



Town of Wayland Massachusetts

OPEB Advisory Committee

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

Minutes of May 6, 2015 Committee Meeting

In Attendance were: David Gutschenritter, Cliff Lewis, Maryanne Peabody, Jay Sherry, Kent George

The meeting was called to order at 7:05 pm in the Selectmen's Office of the Town Building.

The OPEB meeting was recorded by WayCam and can be found by going to the WayCam website.

The following Agenda topics were addressed:

1. Public Comment

No public comments were made.

2. Approve Minutes from April 15, 2015 meeting

Minutes were approved as submitted 5-0

3. Legal Structure of the Investment Account – summary and status

Kent George reported that 4 RFQs has been sent out and 2 were returned. Murphy, Hess, Toomey, & Lehane and The Wagner Law Group were the two respondents. Cliff and Kent interviewed both firms and decided to choose Murphy, Hess, Toomey, & Lehane. Questions asked were related to relevant experience in the specific area and if either firm was currently doing work for the Town of Wayland and if there were any potential conflicts of interest. After discussion, it was moved and seconded to recommend to the Board of Selectmen (BOS) that they appoint Murphy, Hess, Toomey, & Lehane to review the current legal structure of Wayland's OPEB Investment Account and recommend what, if any, changes should be made. The vote was 4-0-1 (Peabody abstained due to a conflict of interest).

4. Discussion of the Investment Account Management

Jay and Cliff updated the Committee on a discussion that they had with Ms. Karlson on how to approach the BOS to discuss the issue of Investment Account Management. It is estimated that the OPEB Committee will have about 15 minutes to present the relevant topics and engage in discussion. Among the suggestions made by Ms. Karlson was to review the deliverables given to the OPEB Committee by the BOS to insure that all the work asked of the OPEB Committee is performed. The Committee then

reviewed the deliverables and it reinforced the need to request an extension to finish the work required of the Committee.

In addition, the Committee discussed the various investment management styles. Active (PRIT or other managers, including managing in-house) versus passive (assets allocated to the appropriate index mutual funds). The Committee agreed to continue to think through the alternatives.

5. General discussion of Selectmen's Meeting Presentation

The Committee discussed the structure of the presentation to the BOS. Cliff suggested that following order be followed:

OPEB Committee Summary (Cliff)

Request to extend the Committee charter until September 30, 2015 (Dave)

Request the BOS appoint Murphy, Hess, Toomey, & Lehane to perform a comprehensive legal analysis of the current OPEB investment account structure. (Cliff)

After further discussion, it was agreed that this format would be followed.

6. Next steps and how they all fit into an OPEB legacy program package

The Committee next discussed what work would need to continue to be performed once the OPEB Committee disbands. It was generally agreed that the following work would need to be done:

- a. Prepare the annual warrant article
- b. Provide key assumptions for the actuarial analysis
- c. Monitor OPEB healthcare costs and future inflation
- d. Advise the Town on the management of the OPEB Investment Account

The Committee intends to resolve the legal structure and whether or not to continue under the present Special Act before September 30, 2015.

7. Items not reasonably foreseen by the Chair

The Committee agreed to meet on May 20th and on June 17th

8. Public comment

There was no public comment

9. Adjourn

The Committee voted 5-0 to adjourn at 8:53pm.

Respectfully submitted

David J. Gutschenritter