

Projected OPEB (Retiree healthcare) savings from CBA agreements

	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028
OPEB (Retiree healthcare) liability prior to CBA changes	34,729,000	36,100,000	37,501,000	38,913,000	40,351,000	41,796,000	43,215,000	44,624,000	45,960,000	47,217,000
OPEB (Retiree healthcare) liability after CBA changes	27,401,000	27,983,000	28,549,000	29,083,000	29,597,000	30,069,000	30,470,000	30,811,000	31,034,000	31,128,000
Total OPEB liability reduction	7,328,000	8,117,000	8,952,000	9,830,000	10,754,000	11,727,000	12,745,000	13,813,000	14,926,000	16,089,000
Actuarially Required Contribution prior to CBA changes	3,108,000	3,221,000	3,336,000	3,453,000	3,573,000	3,695,000	3,819,000	3,943,000	4,067,000	4,189,000
Actuarially Required Contribution after CBA changes	3,108,000	2,292,000	2,348,000	2,403,000	2,458,000	2,511,000	2,563,000	2,613,000	2,659,000	2,701,000
Annual OPEB (Retiree healthcare) contribution savings	0	929,000	988,000	1,050,000	1,115,000	1,184,000	1,256,000	1,330,000	1,408,000	1,488,000

All numbers above calculated by Angell Pension

In addition to the savings above, the town made changes to pre-65 retiree healthcare for new hires. In FY 18, the town spent approximately \$506,000 on pre-65 healthcare for police and fire retirees. If the newly negotiated provisions had been in place at the time our current retirees were employed, the cost would have been \$317,000 - a 37% cost reduction. The impact of this will not be seen by the town for at least 20 years when new hires begin to retiree, however, this is another significant reduction in the long term healthcare costs for the town.