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**Town of Acton
OPEB Working Group**

TOWN CLERK, ACTON

Date: Monday, October 22 2012 7:00p.m.

Place: Town Hall Room204

Attendees: D Clough, D Bruce, S Barrett, S Noone

Public: A Nitschelm, Jeff Clymer

The committee heard remarks from Jeff Clymer concerning the preparation of actuarial studies in the private sector.

A list of questions was developed for the proposed conference call with Segal and Co. on Nov 7th at 2:30 PM

November 7 at 7PM was proposed as the date for the next meeting.

Meeting was adjourned

Steve Noone

From: Stephen Barrett <sbarrett@acton-ma.gov>
Sent: Wednesday, November 07, 2012 9:57 AM
To: Donald Aicardi; Steve Noone
Cc: Brian McMullen
Subject: Fwd: conference call on Wed 11/7/12 @ 230pm - GASB 45 12/31/2010 valuation report

Two Thirty EST

[Sent from a mobile device]

Begin forwarded message:

From: "Saalbach, Gretchen A." <Gsaalbach@segalco.com<<mailto:Gsaalbach@segalco.com>>>
Date: November 7, 2012, 9:30:31 AM EST
To: Stephen Barrett <sbarrett@acton-ma.gov<<mailto:sbarrett@acton-ma.gov>>>, "Riley, Kathleen" <kriley@segalco.com<<mailto:kriley@segalco.com>>>
Cc: Brian McMullen <bmcmullen@acton-ma.gov<<mailto:bmcmullen@acton-ma.gov>>>
Subject: RE: conference call on Wed 11/7/12 @ 230pm - GASB 45 12/31/2010 valuation report

Good morning!

Here is the conference call information:

Dial-in number 877-477-0014
Conference Code: 6174247336

Gretchen Saalbach
Staff Assistant
Segal
116 Huntington Avenue | Boston, MA 02116-5744 T 617.424.7352 | F 617.424.7390
gsaalbach@segalco.com<<mailto:gsaalbach@segalco.com>>

-----Original Message-----

From: Stephen Barrett [<mailto:sbarrett@acton-ma.gov>]
Sent: Wednesday, November 07, 2012 6:29 AM
To: Riley, Kathleen
Cc: Brian McMullen; Saalbach, Gretchen A.
Subject: Re: conference call on Wed 11/7/12 @ 230pm - GASB 45 12/31/2010 valuation report

Appreciate the assist.
Best,
Steve

[Sent from a mobile device]

On Nov 7, 2012, at 5:00 AM, "Riley, Kathleen"
<kriley@segalco.com<<mailto:kriley@segalco.com>><<mailto:kriley@segalco.com>>> wrote:

Yes, we can set up a conference call. We will send you a conference number and passcode.

From: Stephen Barrett [<mailto:sbarrett@acton-ma.gov>]
Sent: Tuesday, November 06, 2012 2:46 PM
To: Riley, Kathleen
Cc: Brian McMullen
Subject: RE: conference call on Wed 11/7/12 @ 230pm - GASB 45 12/31/2010 valuation report

Kathy:

Message below is from Steve Noone (FINCOM), do you have a way to handle conference call tomorrow, any help appreciated..????

Can you conference me in from my office?

My number is 508 756 6296 x244

Thanks,

Steve Barrett

From: Stephen Barrett

Sent: Wednesday, October 24, 2012 10:58 AM

To: 'Riley, Kathleen'

Cc: Steve Noone; Don Aicardi; David Clough; Robert Evans;

dennis_p_bruce@hotmail.com<mailto:dennis_p_bruce@hotmail.com><mailto:dennis_p_bruce@hotmail.com>; Steve
Ledoux; Brian McMullen; David Schmidt

Subject: conference call on Wed 11/7/12 @ 230pm - GASB 45 12/31/2010 valuation report

Importance: High

Kathy:

We look forward to our conference call on 11/7/12 with you.

We are particularly interested in some of the main drivers behind our OPEB valuation, such as medical inflation, life expectancy, retirement age, staff turnover, head count, estimated payrolls, etc. as well as a sensitivity discussion to each. For example, what's our liability if medical inflation is assumed at 0%.

In terms of some specific questions, we have a few for you to ponder in advance of our conference call.
In no specific order:

1) 12/31/10 report - page 13 - projected benefits are estimated to grow at a 17.5%/year rate and normal cost grows at a 10.3%/year rate. What are the component assumptions that drive the growth?
Can a sensitivity analysis be performed on key assumption?

2) Assuming we have the ability to effect changes in the calculations, which of the following will create the largest reduction in total liability and therefore the ARC:

Changes in Plan Design

- * Cost share shift from 75% to 65% employer
- * Double the existing co-pays

Changes in Eligibility

- * Delay retirement age to 60, 65, 70
- * Lengthen service years to qualify from 10 to 20 to 30
- * Lengthen hours to qualify from 20 to 30 per week
- * Eliminate spousal/dependent coverage
- * Eliminate entire post-retirement health benefit for new hires

3) Assuming that it would currently cost \$x to have provided one year of retiree health insurance, and further assuming that current employment is adjusted for probabilities of work-life and actual life, would the Segal analysis allow you to provide an estimate for \$x..???

4) As GASB doesn't let us take credit for Medicare part D subsidies, how can we get credit for this..????

5) What can you tell us about Employer Group Waiver Plan's (EGWP) ?

Well, this should get the ball rolling in our discussion Kathy.

Best regards,

Steve Barrett

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Thank you.