Members Present: Trish Danka, Don Smith, Rory Burke, Jeff Dussetschleger, Kathie Vrlik, Stephan Behuniak & Corey Marchetti
Members Absent: None
Others Present: Becky Sielemann from Milliman, Town Actuary

Item #1: Call meeting to order
The meeting was called to order at 7:03 PM.

Item #2: Pledge of Allegiance
All present stood and recited the Pledge of Allegiance.

Item #3: Public comment
There was no public comment.

Item #4: OPEB discussion with auditors
Becky from Milliman presented to the Committee and gave a breakdown of the Town’s OPEB liability. OPEB stands for other post-employment benefits. It is composed of all post-employment benefits besides retirement, especially healthcare. The Town’s current liability is $36.9 million, down from 2013 after the Police union switched to an HSA healthcare plan. The other unions have just agreed to switch to the HAS plan as well, which should further lower the liability. Unlike municipal employees, teachers are required to switch to Medicare when eligible. Teachers can be charged 100% of premium, which is the average cost of healthcare per employee. As employees age, though, the cost of coverage increases. This is known as the implicit rate subsidy. GASB 45 (Government Accounting & Standards Board) is an accounting standard that requires municipalities to calculate their retiree healthcare liabilities. Trusts can be established to prefund the liability and ensure that taxpayers receiving the services from current employees are paying the full cost of these services. This is called intergenerational equity. Prefunding the liability is looked upon favorably by ratings agencies during bond sales and can improve discount rates, reducing the total liability and annual required contribution (ARC). In 2015 during the last audit, the Town has 242 employees, 95 retirees and 45 spouses receiving healthcare. Of the $36.9 million, $17.7 is police, $3.1 is public works, $4.8 is other and $11.3 is the Board of Education. Of the $36.9 million, $20.5 million is already accrued. The next audit will take place in July 2017. The ARC is composed of 2 parts: 1) amortized unfunded liability and 2) normal cost, or the benefits paid out annually. The Town’s ARC is approximately $3 million, of which approximately half is normal cost. GASB 75 is a new standard coming in 2018 that will require the Town to put its OPEB liability on its books. GASB 75 is a new standard coming in 2018 that will require the Town to put its OPEB liability on its books. In order for contributions to a trust to affect the Town’s discount rate, the Town would have to demonstrate that it is committed to hitting its ARC within a span of 10 years and thereby fully funding its liability.

Item #5: Discussion:
   a. Further discussion OPEB (if needed)
The Board of Selectmen established an OPEB Trust on May 16th with Public Agency Retirement Services (PARS), who provide a turnkey multi-agency trust. An OPEB policy was developed that required a minimum contribution of $50,000 plus up to 25% of prior year surplus. This is unlikely to hit a ten-year phase-in of the ARC with the current liability numbers. The liability is expected to decrease because of agreements with the unions regarding healthcare though. The Committee will look at modifying the policy in order to benefit from an increased discount rate.

b. Rory: update on strategic plan revision
The plan is complete. Rory will distribute it to the Committee and Kurt will provide his update on June 28.

c. Communications Committee update
Corey and Kathie presented their new branding and public outreach materials. They plan on creating universal, color-coded Town branding so the public associate the colors with certain types of information, e.g. blue for financial. They are working on document templates for the strategic plan and other official documents. Kathie created a video that will serve as a template for video communications moving forward.

Item #6: Open discussion
There was no further discussion.

Item #7: Public comment
There was no public comment.

Item #8: Adjournment
A motion was made to adjourn the meeting at 9:04 PM.

Motion: Jeff Dussetschleger
Second: Stephan Behuniak
Vote: 7-0

The meeting was adjourned at 9:04 PM.

Submitted by:
Rory Burke
Recording Secretary