

GREENWOOD SELECTMEN'S MEETING MINUTES

August 17, 2021

Item 1: Call Meeting to Order – Chair Chapman called the meeting to order at 5:00pm.
Roll Call: Amy Chapman, Arnold Jordan, Norman A. Milliard, and Kim Sparks

Item 2: Pledge of Allegiance

Item 3: Review and approve:

Expenditure Warrant # 6 (\$ 114,621.13) covering period Aug. 4, – Aug. 9, 2021
Includes voucher # 183 for \$ 97,088.00 payable to MSAD #44

Expenditure Warrant # 7 (\$ 72,357.99) covering period Aug. 10, - Aug. 16, 2021
Includes voucher # 199 for \$ 41,439.68 payable to All States Construction (Chip Seal for Richardson Hollow Rd.)

The Board reviewed Expenditure Warrants #6 & #7.

Selectman Milliard motioned and Selectman Jordan seconded to approved Expenditure Warrants #6 & #7 as read. Vote: 3-0. Warrants are approved.

Item 4: Review and approve minutes of August 3, 2021

The Board reviewed the minutes. Selectman Jordan motioned and Selectman Milliard seconded to approve the minutes as presented. Vote: 3-0. Motion passes. Minutes are approved.

Item 5: Comments from the Public - None

A. Selectmen contacted outside of meeting - None

Item 6: Discussion with Andrea Karkos, Financial Advisor from Androscoggin Bank

Andrea stated that she was here to answer the Board's questions and explain how the different retirement programs work. Andrea explained that she works with several small Towns in Maine and they all have found that the Simple IRA plan works best for them and their employees. Selectman Milliard stated that he has some very specific questions to ask.

Selectman Milliard asked the following:

Under new plans, would the effective date be 2022 or can it be implemented before then? Andrea answered that we have a short window of time if we want to get it implemented in 2021 with having all paperwork completed and submitted by October 1st. Andrea explained that if that timeline can't be reached then it would be effective January 1st, 2022.

Under contributions, is 3 percent the maximum for employee and/or employer contributions or both? Andrea answered yes and no...and explained that the employee contribution is not a percentage but a dollar amount. She explained that employees under the age of 50 years of age can contribute \$13,500 a year and

employees over the age of 50 years can contribute \$ 16,500 a year. She explained that the employer can only contribute one of two ways. She explained the employer can do a matching contribution of up to 3 percent of their pay - so if the employee puts in 3 percent or more of their pay the Town is on the hook for 3 percent. She explained that if the employee puts in 2 percent, then the Town is on the hook for 2 percent of their pay. Andrea stated that the other option is a flat 2 percent contribution for all employees regardless of what they put in. Andrea explained that the matching contribution tends to be a bit more expensive and is more popular because it requires the employees to have a bit of skin in the game. Andrea stated that a lot of the Towns she works for feel that if the employee doesn't want to save their money for retirement, then why should the Town and having a matching contribution will get the involvement from the employee.

Under funding deadlines, there is a reference here for plans of fewer than 100 participants and then it says deposits no later than the 7th business day. So, would that mean every pay period? Andrea answered yes.

Next item references the tax filing deadlines, so is that considered once per year? Andrea answered yes but she recommends that the Employer does this on an ongoing basis. She explained that you will see the Simple IRA custodian that she uses 90% of the time will use American Funds. She explained that they use American Funds for a couple of reasons and they really like their selection and they are extremely fee reasonable being one of the least expensive custodians to use. Andrea stated that American Funds has a great online roster that the employer can use to file the employee and employer contributions on a weekly basis.

Under the everything you need to know category; it references eligible employees so can you tell us what constitutes an eligible employee? Andrea stated that we would have to offer this to any employee who is over the age of eighteen and who is reasonably assumed to earn \$ 5,000 or more in the calendar year.

Does that restrict employees to being full-time? Andrea answered no.

It references if an employee does not make a selection for their investment options you will put it into an American Funds target date series, is that correct? Andrea answered yes, but explained that never happens because she sits down and meets with each employee individually to get them set up.

In the event, the employee does have this option is that where the investments would go? Andrea answered yes and it would be based on their age.

The reference under that category mentions 12 funds, so if the individual deposits \$ 100 per pay period does that mean you are splitting that money up between those 12 funds. Andrea answered no and that it is based on the employee's age. Andrea explained if you are 60 years old, they will automatically put you in the fund that is closest to the employee's 65th birthday.

Under compensation or terms and conditions, it references wages, tips and other compensation – does that also include overtime? Andrea answered yes.

Can you explain to us what a two-year grace period is? Andrea explained that Simple IRA's have a two-year rule that once you have started and funded an IRA the funds have to stay in the IRA for two years. Andrea explained that the funds deposited are completely owned by the employee with no vesting schedule. She explained that what the Town puts in and what the employee puts in belongs to the employee. She stated that if an employee contributes for a year and then leaves the Town for another job, they wouldn't be able to roll this account over into a 401K or a traditional IRA until it has been open and funded for two years. She explained that this would also apply for outside funding, so if an employee wants to add funds from a previous employer that is not allowed.

Could you explain what is the difference between elective deferrals and non-elective contributions? Or are they two separate issues? Andrea stated that the employee contribution is optional and the employer contribution is not based on what the employee does. She explained that if an employee pauses their contribution which the employer can allow for, say an employee needs to pause for three months that is allowed. The Employer is not allowed to pause so it is elective on the employee part but not elective on the employer part.

It references that American Funds provides the employee with an annual statement? Andrea stated that the statements are issued quarterly.

Are the employees who participate in one of these funds, are they able to track it electronically? Andrea stated that this can be absolutely done and that there is an app that they can add to their any of their devices.

Selectman Millard thanked Andrea for answering all of his questions. Andrea explained that between and Simple IRA and a 401K - the Simple IRAs are so popular because the Simple IRAs has zero cost to administer. She explained that a 401K program would cost the Town a couple thousand dollars a year to administer it. She explained that a 401K would have higher contribution limits instead of that \$ 13,500 limit a 401K would have up to \$ 19,500. Andrea explained that for the vast majority of us the \$ 13,500 does it for us. She explained that 401K's do allow for a vesting schedule that the employer would set. She stated that 401K's would allow for lending against the balance.

Andrea explained that an employee could borrow up to 50% of the value of their account and you can't borrow against a Simple IRA. Andrea explained that with a Simple IRA there is a \$ 10.00 annual administrative fee paid by each participant. Selectman Millard asked if the Town's cost for a Simple IRA would be \$ 10 per year and \$ 10 per year for the employee. Andrea explained that a Simple IRA is no cost to the Town and the employee would pay the fee. Andrea explained that the Town's cost would be the contributions. Andrea explained that Simple IRA's fees would be paid by the Employees but 401K fees would be paid by the Town.

Selectman Jordan asked under the Simple IRA the employer can not insist on a vesting schedule. Andrea explained that under a Simple IRA you cannot but on a 401K you can. Selectman Jordan stated that the reason they are considering this is for employee retention as he would like some assurance from the employee that they are going to stick with the Town. Selectman Jordan stated that if we have a vested retirement program it gives the employee incentive to stay with the Town and think twice before they move on. Andrea explained that having a financial retirement plan available to help increase retention as it is just like offering health benefits. Andrea stated that Selectman Jordan

is correct that a Simple IRA does not have a vesting option but the 401K does. Andrea explained that the Board will have to decide if having a vesting schedule is worth the cost difference to the Town. Selectman Jordan asked if employees could start with 1 percent and then over time increase their percentage up to 3 percent. Andrea stated that is what most people do is start out small and then increase over time. Andrea stated that she prefers to sit with each employee, explain the program, answer their questions, and that it usually takes about 15 to 20 minutes. Andrea explained that she has about 98% employee participation as she explains to employees that essentially could be a three percent raise. Chair Chapman stated that it was a good idea for Andrea to meet with every employee to explain the process and that this just isn't a deductible to their check but a deposit into a retirement account. Selectman Milliard asked if this was all pre-tax money. Andrea stated that it was all pre-tax.

Selectman Jordan asked if an employee elected 1 percent could the employer drop down to the 1 percent as well. Andrea answered yes and that in fact the employer has to. Chair Chapman stated that the employer can't put in more than the employee. Andrea suggested that the Board look at the Town's payroll cost and calculate 3 percent of that and that would be the maximum out of pocket. Selectman Milliard stated even if an employee wanted to contribute 10 percent the Town would only contribute 3 percent. Andrea explained if the Town wants to do the match, we can't exceed 3 percent and the other option is a flat 2 percent and that doesn't matter what any of the employees put in or don't put in it is a flat 2 percent for everyone that qualifies. Andrea explained that we can change from year to year from the match to the flat but only at the beginning of the year. She explained that once we are in one of them, we can't switch to the other until the first of year. Andrea explained that she prefers the matching program as opposed to the flat program as from time to time she has seen employees drawing down funds from the flat program that they have not contributed to. Andrea explained that if the Town goes with the Simple IRA, we would need to decide how often employees can change their salary deferrals and she finds that most of her employers allow monthly or quarterly. Andrea cautioned that the program needs to be run consistently to avoid causing red flags to the IRS as they want to make sure you are not discriminating against anyone.

Selectman Milliard asked how long does it take to set up the accounts. Andrea explained that it takes 15-20 minutes for her to go over everything with each employee and we would see the plan set up within a week. Selectman Jordan asked if she would be able to come meet with all of the employees on the same day here at the Office. Chair Chapman stated that would work best and we would include all of our employees who would have earned \$ 5000 by the end of the year. Andrea stated that is what she would plan on doing. Kim stated that if the Board decides to offer this, she would have the employee meeting on a Thursday here at the Town Office. Andrea stated that the deadline would be on October 1st. Andrea stated that if the Town sets up a retirement program with Androscoggin Bank, then every employee would have access to free financial planning. Selectman Jordan asked what was the projected estimate on a return for these programs. Andrea stated that an average analyzed return would be around 7 percent and with a more aggressive portfolio you could earn up to 9 percent.

The Board thanked Andrea for her presentation.

Item 7: Discuss Emergency Rule on Immunization Requirements for Healthcare Workers

Kim gave the Board a copy of the State Covid-19 Healthcare Vaccine mandate. Kim explained that she was invited to a Maine EMS Board Zoom meeting to learn more about this, the meeting had technical difficulties, and needed to reschedule for Monday, August 23rd. Kim stated that she will attend the zoom meeting on Monday to see if she can get more information on this. Selectman Milliard asked if anyone had heard if the State was working on extending the deadlines. Kim stated that she had not heard of any extension. Kim explained that she will send a letter and a copy of the State mandate to our EMS personnel. Chair Chapman asked if they just have to supply us a copy of their vaccination card. Selectman Milliard stated that this also has to be documented and they indicate that this has to be done periodically. Kim stated that if the EMS personnel do not comply to the mandate, we have been told that the State will pull their EMS license and in turn could jeopardize the Town's First Responder license. Chair Chapman stated that she was surprised that this wasn't extended to all emergency personnel that enter homes to include firefighters. Selectman Milliard stated that the notification to our EMS crew is to just inform them of this new regulation and inform them of the deadlines. Kim answered yes. Kim explained that one of the EMS employees had heard of this requirement and brought in a copy of his complete vaccination record.

Item 8: Discuss Covid-19 mandates for Town Facilities

Kim explained that the CDC reports that things are ramping up in Oxford County again. Kim explained that Oxford County as a substantial level of Covid 19 transmission and the CDC recommends mask wearing in public buildings. Kim asked if the Board wanted to make mask wearing mandatory in all Town buildings if the CDC has Oxford County at the Substantial or High transmission level. Selectman Milliard stated that he would be on the side to side with caution. Chair Chapman stated that they need to decide if they want to close the other two buildings to the public or require masks of everyone but also for everyone while they are working. Chair Chapman stated that the Town Office can stay open to the public because masks are required.

Selectman Jordan asked how this would impact the Farmer's Market as some of them are inside. Selectman Milliard stated that Suzanne Dunham who runs the market was very insistent early on that vendors and visitor wear masks and feels that she will comply with wearing masks in the public building. Kim stated that she would contact Suzanne to let her know and will put signage up at the Town Hall.

Chair Chapman asked what were everyone's thoughts about the Fire Station and the Town Garage. Chair Chapman stated that they are asking all employees to wear masks or we are asking the Fire Station and Town Garage to be closed to the public. Selectman Jordan stated that this is a difficult decision as things change daily. Kim also stated that Ken was asking if they should attend mutual aid training during a substantial or high transmission time. Chair Chapman stated that if firemen were required to get the vaccine, she would feel better with them having mutual aid training together as she feels better with vaccinated people congregating vs. non-vaccinated people congregating. Selectman Milliard stated that this should be a precautionary thing and training should be postponed for the time being. The Board agreed that when Oxford County is in

substantial or high transmission per the CDC, masks are to be worn by employees and/or visitors when inside all Town buildings. The Board agreed that the Highway Department and Fire Department do not have to wear masks when working or training outside.

Item 9: Comments from the Public - None

Item 10: Meetings and Events

Tue., Aug. 31st – Area Selectmen Workshop, 5:30pm Telstar Library

Tue., Sept. 7th – Selectmen’s Meeting, 5:00pm GTO

Sat., Sept. 11th – Hazardous Waste Collection Day, 9am – Noon Bethel Bus Garage

Mon., Sept. 13th – Planning Board Meeting, 5:30pm GTO

Mon. Sept. 20th – Planning Board Meeting, 5:30pm GTO

Tue., Sept. 21st – Selectmen’s Meeting, 5:00pm GTO

Item 11: Adjourn -Having no further business, Selectman Milliard motioned and Selectman Jordan seconded to adjourn the meeting at 6:05pm. Vote: 3-0. Meeting adjourned.