



City of Somerville, Massachusetts

Legislation Details (With Text)

File #: 23-0969 **Version:** 1
Type: Mayor's Request **Status:** Approved
File created: 6/3/2023 **In control:** City Council
On agenda: 6/8/2023 **Final action:** 6/27/2023
Enactment date: 6/22/2023 **Enactment #:** 215692
Title: Requesting the appropriation of \$1,500,000 from the Unreserved Fund Balance ("Free Cash") to the Other Post Employment Benefits (OPEB) Trust Fund.

Sponsors:

Indexes: Finance-Assessing, Finance-Auditing, Finance-Budget, Finance-Grants Development, Finance-Procurement & Contracting Services, Finance-Treasury

Code sections: Appropriation/Budget -

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|---|--------|
| 6/27/2023 | 1 | City Council | Mayoral Approval | |
| 6/22/2023 | 1 | City Council | Approved | Pass |
| 6/21/2023 | 1 | Finance | Recommended to be discharged with no recommendation | |
| 6/8/2023 | 1 | City Council | Referred for recommendation | |

Agenda Summary

Requesting the appropriation of \$1,500,000 from the Unreserved Fund Balance ("Free Cash") to the Other Post Employment Benefits (OPEB) Trust Fund.

Official Text

To the Honorable City Council:

The Mayor respectfully requests that this Council appropriate \$1,500,000 from the Unreserved Fund Balance ("Free Cash") to the Other Post Employment Benefits Trust Fund.

Other Post Employment Benefits are earned during an employee's active working career but are not paid until the employee retires. The most important of these benefits is health insurance. The Government Accounting Standards Board requires that these future costs are no longer accounted for on a pay as you go basis and must be recognized as they are earned or accrued.

Regular, on-going appropriations to a Trust Fund designed to accumulate resources to meet the OPEB Liability is expected by the bond rating agencies.

The current OPEB Liability is \$155,514,077.

Appropriate staff will be available to address any questions you may have. Thank you for your consideration of this item.

Respectfully Submitted,

Katjana Ballantyne, Mayor