



# Town of Wayland Massachusetts

## **OPEB Advisory Committee**

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

### **Minutes of January 5, 2015 Committee Meeting (as approved February 10, 2015)**

In attendance were David Gutschenritter, Cliff Lewis, Maryanne Peabody, and Jay Sherry. Kent George was absent. The meeting was videotaped and is currently available on WayCAM On Demand at:  
<http://waycamtv.pegcentral.com/player.php?video=0bd2695ffa98952d39308a4b8e462528>

The meeting was called to order at 7:28 PM by Chair Cliff Lewis in the Small Conference Room on the second floor of the Wayland Town Building. The following Agenda topics were addressed:

**1. Public Comment:** There were no members of the public present at this meeting.

#### **2. Review of the document “Managing Wayland’s OPEB Investment Account Revision C”**

*(WayCAM video on this topic starts at 0:00:54)*

Jay suggested a few miscellaneous edits to the document. Maryanne offered a few concerns about the document based upon the language in Wayland’s special OPEB statute. Jay voiced his concern that the Committee had voted 4 – 0 in its December meeting to approve the investment allocation mix of 75% equities / 25% fixed income referenced in the document, but that this recommendation had not yet been passed along to Treasurer Paul Keating nor the investment managers at Bartholomew and Rockland Trust. Jay believes that there is a real cost to continued delay in implementing this investment change.

After further discussion, Jay moved that the Committee approve Revision C as amended, seconded by Dave Gutschenritter. The motion was approved 4 – 0. Cliff commented that it is now the task of Dave and Cliff to find the three volunteers to work on the Investment Advisory group envisioned in the document.

#### **3. Approve minutes from prior meetings**

*(WayCAM video on this topic starts at 00:12:30)*

Dave offered several comments on Maryanne’s minutes of the December 3, 2014 meeting. Jay moved that the minutes be accepted as amended, seconded by Dave, and approved by the Committee 4 – 0. The Committee deferred action on the minutes of the December 9 meeting until Kent can circulate them.

#### **4. Future actuarial assumptions in 2016 OPEB valuation and later**

*(WayCAM video on this topic starts at 00:16:00)*

Cliff said there is a need to describe how the actuarial assumption work should continue after the OPEB Committee is disbanded. Cliff suggested that a companion document to the Investment Account document be developed for this purpose. Dave posed the hypothetical question of who is best able to recommend the healthcare inflation rate assumption to be used by the actuary in the premium-based OPEB forecast. Maryanne expressed concern that the Personnel Board be made aware of the actuarial assumptions. Jay suggested that while Town staff (such as the HR director and Finance director) should participate, it would be good to have a non-staff citizen also participate. Jay agreed to draft a document that would describe how the premium-based OPEB valuation should be done in the future.

## **5. Review of Meeting with Wayland Town Administrator Nan Balmer**

*(WayCAM video on this topic starts at 00:37:40)*

Maryanne described the Dec 31 meeting she and Cliff had with Nan Balmer. She reported that Nan is generally supportive of what the Committee is doing. Jay offered to share with the Committee and Nan what other towns (e.g. Foxboro and Whitman) are doing to control healthcare costs, based on what he has learned from Odyssey Partners.

## **6. Legal Structure of the Investment Account**

*(WayCAM video on this topic starts at 00:49:00)*

Cliff said that the RFQ for legal advice now in circulation is not the same RFQ that the OPEB Committee approved, and said he would talk with Kent offline on why that is the case. Cliff noted that Town Counsel Mark Lanza's comments on the RFQ tended to narrow the scope of the legal issues to be addressed.

## **7. Review of OPEB Contributions from Fee-Based Programs**

*(WayCAM video on this topic starts at 00:52:10)*

Cliff reported on his meeting with the School Committee finance subcommittee (School business administrator Susan Bottan, plus Donna Bouchard and Barbara Fletcher of School Committee). In addition to the seven fee-based programs identified in last year's warrant, there are eight more programs with employee headcount significant enough (.3 FTE or greater) to merit a parity contribution for OPEB, plus a regular annual contribution to the OPEB investment account. These amounts will be included into the OPEB warrant article for the April 2015 Town Meeting. Cliff agreed to work with Brian Keveny to calculate the correct figures.

## **8. Discussion of draft Warrant Article on OPEB**

*(WayCAM video on this topic starts at 1:11:30)*

Dave distributed drafts of the 2015 OPEB warrant article for discussion. OPEB parity contributions of \$15,181 per FTE will be included in paragraph (a) of the article for the 15 fee-based programs. The Committee also discussed the calculation of the amounts shown in paragraphs (b) and (c).

Dave moved that the Committee approve submission of the warrant article substantially in the form of the January 5 draft. At his discretion Dave will increase the values of the placeholder values in the article if necessary. Seconded by Jay, and approved 4 – 0 by the Committee.

## **9. New Hire Parity Contributions for OPEB**

*(WayCAM video on this topic starts at 1:29:00)*

The Committee had an extended discussion of how to appropriately charge any Town or School department for OPEB contributions when the department hires new employees that increase aggregate headcount.

## **10. Future Meetings & Next Steps**

*(WayCAM video on this topic starts at 2:13:20)*

The Committee agreed to meet next on Tuesday, January 27, 2015 at 7:00 PM [*later shifted back to 7:30 PM*]. It also planned to meet subsequently on Tuesday February 10, 2015 at 7:00 PM to finalize the recommended OPEB warrant article. Jay agreed to schedule a Public Information Session sometime in March prior to Town Meeting.

The Committee voted 4-0 to adjourn the meeting at 9:56 PM.

Respectfully submitted,

Jay Sherry