



ARTICLE 00. OPEB Trust Fund

Mr. Whelan moves:

That the Town adopt MGL Chapter 32B, Section 20,
“Other Post-Employment Benefits Trust Fund”.



Background

- In 2008, the MA Legislature adopted a Special Act authorizing an OPEB Trust Fund for the Town of Concord.
- In 2016, the Legislature revised existing MGL relative to OPEB Trust Funds; further new GASB pronouncements have called into question whether our existing OPEB Trust Fund meets the legal definition of a Trust Fund, allowing fund assets to offset the unfunded liability



Solution

- The Department of Revenue, Town Counsel and our Auditor have recommended that the Town adopted the new MGL in order to provide the proper legal structure, making it clear that this fund is irrevocable and monies held in the Trust would be used solely to pay the OPEB liability



Other Considerations

- Adoption of this section of MGL also requires that either a sole trustee (Town Treasurer) or board of trustees (prescribed by statute) be appointed.
- If board option is chosen, choose either:
 - Local Retirement Board
 - New Board of 5 – 13 members



Recommended Option

- While a formal recommendation has yet to be made, it is likely that the suggested path will be to have a sole trustee (Town Treasurer) who will work with & have a formal reporting requirement to an existing board (Trustees of Town Donations)



Recommendation

- In formulating this recommendation, the following boards were consulted, all of whom are in support:
 - Select Board
 - Financial Audit Advisory Committee
 - Trustees of Town Donations



Recommendation

- The Town, through its Town Manager/ Select Board will draft an OPEB Agreement, which at a minimum, will set forth the powers, duties and limitations of the Trustee



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