



# Town of Wayland Massachusetts

## **OPEB Advisory Committee**

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

### **Minutes of the OPEB Advisory Committee**

Wednesday, January 8, 2014  
Wayland Town Building

Present were: Cliff Lewis, Chair, Jay Sherry, David Gutschenritter, Kent George and Maryanne Peabody

The Chair called the meeting to order at 7:35 pm.

Dr. Stein had raised concerns about the OPEB funding for some employees employed in the school programs that are self funded since he thinks they have a shorter length of service and do not retire from Wayland. Jay Sherry has reached out to Danny Rhodes from Segal, the town's actuarial consulting firm to get more information on how employees in the general employee population are handled. (Public Safety is handled separately in Group IV). Jay showed the Table on page 18 of the Segal Report that shows the actuarial chart demonstrating how withdrawal rates of employees is accounted for in the actuarial tables and how it relates to the per capita OPEB cost.

Cliff is endeavoring to set up a meeting with Dr. Stein for him and Maryanne Peabody. The Committee discussed career paths through the commonwealth, cities and towns governed under 32B.

Dave Gutschenritter presented the OPEB Warrant article to be submitted in time for Town meeting. The article will have three motions that will require 3 separate votes. Dave discussed how much money would need to be voted to be moved from each revolving fund in order to "catch up" for the OPEB money (\$ 1.2 million) that was due from these accounts and pre-funded by taxpayers in the years from 2008 – 2012. The Town Meeting would have to vote the money moved from the revolving funds and put into the General Fund. It would go into the General Fund in the form of free cash. Tom Greenaway, the Finance Committee chair suggested moving it all at once this year rather than the OPEB Committee bringing several Town Meeting articles over the next 3 -4 years to accomplish the same. The committee discussed pros and cons of both alternatives and whether they thought the taxpayers would appreciate one large "tax holiday" or smaller ones spread over several years. Dave said that the money would have to be in the accounts on the day that we vote it. Dave also discussed that the OPEB Committee would want to recommend a process going forward and that the rate of return on the invested funds moving forward is important since the committee is working on a supposition of a 7 % return on investment. The current numbers in the warrant article are place holders. Dave thinks we will have more accurate

numbers by February 10. The committee's discussion led to a reorganization of the warrant article.

There will be three motions to be voted separately:

Motion 1 – will be to transfer a set amount from each revolving fund into the General Fund.

Motion 2 - will be a vote for the OPEB contribution to be made.

Motion 3 – will be a vote for the contribution from the revolving funds.

The Committee voted 5-0 to accept the article for Town Meeting as presented and amended.

Kent George excused himself and left the meeting at 8:50 pm.

Next Steps: Jay Sherry will draft the Comments for the article (pros and cons) for the Finance Committee to review and rework. Dave will get the article to the Town Clerk in time for it to be included for Town Meeting.

The Committee discussed other action items:

Cliff and Maryanne will meet with Dr. Stein to discuss any questions or clarifications.

Further explore the idea of a OPEB Investment and meet with the Town's Trust Fund Committee.

A future meeting with the School Committee

The Committee scheduled its next meeting for Tuesday, January 28.

There being no further business, the Chair adjourned the meeting at 10:20 pm.

Respectfully submitted,

Maryanne Peabody