

HOUSE No. 4223

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act amending Chapter 97 of the Acts of 2007 relative to the Town of Belmont Other Post Employment Benefits Trust Fund..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 ARTICLE 28: Home Rule Petition - Amendment to OPEB Fund Enabling Legislation

2 To see if the Town will vote to authorize the Board of Selectmen to file a home rule
3 petition with the General Court as set forth below; provided, however, that the General Court
4 may make clerical or editorial changes of form only to the bill, unless the Board of Selectmen
5 approves amendments to the bill before enactment by the General Court, and provided further
6 that the Board of Selectmen is hereby authorized to approve amendments which shall be within
7 the scope of the general public objectives of this petition:

8 `AN ACT AMENDING CHAPTER 97 OF THE ACTS OF 2007 RELATIVE TO THE
9 TOWN OF BELMONT OTHER POST EMPLOYMENT BENEFITS TRUST FUND.

10 Be it enacted by the Senate and House of Representatives in General Court assembled,
11 and by the authority of the same, as follows:

12 SECTION 1. Chapter 97 of the Acts of 2007, entitled, "An Act Authorizing the Town of
13 Belmont to Establish an Other Postemployment Benefits Fund," is hereby amended by deleting
14 the text of section two of said act in its entirety, and inserting in place thereof the following:

15 Notwithstanding any general or special law to the contrary, the town of Belmont may
16 appropriate funds in order to offset the anticipated cost of premium payments for or direct
17 payments for OPEB benefits to be made to retired employees of the town and to any eligible
18 surviving spouse of or dependents of deceased employees of the town. The town Treasurer shall
19 transfer funds to a special trust fund to be known as the Belmont Other Post Employment
20 Benefits Trust Fund (the "Trust Fund") as such funds become available. The Trust Fund shall be
21 irrevocable as required by GASB 43 and 45.

22 Beginning in fiscal year 2008 the Trust Fund shall be credited with i.) all amounts
23 appropriated or other wise made available by the town for purposes of meeting the current and
24 future costs of OPEB costs payable by the town, and ii.) all amounts contributed or otherwise
25 made available by employees of the town for the purpose of meeting future OPEB costs payable
26 by the town. Any interest or other income earned by such fund shall be added to and become a
27 part of the fund. Except as otherwise expressly provided herein, any amounts expended from
28 such fund shall be expended only for the costs payable by the town for OPEB benefits.

29 The Belmont contributory retirement board shall be the custodian of such fund and may
30 employ an outside custodial service to hold the monies in the fund. The Belmont contributory
31 retirement board may invest and re-invest the monies held in the fund not required for current
32 disbursement in accordance with the investment powers granted retirement boards under G.L. c.
33 32, §23(2)(g) and in accordance with the regulations of the public employees retirement

34 administration commission and with any applicable general law. All monies held in the Trust
35 Fund shall be segregated from other funds held by the Belmont retirement board and by the
36 town. Trust Fund monies shall not be subject to the

37 claims of the town's general creditors. The Trust Fund shall be subject to the public
38 employee retirement commission's triennial audit and the town's contributory retirement system
39 annual audit.

40 The Belmont contributory retirement board may employ any qualified bank, trust
41 company, corporation, firm or person to provide advice on the investment of amounts held in the
42 Trust Fund and to prepare any required actuarial study and may pay for any such advice or
43 service from amounts held in the fund. Procurement for these services shall be subject to the
44 procurement procedures and rules followed by the Belmont contributory retirement board for
45 services to the town's contributory retirement system.

46 If civil action is brought against a member of the retirement board, the defense or
47 settlement of which action is made by an attorney employed by the retirement board, the member
48 shall be indemnified for all expenses incurred in the defense of this action and shall be
49 indemnified for damages to the same extent as provided for public employees in chapter 258 of
50 the General Laws if the claim arose out of acts performed by the member or members while
51 acting within the scope of his official duties, but a member of a retirement board shall not be
52 indemnified for expenses incurred in the defense of an action, or damages awarded in an action,
53 in which there is shown to be a breach of fiduciary duty, an act of willful dishonesty or an
54 intentional violation of law by the member.

55 Chapter 97 of the Acts of 2007 is hereby further amended by deleting the text of section 3
56 of said act in its entirety and inserting in place thereof the following:

57 (a) The Town shall engage an actuary, who shall be a member of the American
58 Academy of Actuaries, to perform an actuarial valuation of the town's OPEB liabilities and
59 funding schedule, as of January 1, 2006, and no less frequently than every second year thereafter.
60 The determinations shall be made in accordance with generally accepted actuarial standards and
61 shall conform to the requirements of GASB 43 and 45 and the actuary shall make a report of the
62 determinations to the town meeting and included in the town report. The report shall, without
63 limitation, detail the demographic and economic actuarial assumptions used in making the
64 determinations, and each report after the first report shall also include an explanation of the
65 changes, if any, in the demographic and economic actuarial assumptions employed and the
66 reasons for the changes. The cost of the bi-annual actuarial evaluation shall be at the Town's
67 expense.

68 (b) Beginning in fiscal year 2008, payments for the purposes of meeting the town's
69 cost of OPEB under this act may be made from the Trust Fund.

70 SECTION 2. This act shall take effect upon its passage." or take any other action relative
71 thereto.

72 This article seeks to amend the enabling legislation for the Town's Other Post-
73 Employment Benefits (OPEB) Trust Fund, which was set up to address the Town's future health
74 care costs for its retirees. The new language makes technical changes and clarifies that the Town
75 will pay for the required biennial actuarial study.

76 Majority vote required for passage Yes No The Warrant Committee will
77 report orally on this Article.

78 ARTICLE 28 was unanimously approved at the April 29, 2009 session of the Belmont
79 Annual Town Meeting held in the Belmont High School Auditorium.

80 True copy attest: Delores A. Keefe, Town Clerk