



**Strategic Financial Planning Committee for OPEB<sup>1</sup> Liabilities  
Town of Sudbury  
Voted to establish October 1, 2013 by the Sudbury Board of Selectmen  
Amended May 20, 2014**

**Mission Statement**

The Board of Selectmen is creating this committee to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury, including the Sudbury Public Schools and L-S Regional High School.

These liabilities may require separate strategies for Town/Sudbury Public Schools than Lincoln-Sudbury Regional High School, due to the different historic and current benefit packages offered that caused the different levels of liability. In addition to this, the L-S approach will need the involvement of the Town of Lincoln. Nevertheless, overall "big picture" strategies and fundamental philosophies may be applicable to both entities.

Short-term options might include articles for the 2015 Annual Town Meeting; longer term strategies might need to be developed and implemented over the next few years. The Committee will evaluate and make recommendations to the Board for 2015 Annual Town Meeting articles by December 31, 2014 so that the Board has sufficient time to draft articles before the warrant closing deadline.

The committee shall work to create and submit to the Selectmen a report that the Board, Finance Committee, and School Committees can use to make OPEB related decisions over the next 15 years.

**Membership**

Members of *Strategic Financial Planning Committee for OPEB Liabilities* shall be appointed by the Selectmen according to the following list. All appointments shall expire on May 31, 2015, but may be extended by the Board of Selectmen.

- Two members of the Board of Selectmen
- Two members of the Finance Committee
- One member of the Sudbury Public Schools School Committee
- One member of the Lincoln-Sudbury Regional School Committee
- Town of Sudbury Town Manager
- Town of Sudbury Assistant Town Manager
- Town of Sudbury Finance Director
- Lincoln-Sudbury Regional High School Director of Finance
- Sudbury Public Schools Director of Finance
- One Citizen at large with specific expertise that will be useful to the committee

The Committee shall elect a Chair, Vice-chair and a Clerk from among its members. The Chair will run meetings, be the designated communications link with the Town Manager or other Town staff, and schedule committee meetings. The Clerk shall insure that full minutes and a list of members in attendance are kept of each

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<sup>1</sup> OPEB is defined as Other Post-Employment Benefits (i.e., other than pensions, typically retiree health insurance).

meeting and promptly submitted to the Committee for approval, filing with the Town Clerk, and posting to the Town's website.

### **Staffing Assistance**

The appointed staff members of the committee shall be available to assist in carrying out the work of the committee.

### **Tasks**

It is anticipated that the committee will discuss and develop their own work plan to accomplish the mission of the committee. At a minimum, the Board of Selectmen anticipates that the following tasks will be important to this work:

1. What have other towns done? Using the Strategic Financial Planning Report as a starting point, develop a baseline assessment of other triple A-rated<sup>2</sup> towns, their approaches and the logic they are using for their decisions.
2. What are funding options? Should the Town and L-S be setting aside a minimum amount each year and if so, what should that amount be? Where should these funds come from?
3. How can these liabilities be best managed? What could the Town/SPS and L-S be doing to keep the liability from growing larger? What could they do to reduce the liability?
4. Is doing nothing an option? What are the implications of the do-nothing or "pay as you go" option?

### **Compliance with State and Local Laws and Town Policies**

The *Strategic Financial Planning Committee for OPEB Liabilities* is responsible for conducting its activities in a manner which is in compliance with all relevant state and local laws and regulations including but not limited to the Open Meeting Law, Public Records Law, and Conflict of Interest Law, as well as all Town policies which affect committee membership. In particular, all appointments are subject to the following:

The Code of Conduct for Selectmen Appointed Committee. A resident or employee who accepts appointment to a Town committee by the Board of Selectmen agrees that he/she will follow this code of conduct.

The Town's Email Communication for Committee Members Policy. Anyone appointed to serve on a Town committee appointed by the Board of Selectmen agrees that he/she will use email communication in strict compliance with the Town of Sudbury's email policy, and further understands that any use of email communication outside of this policy can be considered grounds for removal from the committee by the Selectmen.

Use of the Town's Web site. The Committee will keep minutes of all meetings and post them on the Town's web site. The committee will post notice of meetings on the Town's website as well as at the Town Clerk's Office.

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<sup>2</sup> Either AAA credit rating by Standard & Poor's or Aaa credit rating by Moody's