



CITY OF AMESBURY
IN THE YEAR TWO THOUSAND TWENTY

20 NOV 30 PM 2:33

AM... CLERK

SPONSORED BY: Kassandra Gove **BILL No. 2020-165**
Kassandra Gove, Mayor

An Order to accept the provisions of MGL Chapter 32B, Section 20 to allow for establishment of an Other Post-Employment Benefit (OPEB) Liability Trust Fund.

Summary: This order seeks to establish an OPEB Trust Fund in accordance with MGL in order to acknowledge and address the City's Other Post-Employment Benefits (OPEB) liability. As of June 30, 2020, the City's total outstanding OPEB liability was \$125,789,507. By creating an OPEB Trust Fund and establishing a responsible funding and investment plan, the City can address its obligation to its retirees, help to strengthen its bond rating and consequently reduce its long term liability by approximately \$17M. This savings is accomplished by making moderate annual appropriations and utilizing the future savings in the City's pension assessment to fully fund its OPEB liability by 2055. Having a plan to fully fund the City's OPEB liability allows for an increase in the investment (discount) rate thus reducing the present overall long term liability.

Be it Ordered by the City Council of the City of Amesbury assembled, and by the authority of the same as follows:

That the City of Amesbury (the "City") hereby accepts the provisions of Chapter 32B, Section 20 of the Massachusetts General Laws, as amended by Chapter 218, Section 15 of the Acts of 2016 (the "Act"); and establishes an Other Post-Employment Benefits Liability Trust Fund (the "Fund"); and

That, in accordance with the Act, the City hereby designates the Treasurer of the City to serve as Custodian of the OPEB Fund (the "Custodian"); and

That the Treasurer/Custodian be designated as the Trustee of the Fund, with all the powers and responsibilities identified under the Act and this vote; and

That the Treasurer/Custodian, as Trustee, be authorized to employ investment consultant(s), as well as outside custodial service(s), to hold monies in the Fund, and to pay for services from the Fund; and

That the City hereby authorizes the investment of the Fund under the prudent investor rule established under G.L. c. 203C; and

That the City authorizes the Treasurer/Custodian, as Trustee, to execute any and all documents necessary to utilize outside custodial service(s) and/or investment consultant(s), including but not limited to trust agreements, participation agreements, investment agreements, and administrative services agreements; and

That the City hereby designates the Treasurer/Custodian as the Plan Administrator, as may be necessary to utilize outside custodial service(s) and authorizes the Treasurer/Custodian, acting as Plan Administrator, to take any other actions permitted or required by law; and

That a sum is expected to be appropriated in Fiscal Year 2022 as the initial investment into the Other Post-Employment Benefits Liability (“OPEB”) Trust Fund established in accordance with G.L. c. 32B, §20.