

Town Retiree Health Insurance Advisory Committee

November 27, 2018

Meeting called to order at 7 PM on November 27, 2018, in the Winchester Town Hall.

Present: V. Laats, Retiree
J. Dolan, Retiree
J. Frongillo, Employee
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** –The group reviewed the September 20, 2018 Meeting minutes. Upon motion duly made, and seconded, the minutes were approved.
3. **RHIC Recommendation on OPEB Funding**
 - a. The group briefly reviewed the three ideas which have served at the core of the Committee’s strategy for funding the OPEB Liability:
 - i. Creation of an Irrevocable Trust to hold and invest OPEB monies.
 - ii. Continuing [and increasing] monies appropriated annually to the Trust.
 - iii. Using Pension Funding to fund OPEB when Pension Fund reaches full funding status.
 - b. S. Tracy told the Committee that the Town has been moving forward to implement the irrevocable trust.
 - c. S. Ward informed the group that the Town’s Accountant (Clifton Larson) has indicated that even if the Actuary (Daniel Sherman) is willing to increase the discount rate used in projecting the OPEB liability, if the Town pledges to use the pension stream of funding in 2029, they would still like to see other steps taken before accepting the reduced liability numbers for inclusion on the Town’s balance sheet. Members of the group then discussed ways to increase the annual funding, as another indication of the Town’s commitment to funding the OPEB liability. After discussion, and upon motion duly made and seconded, the Committee unanimously approved the following resolution:

The RHIC recommends that the Select Board (a) puts OPEB monies into a state-approved irrevocable trust, (b) increases the current annual appropriation to the OPEB irrevocable trust to \$250,000 for FY2020 and commits to increasing that amount by 2.5% per year, and (c) after the Pension Funding account was fully-funded (on or about FY2029), uses 100% of current monies appropriated for the Pension Funding account to reach full-funding of the OPEB Account.

4. Future of the RHIC

- a. Chairperson Cheimets told the group that he supported the Committee's continued existence as a "permanent committee" of the Town. J. Dolan and G. Laats distributed a document suggesting that the permanent committee should have three principal functions:
 - i. Communication with retirees informing them of proposed changes in health insurance policy;
 - ii. Provide updates to retirees of initiatives in the Massachusetts State Legislature regarding retiree health care and the OPEB liabilities of cities and towns;
 - iii. Review all issues concerning health insurance and OPEB and maintain dialogue between all stakeholders (retirees, future retirees, active employees, Town Meeting, the Select Board, the Town Manager and the FinCom.
 - b. Chairperson Cheimets asked S. Tracy & S. Ward to discuss with the Town Clerk any steps necessary to create this permanent committee and the group agreed to discuss the process at the next meeting. It was agreed that the group would need to define the required responsibilities, and discuss Committee composition, terms and term limits, etc. at an upcoming meeting.
 - c. The Committee would expect this proposal to be discussed at the Spring, 2019 Town Meeting.
5. **Next Meeting-** The next meeting is scheduled for January 23, 2019 at 7 PM. Motion to adjourn; seconded; meeting adjourned.

Respectfully Submitted,
John Brouder

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January 23, 2019