

RESOLUTION MAKING CERTAIN ADMINISTRATIVE AMENDMENTS TO THE LOCAL
GOVERNMENT OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) TRUST
AGREEMENT BETWEEN THE CITY OF GREENSBORO AND THE TRUSTEES

WHEREAS, an irrevocable OPEB Trust and a local government participation arrangement with the North Carolina Department of State Treasurer’s office for professional management of OPEB Trust investments was authorized and established by the City Council on June 21, 2011 for the sole purpose of accumulating funds to pay post-employment health benefits to City retirees until age 65; and

WHEREAS, certain administrative amendments to the OPEB Trust Agreement are necessary to clarify the name of the OPEB Trust, allow for more flexibility in naming of Trustees when changes in City employment occur and to set forth and approve the Trust’s Investment policy; and

WHEREAS, in FY 2016, the City paid approximately \$4.7 million in post-employment health benefits to eligible retirees; and

WHEREAS, to date, approximately \$15.2 million has been accumulated in Trust to pay future OPEB benefits until age 65; and

WHEREAS, the assets of the OPEB Trust are not subject to the claims of the City’s creditors and are held for the exclusive purpose of providing OPEB benefits to eligible City retirees and to pay reasonable administrative and actuarial expenses of the OPEB Trust; and

WHEREAS, an actuary will provide an estimate of the City’s OPEB obligation and amounts the City should set aside and contribute each year, in order to accumulate sufficient funds to pay these future benefits when due; and

WHEREAS, in the OPEB Trust agreement dated June 21, 2011, Rashad Young, City Manager, Rick Lusk, Director of Finance, and Connie Hammond, Director of Human Resources were individually appointed Trustees of the OPEB Trust; and

WHEREAS, Rashad Young is no longer employed with the City of Greensboro, and the City desires to amend the OPEB Trust agreement to remove the “individual” naming of Trustees, and appoint Trustees by employment position only, such as “City Manager”, “Director of Finance” and “Director of Human Resources” in order for successor Trustees to be readily in place if individual employment transitions should occur; and

WHEREAS, the name of the OPEB Trust is requested to be changed from Local Government Other Post-Employment Benefits Trust to Local Government Other Post-Retirement Benefits Trust to correspond to the statutory wording in N.C.G.S. 159-30.1; and

WHEREAS, the OPEB Trust investment policy, with oversight by the Investment Advisory Committee of the OPEB Trust, is defined and attached for City Council approval, and in addition to investments authorized by state statute for daily local government use and by special

legislation in 2007 for certain employee benefit funds held in trust, state statutes allow local governments to place Trust funds that are of a longer-term nature in the North Carolina Ancillary Governmental Participant Investment Program, ("Program") managed by the North Carolina Department of State Treasurer.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the City Council hereby acknowledges and approves certain administrative amendments to the Local Government Other Post-Employment Benefits ("OPEB") Trust Agreement; and

That the City Manager, the Director of Finance and the Director of Human Resources are authorized and appointed as Trustees of the OPEB Trust replacing the individual names of same; and

That the name of the OPEB Trust is changed from Local Government Other Post-Employment Benefits Trust to Local Government Other Post-Retirement Benefits Trust to correspond to the required statutory wording in N.C.G.S. 159-30.1; and

That the OPEB Trust Investment policy is approved.