

Call to Order

The meeting was called to order by Chairman Morris at 7:30 a.m. in the Third Floor Selectmen's Conference Room A. The meeting was taped but not live cablecast.

In attendance were Chairman Michael Morris, Mark Baldwin, Steven Caron, Thomas Hartwell and Mark Wickersham. Also in attendance were Selectman Liaison Robert Landry, Finance Committee Substitute Liaison Margaret Kruse and Finance Director, Donna Walsh. Town Manager Stapczynski and Retirement Executive Director Kothman were seated in the audience.

OPEB Subcommittee Report Summary as of November 24, 2014

Mr. Morris opened the discussion on the above Report Summary (see attached.) The Town Manager's Recommended Actions #1, #2 and #3 (partially) of the Town Manager were reviewed. Discussion ensued on a) the need for education of the taxpayer on the unfunded liability of OPEB and the important role of continuing transparency; and b) role of the state legislature, the Andover Retirement Board, the Board of Selectmen and the collective bargaining units in any potential changes to eligibility for benefits.

In light of the fact that the last actuarial report was completed as of June 30, 2013, the Committee questioned what the actual unfunded liability is today. Upon motion duly made by Mr. Hartwell and seconded by Mr. Wickersham, it was voted to request an actuarial report be completed for period ending June 30, 2015 and not wait for the currently scheduled report as of June 30, 2016. Motion passed 5-0.

Ms. Walsh will generate an RFP for same. The process to go out to bid under MGL Chapter 30B is as follows: a) DW to prepare RFP - 1 week; b) required advertisement in local paper - 2 weeks; c) bid period - 2 to 3 weeks (may want to give extra time due to summer months); and d) award contract 2 weeks. Total process will take from 7 to 8 weeks. The vendor would begin work after the contract is awarded.

The Committee acknowledged the original target date for completion of its mission was October, 2015, but that the new actuarial report would not be completed by October. However, it was felt that the updated numbers would be critical in assessing the liability. It was suggested that the report reflect good solid numbers and that it be based not only on GASB 43 and 45, but also the new expected changes and requirements of GASBE 74 and 75. It was also critical that the actuaries be available to attend Committee meetings in order to discuss the assumptions being used for the evaluation.

Mr. Morris asked the Town Manager to break down the OPEB costs by department and have ready for review by next meeting. He also asked him to request that a School Committee liaison attend subsequent meetings.

The Committee plans to invite the state legislative delegation, and possibly the Governor, to attend a future OPEB Committee meeting to discuss legislative issues with regard to health insurance and OPEB.

Discussion ensued with regard to the role of the Retirement Board in reducing eligibility for benefits for part-time personnel from 20 to 30 hours/week and a proration thereof, as well as vesting from ten to twenty years. Ms. Kothman addressed the Committee and advised that the Retirement Board had voted in January, 2014 not to change current eligibility requirements. She also added that the part-time employees played a vital role in funding the retirement system. That funding system would change to OBEB, if eligibility requirements were changed.

Mr. Stapczynski addressed the Committee and stated that his recommendation #3A involves the fourteen collective bargaining units, 4 school and 7 town.

Next Meeting

The next meeting is scheduled for Tuesday, June 23, at 7:30 AM. The agenda is to continue reviewing the Recommended Actions of the previous OPEB Subcommittee.

Adjournment

Upon motion duly made by Mr. Caron and seconded by Mr. Hartwell, it was unanimously voted to adjourn. Motion passed 4-0. Mr. Wickersham had previously left the meeting.

Meeting adjourned at 8:22 p.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Attachment:

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