

DENNIS WATER DISTRICT

Board of Water Commissioners

Minutes of Meeting held

March 1, 2012

A meeting, having been duly posted, was held this date at the Dennis Police Station, 90 Bob Crowell Rd, South Dennis. The meeting was called to order by Paul F. Prue, Chairman at 6:00 PM. Also in attendance were Charles F. Crowell and Peter L. McDowell and the following District official:

Sheryl A McMahon, Clerk & Treasurer

David Larkowski, Superintendent

Public Information & Comment:

Final Review and vote of FY 2013 Budget components:

a) Capital Budget – consider increase in Transmission Main Project: Superintendent Larkowski requested that the Board increase the recommendation for funding the Transmission Main Project to \$450,000 due to revisions in the estimated cost of materials. The labor is being done with District personnel. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to amend the Transmission Main appropriation to \$450,000 for a total Capital Expenditures Request of \$770,000.***

b) Health insurance plans established by Cape Cod Municipal Health: Treasurer McMahon reviewed the group health plans to be offered effective July 1, 2012 to employees. There are now just four plans; two HMOs (health maintenance organization) and two PPOs (preferred provider organization) one each from Blue Cross Blue Shield and Harvard Pilgrim Health Care. The deductibles for all plans are the same; \$250 per person, \$750 maximum per family, prescription co-pays will be increasing to \$10, \$25 and \$50, in-hospital co-pays will be \$500, etc. The plans essentially mirror the most popular plan offered by the Group Insurance Commission which is a Tufts with like deductibles and co-pays. The premium rates will be reduced in accordance with the increased cost sharing with employees. The plans offered to retirees will not be changed in terms of deductibles and co-pays however, all Medicare qualified retirees will be required to enroll in a Medicare supplemental plan. The District will be required by the revisions of Chapter 32B, to pay any late enrollment penalties for those retirees who were in an active plan but must now enroll in Medicare effective July 1. On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to offer District employees and retirees the menu of health insurance plan options offered through the Cape Cod Municipal Health Group with the exception of the Blue Cross Blue Shield Master Health Plus/Master Medical plans or any other so called indemnity plans.***

In addition, the Superintendent and Treasurer are recommending that the Board request an appropriation equal 25% of the estimated savings for FY 2013 to establish an employee health insurance mitigation fund. Although the District does not have any organized employee groups, every other community is required by the provisions of Chapter 32B (because they have bargaining units) to establish an employee health insurance mitigation fund. A draft mitigation plan will be brought to the Board for their consideration in June or July after conferring with

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District employees. The savings projected for the District in FY 2013 is \$63,133. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to establish a separate item within the General Expenditures Budget in the amount of \$15,783 for funding a Municipal Health Insurance Reform – Employee Impact Mitigation Fund.***

c) Cost of Living Adjustment for personnel: At a meeting held February 9, 2012, the Board met in Executive Session to discuss strategy in preparation for negotiations with non-union personnel. The Superintendent confirmed that it is his general understanding with personnel that a recommended 2.75% cost of living adjustment to be calculated on the average hourly-rate-of-pay of all hourly paid employees and applied as a \$.75 per hour rate to all hourly paid employees for FY 2013. In addition, the Board discussed the salaries of the Superintendent and Treasurer. A \$4,900 annual increase was discussed. The Superintendent and Treasurer have not had an increase in three years. The proposed increase is equivalent to 4.8%. On a motion made by Peter L. McDowell, and duly seconded the Board ***UNANIMOUSLY VOTED: to appropriate a cost-of-living adjustment of \$.75 per hour for all hourly paid employees and to appropriate an increase of \$4,900 for the Superintendent and Treasurer.***

d) The Board reviewed the line item adjustments made in the Operating & Maintenance Budget as a result of their votes for the cost-of-living adjustment and salary increases. On a motion made by Charles F. Crowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to appropriate a total Operating & Maintenance Budget of \$3,049,647 for FY 2013.***

Review response from Department of Revenue regarding Commissioner McDowell's request

Mr. McDowell had previously contacted the Department of Revenue requesting a determination on the District's contract payment for the Massachusetts Estuaries Project (MEP). Mr. McDowell questioned the District's authority under its enabling act to make such a payment. John G. Gannon, Tax Counsel, Bureau of Municipal Finance Law, Division of Local Services responded via email. A substantial package of information relative to the issue, including two opinion letters from legal counsel for the District had been provided to Attorney Gannon by Ms. McMahon. His response was that the scope of an appropriation is made by the accountant and executive board in the process of signing the warrant to authorize payment. If the accountant and the Board agree that the expenditure is within the scope of the appropriation, the Department of Revenue is not in a position to challenge it as it is considered a local matter. He further stated that counsel for the District is in a better position to assist in determining the scope of the appropriation. He noted that the letters that the Board has received from Attorney Perrino have reviewed the matter thoroughly. Mr. McDowell re-iterated his position regarding the District's allocation of water revenues for the payment of the MEP and continues to object to the expenditure of the appropriated funds for this purpose. There was no action taken by the Board.

Meeting calendar for 2012

Ms. McMahon noted that the Board has been pre-empted by parties having previously reserved the Martin Training Room at the Police Department for April and May. It was also noted that

the July meeting had been omitted from the list. On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adopt the Meeting Calendar for 2012 as modified and at the locations noted.***

Minutes: June 2, 2011 and July 28, 2011 – Action on the minutes were deferred to the next meeting.

On a motion made by Peter L. McDowell, and duly seconded, the Board ***UNANIMOUSLY VOTED: to adjourn the meeting at 6:54 PM.***

Respectfully submitted,

Sheryl A McMahon
Clerk