

Town Retiree Health Insurance Advisory Committee

September 20, 2018

Meeting called to order at 7 PM on September 20, 2018, in the Winchester Town Hall.

Present: V. Laats, Retiree
J. Dolan, Retiree
M. Goluboff, Select Board
J. Melkonian, FinCom
P. Cheimets, Personnel Board; Chair
J. Brouder, Citizen at Large; Secretary Pro Tem
S. Ward, Ex-Officio; Town Comptroller
S. Tracy, Ex-Officio; Town Treasurer

1. **Welcome** – Chairman Cheimets welcomed the group and called the meeting to order.
2. **Minutes** –The group reviewed the April 12th and July 10th RHIC minutes. The minutes from April 12, 2018 were approved. The minutes from July 10, 2018 were approved as amended.
3. **RHIC Recommendation on OPEB Funding**
 - a. The group discussed the three items that were discussed at the July 2018 meeting relative to OPEB financing:
 - i. **Creation of an Irrevocable Trust to hold and invest OPEB monies.** S. Tracy informed the group that municipal finance officers from around the state are awaiting further guidance from the Commonwealth of Massachusetts related to the establishment of these Trust instruments. The Town will need to approve a new Trust document under the law to implement our recommendation;
 - ii. **Continuing or Increasing monies appropriated annually to the Trust:** The group felt strongly that our recommendation should call for increasing, not just continuing, the annual OPEB appropriation;
 - iii. **Using Pension Funding to fund OPEB when Pension Fund reaches full funding status:** Chairman Cheimets suggested, and the group agreed, that the recommendation from the RHIC should be that 100% the Pension money, and not just a portion of it, should be transferred over to the Irrevocable Trust to pay down the OPEB liability. S. Ward & S. Tracy reiterated that the Bond Rating Agencies, at least up to now, have not directly downgraded the credit-worthiness of municipal entities that are acknowledging and trying to address their OPEB liabilities.

- iv. **OPEB Recommendation:** The RHIC recommends that the Select Board (a) puts OPEB monies into a state-approved irrevocable trust, (b) increases the current annual appropriation to the OPEB account and (c) after the Pension Funding account was fully-funded (on or about FY2029), uses 100% of current monies appropriated for the Pension Funding account to reach full-funding of the OPEB Account.

4. Future of the RHIC

- a. Chairperson Cheimets asked if the group endorsed creation of a permanent Committee and if the answer was ‘yes”, did we think that the Committee should be created by the Select Board or by the Town Meeting. The group discussed models of different Town committees set up under those different entities. Chairperson Cheimets asked if the Committee, under either model, should specifically sunset. Both V. Laats and J. Dolan strongly supported continuation of the Committee and argued against sunset. They argued in support of a Committee that (a) met regularly and which (b) could keep abreast of all developments affecting current and future retirees and (c) could advise the FinCom, Select Board and Town meeting while also (d) communicating with impacted individuals during both the Spring and the Fall Enrollment periods.
- b. It was noted during this discussion that 90 new employee transactions were noted in the School Department, effective September 1, 2018, indicating that new retirees, and new employees, are a fact of life in Winchester.

5. Reporting to Town Meeting

- a. Chairman Cheimets proposed that the current RHIC file a final report at the Spring 2019 Town meeting and develop a new proposed mandate and mission statement for the Committee moving forward.
6. **Next Meeting-** The next meeting is scheduled for October 18, 2018 at 7 PM. Motion to adjourn; seconded; meeting adjourned.

Respectfully Submitted,
John Brouder