



Legislation Text

File #: 20-1083, **Version:** 1

Resolution to Amend the Other Postemployment Benefits (OPEB) Funding Policy

Prepared by: Matthew V. Horning, Interim CFO & Financial Services Area Administrator

Reviewed by: Betsy Blake, Senior Assistant City Attorney

Approved by: Tom Crawford, Interim City Administrator

Whereas, The onset of the COVID-19 pandemic has caused economic stress throughout the world-wide economy, including the financial status of City operations;

Whereas, The City expects that it will benefit from State appropriations of Federal CARES Act funds to stabilize the City budget for Fiscal Year 2021;

Whereas, The economic outlook for Fiscal Year 2022 and beyond is uncertain, and the City should not expect or rely upon potential future State and/or Federal stimulus; and

Whereas, City Council desires to protect the City from potential future economic stresses;

RESOLVED, That the Other Postemployment Benefits (OPEB) Funding Policy be amended to establish a funded ratio of 90%;

RESOLVED, That the policy direct that funding in excess of the 90% threshold accumulate in the Risk Fund, rather than be transferred to the VEBA Trust;

RESOLVED, That the excess accumulated funds remain in the Risk Fund reserved in the Risk Fund for the payment of healthcare costs,

RESOLVED, That the excess funds may be rebated back to the contributing Funds to alleviate future economic needs,

RESOLVED, That the revised policy attached hereto is adopted by City Council, and

RESOLVED, That the City Administrator is authorized to take all actions necessary to implement the revised policy.

Sponsored by: Councilmember Ackerman