



# Town of Wayland Massachusetts

## **OPEB Advisory Committee**

Kent George

David Gutschenritter

Cliff Lewis (Chair)

Maryanne Peabody

Jay Sherry

## **Minutes of October 22, 2013 Committee Meeting (As Approved December 5, 2013)**

In Attendance were: Kent George, Cliff Lewis, Jay Sherry

Absent: David Gutschenritter, Maryanne Peabody

This meeting was recorded and is currently available on WayCAM at:

<http://waycamtv.pegcentral.com/player.php?video=3ae98c9e7fbc9f984b0bc9d8608554f9>

The meeting was called to order at 7:10 pm in the Town Building. The following Agenda topics were addressed:

### **1. Review and Approve Minutes of September 24 2013 meeting**

The Committee passed over this item as the minutes have not been drafted.

### **2. Review Segal Company's October non-GASB 45 valuation of Wayland's OPEB obligations – Jay Sherry**

Jay Sherry reviewed the Segal Company revised valuation, which is attached to these minutes as Exhibit A. Jay noted that the FY2013 value for Projected Benefit Payments is still \$200K higher than Wayland's \$1.5M actual expense, which is disappointing. This is due to Segal's model, which predicted more retirees than Wayland actually experienced in FY2013. Jay noted that the revised valuation significantly reduced our current and future OPEB obligations when compared to the March GASB 45 valuation.

*WayCAM video on this section ends at 19:30*

**3. Review of John Senchyshyn meeting regarding OPEB costs and possible cost saving measures**

Kent shared that Brian Keveny has an accounting initiative underway to ensure that enterprise funds and revolving funds are appropriately charged for their respective employees OPEB liabilities and normal cost.

Cliff shared the news from his meeting with John Senchyshyn that there will be some significant cost reductions coming in the Medicare plans, and the coverage of spouses via family plans.

Cliff also relayed that John felt that there would be significant value to the Town's employees and their unions to establishing a bona fide trust for Wayland's OPEB monies.

*WayCAM video on this section ends at 37:30*

**4. Discuss steps for communication to the Public, Selectmen and other stakeholders**

Carol Martin (a member of the public) commented that the Committee should emphasize to the public Wayland's trail-blazing nature in regards to the funding of OPEB, and that a successor to the OPEB Committee should stay in place to review OPEB progress every two years.

Kent said the Committee needs to explain to the public that the West Suburban Health Group has reinsurance to pay for catastrophic medical problems either to an individual in one group (city or town member) or a group in total.

The Committee identified the following stakeholders that should be addressed in its communications plan:

1. Board of Selectmen
2. General Public/Wayland Residents/Wayland Taxpayers
3. Current employees & their union representatives
4. Current retirees
5. Finance Committee
6. Municipal bond analysts (Moody's?)

Cliff said he would reach out to Tony Boschetto as the Committee's BOS liaison, updating him on the Committee's progress.

Cliff also agreed to privately test drive the Committee's recommendations with a friend who is a bond analyst.

*WayCAM video on this section ends at 1:04:00*

**5. Discussion of next steps and meeting schedule**

The Committee agreed to meet again Tuesday November 5 2013 at 7:00 PM.

**6. Public comment**

Carol Martin (member of the public) suggested that the Town modify its healthcare insurance plans to have Wayland employees pay an annual deductible (in addition to current copays) to be more competitive with plans offered by private industry.

**7. Adjournment:**

The meeting was adjourned at 8:20 PM.

**Exhibit A – Segal Company Premium-Based OPEB Valuation of October 17 2015**

Using Premiums								
Year	Benefit Payments	Normal Cost	Amortization of UAAL	Total Funding (NC + Amort.)	Funding Contribution	Assets	AAL	UAAL
2013	\$1,726,415	\$853,807	\$1,031,048	\$1,884,855	\$0	\$10,224,733	\$28,469,398	\$18,244,665
2014	1,747,058	896,497	1,076,957	1,973,454	226,396	10,940,464	29,528,565	18,588,101
2015	1,770,547	941,322	1,114,650	2,055,972	285,425	11,948,540	30,685,464	18,736,924
2016	1,846,945	988,388	1,153,663	2,142,051	295,106	13,090,343	31,946,176	18,855,833
2017	1,938,157	1,037,807	1,194,041	2,231,848	293,691	14,322,430	33,263,752	18,941,322
2018	2,037,648	1,089,697	1,235,832	2,325,529	287,881	15,639,249	34,628,840	18,989,591
2019	2,127,690	1,144,182	1,279,086	2,423,268	295,578	17,042,029	36,038,551	18,996,522
2020	2,229,921	1,201,391	1,323,854	2,525,245	295,324	18,551,239	37,508,896	18,957,657
2021	2,342,935	1,261,461	1,370,189	2,631,650	288,715	20,165,822	39,033,992	18,868,170
2022	2,412,449	1,324,534	1,418,146	2,742,680	330,231	21,886,355	40,609,194	18,722,839
2023	2,489,845	1,390,761	1,467,781	2,858,542	368,697	23,771,747	42,287,769	18,516,022
2024	2,614,338	1,460,299	1,519,153	2,979,452	365,114	25,830,275	44,071,893	18,241,618
2025	2,745,055	1,533,314	1,572,323	3,105,637	360,582	28,029,066	45,922,104	17,893,038
2026	2,882,307	1,609,980	1,627,354	3,237,334	355,027	30,376,923	47,840,088	17,463,165
2027	3,026,422	1,690,479	1,684,311	3,374,790	348,368	32,883,187	49,827,504	16,944,317
2028	3,177,743	1,775,003	1,743,262	3,518,265	340,522	35,557,764	51,885,970	16,328,206
2029	3,336,630	1,863,753	1,804,276	3,668,029	331,399	38,411,166	54,017,056	15,605,890
2030	3,503,462	1,956,941	1,867,426	3,824,367	320,905	41,454,545	56,222,272	14,767,727
2031	3,678,635	2,054,788	1,932,786	3,987,574	308,939	44,699,732	58,503,054	13,803,322
2032	3,862,567	2,157,527	2,000,434	4,157,961	295,394	48,159,278	60,860,751	12,701,473
2033	4,055,696	2,265,403	2,070,449	4,335,852	280,156	51,846,499	63,296,611	11,450,112
2034	4,258,481	2,378,673	2,142,915	4,521,588	263,107	55,775,521	65,811,760	10,036,239
2035	4,471,405	2,497,607	2,217,917	4,715,524	244,119	59,961,332	68,407,189	8,445,857
2036	4,694,975	2,622,487	2,295,544	4,918,031	223,056	64,419,833	71,083,728	6,663,895
2037	4,929,723	2,753,611	2,375,888	5,129,499	199,776	69,167,891	73,842,027	4,674,136
2038	5,049,960	2,891,292	2,459,125	5,350,417	300,457	74,223,404	76,682,529	2,459,125
2039	5,302,458	3,035,857	-	3,035,857	(2,266,601)	79,740,531	79,740,531	-
2040	5,567,581	3,187,650	-	3,187,650	(2,379,931)	82,897,105	82,897,105	-
2041	5,845,960	3,347,033	-	3,347,033	(2,498,927)	86,153,376	86,153,376	-
2042	6,138,258	3,514,385	-	3,514,385	(2,623,873)	89,510,260	89,510,260	-

**Exhibit A (continued)**

GASB 45 Projections - Assuming 6.25% Discount Rate										
Year	Normal Cost	Amortization of UAAL	ARC (NC + Amort.)	Interest on NOO/NOA	ARC Adjustment	Benefit Payments	AOC	NOO/(NOA)	AAL	UAAL
2013	\$1,272,782	\$1,676,679	\$2,699,019	(\$334,189)	\$288,682	\$1,978,306	\$2,653,512	(\$4,098,917)	\$42,245,591	\$32,020,858
2014	1,336,421	1,841,765	3,178,186	(256,182)	234,414	2,110,447	3,156,418	(3,279,342)	44,136,321	33,195,857
2015	1,403,242	1,949,167	3,352,409	(204,959)	193,082	2,253,489	3,340,532	(2,477,724)	46,072,438	34,123,898
2016	1,473,404	2,059,256	3,532,660	(154,858)	150,445	2,427,240	3,528,247	(1,671,823)	48,048,578	34,958,235
2017	1,547,074	2,173,642	3,720,716	(104,489)	104,878	2,610,762	3,721,105	(855,171)	50,038,163	35,715,733
2018	1,624,428	2,293,110	3,917,538	(53,448)	55,538	2,789,911	3,919,628	(13,335)	52,035,380	36,396,131
2019	1,705,649	2,419,129	4,124,778	(833)	899	2,924,211	4,124,844	891,720	54,049,266	37,007,237
2020	1,790,931	2,555,115	4,346,046	55,733	(62,493)	3,064,593	4,339,286	1,871,089	56,132,623	37,581,384
2021	1,880,478	2,703,067	4,583,545	116,943	(136,755)	3,238,411	4,563,733	2,907,696	58,287,646	38,121,824
2022	1,974,502	2,863,190	4,837,692	181,731	(222,310)	3,324,077	4,797,113	4,050,501	60,487,820	38,601,465
2023	2,073,227	3,041,249	5,114,476	253,156	(325,060)	3,407,506	5,042,572	5,316,870	62,834,385	39,062,638
2024	2,176,888	3,241,575	5,418,463	332,304	(449,604)	3,577,882	5,301,163	6,675,037	65,343,863	39,513,588
2025	2,285,732	3,465,156	5,750,888	417,190	(597,388)	3,756,776	5,570,690	8,128,369	67,939,298	39,910,232
2026	2,400,019	3,716,914	6,116,933	508,023	(773,806)	3,944,614	5,851,150	9,679,878	70,622,520	40,245,597
2027	2,520,020	4,003,385	6,523,405	604,992	(986,000)	4,141,845	6,142,397	11,332,062	73,395,295	40,512,108
2028	2,646,021	4,333,447	6,979,468	708,254	(1,243,644)	4,348,937	6,444,078	13,086,681	76,259,312	40,701,548
2029	2,778,322	4,719,493	7,497,815	817,918	(1,560,184)	4,566,383	6,755,549	14,944,448	79,216,171	40,805,005
2030	2,917,238	5,179,382	8,096,620	934,028	(1,954,905)	4,794,702	7,075,743	16,904,584	82,267,367	40,812,822
2031	3,063,100	5,739,848	8,802,948	1,056,537	(2,456,517)	5,034,437	7,402,968	18,964,176	85,414,272	40,714,540
2032	3,216,255	6,442,845	9,659,100	1,185,261	(3,109,808)	5,286,159	7,734,553	21,117,176	88,658,118	40,498,840
2033	3,377,068	7,358,214	10,735,282	1,319,824	(3,988,867)	5,550,466	8,066,239	23,352,793	91,999,977	40,153,478
2034	3,545,921	8,611,581	12,157,502	1,459,550	(5,226,083)	5,827,989	8,390,969	25,652,666	95,440,740	39,665,219
2035	3,723,217	10,454,067	14,177,284	1,603,292	(7,084,312)	6,119,389	8,696,264	27,985,422	98,981,089	39,019,757
2036	3,909,378	13,471,448	17,380,826	1,749,089	(10,172,521)	6,425,358	8,957,394	30,294,402	102,621,474	38,201,641
2037	4,104,847	19,420,778	23,525,625	1,893,400	(16,304,906)	6,746,626	9,114,119	32,462,119	106,362,087	37,194,196
2038	4,310,089	37,086,740	41,396,829	2,028,882	(34,491,001)	6,911,178	8,934,710	34,185,194	110,202,827	35,979,423
2039	4,525,593	35,650,759	40,176,352	2,136,575	(36,321,769)	7,256,737	5,991,158	35,186,216	114,326,847	34,586,316
2040	4,751,873	36,771,226	41,523,099	2,199,139	(37,385,355)	7,619,574	6,336,883	36,283,456	118,570,434	35,673,329
2041	4,989,467	37,912,758	42,902,225	2,267,716	(38,551,172)	8,000,553	6,618,769	37,400,599	122,934,154	36,780,778
2042	5,238,940	39,074,672	44,313,612	2,337,537	(39,738,136)	8,400,581	6,913,013	38,536,904	127,418,260	37,908,000