



OFFICE OF THE BOARD OF SELECTMEN  
**TOWN OF ACUSHNET**

BOARD OF SELECTMEN  
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November 13, 2018

Mr. Christopher Hendricks  
State Representative Elect  
186 Branscomb Street  
New Bedford, MA 02745-5804

Dear Sir;

On behalf of the Town of Acushnet, I respectfully request your support for the proposed reforms outlined on the following pages, which reflect the Town's Legislative Priorities, as identified by Acushnet Officials, the Massachusetts Municipal Managers' Association and the Massachusetts Municipal Association. We believe that your support of these items is in line with your demonstrated commitment to strengthening partnerships with local officials and building a stronger community.

The reforms that are highlighted herein would benefit our efforts to mitigate heightened pressures on local resources. Many of the rules, regulations and state laws that are in place today hinder our ability to apply creative and innovative means to manage our organization effectively, and many may create inefficiencies, redundancies, and waste in the use of the limited financial and human resources that are at a municipality's disposal.

We would be pleased to provide additional information or meet with you or your staff once you are situated if you think this would be helpful. Again, thank you for your consideration.

Sincerely,

Michael A. Cioper  
Chairman

cc: Board of Selectmen  
Town Administrator  
Finance Director  
Superintendent of Schools  
Finance Committee

1. Provide a Multi-Year Chapter 90 Authorization

Increased funding of the Chapter 90 program, through which the Commonwealth reimburses municipalities for eligible roadway improvement projects, is critically important as communities across the state seek to maintain safe local roadways and build strong local economies. The program's formula-based funding takes into account a community's population, road miles, and employment.

The proposed level funding of the Chapter 90 program for Fiscal 2019 does not provide Acushnet with an amount adequate to maintain roads in a state of good repair, the industry standard. Based on the Town's 2018 Pavement Management Program, we need more than \$15 million to bring roads up to the industry standard for ensuring well-maintained roads in good condition. Actual spending is far less than the amount necessary to even maintain our current road conditions. According to the U.S. Department of Transportation, once a local road is in a state of good repair, every dollar invested in keeping it maintained will avoid repair costs due to lack of maintenance. The rapidly increasing costs reflects the overall deterioration of our roadway infrastructure and underscores the detrimental effects of deferred and underinvestment in our aging infrastructure.

The timing of legislative action on Chapter 90 is also critically important with adherence to the April 1 notification date necessary to allow municipalities the needed time to plan, bid and award paving contracts and make maximum use of the funds during the full construction season. For most cities and towns, including Acushnet, Chapter 90 is the only source of funds for road construction and repairs, and delays or reductions in funding can result in paving projects being postponed until the following season. Continuing the multi-year bond bill would allow for better planning and more effective use of funding as well.

#### Why is Chapter 90 Funding a Legislative Priority for the Town of Acushnet?

The Town of Acushnet has approximately 86 miles of roadway. Historically, the Town's annual spending on road construction projects has been limited to its Chapter 90 allocation, which has been insufficient to keep pace with needed maintenance and investments. In 2017, the Town completed a comprehensive pavement management study which assessed the condition of the Town's roadways. Notably, the study found only 8.7 miles of the Town's roadways to be in excellent condition and need of no maintenance, and over one-quarter of the roads were found to be in such poor condition that they require reclamation or reconstruction.

Ultimately, deferring investment in our roadways will negatively impact the Town's financial condition and bond rating by increasing costs and reducing the Town's ability to fund other services. Since completing the pavement management study, the Town has developed a pavement management plan to guide its investment in local roadway infrastructure. The Town's study found that if the Town were to invest only Chapter 90 funds for ten years, the backlog of roadway maintenance work would increase from an estimated \$15 million to almost \$45 million over that period. Annual spending of \$1.7 million would be necessary to merely maintain current pavement conditions.

## 2. Increase Circuit-Breaker Funding

Another top priority for Fiscal 2020 is increased funding of the state's special education

reimbursement program known as the "Circuit Breaker Program" which provides reimbursements to school districts that must provide high-cost programs for special education students. Under this program, the state's current target is 70% reimbursement for the cost of special education placements that exceed a minimum threshold. The Governor's proposed Fiscal 2019 budget level-funds the program; however, with special education costs continuing to increase, level-funding of the program would effectively result in underfunding at the current reimbursement rate. Another growing financial burden and concern to districts is that the current circuit breaker program does not provide any relief to special education transportation costs, which are significant and, at times, include specific services to address medically fragile student needs.

We are again seeking your support for a more expansive modification of the Circuit-Breaker Program that would increase the current funding formula to 100% reimbursement for the cost of special education services that exceed the minimum threshold and that adds reimbursement for associated mandated special education transportation expenses. Given the high cost of providing specialized transportation, many districts are forced to reduce regular education school programs or further shift funds from the municipal side of the budget. Adding a transportation funding component would provide great relief to school budgets.

### 3. Ensure Sustainable OPEB Costs for Cities and Towns

Legislative action to reduce the looming Other Post-Employment Benefits (OPEB) funding crisis is critical to keeping cities and towns from gutting essential services and increasing local property taxes. OPEB refers to non-pension benefits provided to retirees, consisting primarily of health insurance. OPEB obligations represent a \$40 billion liability for municipalities in the Commonwealth. The magnitude of these costs becomes even more relevant as bond rating agencies now require reporting OPEB liabilities on municipal balance sheets. Without meaningful reform, the costs of retiree health insurance will consume an increasingly greater share of municipal budgets and squeeze out funding for critical services.

Currently, employees who retire at age 55 having worked for at least 20 hours per week for at least ten years typically qualify to receive health insurance benefits for life. Unlike pensions, these medical benefits are not adjusted to account for full or part-time work, years of service, or age of the recipient at the time of retirement. This model, adopted during a different era, is no longer sustainable. Reform is necessary to protect not only the financial well-being of municipalities but to also protect retiree benefits in both the short and long term.

In 2011, the State enacted municipal health insurance reform, giving municipal officials a set of tools to change plan design features for active employees and retirees. But even with this authority, municipalities have little or no control over the primary drivers of general health care costs. With communities having little or no recourse for raising revenues in the Proposition 2 ½ era, if untouched, this unsustainable cost will crowd out funding for other key line items in municipal budgets, threatening jobs and core municipal services.

The Town supports the Massachusetts Municipal Association's call for reform that modernizes the benefit structure but also allows cities and towns to retain their existing management authority to change retiree premium contribution rates and to adopt various sections of Chapter 32B that dictate who receives retiree benefits.

Why is OPEB Reform a top Legislative Priority for the Town of Acushnet?

In response to the newly quantified OPEB liability, Acushnet Town Meeting transferred our OPEB Stabilization to the States Trust Fund and added \$100,000 making in all a fund of only \$300,000 against a liability of over \$16 million.

Town Meeting rejected adopting the local option meals taxes as a future dedicated funding source for OPEB.

The Town strives to add to the OPEB Trust fund from general revenues without impacting the level of local services. While the Town continues to work with its actuaries to refine its long-term OPEB funding plan, the fact remains that municipalities cannot fund themselves out of this problem. The solution requires immediate action by the Legislature to reform the benefit structure in order to make it sustainable for all stakeholders.

In addition to the top three legislative priorities above, the Town is also including the following bulleted list of additional issues and initiatives that we hope you will support.

- **Oppose Unfunded Mandates:** We seek your support in working with the MMA and municipalities to comprehensively review and analyze unfunded mandates imposed by state law, regulation or other action. In addition to seeking full funding for all current mandates, we ask that you support the MMA's proposal that would require all state agencies to prepare municipal and school district fiscal impact statements for any new state regulation or guideline, or other Executive Branch action affecting local government.
- **Regional Vocational Transportation Reimbursement** is underfunded. The state promised 100% and currently we average 71.5% reimbursement. The state needs to do better to live up to their promises to support regionalization of education initiatives.
- **Modernize Procurement and Public Construction Laws:** The following suggestions would reduce the direct financial and administrative costs of dealing with overly restrictive and outdated purchasing and public construction regulations and laws. A major cost factor in public construction is a requirement that Towns pay “prevailing wages,” that are often greater than the wages paid by local contractors. Also, this requirement involves far more paperwork than local contractors are prepared or willing to take on for a one-time project. It is ironic that a law, which was initiated to encourage the award of contracts to local tradesmen, would have an opposite effect. We urge you to address the long overdue problem of excessively high public construction costs within the Commonwealth.
- **Ambulance Billing:** We seek your support of legislation that prohibits insurance companies from paying patients directly, rather than ambulance service providers, for certain emergency medical service calls. The practice of reimbursing patients leaves providers-often municipalities-with the responsibility of collecting fees directly from the patient. This practice is confusing to the patient and adds additional administrative burden (cost) when municipalities must track down payments. Additionally, the legislation must give municipal officials the authority to set rates that cover the actual cost of the EMS, rather than giving rate-setting authority to insurance companies. Municipal control over the rates would ensure that costs are not passed from insurance companies onto local property taxpayers due to below-cost reimbursements.
- **Proper funding for DEP Enforcement:** As you are aware, Acushnet is the home of a large quarry currently owned and operated by P.J. Keating. The quarry operations are governed by

several federal and state agencies that administer multiple standards and regulations. At the local level, the governance of quarry operations is under the purview of the Board of Selectmen, the Board of Health, and the Conservation Commission and, through the Massachusetts State Fire code, the Fire Chief.

In the past few months, town officials have noticed an increase in complaints from neighbors of the quarry regarding the intensity of blasts, the amount of dust, noise, and odor that is affecting their property. Our Town Hall staff routinely feels and hears the effects of quarry blasts from our offices nearly the one-mile distance from the quarry location. It is important to note that the closest residential structure from the quarry is approximately 1,000 feet and that several streets ring the South Main street property with numerous homes and businesses.

The Town needs additional assistance from the Department of Environmental Protection in odor, noise, and dust control. We are repeatedly told that the DEP Enforcement Division is underfunded, and the Town may not rely on the DEP to provide any leadership in addressing the concerns of the residents. The Town Meeting did appropriate \$50,000 for the Town to contract out the monitoring and reporting requirements of the DEP Permits issued by MaDEP.

- **South Main Street:** South Main Street is a state road. The road needs significant repair, and the granite curbs are below state standards. The road has numerous potholes and defects that have not been repaired by the state. We want the state to coordinate with the Town so that water and sewer infrastructure could be upgraded at the same time. There are also gas mains that have not been touched for over sixty years.
- **Natural Gas Infrastructure:** The Town is host to a large LNG Storage and distribution facility on Peckham Road as well as underground gas lines. The Town has expressed concerns regarding the proper regulation of and enforcement of rules that guarantee the safety of the residents. Concerns that have gone unaddressed by State Officials are the air quality monitoring particularly when there is an atmospheric release from the tanks. The issue in the Merrimack Valley particularly concern the residents, and we are looking for increased state inspections and monitoring of underground leaks and pressurization monitoring.
- **Civil Service:** Recognizing that Civil Service is an antiquated system and allow for the revocation of the statute at local option without approval by the Legislature. The proposed MMA bill would require the city or town to provide documentation to the Legislature's Joint Committee on Public Service that outlines the local policy or policies that would replace the Civil Service statute.
- **Public rights of way:** The Massachusetts Municipal Association is backing a bill which would give municipalities increased authority over utilities that operate in the public right of way. The bill would specify that, if utilities delay in relocating poles and wires, municipalities have the authority to move poles and wires, and may charge utilities for non-performance. It would give municipalities the authority to adopt bylaws and ordinances related to imposing fees and fines, assessing taxes, and licensing and permitting of utility companies that operate in the public right of way.

On behalf of the Town of Acushnet, thank you in advance for your consideration of these important issues and initiatives and offer you the use of the Town Hall or the Council on Aging for your regular office hours within the District.