

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, Vice-Chairman Mark Baldwin, Steven Caron and Thomas Hartwell. Also in attendance were Finance Director Donna Walsh, Selectman Vispoli, Selectman Liaison Robert Landry and Board of Selectmen Chair Mary O'Donoghue. Absent were School Committee Liaison Paula Colby-Clements and Finance Committee Liaison John Barry.

Draft Report of Recommendations Discussion

Mr. Morris opened the meeting by stating his intent to add one more recommendation to the list of Draft Recommendations that Andover coalesce with other communities along with their legislative delegations to raise awareness around the OPEB issue and "start drafting."

Mr. Hartwell asked Ms. Walsh to compile a list of part-time and full-time employees, healthcare whether individual or family health coverage, as well as retirees medicare or pre-medicare coverage. Ms. Walsh noted that depending on the bargaining unit, full-time employees range from 36.25, 37.5 and 40 hours/week. Mr. Caron also asked for aggregate data on employees who would be disproportionately affected and may have no other income other than part-time. Ms. Walsh did not believe she could provide this information under privacy rules.

Draft Recommendation #2 - A new employee who was initially enrolled as a member of the town's pension plan in a full-time capacity (30 hours) and who subsequently takes a part-time position shall not be eligible to receive pro-rated credit for working part-time. (Subject to disposition of case pending in Stoneham.)

Discussion ensued on the following points:

- a) Prospective changes will impact OPEB liability;
- b) Need for clarity on role of Committee to make recommendations fair and fiscally prudent;
- c) Board of Selectmen is, however, the final arbiter;

Upon motion duly made by Mr. Morris and seconded by Mr. Baldwin, it was voted to approve draft recommendation #2 with a full-time capacity defined as 30 hours. Motion passed 3-1 with Mr. Hartwell voting a minority recommendation of full-time defined as 36.25, 37.5 or 40 hours.

Draft Recommendation #3 - New employees working less than 30 hours/week would participate in the deferred contribution 457 (OBRA) plan and the town would provide matching contribution.

Upon motion duly made Mr. Baldwin and seconded by Mr. Caron, it was voted to approve draft recommendation #3 with a full-time capacity defined as 30 hours. Motion passed 3-1 with Mr. Hartwell voting a minority recommendation of full-time defined as 36.25, 37.5 or 40 hours.

Draft Recommendation #4 - New part-time employees and future transfers from other retirement systems who do not qualify for participation in the town's pension plan based on Majority Recommendations #1 & #2 or work under 20 hours, will not be allowed to "buy back" service time for the periods they work under the 30 hours/week requirement. (Subject to disposition of case pending in Stoneham.)

Upon motion duly made Mr. Hartwell and seconded by Mr. Caron, it was unanimously voted to approve draft recommendation #4. Motion passed 4-0.

Pause in Discussion

When Mr. Landry arrived at the meeting, Mr. Morris asked him for a copy of his report that he had distributed to one of the Selectmen. He noted that using the town email for distribution of this report automatically makes it available for public distribution. He commented that the Committee had worked very hard to keep an apolitical stance and the withholding of this report smacked of "political."

Draft Recommendation #5 - When an employee retires from Andover and had previous employment with one or more other government units, the town should seek reimbursement from those units subject to applicable law.

Following discussion, and upon motion duly made Mr. Baldwin and seconded by Mr. Hartwell, it was unanimously voted to approve draft recommendation #5. Motion passed 4-0.

Draft Recommendation #6 - Until the surviving spouse's death or remarriage, he/she may continue the insurance for her/himself and dependents but is responsible for a percentage of the premiums, subject to new schedule developed on phased-in basis.

Upon motion duly made Mr. Hartwell and not seconded, motion failed.

Discussion ensued and covered the following points:

- a) Need to keep promises made in the past to retiree that spouse would be covered on retiree's death;
- b) Fiscally prudent recommendation is sometimes the unpopular decision;
- c) Need to vet all options and present strongest recommendation from a point of view of all options considered;

- d) Mr. Hartwell wanted to be recorded as minority recommendation but was rejected by Mr. Morris since no vote had been taken.

Draft Recommendation #7 - Retirees will be required to systematically move towards paying 50% of their premiums.

Following discussion, and upon motion duly made Mr. Hartwell and not seconded, motion failed.

Discussion ensued and touched on the following points:

- a) Mr. Hartwell wanted to be recorded as minority recommendation but was rejected by Mr. Morris since no vote had been taken;
- b) Need for prospective changes and not retroactive to protect past practices;
- c) Need for decisions that would have the most impact on OPEB liability going forward;
- d) Medicare population more dramatically impacted financially; but may be able to make changes to pre-medicare population possibly on second careers;
- e) Contribution more generous than other towns;

Mr. Landry reported that this change would have a financial impact of \$1.3M in savings. He agreed to send data by email to Committee members.

Upon motion duly made Mr. Baldwin and seconded by Mr. Hartwell, it was unanimously voted to table recommendation #7 until actuarial data is available. Motion passed 4-0.

Draft Recommendation #8 - The town will systemically move employees to eventually pay 50% of their premiums through collective bargaining.

Upon motion duly made Mr. Baldwin and seconded by Mr. Hartwell, it was unanimously voted to approve recommendation #8. Motion passed 4-0.

Draft Recommendation #9 - To be eligible for retiree insurance, an employee shall be an active employee in the insurance plan or work for a minimum of twenty five years. You must retire from the town in order to receive the OPEB benefits.

Upon motion duly made Mr. Hartwell and seconded by Mr. Caron, it was unanimously voted to approve recommendation #9. Motion passed 4-0.

Draft Recommendation #10 - The Board of Selectmen shall adopt a resolution or, in the alternative, a town meeting article shall be adopted, to create a mandatory conference between those consultants and administrators charged with collective bargaining on behalf of the town, said conference to be consistent with applicable law. The Town Manager shall be charged with chairing

this conference and the objective of said conference is to ensure all of our negotiators are conveying a unified message with regard to OPEB and all other appropriate matters subject to collective bargaining.

Upon motion duly made Mr. Caron and seconded by Mr. Baldwin, it was unanimously voted to draft different wording of draft recommendation #10. Motion passed 4-0.

Audience Feedback

Mr. Morris opened the floor to audience participation. Concern was expressed that medicare population without social security benefits was paying higher medicare premium to begin with and would further suffer from increase in supplemental premium. Also expressed was concern that women would be disproportionately affected by change in eligibility since they make up large segment of part-timers since they are in and out of the job market as their family care responsibilities increase and decrease over time.

Next Meeting

January 29, 2016 @ 7:30a.m.

Adjournment

Upon motion duly made by Mr. Caron and seconded by Mr. Hartwell, it was unanimously voted to adjourn. Motion passed 4-0.

Meeting adjourned at 9:13 a.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Attachments: Draft #1 Report of Recommendations