

**TOWN OF SUDBURY MASSACHUSETTS
STRATEGIC FINANCIAL PLANNING COMMITTEE FOR OPEB LIABILITIES
MINUTES**

Wednesday November 5, 2014

Present: Selectman Lawrence W. O'Brien, SPS Committee member Lucie St. George, Finance Committee member William Kneeland ; L-S School Committee member Kevin Matthews; Town Manager Maureen G. Valente, Assistant Town Manager Maryanne Bilodeau, Finance Director Andrea Terkelsen, SPS Business Manager Mary Will and L-S Business Manager Patrick Collins.

Absent: Selectman Charles C. Woodard, L-S Superintendent Bella Wong and Finance Committee member Mark Minassian.

The statutory requirements as to notice having been complied with, the meeting was convened at 9:03 a.m. by Chairman of the Committee Larry O'Brien in the Silva Room, Flynn Building, 278 Old Sudbury Road.

Distribute materials

Ms. Valente distributed a memo title "Recommendations for Town/SPS for FY16 OPEB obligations". The memo includes four recommendations. Ms. Valente asked the group for feedback. She also asked the group if this committee should have a separate set of recommendations for LSRHSD.

All recommendations are summarized as follows:

1. Establish a formal trust document.
2. Establish a line item in the budget that represents (a portion of) projected normal cost (NC).
3. Establish a process; an amount and funding source to begin addressing our unfunded liability.
 - a. Begin allocating a percentage of Free Cash or other available resources.
 - b. Identify and devote a revenue source outside of the general fund.
4. Review and adjust as necessary based on new actuarial studies and budget drivers/economic conditions.

Discussion by group regarding recommendations (updates to the draft, where applicable) are summarized as follows:

- Normal cost funding is a good starting point that will receive wide support.
- Free Cash may be a good resource for normal cost and/or unfunded liability but that will depend on a new policy for Free Cash.
- Recommendations for LS will need to be accepted separately but need to be addressed in this document. What is the best way to do that particularly with respect to recommendation number three and four?
- How should the Town and LS begin addressing normal cost in FY16 particularly when the FinCom guidelines have already been issued? Should all cost centers be required to reach NC now or within three years? How can we afford doing that under normal guidelines and conditions?
- Setting a target date full funding of the trust will require more discussion. The committee will continue to discuss the pros and cons of setting a date similar to what is done in the actuarial documents.

- Re-evaluating progress, budget and funding targets is essential. Using the two-year actuarial study cycle may be the best means for doing so.

Ms. Valente offered to update the draft report to address latest comments and concerns for the next meeting.

Next meeting and Adjournment

The group agreed that the next meeting is scheduled for November 12 at 8:00 am. There being no further business, a motion by Mr. O'Brien was made to adjourn the meeting which was second by Ms. Terkelsen. The motion was passed unanimously.

Meeting was adjourned at 10:20 a.m.