

### § 13. Other Post-Employment Benefits Liability Trust Fund Board of Trustees

(a) *Acceptance & Establishment of the Other Post-Employment Benefits Liability Fund.* By virtue of adoption of this ordinance, the city of Worcester hereby accepts section 20 of chapter 32B of the General Laws, as amended by section 15 of the Municipal Modernization Act, St. 2016 c. 218, and does further establish on the books of the city a trust fund known as the “Other Post-Employment Benefits Liability Trust Fund” or “OPEB Fund” as an expendable trust fund subject to appropriation for the deposit of gifts, grants, appropriations and other funds for the: (1) benefit of retired employees and their dependents; (2) payment of required contributions by the city to the group health insurance benefits provided to employees and their dependents after retirement; and, (3) reduction and elimination of the unfunded liability of the city for such benefits.

(b) *Establishment of the Board of Trustees.* Under authority of section 20 of chapter 32B of the General Laws, as amended by section 15 of the Municipal Modernization Act, St. 2016 c. 218, there is hereby established under the jurisdiction of the city manager an executive board of the city to be known as the “Other Post-Employment Benefits Liability Trust Fund Board of Trustees” (“OPEB Board” or “Board”).

(c) *Membership.* The OPEB Board shall consist of nine trustees who shall be appointed under the provisions of subsection (e) of section 20 of chapter 32B of the General Laws as follows:

- One trustee shall be a retiree of the city selected by the current retirees of the city by ballot.
- One trustee shall be a city employee selected by the current employees of the city by ballot.
- Three trustees shall be appointed by the city manager.
- The chief financial officer of the city of Worcester, *ex officio*.
- The human resources director of the city of Worcester, *ex officio*.
- The chief financial officer of the Worcester Public Schools, *ex officio*.
- The city auditor of the city of Worcester *ex officio*.

(The chief financial officer of the city shall qualify as the “officer of the city” as specified in said subsection (e)).

(d) *Term – Initial Appointments.* The initial appointments of the trustees shall be staggered such that the first city manager appointee shall serve a term of one year; the second city manager appointee shall serve a term of two years; the third city manager appointee shall serve a term of three years; the city employee appointee shall serve for four years and the retiree appointee shall serve for five years. Thereafter, the terms of all trustees shall be five years commencing on October first in any calendar year. Every trustee shall serve as a member of the Board until the appointment and confirmation of their successor who shall serve for the balance of the term into which they were appointed. All trustees may be reappointed in accordance with the provisions and limitations of the city charter. All trustees shall serve at the pleasure of the city manager

except that no trustee shall be removed from office solely on account of any vote or position taken on any matter pending before or decided by the Board. The chair of the Board shall be designated by the city manager.

(e) *Duties & Responsibilities.* The OPEB Board of Trustees shall:

- (1) Perform and exercise the powers, duties and obligations as specified in section 20 of chapter 32B of the General Laws;
- (2) Have general supervision of the management, investment and reinvestment of the OPEB Fund;
- (3) Adopt and from time to time amend a declaration of trust describing in detail its duties, obligations and operations;
- (4) Make a report to the city council, school committee, city manager and superintendent of schools at the earliest possible opportunity in the annual budget cycle as to the balances and investment transactions of the OPEB Fund over the past year and containing its certification of the amount available in the Fund for the cost of the city's share of health insurance benefits for city retirees and their dependents; such report shall also include the Board's projection as to the city's future unfunded OPEB liability, including an actuarial valuation of the city's liabilities and a funding schedule that conforms to GASB requirements;
- (5) Employ reputable and knowledgeable investment consultants and to pay for those services from the assets of the OPEB Fund, but shall to the extent practicable utilize the resources of the city in the conduct of its affairs.
- (6) Adopt rules and regulations in accordance with law for the conduct of its affairs; and,
- (7) Perform such other duties as may be prescribed by law.

(f) *OPEB Trust Fund Custodian – Prudent Investor Rule.* The city treasurer shall be the custodian of the OPEB Trust Fund and shall invest and reinvest the assets of the Fund as directed by the OPEB Trustees. In giving any such direction and making investment and reinvestment decisions the OPEB Trustees are hereby authorized to act under the Prudent Investor Rule established in chapter 203C of the General Laws. The city treasurer shall also be the keeper of the official records of the Board and otherwise administer the affairs of the Board.