



Town of Wayland Massachusetts

OPEB Advisory Committee

Kent George
David Gutschenritter
Cliff Lewis (Chair)
Maryanne Peabody
Jay Sherry

Minutes of August 28, 2013 Committee Meeting

In Attendance were: Kent George, David Gutschenritter, Cliff Lewis, Maryanne Peabody, Jay Sherry
Absent: None

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

<http://waycamtv.pegcentral.com/player.php?video=0576be3fc67ef2969d522833f12cd7f5>

The meeting was called to order at 7:04 pm at the Town Building in the Selectmen's Meeting Room. The following Agenda topics were addressed:

1. Review and Approve Minutes from August 7th and August 13th meetings

The Committee reviewed the minutes from the meeting on August 7th. Several minor edits were suggested and accepted. The Committee unanimously approved the Minutes as amended.

The Committee reviewed the minutes from the meeting on August 13th and deferred action on these minutes to a subsequent meeting.

2. Review of Selectmen Briefing – Cliff Lewis

Cliff Lewis reported to the Committee that he met with Tony Boschetto, the Board of Selectmen (BOS) liaison to the OPEB Advisory Committee to update Tony/the BOS on the Committee's progress to date. Among the items discussed were the in-depth analysis being done on the Segal report and the possibility that if the Committee requested additional analysis from the Segal Group, the Segal Group may charge the Town for that additional analysis. Currently the OPEB Committee has no appropriated funding to pay those additional charges if incurred. The Committee discussed the various possible sources of funding if needed and agreed to work with the Town Finance Director, the BOS, and Finance Committee to determine the appropriate process for obtaining funding, if needed.

Tony requested that the Committee's report to the BOS be broken out into specific recommendations with an appropriate cost benefit analysis for each recommendation.

3. Public Comment

Don Bustin provide the Committee with two documents which he spoke to. Both documents are appended to the minutes. The first document, titled "8-28 OPEB," contained a list of thoughts, observations and

questions. The Committee had several follow up questions for Don, specifically to better understand and clarify the points Don was making. Of particular focus was the allowable time period over which the Town could fund the Unfunded Actuarially Accrued Liability (UAAL). The second document is titled “3M compounded 7% (becomes “Discount” Amount)”. Don’s point with this document was to suggest that maybe contributing more money sooner to reduce the UAAL would be financially advantageous.

Carol Martin spoke to an article on Health Care.

Gordon Cliff asked that his letter to the Committee be read into Public Comment. Cliff Lewis read the letter. A copy of the letter is appended to the minutes

4. Review of Lost Opportunity for OPEB Investment Return 2008 to 2011

Discussion deferred until later in the meeting. When the topic was discussed, the Committee reviewed the schedule titled “OPEB Investment Returns Pro Forma”, acknowledged that the results are assumption driven, but generally, directionally indicative of the opportunity cost of leaving the money in the MMDT for the time period analyzed. The Committee also agreed that the purpose of the analysis was for informational purposes and highlights the need for appropriate and effective oversight of the investment of the monies in the OPEB fund.

5. Segal Report Review, Part III – Jay Sherry, Kent George

Kent George reviewed a two page document titled “Retiree Insurance Summary – Town Expenses.” The document is appended to the minutes. Kent explained that this document showed the point-in-time approximation of actual retiree insurance expenses for the year specified.

Jay Sherry reviewed two documents, the first titled “Wayland OPEB Benefits Payments Projected by Segal Company” and the second titled, “Health Care Cost Trends from Segal Reports.” Both documents are appended to the minutes. The Committee discussed the documents to better understand the material since it serves as key inputs into the actuarial analysis performed by the Segal Group.

Next the Committee reviewed the draft letter to the Segal Group seeking clarification of certain key points and requesting that the Segal Group run a second actuarial analysis using Wayland specific inputs, the purpose of which is to give the Town of Wayland an idea as to how sensitive the Actuarially Accrued Liability is to the various inputs. The Committee agreed to review the draft letter for possible further refinement, with the goal sending the letter to the Segal Group as soon as reasonably possible.

The Committee acknowledged the significant amount of work Jay has put into the Segal report analysis and the drafting of the letter to the Segal Group.

6. Review of Industry Trends

The Committee next discussed industry trends in Benefits generally and Health Care Benefits specifically. The discussion centered on the evolution of plan choices, single versus family versus other choices.

7. Discussion of Next Steps and Meeting Schedule

The Committee agreed to the follow following schedule:

- September 3rd, regular meeting
- September 19th, Open Meeting Law Training
- September 24th, regular meeting

The Committee identified the following items still to be reviewed:

- Oversight of the Investment process
- Status/need of a “Trust” for the OPEB monies
- Cost Containment
- Medicare Part D subsidy (Drug benefit)
- Billing of OPEB expense to other towns
- Opportunity cost analysis
- Retirees with service in other towns
- Communication/Education Plan to the Town

8. Public Comment

Carol Martin indicated that Wellesley was actively focusing on OPEB and agreed to follow-up with a more in-depth analysis

Jay Sherry asked if there was a list of towns that have funded OPEB. There was a general sense that there was, but no one was sure where the information could be found.

The suggestion was made to speak to the Town Finance Director about his experience with OPEB in the town where he was previously employed.

9. Adjourn

The Committee voted unanimously to adjourn at 10:05 pm.

Respectfully submitted

David J. Gutschenritter



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