street, Brook Street, West Street, Longmeadow Road and North Street.

The new Water Treatment Facility behind the Wheelock School property to remove manganese, a naturally occurring mineral that discolors the potable water, is entering its final stages of construction. Initially slated for completion in early February 2023, completion is now moved out to May 2023 due to supply chain issues in acquiring vital parts for operation. The General Contractor for the project is Biszko Building Systems Corporation (Fall River, MA), the Owner's Project Manager (OPM) is Woodard and Curran (Canton, MA) and the Design Engineer/Clerk of the Works is Environmental Partners (Quincy, MA). We would like to recognize the Water and Sewerage Board for their dedication and support throughout the year.

WASTE WATER TREATMENT PLANT:

The following major projects were conducted during 2022:

1. Primary Tank chain replacement and clarifier drain valve were excavated and repaired.

2. Return building tank sluice gate repair.
3. UV System Bulbs and Ballasts were replaced.
4. DynaSand Filter media was removed. New media was delivered on site, awaiting fiberglass repairs.
 - The primary clarifier had a chain malfunction due to wear and tear. Once the chain was replaced, it was determined that the drain valve (used to service / empty the tank) would not close, causing influent flow to be returned to the beginning of the process. These issues have been resolved.
 - New sluice gates have been installed allowing for regulating flow from each clarifier for higher solids / blanket level so the rate of return can be increased.
 - The UV system is essential for disinfection required for the WWTP permit. Given the nature of the high voltage bulbs being submerged in water and running constantly, several bulbs and ballasts needed to be replaced.
 - The existing media was removed via a vactor-truck from the DynaSand filter so that the media could be replaced. Upon removal and tank / filter inspection, it was determined that there were fiberglass repairs needed to be performed prior to placing the new media into the filter. The new media was ordered and is on-site currently.

Sludge removal for 2022 = 437.670 dry tons

Plant Discharge for 2022 = 2,873,500 gallons

PUBLIC WORKS APPRECIATION:

I would like to thank the Medfield residents, Selectmen, Town Administration, Boards and Committees, and all Town Departments for their support throughout the year. Exceptional appreciation is given to Robert Kennedy, Jr. (Highway Supervisor), David O'Toole (Water Supervisor), Paul Hinkley (Highway Crew Chief), David Mullen (Water Crew Chief), William Donovan (WWTP Assistant Chief Operator), George Malonson (WWTP Consultant - Acting Chief Operator), Sean O'Brien (WWTP Consultant - Acting Chief Operator) and to each one of our Division employees for their extraordinary dedication: Troy Arthur, William Bennett, James Callachan, Kevin Chabot, Conner Corrigan, Drew Dauphinee, Steven DellaCamera, Scott Ficco, Joseph Gorman, Javier Hernandez, Jonathan Hill, Edward Hinkley, Robert LaPlante, John Miner, Edward Murray, James Nicholson, Jason O'Brien, Jean Ouellette, and Joseph Rebola.

Special thanks to our Administrative Assistant, Tracey Klenk, for her continued excellence, and outstanding support who has taken a position as Assistant Town Clerk within the Town. Best of luck to Tracey in her new position.

Also, special thanks to Joseph Rebola who is starting a new career in Information Technology. He will be truly missed as an extraordinary member of our Cemetery staff. We would also like to welcome Matthew Donovan to the Water Division as our new Water Operator.

Welcome to our new Office Manager, Megan Rogers and our new Administrative Assistant, Sarah Downs. Looking forward to utilizing their skills in moving our Department forward.

Lastly, we have two new Gate Attendants at our Transfer Station, Mark Robbins and Jack McBrien. Welcome to our team Mark and Jack.

Respectfully submitted,
Maurice Goulet
Director of Public Works

Medfield Wells 3 & 4 WTP - FY24 O&M Budget		
Item	Cost	Assumptions
Electrical	\$ 193,600.00	Daily Electrical Demand: 1,500 kWh; Cost of Electricity (supply/delivery): \$0.26/kWh
Spare Parts/Repairs	\$ -	Contract includes spare parts/consumables for 1 year.
Propane (Heat & Generator)	\$ 11,250.00	Daily Propane Use: 11.5 Gal. Cost of Propane: \$2.68 per gallon
Chemical Cost (NaOCL)	\$ 25,100.00	Daily NaOCL use: 15.2 Gal. Cost of chemical: \$4.52 per gallon.
Chemical Cost (NaOH)	\$ 35,800.00	Daily NaOH use: 30.1 Gal. Cost of chemical: \$3.26 per gallon.
Tight Tank Pumping & Maintenance	\$ 2,000.00	Assume four (4) pump outs per year at \$500/service
Landscaping and Snow Removal	\$ -	Plantings covered by initial 1 year warranty
Lab Consumables	\$ 1,000.00	Water quality test kits for iron, manganese, and chlorine analysis
Total	\$ 268,750.00	
Notes: 1. Estimate based on design electrical loads for the WTP. 2. WTP production assumes approximately 10 hours of pumping daily for 365 days to 3. Unit costs for electricity, propane, and chemicals provided by the Town Prepared 1/10/2023		

FY 2024 Council on Aging

Sarah Hanifan, Director

shanifan@medfield.net

Total Budget Request: \$271,807. This reflects a \$18,789 or 7.4% from FY23 approved budget. Total approved budget for FY2023 was \$253,018 with \$22,121 or 9.5% increase from FY2022.

Summary

The mission of the Council on Aging is to foster an atmosphere of wellness by addressing the emotional, social, physical, and often the spiritual needs of older individuals and their families during the aging process. The COA goal is to enhance the quality of life and promote independence by providing programs, social events, and referrals to community members throughout their life journey.

COA provides services such as information, outreach, transportation, meals, counseling, and collaboration with agencies and organizations such as HESSCO. A full list of services can be located on the town website.

Salaries

Total Salary budget request for FY24 is \$237,007, up 8.3% from \$218,782. The COA is currently looking to hire a full time program/volunteer coordinator to replace Sarah's position after she moved into the Director position as well as a part time employee to work Saturdays.

Operating Expenses

The Council on Aging (COA) operating budget supports technology, office supplies, grounds keeping, equipment, training for employees, as well as senior program development. The budget requested is \$34,800 up 1.65% from FY23. The FY23 budget approved was \$34,235, about a 12% increase from FY22.

Grants/Other Funds:

The COA has an Adult Respite Care Revolving Fund that primarily funds programming. This revolving fund is generated by participants who pay into it. Additionally, there are gift accounts which typically contain 'in memory of' donations.

Friends of Medfield Seniors, Inc. (FOSI) raises funds for programs, activities, and equipment for The Medfield Council on Aging. By doing so, FOSI promotes and perpetuates the dignity and well-being of Medfield seniors.

Turnback:

FY2022 - \$3,335.39

FY2023 Goals

1. Continue to provide stimulating and engaging programs on a frequent basis for citizens –
Complete
2. Provide ongoing information regarding the pandemic with the Public Health Nurse onsite every Wednesday
3. Install walkway from side door to patio and repair front and rear entrances
4. Increase the 55-64 year old participation to 10% of total
5. Successful completion of a 3-bay garage

Trends/Metrics

Description	2019	2020	2021	2022
Number of Events	15,322/605	11,802/567	4,860/421	18,381/809
Number of Services Provided	521/195	2259/476	1,888/645	1085/556

Trends/Metrics = first number duplicated/unduplicated participants

TOWN OF MEDFIELD

REQ REVISED BUDGET REQUESTS

BUDGET PROJECTION 2024 FY 2024 APPROPRIATIONS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	REQ REVISED	PERCENT CHANGE
015411	510100 01 -500-541-00-1-0000-000-510100	COA SALARIES	217,532.76	215,648.00	206,044.00	-5.28
015411	510130 01 -500-541-00-1-0000-000-510130	LONGEVITY-COA	1,250.00	1,250.00	.00	-100.00
015412	520112 01 -500-541-00-2-0000-000-520112	INFORMTN TECH-COMCAST	1,140.00	1,140.00	1,200.00	5.26
015412	520201 01 -500-541-00-2-0000-000-520201	GRNDS MAINT/LANDSCAPG	7,000.00	7,000.00	7,000.00	.00
015412	520202 01 -500-541-00-2-0000-000-520202	BUILDING MAINTENANCE	.00	.00	.00	.00
015412	520203 01 -500-541-00-2-0000-000-520203	PREVENTATIVE MAINT	2,000.00	2,000.00	2,100.00	5.00
015412	520300 01 -500-541-00-2-0000-000-520300	EQUIPMT REPAIR & SERV	3,000.00	3,000.00	3,000.00	.00
015412	520500 01 -500-541-00-2-0000-000-520500	OTHER EQ/COPIER+TONER	4,600.00	4,600.00	4,600.00	.00
015412	521100 01 -500-541-00-2-0000-000-521100	UTIL-ELECTRICITY	.00	.00	.00	.00
015412	521300 01 -500-541-00-2-0000-000-521300	UTIL-HEAT-OIL/GAS	.00	.00	.00	.00
015412	521301 01 -500-541-00-2-0000-000-521301	GASOLINE	3,000.00	3,000.00	3,200.00	6.67
015412	521500 01 -500-541-00-2-0000-000-521500	UTIL-TELEPHONE	3,600.00	3,600.00	3,500.00	-2.78
015412	521600 01 -500-541-00-2-0000-000-521600	UTIL-WATER & SEWER	.00	.00	.00	.00
015412	521700 01 -500-541-00-2-0000-000-521700-	DUES & MEMBERSHIPS	.00	.00	.00	.00
015412	521800 01 -500-541-00-2-0000-000-521800	TRAINING & EDUCATION	1,000.00	1,000.00	1,200.00	20.00
015412	522500 01 -500-541-00-2-0000-000-522500	PRNTG-POSTG-STATY	2,500.00	2,500.00	2,500.00	.00

TOWN OF MEDFIELD

REQ REVISED BUDGET REQUESTS

BUDGET PROJECTION 2024 FY 2024 APPROPRIATIONS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	REQ REVISED	PERCENT CHANGE
015412	523613 01 -500-541-00-2-0000-000-523613	CONTR SVC-WASTE REMVL	.00	.00	.00	.00
015412	523614 01 -500-541-00-2-0000-000-523614	CONTR SVC-SOFTWARE LIC/SUPP	1,500.00	1,500.00	1,500.00	.00
015412	524500 01 -500-541-00-2-0000-000-524500	MEETINGS+CONFERENCES	500.00	500.00	600.00	20.00
015412	524600 01 -500-541-00-2-0000-000-524600	SENIOR PROGRAM DEVELOPMENT	2,800.00	2,800.00	3,000.00	7.14
015412	540220 01 -500-541-00-2-0000-000-540220	OFFICE SUPPLIES	1,100.00	1,100.00	1,200.00	9.09
015412	570010 01 -500-541-00-2-0000-000-570010	CAR ALLOW/MILEAGE	200.00	200.00	200.00	.00
015414	437000 01 -500-541-00-4-0000-000-437000-	DEPT REV-COA	.00	.00	.00	.00
015419	590014 01 -500-541-00-9-0000-000-590014-	CoaSat Hrs9.5k10/18	1,203.44	1,203.44	.00	-100.00
015419	590015 01 -500-541-00-9-0000-000-590015-	D+RprDoorLndg4k11/19	4,000.00	4,000.00	.00	-100.00
015419	590020 BLDST CoaSiDoor10k8/20 01 -500-541-00-9-0000-000-590020-		1,650.00	1,650.00	.00	-100.00
015419	590021 BLDST COADuctC8/21 01 -500-541-00-9-0000-000-590021-		8,000.00	8,000.00	.00	-100.00
015419	590022 BLDST windDoor9/22 01 -500-541-00-9-0000-000-590022-		5,000.00	5,000.00	.00	-100.00
015419	590023 BLDST woodFlr9/22 01 -500-541-00-9-0000-000-590023-		8,000.00	8,000.00	.00	-100.00
BUDGET CEILING:					280,576.20	
TOTALS:			280,576.20	278,691.44	240,844.00	-14.16

** END OF REPORT - Generated by Frank Gervasio **



FY 24
Budget

NCRS Assessment

FY 24 BUDGET REQUEST:

\$3,296,275

Norfolk County Retirement System (NCRS)

- ☐ Background and Benefits
- ☐ Contributions
- ☐ Actuarial Assessments and Valuations
- ☐ Funding Schedule
- ☐ MGL Chapter 40, Section 5D, Pension Reserve Fund
- ☐ Medfield NCRS assessment forecasts

NCRS – Background and Benefits

BACKGROUND

- ❑ NCRS - a cost-sharing multi-employer defined benefit pension plan covering eligible employees of the 41 member units with Norfolk County. Does not include current or retired teachers.
- ❑ Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan.

BENEFITS

- ❑ The system provides for retirement allowance benefits up to a maximum of 80% of a member's **highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest five-year average annual rate of regular compensation for those first becoming members on or after that date.**
- ❑ Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become **vested after ten years of creditable service.**

NCRS - Contributions

EMPLOYEES CONTRIBUTIONS

- ❑ Chapter 32 of the MGL governs the contributions of plan members and member units.
- ❑ Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000.

TOWN CONTRIBUTIONS

- ❑ Required to pay into the NCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll.
- ❑ The required contribution is an amount, that, when combined with the plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

NCRS -Actuarial Assessments

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
NCRS Assessment	\$2,578,193	\$2,826,048	\$3,026,978	\$3,162,435	\$3,394,258	\$3,296,275 **
Amount of Increase (Decrease)	\$224,064	\$247,855	\$200,930	\$135,457	\$231,823	(\$97,983)
Percentage Increase (Decrease)	9.5%	9.6%	7.1%	4.5%	7.3%	(2.9%)

** Assumes onetime payment in July and lower budgeted amount

NCRS - Actuarial Valuation of Liability

FY 2018

FY 2019

FY 2020

FY 2021

FY 2022

Net Pension
Liability*

\$19,954,056

\$23,536,703

\$21,746,679

\$18,950,015

\$ 16,308,949

- ❑ The actuarial valuation is complicated and involves making assumptions about numerous data points occurring in the future. Examples of these future expected data points are:

Long Term Investment Returns

Discount Rates

Life Expectancies

Projected Salary Increases

Inflation Rate

*Valuation of Liability measured as of January 1st of each fiscal year.

NCRS – Funding Schedule

Most Recently Approved Funding Forecast – December 2022

Norfolk County Contributory Retirement System

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[https://shermanactuary-my.sharepoint.com/personal/dan_shermanactuary_com/Documents/Recovered Data/Norfolk/Val22/\[Norfolk22_Val 775pct v6.xlsx\]Approp. Results](https://shermanactuary-my.sharepoint.com/personal/dan_shermanactuary_com/Documents/Recovered%20Data/Norfolk/Val22/[Norfolk22_Val%20775pct%20v6.xlsx]Approp.%20Results)

Appropriation Forecast

Fiscal Year	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio %**	Unfunded Accrued Laibility
2023	\$30,568,955	\$11,234,768	\$82,301,555	\$93,536,323	27.5	71.8	\$505,359,983
2024	\$32,224,289	\$11,444,546	\$87,369,920	\$98,814,466	27.8	74.6	\$459,529,716
2025	\$33,966,701	\$11,650,454	\$91,293,423	\$102,943,877	27.8	78.2	\$406,330,779
2026	\$35,800,676	\$11,851,718	\$95,393,157	\$107,244,875	27.7	81.9	\$345,020,661
2027	\$37,730,927	\$12,047,504	\$99,677,041	\$111,724,545	27.6	86.0	\$274,791,605
2028	\$39,762,403	\$12,236,911	\$104,153,347	\$116,390,258	27.5	90.3	\$194,765,206
2029	\$41,900,307	\$12,418,968	\$106,463,510	\$118,882,478	26.9	95.0	\$103,986,572
2030	\$44,150,104	\$12,592,631	\$2,060,901	\$14,653,532	3.2	99.8	\$3,830,240
2031	\$46,517,534	\$12,756,774	\$2,143,337	\$14,900,111	3.1	99.9	\$2,026,997
2032	\$49,008,629	\$12,910,191	\$0	\$12,910,191	2.6	100.0	\$0

Assumptions:
Discount Rate
– 7.75% !!!

While PERAC
has approved
this funding
forecast, they
have advised
that the
discount rate
used by NCRS
is high
compared to
most of other
town's average
(6.75%- 7.0%)

MGL Chapter 40, Section 5D, Pension Reserve Trust Fund

- ❑ Purpose - funds shall be appropriated into the Pension Reserve Trust Fund for the purpose of offsetting costs of the Norfolk County Retirement System assessments.
- ❑ Pension Reserve Trust Fund was first **established in 1978** and funded with **\$10,000**.
- ❑ Pension Reserve Trust Fund has been **invested for over 40 years** with occasional small transfers out of the fund (typically less than \$100,000 and occasionally greater than investment income). There does not appear to be any significant contributions/appropriation into the Pension Reserve Trust in the past 20 years.
- ❑ **Balance in Pension Reserve Trust Fund as of December 31, 2022 - \$3,328,944**

Forecast of Medfield NCRS Assessment and Pension Reserve

	Norfolk County			Estimated		Pension Reserve		Net	
	Assessment	Estimated	Payroll Costs	Emplr. Cost	Transfer from	Fund	Revised Projected	Pension Cost	Revised Estimated
FISCAL	Escalation	Yearly	Escallation	(% of Payroll)	Pension	(Invest Return)	Net Pension Cost	Growth Capped	Employer Cost
YEAR	5.0%	Increase	4%		Reserve Fund	4.0%	(B - G)	2.5%	as % of Payroll
FY 21	\$ 3,026,978				\$ (75,000)				
FY 22	\$ 3,162,435	\$ 135,457	\$ 11,755,970	26.9%	\$ (75,000)	\$ 3,616,000	\$ 3,087,435		26.3%
FY 23	\$ 3,394,258	\$ 231,823	\$ 12,343,769	27.5%	\$ (200,000)	\$ 3,328,944	\$ 3,194,258		25.9%
FY 24	\$ 3,296,275	\$ (97,983)	\$ 12,837,519	25.7%	\$ (275,000)	\$ 3,176,102	\$ 3,021,275	\$ 3,021,275	23.5%
FY 25	\$ 3,434,727	\$ 138,452	\$ 13,351,020	25.7%	\$ (337,920)	\$ 2,951,709	\$ 3,096,807	\$ 3,096,807	23.2%
FY 26	\$ 3,606,463	\$ 171,736	\$ 13,885,061	26.0%	\$ (432,236)	\$ 2,620,252	\$ 3,174,227	\$ 3,174,227	22.9%
FY 27	\$ 3,786,787	\$ 180,323	\$ 14,440,463	26.2%	\$ (533,204)	\$ 2,170,530	\$ 3,253,583	\$ 3,253,583	22.5%
FY 28	\$ 3,976,126	\$ 189,339	\$ 15,018,082	26.5%	\$ (641,204)	\$ 1,590,499	\$ 3,334,922	\$ 3,334,922	22.2%
FY 29	\$ 4,174,932	\$ 198,806	\$ 15,618,805	26.7%	\$ (756,637)	\$ 867,217	\$ 3,418,295	\$ 3,418,295	21.9%
FY 30	\$ 519,794		\$ 16,243,557	3.2%			\$ 519,794		Additional Budget Flexibility and Contr. To OPEB
FY 31	\$ 523,692		\$ 16,893,300	3.1%			\$ 523,692		
FY 32	\$ 456,795		\$ 17,569,032	2.6%			\$ 456,795		
	\$ 31,858,981	\$1,012,497			\$ (3,326,201)		\$ 28,532,780		

Assumptions:

(1) Medfield projected yearly assessment escalation average	5.0%
(2) Medfield payroll costs estimated to increae.	4%
(3) Transfer out of Pension Reserve Fund in FY 24	\$ (275,000)
(4) Investment Return on balance in Pension Reserve Fund	4.0%
(4) Yearly limit of net projected pension costs after transfers through FY 2029	2.5%
(5) Pension Reserve Fund Balance December 31, 2022	\$ 3,328,944
(6) Significant budget flexibility starts in FY 30 due to fully funded status of NCRS Pension Plan in FY 29	

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., Chair

JOHN W. PARSONS, ESQ., Executive Director

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

February 10, 2023

Georgia Colivas, CMMT
Treasurer/Collector
Town of Medfield
Town House, 459 Main Street
Medfield, MA 02052-2009

Dear Ms. Colivas:

PERAC hereby approves the use of up to \$75,000 of the Town's Pension Reserve Fund to apply to the FY24 appropriation required under G.L. Chapter 32 for the Norfolk County Retirement System. This amount is in addition to the \$200,000 approved in our January 18, 2023 letter. Based on the information you provided, the current Pension Reserve Fund balance is approximately \$2.8 million. **

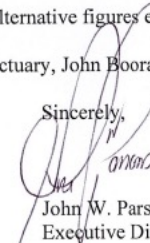
Approval must be obtained from this office for each fiscal year that an amount is withdrawn from the Town's Pension Reserve Fund. Therefore, please send a letter to this office before the beginning of each such fiscal year stating:

- 1) the current balance of the Fund
- 2) the amount to be used to offset the upcoming pension appropriation

We are available to work with you to develop alternative figures each year.

If you have any questions, please contact our Actuary, John Boorack at extension 935.

Sincerely,



John W. Parsons, Esq.
Executive Director

- PERAC Approval for FY 24 -\$275,000
- Approval must be obtained from PERAC each fiscal year.

** Pension Reserve Fund Balance is \$3.3 million. Subsequent e-mail sent by PERAC acknowledging error in letter.



Town of
Medfield

FY 24 OPEB Budget

FY 24 BUDGET REQUEST

\$525,000

FY 24 Other Post-Employment Benefits (OPEB) – (non-pension benefit)

- ☐ Background and Benefits
- ☐ Liability and Actuarial Valuations
- ☐ Selected Massachusetts Town's OPEB Funding Data
- ☐ Retirees Premiums
- ☐ OPEB Appropriations for Pre-funded Liabilities
- ☐ Financial Policy and Actuarial Forecasted Results
- ☐ Cash Funding Analysis

OPEB Budget - Background and Benefits

BACKGROUND

- ☐ The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish an Other Postemployment Benefits (OPEB) Trust Fund (non- pension benefits), which allows the Town to set aside amounts to begin pre-funding its OPEB liabilities.

BENEFITS

- ☐ The town offers a health insurance benefit for life upon retirement as well as a small life insurance benefit.
- ☐ Retirees are required to take Medicare upon reaching the age of 65 but can enroll in a Medicare indemnity plan (Medex 2) upon reaching the age of 65.
- ☐ The town's budget each year appropriates an amount to fund the town's share (50%) of the current health insurance premiums for current retirees ("pay as you go").

OPEB Budget – Liability and Actuarial Valuation

- ❑ The Town is required for financial reporting purposes under GASB #74 and #75 to record a long-term liability on the balance sheet for the actuarial valuation (unfunded liability) associated with all the benefits promised to active and retired employees.
- ❑ This actuarial valuation is calculated by an actuary (Stone Consulting, Inc.) each year, in accordance with generally accepted actuarial principles and practices that meet the parameters set by the Governmental Accounting Standards Board (GASB).
- ❑ The actuarial valuation is complicated and involves making assumptions about numerous data points occurring in the future. Examples of these future expected data points are:

Healthcare Costs

Discount Rates (7.00%)

Long Term Investment Returns

Life Expectancies

Participation Rates

OPEB Budget – Liability and Actuarial Valuation

❑ OPEB is one of the largest long-term liabilities of the Town.

❑ The Town is not expected or required to fully fund this liability currently.

		<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Total OPEB Liability		\$ 36,664,212	\$ 32,179,607	\$ 34,506,785	Not available
Plan Fiduciary Net Position		\$ 3,972,467	\$ 5,674,059	\$ 5,897,842	Not available
Net OPEB Liability		\$ 32,691,745	\$ 26,505,548	\$ 28,608,943	Not available
The Plan Fiduciary Net Position as a percentage of Total OPEB Liability					
		10.83%	17.63%	17.09%	

Selected Massachusetts Town's OPEB Funding Data*

*December 2021 report, based on most recent actuarial valuations provided. Medfield numbers reflect 2021 amounts for comparison.

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Funded Ratio	Blended Discount Rate
All Towns in Commonwealth Database	\$22.1 billion	\$1.4 billion	\$20.7 billion	6.40%	2.28%
Average of selected towns below:	\$35,898,364	\$7,875,909	\$28,022,455	23.85%	6.87%
MEDFIELD	\$32,180,000	\$ 5,674,000	\$ 26,506,000	17.6%	7.10%
Towns with funding ratios above average					
Acton	\$ 22,947,000	\$ 7,661,000	\$ 15,286,000	33.40%	7.00%
Dover	\$ 10,424,000	\$ 5,737,000	\$ 4,687,000	55.00%	6.25%
Foxborough	\$ 38,607,000	\$ 10,977,000	\$ 27,630,000	28.40%	7.00%
Holliston	\$ 45,331,000	\$ 15,469,000	\$ 29,862,000	34.10%	7.00%
Wayland	\$ 48,991,000	\$ 19,113,000	\$ 29,878,000	39.00%	7.00%
Towns with funding ratios below average					
Duxbury	\$ 45,439,000	\$ 4,279,000	\$ 41,160,000	9.40%	6.25%
Hopkington	\$ 27,117,000	\$ 3,018,000	\$ 24,099,000	11.10%	6.75%
Norwell	\$ 46,827,000	\$ 3,973,000	\$ 42,854,000	8.50%	7.50%
Southborough	\$ 33,379,000	\$ 1,855,000	\$ 31,524,000	5.60%	6.50%
Westwood	\$ 43,640,000	\$ 8,879,000	\$ 34,761,000	20.30%	7.25%

OPEB Budget – Retiree Premiums

Retirees Health Insurance Premiums

		<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Retiree Health Insurance						
Premiums		\$ 816,429	\$ 799,507	\$ 781,991	\$ 903,027 (estimate)	

- ☐ For budgeting purposes, the retiree health insurance premiums are included in the Health Insurance Premiums along with active employees.

OPEB Appropriations for Pre-funded Liabilities

		<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
OPEB appropriation						
for unfunded liability		\$ 425,000	\$ 425,000	\$ 467,500	\$ 500,000	\$ 525,000

- ☐ It should be noted that due to tight budget cycles during COVID, the Town has intentionally limited yearly contributions in the past.
- ☐ This has resulted in historically inconsistent compliance with the financial policy of OPEB Trust funding to date. FY23 was the first year under the new financial policy.

OPEB - Financial Policy and Actuarial Forecasted Results

- ❑ The policy to pre-fund the OPEB liability has recently changed in the financial policy of the Town.
- ❑ Previously was \$425,000 each year with goal of increasing that contribution annually by 10%.
- ❑ Revised for FY 2023 to an annual amount of \$500,000 with the goal of increasing that contribution annually by 5%. FY 2024 is budgeted to fit this policy, with a requested amount of \$525,000.
- ❑ Due to the changes in financial policy, the expected final payment moved from 13 years to 17 years, as of FY21.

OPEB Budget – Cash Funding Analysis

Cash Funding Analysis

- ☐ In the past, the Town has never requested the Actuary to perform a full cash funding analysis
- ☐ Included in the FY24 request is our first alternative funding schedule, which is planned to calculate 2-3 alternative funding schedules under different policies