

Minutes of the OPEB TRUST COMMITTEE MEETING via ZOOM

Tuesday, February 9, 2021 at 5:30

Meeting was called to order at 5:32 and the following were present:

Stacy Raffi, Chair, School Committee

Donald Bates, Resident, via phone

John Cronin, Chair, Select Board

Travis Ahern, Town Administrator

Mary Bousquet, Treasurer/Collector

Guests:

Parker Elmore, Odyssey

Paul Todisco, PRIT

Ken Szajda, Chair, Fincom

Motion was made by Mr. Cronin to appoint the following:

Travis Ahern, Chair

Mary Bousquet, Vice Chair

Seconded by Stacy Raffi, Mr. Ahern abstained. Vote: unanimous

OPEB Liability

Mr. Elmore from Odyssey revised the Town's OPEB liability. From FY18 to FY20 the liability increased from \$38 million to \$45 million. The change in the liability is assumption driven, with older people using more health care which added \$6.5 M, active plans rates came in higher than expected and retiree plans where they should be. A discount rate of 7% was used because we are well funded at 34%. Holliston is in the top 10% of municipalities that are funding their obligation. Our funding and investment plans are aggressive. Assumptions used: discount rate, term rates, retiree rates, election percentage and healthcare costs. Benchmark plans are higher than average. A single is \$936 and Medicare plans are \$386. There are 17 people who do not qualify for Medicare Parts A & B. If we were to purchase opt in insurance for those 17 people we could save \$4 to \$4.5 million, less the \$62,000 over many years we could see a net saving amount approximately \$3 million on our OPEB liability.

PRIT REVIEW

Mr. Todisco review our PRIT investment. There is a 7% actuarial assumed rate of return. PRIT exceeded the rate of return at 9.8% for the 4th quarter of 2020. There was a 12.6% rate of return for the year. So far in FY21 Holliston has a 16.36% rate of return.

Annual Appropriation

Ms. Raffi expressed her concerns regarding the \$1.5 million annual appropriation because our infrastructure needs help. She is concerned we are putting too much into the fund.

Mr. Cronin stated it's a high price to pay but in the long run it puts Holliston in a good position for the future.

Mr. Ahern said we could look at different scenarios and make changes if the committee so desires.

Motion by Mr. Cronin to appropriate \$1.5 million for the FY22 to the OPEB fund. Seconded by Ms. Raffi.

Vote: Mary: Yes; Stacy: Yes; John: Yes; Travis: Yes; Don: Yes

Approve Minutes of January 14, 2020

Motion by Ms. Raffi to approve the minutes of January 14, 2020, seconded by Ms. Bousquet

Vote: Mary: Yes; Stacy: Yes; John: Yes; Don: Yes; Travis: Abstained.

Adjourn

A motion to adjourn the meeting was made by Ms. Raffi at 6:45, seconded by Ms. Bousquet

Vote: Mary: Yes; Stacy: Yes; John: Yes; Don: Yes; Travis: yes

Respectfully submitted,

Mary A. Bousquet

Minutes approved 11/30/21

