



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

Mr. Whelan moves: that the Town take affirmative action on Article 9, as printed in the Warrant.



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

- What is OPEB?
- Broad term covering retirement benefits other than pension (Health Insurance)
- Liability- the Town's share of the cost



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

- In 2008, the Town's existing Trust Fund was established by Special Act of Legislature
- In 2016, Legislature revises existing law, resulting in the need to update Trust Fund's legal structure/authorization



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

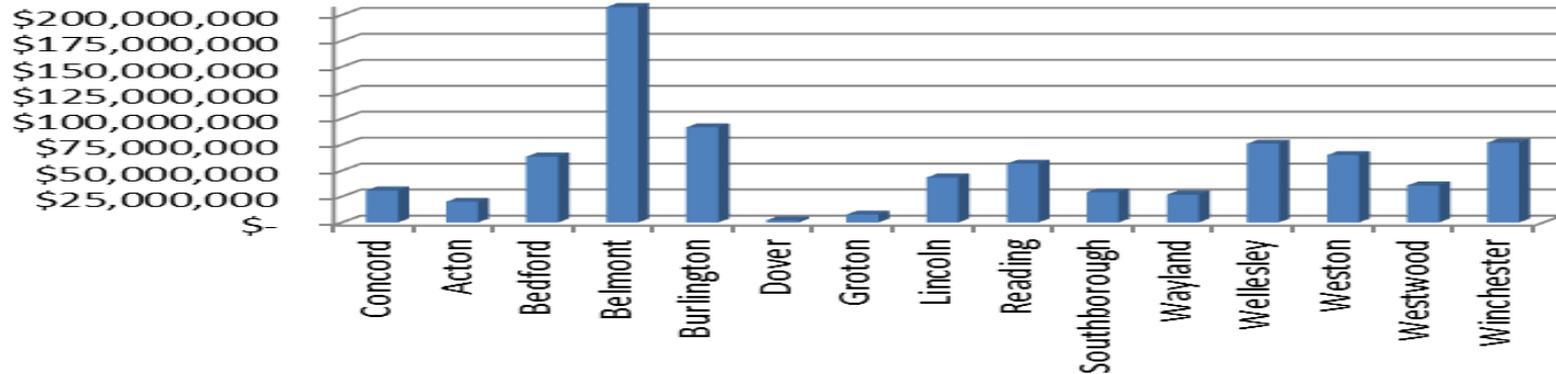
Solution:

- DOR, Town Counsel & Auditor recommend that Town adopt new MGL to provide proper legal structure, making it clear that fund is irrevocable and monies held in trust are used solely to pay liability



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

Unfunded OPEB Liability



Note: Comparative data is as of June 30, 2017; not all Towns value every year



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

- Town Treasurer; or
- Board of Trustees
 - Local Retirement Board; or
 - 5 – 13 member board including: a member with investment experience; a citizen; an employee; a retiree; and a town officer appointed by the CEO.



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

Recommended Option:

- Appointment of a sole trustee (Town Treasurer) who will consult with the Trustees of Town Donations and have a formal reporting requirement to the Select Board
- OPEB Agreement will be drafted which will set forth the powers, duties and limitations of the trustee



Article 9: Authorization to Accept M.G.L c. 32B, §20- Other Post-Employment Benefits (OPEB) Liability Trust Fund

In formulating this recommendation, the following boards were consulted:

- Financial Audit Advisory Committee
- Select Board
- Trustees of Town Donations



**Article 9: Authorization to Accept M.G.L c. 32B, §20-
Other Post-Employment Benefits (OPEB) Liability Trust Fund**

Mr. Whelan moves: that the Town take affirmative action on Article 9, as printed in the Warrant.