

Other Post Employment Benefits (OPEB) Working Group

Tuesday, November 24, 2015

2015 DEC 10 AM 10:24

7:30 p.m. Conference Room 1, Town Hall

Committee members in attendance were: Liz Allison, Christ Doyle, Ralph Jones, Geoff Lubien, Richard Waring and Mike Widmer. Sue Pew, a Town Meeting member, was also present.

Chair Ralph Jones called the meeting to order at 7:30 p.m.

The minutes of the November 10, 2015 meeting were approved, as amended.

Geoff and Liz reported on their efforts to obtain data from the town to use in preparing a projection of future retiree health care costs. Geoff stated that they met with David Kale, town administrator, after the last meeting of this group. They provided their wish list of data and asked for a date when they could expect to receive the data.

Geoff stated that the many of the key assumptions contained in the most recent actuary's report were based on state of other non-Belmont information.

There was a discussion of what this working group wants to do. The plan is to model future retiree health costs on a cash basis.

It was reported that there was a second conference call with town officials yesterday (November 23).

Ralph stated that we are doing a cash flow projection, which is not what the actuaries did. Wayland's study group found that actuarial costs substantially exceeded their cash costs. Issue is assumptions we and Wayland use.

We cannot tell what retirees cost the town. We do have health insurance rates.

At our meeting with the town, the issue of HIPAA was raised in terms of confidentiality restrictions on distribution of data and it was agreed that we did not need individual data, only group data by broad department and age category..

Geoff stated that we should get more information within the next week.

Chris Doyle reported on her research thus far.

She stated that she has not spoken further with Wayland.

She said that other towns put active employees and retirees together. Needham pays retirees out of a separate fund.

Perhaps there should be a conference call with Wayland.

She referred to the chart dated 12/2/2010, which we have. Perhaps we could use that as a base and project its numbers forward. Liz and Geoff explained that this while technically this could be done, any results obtained by doing so would be open to considerable challenge since it would require numerous assumptions – which is what we are trying to get away from.

Ralph stated that we may need to tell the Board of Selectmen that we need to pause until we get data.

Geoff said that we should know where we stand with data by the next meeting.

Mike mentioned some issues from the 2013 Mass Taxpayers' Foundation report, including the issue of part-time employees, a possible 50/50 share in contributions and the Cadillac tax on high value health plans.

Ralph stated that at present, we don't know the actual costs of retiree health care or how they are changing year to year.

Chris discussed what she had learned from the Town of Andover. That town had an OPEB commission in 2014. There is a new one in process.

She also stated that she had had a discussion with Sen. Will Brownsberger, said that he did not see any changes in municipal health care coming at the legislative level.

Liz Allison reported that Harvard University had revamped retiree health care several years ago, and read from a letter announcing that change.

The meeting adjourned at 8:30 p.m.