

Colleagues -  
FYI  
Mary Jo

# Local Government Advisory Commission

1 Winthrop Square, 2<sup>nd</sup> Floor

Boston, MA 02110

617-426-7272

## LOCAL GOVERNMENT ADVISORY COMMISSION

Tuesday, May 13, 2014

1:00 to 2:00 p.m.

State House, Room 157, Boston, MA

## EXECUTIVE COMMITTEE OF THE LOCAL GOVERNMENT ADVISORY COMMISSION

Tuesday, May 13, 2014

1:05 p.m.

State House, Room 157, Boston, MA

### MEETING NOTICE AND AGENDA

1. **Call to Order of LGAC, Introductions and Overview** 1:00 p.m.
- 2A. **LGAC Administrative Matters** 1:02 p.m.
  - *Approval of minutes of previous meeting*
- 2B. **Meeting of the Executive Committee** 1:07 p.m.
  - *Approval of minutes of previous meeting*
  - *Ratification of 05/13/2014 agenda*
  - *Adjournment of Executive Committee*
3. **Update on Fiscal 2014 Revenues and State Economy** 1:10 p.m.
  - *Presentation by the Administration on fiscal 2014 state tax revenue performance and the state's short- and long-term economic outlook*
4. **Supplemental Budget and Funding Announcements by the Governor** 1:15 p.m.
  - *Discussion of the importance of Governor Patrick's supplemental budget proposal to fully fund charter school reimbursements in fiscal 2014, and discussion of the benefits of the Governor's action to provide \$30 million to cities and towns for urgently needed local road repairs*
5. **Presentation on Governor Patrick's Economic Development Legislation** 1:25 p.m.
  - *Presentation and discussion of the Administration's recently filed economic development legislation, including the lifting the cap on local liquor licenses as an important community and economic development catalyst*
6. **Presentation on the Valor Act II and Veterans' Services Regulations** 1:45 p.m.
  - *Presentation by the Department of Veterans' Services on Valor Act II and an overview of the Department's process and objectives in updating regulations related to services and benefits for veterans*
7. **Adjournment** 2:00 p.m.



## **GOV. FILES \$27.6M FOR CHARTER SCHOOL REIMBURSEMENTS**

(Reprinted from the May 2014 Issue of The Beacon)

Gov. Deval Patrick on April 16 filed a supplemental budget request that includes \$27.6 million to fully fund the state's fiscal 2014 obligation to reimburse cities, towns and regional school districts for a portion of Chapter 70 school aid deducted as tuition to charter schools.

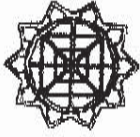
The fiscal 2014 state budget included only \$75 million for this account, whereas the Department of Elementary and Secondary Education estimates full funding at \$102.6 million.

The diversion of Chapter 70 school aid away from public schools to pay tuition to charter schools has imposed a growing financial burden on cities and towns. State policy is intended to mitigate a portion of this financial impact through a formula to reimburse school districts for the loss of some of their Chapter 70 aid that is redirected to fund charter schools, but the funding for this program depends on adequate appropriations in the state budget or in subsequent supplemental budgets.

"When charter school reimbursements fall short, communities are forced to cut other programs and services to make up the difference," MMA Executive Director Geoff Beckwith wrote in a letter to the governor on April 17. "Your support for fully funding the charter school reimbursement program will aid the most vulnerable and challenged school districts and communities in Massachusetts. ... Thank you for supporting this vital program."

The governor's supplemental budget bill (H. 4049), which totals \$162 million, also includes the \$20 million for opiate abuse treatment and prevention programs that the governor announced in his public health emergency declaration on March 27.

The bill has been referred to the House Committee on Ways and Means.



**MASSACHUSETTS  
MUNICIPAL  
ASSOCIATION**

ONE WINTHROP SQUARE, BOSTON, MA 02110  
617-426-7272 • 800-882-1498 • fax 617-695-1314 • [www.mma.org](http://www.mma.org)

April 17, 2014

His Excellency Deval Patrick  
Governor of the Commonwealth  
State House, Room 105  
Boston, MA 02133

Dear Governor Patrick,

On behalf of Board of Directors of the Massachusetts Municipal Association and the cities and towns of the Commonwealth, I am writing to express our thanks and appreciation to you and Secretary Glen Shor for your proposal to fully fund the charter school reimbursement program in H. 4049, the fiscal 2014 supplemental appropriations bill you filed with the Legislature yesterday afternoon.

As you know, the diversion of Chapter 70 school aid away from public schools to pay tuition to charter schools has imposed a growing financial burden on cities and towns, a problem made more acute as the state grants more charters and existing charter schools expand. State policy is intended to mitigate a portion of this financial impact through Section 89 of Chapter 71 of the General Laws, which establishes a formula to reimburse school districts for the loss of some of their Chapter 70 aid that is redirected to fund charter schools, but the funding for this program depends on adequate appropriations in the state budget or in subsequent supplemental budgets.

We deeply appreciate your leadership last year to win an \$8 million supplemental appropriation to fully fund the program in fiscal 2013, and your support for fully funding the program in the current fiscal year by submitting a \$27.6 million request to the Legislature.

When charter school reimbursements fall short, communities are forced to cut other programs and services to make up the difference. Of the 20 cities and towns with the largest shortfalls, ranging from \$250,000 to \$10.3 million, 14 of them have been deemed by the state to have underperforming schools. These include some the state's poorest and most financially distressed cities and towns. Your support for fully funding the charter school reimbursement program will aid the most vulnerable and challenged school districts and communities in Massachusetts.

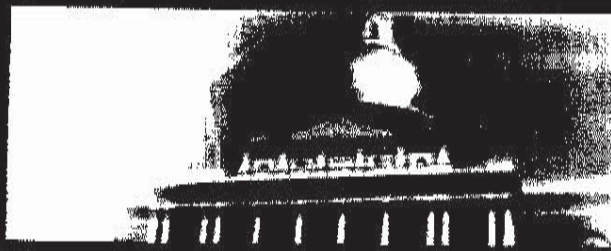
Again, thank you for supporting this vital program, and for your strong and abiding partnership with cities and towns.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Beckwith".

Geoffrey C. Beckwith  
Executive Director

cc: The Hon. Glen Shor, Secretary for Administration and Finance  
Ms. Pam Kocher, Director of Local Policy



# Act Now

Massachusetts Municipal Association

The Voice of Cities and Towns

[www.mma.org](http://www.mma.org)

Wednesday, April 9, 2014

## **PATRICK ADMINISTRATION TO PROVIDE CITIES AND TOWNS WITH \$30 MILLION FOR POTHOLE AND WINTER RECOVERY EFFORTS**

### **\$30 MILLION IN ONE-TIME AID TO BE AVAILABLE AND ALLOCATED THROUGH CHAPTER 90 FORMULA**

In one hour, Secretary of Transportation Richard Davey will officially announce that Governor Patrick has established a \$40 million "Pothole and Winter Recovery Program" that will provide cities and towns with \$30 million in funding this spring to repair potholes and other damage to roads, signs, facilities and equipment caused by the punishing winter. The remaining \$10 million will be used by the state Highway Division for similar repairs to state roads.

Secretary Davey will make the announcement at a press conference in Dorchester, joined by MMA President and Attleboro Mayor Kevin Dumas, Braintree Mayor Joseph Sullivan and other state and local officials.

According to MassDOT, this one-time program is funded through anticipated surpluses in the state's fiscal 2014 capital spending plan, caused by "the delay in the passage of transportation bond bill."

The \$30 million for cities and towns will be allocated to municipalities using the Chapter 90 formula. The program will allow municipalities to implement "repairs of potholes, cracking, signage, guardrail or other damage," as well as "repairs to municipal vehicles or transportation facilities (e.g. garages, fueling stations)" or "projects identified through written agreement between MassDOT and a municipality."

MassDOT officials have outlined the following details: 1) the program will be implemented this month, with all qualifying work completed by September of 2014; 2) the department will issue one-time contracts with municipalities allowing them to draw down their share of the \$30 million for the specific purpose of road and facility repairs; and 3) these contracts will include a "use it or lose it" clause to ensure that the funds are obligated for specific projects prior to the end of this fiscal year on June 30 and that funds are spent and projects completed by next September.

Cities and towns will be receiving official notification and information of this program within the next several days.

This year's harsh winter has damaged local roads, generated countless potholes and placed a huge burden on local taxpayers as municipal leaders work to shore up their crumbling roadways. Communities will put these funds to immediate use rebuilding and repairing roads, equipment and facilities in every corner of Massachusetts, which will save money, help our economy and improve public safety.

**This is very good news for cities and towns, and the MMA applauds Governor Patrick, Secretary Davey and MassDOT for this important program!**



## **GOV. UNVEILS ECONOMIC DEVELOPMENT PACKAGE**

(Reprinted from the May 2014 Issue of The Beacon)

At the state's second annual Economic Development Summit on April 10, Gov. Deval Patrick announced an economic development package designed to bolster workforce training, invest in Gateway Cities, and provide incentives to businesses to create jobs.

"I am convinced that we can reach more of our residents and accelerate our job and wealth creation, indeed that we can position ourselves to sustain our growth for many more years," Patrick said in a statement. "That's why I am filing this [bill] ... to expand opportunity more broadly into communities we have not yet reached, and to accelerate the growth of our innovation sectors."

The multi-year, \$100 million bill would remove the statutory limitation on the number of liquor licenses a local liquor authority may issue, allowing municipalities to create a plan for the number of licenses appropriate based on their own development needs.

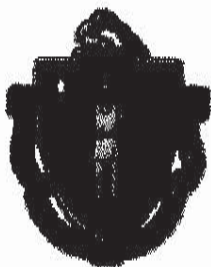
The bill would also expand opportunities for municipalities to access the state's Infrastructure Investment Inventive (I-Cubed) program, which provides financing for projects with significant economic returns, by eliminating the three-project maximum per municipality.

The governor's bill includes a number of initiatives targeted at the state's older, industrial cities, known as Gateway Cities, including:

- The creation of a Middle Skills Job Training Grant Fund to train students and workers for middle-skill careers in advanced manufacturing and information technology
- The recapitalization of the Massachusetts Growth Capital Corporation, the state's working capital lender, to small businesses
- The creation of a Transformative Development Fund at MassDevelopment to make equity investments, provide funding for collaborative workspaces, and provide technical assistance to support transformative development in Gateway Cities
- The expansion of the Housing Development Incentive Program to promote market-rate housing in Gateway Cities
- An appropriation of \$10 million to the Brownfields Redevelopment Fund, which facilitates the return of old manufacturing properties to productive use in economically-distressed areas

The summit at which the package was announced, a gathering of 300 business, academic and government leaders, was convened to discuss the implementation of the administration's 2012 economic development plan, "Choosing to Compete in the 21<sup>st</sup> Century" (available at [www.mass.gov/compete](http://www.mass.gov/compete)). The plan includes 55 action items and outlines five strategies for making Massachusetts a competitive player in the global economy: building and retaining talent; supporting the innovation economy; empowering regions and communities to create economic development; making it easier to do business; and improving cost competitiveness.

House Speaker Robert DeLeo was expected to file a comprehensive economic development bill in May.



## SUMMARY OF "AN ACT TO PROMOTE GROWTH AND OPPORTUNITY" FILED BY GOVERNOR DEVAL PATRICK

An Act to Promote Growth and Opportunity (H. 4045) builds on the Patrick Administration's proven growth strategy of investing in education, innovation, and infrastructure that has led to record job creation in Massachusetts and made the Commonwealth a global leader in key innovation economy sectors. The bill will accomplish two economic development goals through multi-year investments designed to sustain the Commonwealth's economic growth into the future:

- Broadly expanding opportunity into communities in Massachusetts not yet reached by the state's economic successes, and
- Accelerating the growth of our economy's innovation sectors.

### EXPANDING OPPORTUNITY

This bill brings the opportunities created by Massachusetts' strong economy to the entire state through the following programs and initiatives:

#### **Middle Skills Job Training Grant Fund**

The Act will provide funding of \$20 million to support training and education programs that address workforce shortages of the advanced manufacturing and information technology industries. The program over four years will create 4,000 additional skilled graduates poised for careers in advanced manufacturing and IT. The Commonwealth Corporation will provide grants to vocational-technical schools, community colleges and other qualifying entities to create opportunity for Massachusetts residents by supporting this middle skills job training.

~ "ADULT" YOUTH

#### **Gateway Cities Transformative Development Fund**

The bill brings growth and opportunity to Gateway Cities by enabling equity investments and technical assistance to support transformative development in these communities. This will be accomplished through the creation of a \$15 million Transformative Development Fund at MassDevelopment. This Fund also will support the creation of collaborative workspaces in Gateway Cities.

#### **Additional Funding for Massachusetts Growth Capital Corporation (MGCC)**

Additional funding of \$5 million for the MGCC, the state's working capital lender for small businesses, will help small businesses create additional jobs by providing greater access to capital and technical assistance.

### **Expanded Housing Development Incentive Program (HDIP)**

The expansion of the Housing Development Incentive Program will provide residents of Gateway Cities with increased access to housing, including affordable housing. Developers in these cities will be offered tax credits of up to 10% for market rate and mixed income housing units. The bill further incentivizes developers investing in these communities by eliminating the 50-unit per development cap on the number of units per development and increases the state income tax credits available from \$5 to \$10 million for the next four years.

### **Additional Funding for Brownfields Redevelopment Fund**

Economically-distressed areas will see growth as a result of \$10 million in additional funding for the Brownfields Redevelopment Fund at MassDevelopment, which encourages development in these areas by providing loans and grants for environmental site assessments and cleanup. The fund was partially re-capitalized with \$15 million in the most recent supplemental budget.

## **ACCELERATING INNOVATION**

This bill accelerates the vital Massachusetts innovation economy through the following programs and initiatives:

### **R&D Tax Credit**

The bill will foster additional innovation in Massachusetts by altering the current statutory R&D tax credit formula to give companies, whose R&D expenditures are rising, a relatively larger credit without affecting the Commonwealth's overall tax expenditure.

### **Job Creation Incentive in the EDIP**

The bill encourages job creation in the tech industry by recognizing that companies in this sector frequently expand without making large capital expenditures. Businesses will be incentivized to create a significant number of new jobs in the absence of sizable capital costs through targeted tax credits to businesses. Total state tax credit expenditures under the economic development incentive program would remain capped at \$25 million per year.

### **Global Entrepreneur Program Fund**

The bill will support continued innovation in Massachusetts by establishing a new program that would help talented and entrepreneurial international students in Massachusetts to stay here after graduation so that they could start or grow a new business. The program, which would be based at the Mass Tech Collaborative, would work with public and private institutions of higher education to place selected foreign students as "entrepreneurs in residence" at these schools, and would make \$3 million in state funds available to support such placements.

### **Non-Compete/Uniform Trade Secrets**

The bill will remove a significant barrier to innovation in the Commonwealth by eliminating the enforceability of non-competition agreements in Massachusetts. Non-Compete agreements restrict employee mobility, which stifles innovation, restricts growth, and limits the creation of start-ups in our economy. The bill also adopts the Uniform Trade Secrets Act (UTSA), already adopted in 48 other states, to further protect business intellectual property.

### **International Tourism Marketing**

Increasing funding for international tourism marketing by \$7 million will create new opportunities for our businesses by bolstering a growing and successful piece of the Massachusetts economy. This funding supports an aggressive international tourism marketing campaign over the next two years, focused on increasing visitation from countries with new direct air connections.

### **Additional Funding for Housing Preservation and Stabilization Trust Fund**

Massachusetts residents will have increased opportunities to access affordable housing as a result of \$5 million in additional funding for the Housing Preservation and Stabilization Trust Fund, which provides a flexible method for funding affordable housing for low-income families and individuals in the Commonwealth. Adding affordable housing allows us to attract and retain our workforce, which is essential to the continued growth and success of our economy

### **Additional Funding for MassVentures**

This bill will expand our innovation economy by directing \$5 million to MassVentures, enabling additional investments in early-stage, high-growth Massachusetts startups as they move from concept to commercialization.

### **Codify STEM Advisory Council**

Student interest in science, technology, engineering and mathematics (STEM) is vital to the ongoing success of our innovation economy. Massachusetts needs a workforce that is skilled and engaged in these disciplines in order to continue to compete on the global economic stage. The STEM Advisory Council brings the public and private sectors together with legislators and educators, to engage in meaningful collaboration with the Executive Branch around strategies to further student involvement in these areas. This proposal codifies the existing Council to preserve momentum for stakeholders of this widely supported initiative.

### **Additional Funding for Innovation Institute, Internships and Mentoring**

The bill supports the future workforce of the innovation economy by investing in internships and mentoring programs to ensure that the pool of potential employees in the Commonwealth is trained and experienced in our high tech industries. The Innovation Institute leads the Mass Tech Collaborative's technology and innovation initiatives. The internship program provides grants to qualifying high tech companies to hire interns, providing students with experience and networking opportunities. The mentoring program provides entrepreneurs with access to advice and support. A total of \$10 million will be directed toward these initiatives.

### **I-Cubed**

The bill will encourage investment in growth by raising the current statutory limits on the successful Infrastructure Investment Incentive program (I-Cubed), which provides innovative financing for infrastructure projects expected to leverage significant economic investment. The bill raises the number of allowed projects within any community to eight, and increases the total financing allowed under the program to \$600 million.



## **CONTINUING REFORM, TECHNICAL CORRECTIONS AND ADDITIONAL PROPOSALS**

### **Liquor License Quota Repeal**

The bill supports local economic opportunities removing statutory limitations on the number of liquor licenses a local liquor authority can issue, in order to give a local community greater control of the number of liquor licenses in their community.

### **MassDOT Land**

The bill allows for auction of certain MassDOT properties, which will increase MassDOT's ability to market property available for disposition through a variety of sales channels, while ensuring that any such disposition is made to the highest responsible bidder.

### **Economic Target Areas (ETAs)/Economic Opportunity Areas (EOAs)**

The bill removes the requirement that EDIP projects be located in an ETA or EOA, designations which no longer serve their intended purpose and which now interfere with state support of worthwhile projects.

### **EDIP Tax Credit Recapture**

The bill adopts a technical correction to make clear the Commonwealth's right to recapture tax credits from non-compliant companies.

### **MassWorks Technical Correction**

The bill makes a technical correction to the statute authorizing the state's MassWorks Infrastructure Program, to clarify the types of projects that may be funded.

### **Special Tax Assessment Technical Fix**

The bill amends the Economic Development Incentive Program statute to allow municipalities the same flexibility to enter into special tax assessments that they have with respect to tax increment financing (TIFs). Cities and towns would be authorized to offer a special tax assessment to a project that would benefit the local economy but does not meet the standards for state incentives.

### **Financial Services Advisory Council**

The bill enacts into statute a financial services advisory council composed of public and private representatives, to exchange ideas and develop strategies for business and government to work together to strengthen the Massachusetts financial services industry in areas such as public policy, workforce development, international trade and direct foreign investment, industry promotion, and competitiveness.

If you have questions about An Act to Promote Growth and Opportunity please contact Stephen Burm, EOHED Director of Legislative Affairs, at (617) 788-3658, or [Stephen.G.Burm@state.ma.us](mailto:Stephen.G.Burm@state.ma.us).



## Department of Veterans' Services

Veterans' Benefits Administration  
Regulations (108 CMR)  
& VALOR Act II



## Veterans' Benefits Administration Regulations (108 CMR)

- The regulations that control the administration of veterans' benefits in the Commonwealth, under General Laws Chapter 115, were first promulgated in 1978 and have not been updated for over 10 years.
- It is crucial that the law and regulations relating to the administration of benefits for veterans be applied objectively, fairly, and consistently throughout the 351 cities and towns in the Commonwealth.



## Goals of 108 CMR Rewrite

- Consistent, clear and easier to understand.
- Standards applied by the Veterans' Agents in processing applications and making determinations are standard across municipalities, objective and fact-based.



## Major Areas of Interest

- Chapter 3-Eligibility & Responsibilities of Agents
- Chapters 3 & 7-Clarifying the definition of "voluntary unemployment" to include objective definitional standards
- Chapters 5 & 6-Reviewing the income and asset guidelines
- Chapter 8-Clarifying hearings, appeals and the scope of review by the Division of Administrative Law Appeals
- New Chapter 14-relating to the certification process for Veterans' Service Officers as required by Valor Act II



### 108 CMR Timeline

- MAY-Outreach to stakeholders
- JUNE-Submission of draft to Administration and Local Government Advisory Commission as required by Executive Order 145
- September-Public Hearing & Comment Public Comment period
- October-Submission to Secretary of the Commonwealth's Office and official adoption of the revised regulations in Fall 2014



### VALOR Act II

- Signed into law on April 3, 2014 and officially listed in Chapter 82 of the Acts of 2014.
- Sections 24 and 34 require the DVS to develop and administer a training program for veterans service officers. The department must test knowledge of chapter 115, employment, education, health care, retirement and other veterans' benefits and resources provided by the federal government.
- Training shall be offered annually and shall be administered by the secretary of veterans' services and approved by the Massachusetts Veterans' Service Officers Association and Massachusetts Municipal Association.
- The secretary of veterans' services shall adopt all necessary rules, regulations and procedures in conjunction with the commission established by section 19 of chapter 108 of the acts of 2012 to implement section 24 not later than 180 days after the effective date of this act.
- Sections 9-17, 26-27. These sections codify and streamline the property tax exemption for paraplegic veterans and their spouses. The sections also codify the optional additional exemption, whereby cities and towns give taxpayers receiving listed personal exemptions an additional exemption of up to 100%. Additionally, the sections extend the volunteer veteran property tax credit to spouses of veterans, where the veteran is deceased or has a service-connected disability.



### Certification Timeline

- JUNE-Deliver training recommendations to Commission
- JULY-Finalize recommendations
- August/September-Develop Testing Procedures
- October- Veterans' Agent Annual Training
- 2015-Inaugural Test and Certification

Approved  
5-13-14

DRAFT

Local Government Advisory Commission Minutes

April 8, 2014

1:04 p.m.

Room 157, State House, Boston, MA

ATTENDANCE: K. Dumas, G. Shor, P. Kocher, A. Gornstein, C. Bartlett, P. Todisco, J. McCarthy, P. DeRensis, D. Nixon, D. Presser, C. Freda, K. Fitzpatrick, A. Visopli, M. McGlynn, D. Kielson, D. Siegel, W. Martin, J. Gonzalez, C. Coleman, D. Gutro, A. Herzog, L. Blackman, J. O'Keefe, A. Chapdelaine

VOTES:

Approve meeting minutes of February 2014 meeting. SO VOTED

DISCUSSION: Opiate Abuse: Department of Public Health (DPH) Commissioner Bartlett described state actions and programs underway to address opiate abuse in the commonwealth, noting the Governor's recent declaration of a public health emergency relating to opiate abuse and noting forum held recently in Taunton, where the city has had a series of opiate deaths. She characterized the state's approach as the following 4 strategies:

*Prevention* – e.g., federal funding in 71 communities to prevent drug use; recognize underage drinking as “gateway” to drug abuse; sponsoring prescription drug disposal programs at local police departments.

*Intervention* – e.g., prescription monitoring program that will be stepped up for wider participation; use of Narcan (antidote) pilot program in 6 communities to train police/fire/EMS personnel in its use. Regulatory changes contemplated so that first responders will be able to provide.

*Treatment* – e.g., examining other non-addicting options for those in recovery programs. Test underway in prisons re: use of injection drug (vivitrol). Also considering allowing pharmacies to provide Narcan to “bystanders” to ensure its use w/o waiting for a doctor's prescription.

*Gaps in service* – examine gaps in system of care; more attention to community-based care, need for family support. Ad hoc task force of the Interagency Council on Substance Abuse and Prevention to report to the Governor in @ 2 months re: recommendations for improvement.

Mayor Dumas noted that he and Mayor McGlynn will be co-chairing an MMA committee on this issue, and sees municipalities as integral partners with DPH in addressing this issue. Commissioner Bartlett also noted that she will soon be going to Greenfield to meeting with local officials there on this issue.

State Economy/Revenues, etc.: Secretary Shor noted that revenues in the early months of 2014 are exceeding the upwardly revised benchmark established in January. He noted that April and June are also good revenue months; but cautioned that some of this revenue is the result of tax settlements (the vast majority of which must be devoted to the “rainy day” fund) and tax receipts from capital gains (also devoted to the rainy day fund). He is also looking to state agencies to update spending needs; all of these factors will affect any 2014 supplemental budget request.

FY2014 supplemental budget: Several LGAC members, including Mayor McGlynn, Councilor Blackman, and Selectman Dunford addresses costs communities are facing as a result of snow and ice removal, cost

of salt and sand, and necessary road repairs results from the harsh winter. Other needs for supplemental funding include the charter schools reimbursement (also discussed at the February 2014 LGAC meeting), which adversely affects local ability to adequately fund local school systems, and the need to increase the state's PILOT payments for state owned land. Mayor McGlynn noted Governor Patrick's attention to "protect(ing)" the local taxpayer", and noted the strong partnership the cities and towns have enjoyed with the Patrick administration on many issues. He noted that support for a snow and ice supplemental request, for example, was in the spirit of protecting the taxpayer, by mitigating the costs associated with the difficult winter. It was also noted that the lottery has already indicated that revenues will increase this year by \$20 million; this lottery increase alone would not alleviate all such costs, but would be welcome in partially responding to these needs.

Secretary Shor responded that the administration was "tracking municipal financial needs," and that he will look at such requests "very closely" and give them "careful consideration."

Investment of Other Post Employment Benefit (OPEB) funds: Paul Todisco, Senior Client Service Officer of the state's PRIM Board, explained that cities and towns have the opportunity to invest their own OPEB funds in the state's Health Care Security Trust (oversees the state's own OPEB fund, "the State Retiree Benefits Trust Fund). He referred to the state's investment approach as "robust," and a good vehicle for investment of revenue overtime, with the investment portfolio designed for an 8% return over time. He noted that community leaders must understand the risks of investing, noting that the market can be volatile. Mayor Martin asked if the minimum contribution (\$250,000) and the aim of \$1 million investment in three years were too steep – asking if the three year time frame could be stretched to 5 years. He also asked if communities could aggregate their contributions to the fund. Mr. Todisco characterized the \$1 million aim, as an aim of the program, but not a requirement, and indicated a willingness to discuss the aggregation possibilities, noting that Dukes County's own fund does provide for contributions of all the Martha's Vineyard towns. The mayor also asked if the funds could be invested in local Massachusetts projects. Mr. Todisco stated that the PRIM Board has made some "economically targeted investments," but that fiduciary tests apply to all such investments. Secretary Shor noted that the administration has filed legislation to allow other public entities (e.g., housing authorities, educational collaboratives) to participate in the state's OPEB program, although the legislation has not yet been enacted. Pam Kocher asked how many municipalities were participating; Mr. Todisco referred the group to information in his handout, as well as noting that 2 potential members will be considered at the Trust's meeting next week. Needham Town Manager Kate Fitzpatrick described Needham's experience in investing in the trust; the town believed this was the best vehicle for maximizing returns. She also highlighted MMA's support for the reform that Secretary Shor had noted, as well as for House 1056, which would provide for a municipal seat on the Trust Fund board.

Not on agenda: Selectman Dunford asked that the meeting remember the two Boston firefighters, Martin Walsh, and Michael Kennedy, who lost their lives in a Boston fire recently. The LGAC offered a moment of silence for the firefighters.

Meeting adjourned, 1:57 p.m.

Materials Distributed: Draft meeting minutes – February 11, 2014 meeting

Presentation: Health Security Trust, etc. – distributed by Paul Todisco, Senior Client Service Officer – PRIM Board (see above re: OPEB)