

Conway Finance Committee
Minutes
Monday January 7, 2013 7:00 PM
Town Office

Members Present: Andrea Llamas, James Cabral, Jim Bosman, Tanya Campbell, Robert Stone (Roy Cohen absent). Guests – Jan Warner

Next Meetings

Monday January 14th 7 PM Town Hall (All Com Meeting)

Monday January 28th 7 PM Town Office (First Review of FY14 Budget Numbers)

Review/Approve Minutes

Approved the minutes of December 10 meeting.

GASB45/OPEB

Jan Warner explained this is regarding costs associated with retiree health insurance. Our OPEB reports have shown about \$2M liability (based on all of the towns employees and their projected retirement ages going out 50 years) but a \$490K current obligation based on a 30-year payment plan with a start date of several years ago. Jan says the Conway Financial Team feels the town should start putting money into a trust fund for expense. The town has options though – ignore the obligation, partially fund it, or bite the bullet and fund the whole thing – but only 2 towns in the state have actually funded the whole thing, and not many towns have started partial funding yet. The OPEB reports also talk about how to control/reduce health care costs. Jan reported that in Conway's new personnel policy, the town no longer gives health insurance to new part-time board members, which was one of the things that was called out in the DOR financial review report also. The Conway Financial Team did not determine what amount of money we should start putting into the account. Jan suggested \$100K as an initial deposit. Tanya noted that funds placed in OPEB fund are locked in for that purpose and can't be used for anything else. Jan will find out what the current annual cost is for current retirees health insurance and what is the amount of the Part B match that is coming from the Feds (because according to Andrea this can also be used to fund the OPEB trust fund). Based on these figures, what we will do is develop a gradual funding plan based on how much it currently costs (looks like about \$40K/year). Jan is not going to bring this proposal to the Select Board – it will be a Fin Com recommendation to the SB, with also the opinion of the Financial Team behind it.

FY14 Budget Process

Ed MacDonald sent out a budet memo 1/3/2013, asking department heads and committee chairs to provide their FY14 budget requests by January 22nd. Memo did not include mention about putting 0% salary/wage increase. Ed gave budget request forms to Fin Com and we filled them out, putting \$40K for FY14 Reserve Fund and \$300 for Fin Com expense.

Liason Assignments

Jim – Conway Grammar School and Parks and Recreation

James – Treasurer and Collector and Ambulance

Andrea – Frontier Schools and Select Board/Administration

Robert – Personnel Committee and Police

Roy – Highway and Fire (ask Roy if this is OK)

Tanya – Assessors and Board of Health

Community Preservation Committee

Jim and James expressed support for increasing the surcharge to get the higher state match (while

adding the exemption for first \$100K of value). Andrea expressed that we need to do the analysis to show which households would be impacted in what ways by the change.

Rose Field Issues

James was concerned if any money was to be spent for an engineering study, where would the SB take it from. Andrea feels that the town office is an insufficient facility, with limited places to have private conversations, and desks placed in hallways, so she would prioritize a solution for that over the need for senior housing.

Meeting Adjourned at 9:00 PM.