



City of Somerville, Massachusetts

Legislation Details (With Text)

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File created: 5/26/2024 **In control:** City Council

On agenda: 5/30/2024 **Final action:** 6/25/2024

Enactment date: 6/20/2024 **Enactment #:** 217284

Title: Requesting the appropriation of \$1,200,000 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
6/25/2024	1	City Council	Mayoral Approval	
6/20/2024	1	City Council	Approved	Pass
6/18/2024	1	Finance Committee	Recommended to be discharged with no recommendation	
5/30/2024	1	City Council	Referred for recommendation	

Agenda Summary

Requesting the appropriation of \$1,200,000 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 \$1,200,000 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 \$157,349,799.

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