

Town Retiree Health Insurance Advisory Committee

July 10, 2018

Meeting called to order at 7 PM on July 10, 2018, in the Winchester Town Hall.

Present: V. Laats, Retiree
J. Dolan, Retiree
J. Frongillo, Active Employee/Firefighter
M. Goluboff, ~~Board of Selectmen~~ *Select Board (per M.O.)*
P. Cheimets, Personnel Board; Chair
J. Brouder, Citizen at Large; Secretary Pro Tem
S. Ward, Ex-Officio; Town Comptroller
S. Tracy, Ex-Officio; Town Treasurer

1. **Welcome** – Chairman Cheimets welcomed the group and called the meeting to order.
2. **Minutes** – J. Brouder informed the group that he had not prepared the minutes for the April 12, 2018 meeting. The group agreed to review the April 12th and July 9th minutes at the next meeting of the Committee. *10*
3. **PEC Agreement & Town Meeting**
 - a. The group discussed the reaction of retirees to the new contribution rates announced by the Town.
 - b. The group discussed the Spring Town Meeting and Chairman Cheimets Report to Town Meeting.
4. **OPEB Funding**
 - a. The Committee briefly discussed why the Town's Pension and OPEB Actuary, D. Sherman, used different asset growth rates in his scenarios discussed at the April Meeting. It was discussed that when communities make a promise or commitment to annually contribute a certain amount of money to fund OPEB, actuaries can assume that this promised rate of contribution will hold into the future. In fact, the contribution amount promised *today* could be higher or lower in the future based on action by the Town *in the future*.
 - b. The Committee considered a final recommendation to the ~~Board of Selectmen~~ *Select Board* relative to funding the Town's OPEB liabilities. The group was in agreement with a model whereby the Board of Selectmen (a) put OPEB monies into an irrevocable trust, (b) continued and/or actually increased the current annual appropriation to the OPEB account and (c) after the Pension Funding account was fully-funded (on or about FY2029), used a significant portion of the current monies appropriated

for the Pension Funding account to reach full-funding of the OPEB Account. The Committee agreed that it would work on this resolution at its next meeting.

- c. J. Brouder agreed to reach out to the Town's Actuary, D. Sherman, to determine what level of commitment from the Town he would be looking for in order to utilize the highest possible discount rate in making his financial projections.

5. Mitigation Plan Utilization

- a. S. Ward reported on the use of the Town's FY18 mitigation program. 15 People (including 7 people on disability pensions) utilized the retiree premium mitigation program for FY18. There were approximately \$18,000 in disbursements compared to approximately \$16,000 in FY17 disbursements.
- b. The mitigation program will not continue for FY19.

6. Reporting to Town Meeting

- a. Chairman Cheimets said that the RHIC needs to draft a final report for Town meeting and it was agreed that this would be discussed at the next meeting. Among the questions to be discussed at the next meeting are:
 - i. Should the Committee's Report be made to the Fall 2018 or the Spring 2019 Town Meeting?
 - ii. Should the Committee continue, in some form, and should the Committee be a creature of Town Meeting or of the Board of Selectmen?

Select Board

7. **Next Meeting-** The next meeting is scheduled for September 20, 2018 at 7 PM. Motion to adjourn; seconded; meeting adjourned.

Respectfully Submitted,
John Brouder