

**TOWN OF CARVER**  
**BOARD OF SELECTMEN SUBCOMMITTEE**  
**OPEB (Other Post-Employment Benefits) STUDY COMMITTEE**

**MEETING MINUTES - Tuesday June 24, 2014**

*(Approved by a vote of 3-0 on September 30, 2014 – submitted by Stephen Pratt, Chairman on October 1, 2014)*

Meeting opened June 24, 2014, 6:05pm and adjourned at 7:05pm

Stephen Pratt, Joseph Patten, Bruce Kaiser, Paul Johnson and Paula Nute all present.

Members reviewed the May 6<sup>th</sup> meeting minutes and with minor corrections approved 5-0 to accept.

Paula Nute had previously informed the committee she would not be able to fulfill the position of Secretary. There was a discussion about the need and it was decided minutes would be taken by Chairman Pratt. Motion made Joe and seconded by Bruce (Approved 5-0).

The goals of the OPEB Study committee were discussed. Conclusion was a great deal of time will be sent on research and analysis prior to any recommendations or options being presented to the BOS. The scope was reinforced to include both direct and indirect liabilities (OPEB and Pension as “Post-employment benefits) in the discussion since tax revenues will be the source of all budgeted dollars for funding.

Steve presented the “What is OPEB” hand-out and presentation he prepared for Annual Town Meeting (June 16<sup>th</sup>). This was included in the ATM Warrant Packet - [http://www.carverma.org/documents\\_governing/2014-Annual-Town-Meeting-Warrant-Packet.pdf](http://www.carverma.org/documents_governing/2014-Annual-Town-Meeting-Warrant-Packet.pdf) (pages 59-62 of the pdf).

This was an overview to members with details discussing OPEB, Pension Liabilities (another post-employment “promise”) and both Direct and Indirect Unfunded Actuarial Accrued Liability (UAAL) for residents of Carver. The attached (TOC\_OPEB and Pension\_UnfundedLiabilities\_September 2014.pdf) content was also presented (it has since been updated and a separate list of URL’s is provided as well) as background to the information included in the hand-out.

Bruce Kaiser and Paula Nute still need to contact Ethics Commission to ask if because they are Gateway members and now OPEB Committee members, do they have to recuse themselves on issues related to Gateway.

We are still waiting on the receipt of the July 2013 GASB 45 OPEB valuation. Members were emailed the July 2011 GASB 45 OPEB valuation and reminded to review for future discussion. The balance of the agenda was tabled until the next meeting.

Next meeting will be July 22<sup>nd</sup> from 6pm to 7pm.

Meeting adjourned at 7:05pm (Paul motioned and Paula seconded with a 5-0 vote)

Town of Carver Taxpayers Direct (Town) and Indirect (State and other affiliated entities)  
Other Post Employment Benefits (OPEB) and Pensions Unfunded Actuarial Accrued Liabilities

Unfunded Actuarial Accrued Liabilities (UAAL)	OPEB <sup>(1)</sup>	Pension	Total All Systems	OPEB Valuations	Pension Valuations
<i>UAAL - State Employees (SRS)</i>	\$16.7B	\$9.1B	\$25.8B	January 2012-Aon Hewitt	<a href="#">Commonwealth January 2013 Report</a>
<i>UAAL - Massachusetts Teachers (MTRS)</i>	\$17.3B	\$17.3B	\$17.3B	January 2012-Aon Hewitt	<a href="#">MTRS January 2013 Report</a>
<i>UAAL - Boston Teachers</i>	\$1.7B	\$1.7B	\$1.7B	January 2012-Aon Hewitt	<a href="#">Commonwealth January 2013 Report</a>
<i>UAAL - Local Systems COLA Reimbursements</i>	\$244.1M	\$244.1M	\$244.1M	January 2012-Aon Hewitt	<a href="#">Commonwealth January 2013 Report</a>
<i>UAAL - County, Local and Regional</i>	\$29.3B	\$15.0B	\$44.3B	Various Years	<a href="#">Perac 2012 Annual Report</a>
<i>UAAL - Other Government Organizations</i>	\$115.1M	\$115.1M	\$115.1M	2009-2013	<a href="#">Perac 2012 Annual Report</a>
<b>Totals</b>	<b>\$46.0B</b>	<b>\$43.5B</b>	<b>\$89.5B</b>	<a href="#">(1) OPEB Commission January 2013 Final Report</a>	
<i>Total Residents in Massachusetts</i>	6,547,629	0.176%	<a href="#">Government Accounting Standards Board (GASB)</a>	OPEB Pronouncements - GASB 43, 45	
<i>Total Residents in Plymouth County</i>	494,919	2.325%		Pension Pronouncements - GASB 24, 25, 27, 50, 67, 68, 71	
<i>Total Residents in CMWRR District</i>	41,332	27.845%	UAAL	<b>Unfunded Actuarial Accrued Liabilities (UAAL) Totals</b>	
<i>Total Residents in Town of Carver</i>	11,509	100.000%	Total All Systems in Massachusetts	Average Single Family Home based upon Tax Levy Amount	
<i>Town of Carver Percentages based on</i>	<a href="#">2010 U.S. Census</a>			Total Carver	Per Average SFH
					Per Resident
<a href="#">State Retirement System (1/13 GASB 27 Valuation) Only</a>	\$	25,767,719,000			
Unfunded Pension Liability (State) - estimate Carver per capita	\$	9,067,719,000	\$	15,938,652	\$ 3,448 \$ 1,385
Unfunded OPEB Liability (Healthcare-State) - estimate Carver per capita	\$	16,700,000,000	\$	29,354,183	\$ 6,351 \$ 2,551
<b>Other Cities/Towns, Collaboratives, Counties and Regional excluding below (Various)</b>	\$	45,646,050,828			
Unfunded Pension Liability (All Other) Estimated	\$	16,405,767,785	\$	-	\$ - \$ -
Unfunded OPEB Liability (Healthcare-All Other Estimated)	\$	29,240,283,043	\$	-	\$ - \$ -
<a href="#">Massachusetts Teachers Retirement System (1/13 GASB 27 Valuation) Pension Only</a>	\$	17,347,748,000			
Unfunded Pension Liability (Carver) - estimate ~.1684% based on GASB 24	\$	29,217,227	\$	29,217,227	\$ 6,321 \$ 2,539
Unfunded Pension Liability (OCRVTHS) - estimate ~.0740%*16.35% based on GASB 24	\$	12,844,797	\$	2,099,772	\$ 454 \$ 182
Unfunded Pension Liability (READS) - estimate ~.0070%*5.56% based on GASB 24	\$	1,206,412	\$	67,023	\$ 15 \$ 6
<a href="#">Plymouth County CRS (1/13 GASB 27 Valuation) Pension Only</a>	\$	652,865,215			
Unfunded Pension Liability (Carver page 44) - actual Carver ~2.706% of PCCRS Total	\$	17,666,386	\$	17,666,386	\$ 3,822 \$ 1,535
Unfunded Pension Liability (County of Plymouth page 38) - Carver estimate per capita	\$	35,698,576	\$	830,146	\$ 180 \$ 72
Unfunded Pension Liability (CMWRR page 45) - Carver estimate per capita	\$	428,655	\$	119,360	\$ 26 \$ 10
Unfunded Pension Liability (PC Mosquito Control page 67) - Carver estimate per capita	\$	1,905,614	\$	44,314	\$ 10 \$ 4
<b>Town of Carver OPEB UAAL [Local, Collaborative, County, and Regional]</b>	\$	59,716,957			
OPEB UAAL (Carver) - 7/13 GASB 45 Valuation-FY2014 Amount	\$	45,804,226	\$	45,804,226	\$ 9,910 \$ 3,980
<a href="#">OPEB UAAL (OCRVTHS) - 7/12 GASB 45 Valuation-FY2013 Amount estimate ~16.35%</a>	\$	11,426,007	\$	1,867,839	\$ 404 \$ 162
<a href="#">OPEB UAAL (READS) - 7/11 GASB 45 Valuation - FY2013 estimate ~ 5.56%</a>	\$	2,486,723	\$	138,151	\$ 30 \$ 12
<a href="#">OPEB UAAL (County of Plymouth no GASB 45 as of FY2009) - TBD</a>	\$	1	\$	0	\$ 0 \$ 0
<b>Total</b>	\$	89,474,100,000	\$	143,147,279	\$ 30,971 \$ 12,438
			Direct	\$ 63,470,612	\$ 13,732 \$ 5,515
			Indirect	\$ 79,676,667	\$ 17,239 \$ 6,923
<b>MTRS - GASB 24 "on behalf" pension benefit payments FY2014</b>					
<a href="http://www.mass.gov/mtrs/docs/financial-reports/gasb24agencytotals.pdf">http://www.mass.gov/mtrs/docs/financial-reports/gasb24agencytotals.pdf</a>					
<b>Total MTRS FY2014</b>	\$	2,020,477,093	<u>Percent of Total MTRS</u>	<u>Percent of Direct/Indirect</u>	
Carver Public Schools (page 2)	\$	3,402,905	0.1684%	100.0000%	
Old Colony Regional Vocational Technical High School (page 6)	\$	1,496,022	0.0740%	16.3473%	Based on FY2014 Minimum Required Contribution
READS Collaborative (page 7)	\$	140,510	0.0070%	5.5556%	Based on 1 -- 18 Member Districts and FY2013 Audit

Town of Carver Other Post Employment Benefits (OPEB) Actuarial Accrued Liability (AAL)  
with Annual OPEB Cost, Pay As You Go and Net OPEB Obligation as percent of Total Tax Levy

OPEB-GASB 45 Town of Carver Fiscal Year	Actuarial Accrued Liability	A Annual OPEB Cost (w/Int+adj)	B Contribution Made (PAYG)	C (A-B) Net OPEB Obligation (NOO)	D Total Tax Levy Amount - TTL	Total Tax Levy Percentage		
						Annual OPEB Cost (w/Int+adj)	Contribution Made (PAYG)	Total Net OPEB Obligation (NOO)
FY2016e <sup>4</sup>	\$ 51,305,034	\$ 5,132,243	\$ 1,467,747	\$ 26,413,535	\$ 21,699,188	23.65%	6.76%	121.73%
FY2015e <sup>4</sup>	\$ 48,487,691	\$ 4,893,675	\$ 1,367,915	\$ 22,749,039	\$ 21,046,654	23.25%	6.50%	108.09%
FY2014 <sup>4</sup>	\$ 45,804,226	\$ 4,653,210	\$ 1,287,597	\$ 19,223,279	\$ 20,029,809	23.23%	6.43%	95.97%
FY2013 <sup>3</sup>	\$ 45,059,105	\$ 4,579,373	\$ 1,212,659	\$ 15,857,666	\$ 19,129,426	23.94%	6.34%	82.90%
FY2012 <sup>3</sup>	\$ 42,876,017	\$ 4,352,129	\$ 1,124,532	\$ 12,490,952	\$ 18,500,971	23.52%	6.08%	67.52%
FY2011 <sup>2</sup>	\$ 46,089,369	\$ 5,236,980	\$ 1,120,885	\$ 9,263,355	\$ 17,906,856	29.25%	6.26%	51.73%
FY2010 <sup>2</sup>	\$ 46,089,369	\$ 3,340,373	\$ 851,000	\$ 5,147,260	\$ 16,705,041	20.00%	5.09%	30.81%
FY2009 <sup>1</sup>	\$ 31,951,212	\$ 3,340,373	\$ 682,486	\$ 2,657,887	\$ 16,174,341	20.65%	4.22%	16.43%
FY2008	NA	NA	NA	NA	\$ 15,545,876	NA	NA	NA
<b>FY2009 - 2016e</b>		<b>\$ 30,396,113</b>	<b>\$ 7,647,074</b>	Cumulative	<b>\$ 129,493,097</b>			

e - estimate

References: <sup>1</sup>Town of Carver GASB 45 Valuation as of July 1, 2008 (Initial GASB 45)

<sup>2</sup>Town of Carver GASB 45 Valuation as of July 1, 2009

<sup>3</sup>Town of Carver GASB 45 Valuation as of July 1, 2011

<sup>4</sup>Town of Carver GASB 45 Valuation as of July 1, 2013

## Town of Carver Pension Unfunded Actuarial Accrued Liabilities

### Pensions - Plymouth County Contributory Retirement System Only - GASB 25/27

Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of PCCRS Assests	Unfunded Actuarial Accrued Liability (UAAL)			
			PCCRS UAAL	% Funded	Carver UAAL	% of PCCRS UAAL
1/1/2013	\$ 1,319,764,989	\$ 666,899,774	\$ 652,865,215	50.53%	\$ 17,666,386	2.71%
1/1/2012	No Valuation					
1/1/2011	\$ 1,187,447,414	\$ 666,730,812	\$ 520,716,602	56.15%	\$ 13,729,667	2.64%
1/1/2010	\$ 1,132,847,379	\$ 673,709,456	\$ 459,137,923	59.47%	\$ 12,229,635	2.66%
1/1/2009	\$ 1,158,666,824	\$ 579,333,412	\$ 579,333,412	50.00%	\$ 15,352,335	2.65%
1/1/2008	\$ 1,056,020,215	\$ 683,819,938	\$ 372,200,277	64.75%	\$ 9,863,307	2.65%
1/1/2007	\$ 978,840,418	\$ 597,629,089	\$ 381,211,329	61.05%	\$ 10,102,100	2.65%
1/1/2006	\$ 918,581,707	\$ 558,263,863	\$ 360,317,844	60.77%	\$ 9,548,423	2.65%
1/1/2005	No Valuation					
1/1/2004	\$ 802,158,453	\$ 520,104,805	\$ 282,053,648	64.84%	\$ 7,474,422	2.65%
1/1/2003	No Valuation					
1/1/2002	\$ 733,198,204	\$ 466,354,660	\$ 266,843,544	63.61%	\$ 7,071,354	2.65%
1/1/2001	No Valuation					
1/1/2000	\$ 611,204,058	\$ 450,210,619	\$ 160,993,439	73.66%	\$ 4,266,326	2.65%
1/1/1999	No Valuation					
1/1/1998	\$ 492,303,777	\$ 316,253,566	\$ 176,050,211	64.24%	\$ 4,665,331	2.65%
<b>Change 2000-2013</b>	<b>115.9%</b>	<b>48.1%</b>	<b>305.5%</b>		<b>314.1%</b>	

Reference: [Plymouth County CRS \(1/13 GASB 27 Valuation\) Pension Only](http://www.mass.gov/perac/plymouthctcy/plymouthctyval13.pdf)  
<http://www.mass.gov/perac/plymouthctcy/plymouthctyval13.pdf>

# Town of Carver Reference URL's for Other Post Employment Benefits (OPEB) and Pensions Unfunded Actuarial Accrued Liabilities

## Web Address - Uniform Resource Locator (URL), if applicable

### OPEB Valuations/Information

<a href="http://www.mass.gov/anf/docs/anf/opeb-commission/opeb-commission-final-report.pdf">OPEB Commission January 2013 Final Report</a>	<a href="http://www.mass.gov/anf/docs/anf/opeb-commission/opeb-commission-final-report.pdf">http://www.mass.gov/anf/docs/anf/opeb-commission/opeb-commission-final-report.pdf</a>
OPEB UAAL (Town of Carver) - July 1, 2013 GASB 45 Valuation- FY2014 and FY2015	Town Accountant's Office
OPEB UAAL (Town of Carver) - July 1, 2011 GASB 45 Valuation- FY2012 and FY2013	Town Accountant's Office
OPEB UAAL (Town of Carver) - July 1, 2009 GASB 45 Valuation- FY2010 and FY2011	Town Accountant's Office
<a href="http://pdf.bernardisecurities.com/Old%20Colony%20RSD%20pos%20(July%201,%202014).pdf">OPEB UAAL (OCRTHS) - 7/12 GASB 45 Valuation-FY2013</a>	<a href="http://pdf.bernardisecurities.com/Old%20Colony%20RSD%20pos%20(July%201,%202014).pdf">http://pdf.bernardisecurities.com/Old%20Colony%20RSD%20pos%20(July%201,%202014).pdf</a>
<a href="http://www.readscollab.org/sites/reads/files/file/fy13_audit_report_0.pdf">OPEB UAAL (READS) - 7/11 GASB 45 Valuation - FY2013</a>	<a href="http://www.readscollab.org/sites/reads/files/file/fy13_audit_report_0.pdf">http://www.readscollab.org/sites/reads/files/file/fy13_audit_report_0.pdf</a>
<a href="http://www.plymouthcounty-ma.gov/pdf/plymouth-county-fs09.pdf">OPEB UAAL (County of Plymouth no GASB 45 as of FY2009)</a>	<a href="http://www.plymouthcounty-ma.gov/pdf/plymouth-county-fs09.pdf">http://www.plymouthcounty-ma.gov/pdf/plymouth-county-fs09.pdf</a>
<a href="https://malegislature.gov/Bills/188/House/H59">MA Legislature Bill H.59 "An Act providing retiree healthcare benefits reform"</a>	<a href="https://malegislature.gov/Bills/188/House/H59">https://malegislature.gov/Bills/188/House/H59</a>
<a href="http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391">Government Accounting Standards Board (GASB) - OPEB Pronouncements - GASB 43, 45</a>	<a href="http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391">http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391</a>

### Pension Valuations/Information

<a href="http://www.mass.gov/perac/valuation/2013commonwealth.pdf">Commonwealth January 2013 Report</a>	<a href="http://www.mass.gov/perac/valuation/2013commonwealth.pdf">http://www.mass.gov/perac/valuation/2013commonwealth.pdf</a>
<a href="http://www.mass.gov/perac/valuation/2013commonwealth.pdf">State Retirement System (1/13 GASB 27 Valuation) included in Commonwealth</a>	<a href="http://www.mass.gov/perac/valuation/2013commonwealth.pdf">http://www.mass.gov/perac/valuation/2013commonwealth.pdf</a>
<a href="http://www.mass.gov/perac/teachers/2013teachersval.pdf">Massachusetts Teachers Retirement System (1/13 GASB 27 Valuation) Pension Only</a>	<a href="http://www.mass.gov/perac/teachers/2013teachersval.pdf">http://www.mass.gov/perac/teachers/2013teachersval.pdf</a>
<a href="http://www.mass.gov/perac/plymouthcty/plymouthctyval13.pdf">Plymouth County CRS (1/13 GASB 27 Valuation) Pension Only</a>	<a href="http://www.mass.gov/perac/plymouthcty/plymouthctyval13.pdf">http://www.mass.gov/perac/plymouthcty/plymouthctyval13.pdf</a>
<a href="http://www.mass.gov/perac/13annualreport/ar13.pdf">Perac 2013 Annual Report</a>	<a href="http://www.mass.gov/perac/13annualreport/ar13.pdf">http://www.mass.gov/perac/13annualreport/ar13.pdf</a>
<a href="http://www.mass.gov/perac/pubdir/reportsarchive.htm">Perac Annual Report Archives</a>	<a href="http://www.mass.gov/perac/pubdir/reportsarchive.htm">http://www.mass.gov/perac/pubdir/reportsarchive.htm</a>
<a href="https://malegislature.gov/Bills/188/House/H3377">MA Legislature Bill H.3377 "An Act authorizing the Plymouth County Contributory Retirement System to issue pension funding bonds or notes" -</a>	<a href="https://malegislature.gov/Bills/188/House/H3377">https://malegislature.gov/Bills/188/House/H3377</a>
<a href="http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391">Government Accounting Standards Board (GASB) - Pension Pronouncements - GASB 24, 25, 27, 50, 67, 68, 71</a>	<a href="http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391">http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&amp;cid=1176160042391</a>
<a href="http://www.mass.gov/mtrs/docs/financial-reports/gasb24agencytotals.pdf">MTRS - GASB 24 "on behalf" pension benefit payments FY2014</a>	<a href="http://www.mass.gov/mtrs/docs/financial-reports/gasb24agencytotals.pdf">http://www.mass.gov/mtrs/docs/financial-reports/gasb24agencytotals.pdf</a>

### Other Resources

<a href="http://quickfacts.census.gov/qfd/states/25000.html">2010 U.S. Census</a>	<a href="http://quickfacts.census.gov/qfd/states/25000.html">http://quickfacts.census.gov/qfd/states/25000.html</a>
<a href="http://www.doe.mass.edu/finance/chapter70/chapter_15p.html">Chapter 70 Aid and Net School Spending Requirements</a>	<a href="http://www.doe.mass.edu/finance/chapter70/chapter_15p.html">http://www.doe.mass.edu/finance/chapter70/chapter_15p.html</a>
<a href="http://www.carverma.org/documents_governing/2014-Annual-Town-Meeting-Warrant-Packet.pdf">TOC FY2015 ATM Warrant Packet (June 16, 2014)</a>	<a href="http://www.carverma.org/documents_governing/2014-Annual-Town-Meeting-Warrant-Packet.pdf">http://www.carverma.org/documents_governing/2014-Annual-Town-Meeting-Warrant-Packet.pdf</a>