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**BELMONT WARRANT COMMITTEE MEETING MINUTES
APPROVED (ON NOVEMBER 18, 2015)
OCTOBER 28, 2015, 7:00 P.M.
PUBLIC EDUCATIONAL FORUM
BEECH STREET CENTER**

Present: Chair Libenson; Members Alcock, Dash, Fallon, Helgen, McLaughlin, Mennis, Sarno, Schreiber; BOS Chair Baghdady;

Town Administrator Kale
Mr. Tom Gibson, Vice Chairman of the Retirement Board

Members Absent: Epstein, Gammill, Lisanke, McVay, Slap, Starzec

Chair Libenson noted that while there was not a Warrant Committee (WC) quorum, as of yet, he will officially call the WC to order once a quorum is reached.

Chair Libenson began by explaining that Town Meeting had requested a deeper analysis into the town's pension program. He stated that after the WC pension report is summarized, the dialogue will be opened up for comments and questions. This session, he said, should not be a mini Town Meeting, but is really more designed to share the report and to listen to comments and questions.

Chair Libenson then introduced Member Mennis, noting that he is an expert on pensions and crafted the report.

The Warrant Committee Pension Report Presentation

Chair Libenson reviewed some highlights from the WC Pension Report. He reviewed some of the fixed costs, the long-term trends, and provided some brief background information on pensions.

Member Mennis continued the review including details on state law, benefit formulas, funding requirements, and the role of Belmont's Retirement Board. He noted that there is a shortfall of \$74M, which will necessitate the crafting of a funding schedule to pay down the debt. He then explained the current funding schedule.

Chair Libenson then reviewed some of the investment performance assumptions. He highlighted where Belmont stands compared to other Aaa communities and also discussed the excess amortization and sensitivity analysis. He noted that data was collected on what the funding schedule would look like if it were modified and the impact of pursuing Pension Obligation Bonds (POBs).

Member Mennis added that investment returns are inherently difficult to predict given the fluctuations in the stock market. POBs are not commonly used because of this

unpredictability.

[The meeting is officially called to order at 7:24 pm by Chair Libenson, as there is now a WC quorum.]

Public Contributions/Comments/Questions

Ms. Ann Jansen, TMM Pct. 3, asked how this information fits in with the OPEB debt. She thanked the WC for this report and then noted that there is much for the town to consider when Pension, OPEB, *and* remaining capital needs are factored in.

Chair Libenson provided some information on the OPEB liability. Health Care cost growth trends are difficult to predict and these swings impact the actual health care liability. He agreed that there are many capital needs facing the town, as well.

Mr. Tom Gibson, Vice Chairman of the Retirement Board (RB), thanked the WC for the report, as well. He said the report will be a useful tool and will be studied by the RB. He spoke to some of the reforms to the pension system, as put forth by the state.

Mr. Dan Barry, TMM Pct. 1, thanked the WC and observed that the aggressive funding schedule will take Belmont from the lower end of the Aaa communities to the upper end. He noted that this will have an impact on Belmont's operating budget, especially in light of the ever increasing school enrollment. He offered several suggestions concerning the funding schedule.

Chair Libenson invited further questions to be emailed in (to the WC if possible) and noted that the pension conversation will continue.

VIII. Adjournment

Chair Libenson moved to adjourn at 7:40 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary