

Julia Pemberton
First Selectwoman



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Town of Redding

PROPOSED
ORDINANCE TO ESTABLISH AN
OTHER POST-EMPLOYMENT BENEFITS TRUST

NOW THEREFORE BE IT ORDAINED BY THE TOWN OF REDDING THAT:

Section 1. Authority; Establishment of Other Post-Employment Benefits Trust. Pursuant to Section 7-450(b) of the Connecticut General Statutes, there shall be created and established for the Town of Redding (the "Town") the Other Post-Employment Benefits Trust (the "OPEB Trust") to fund certain non-pension retiree benefits pursuant to the terms of previously established plans for the benefit of certain employees and retirees, their spouses and dependents (the "OPEB System").

Section 2. Establishment of Other Post-Employment Benefits Board. Immediately upon the enactment of this ordinance, the Town's Board of Finance shall be the Other Post-Employment Benefits Board of Trustees for the OPEB Trust, hereinafter referred to as the "OPEB Board". The members of the OPEB Board shall receive no compensation for serving as Trustees and shall serve terms coextensive with their respective terms as members of the Board of Finance.

Section 3. Trust Agreement. The Town, acting through its First Selectman, and the OPEB Board are hereby authorized and directed to enter into a Trust Agreement to govern the administration, management and investment of the OPEB Trust and the assets thereof (the "OPEB Trust Agreement"). The Town, acting through its First Selectman, and the OPEB Board, are further authorized to modify, amend, cancel or terminate the OPEB Trust Agreement, as they deem appropriate and in accordance with applicable law.

Section 4. Powers and Duties of the OPEB Board. The OPEB Board shall perform the duties set forth in the OPEB Trust Agreement, as amended from time to time, relating to the management of the assets held in the OPEB Trust. The OPEB Board shall appoint such investment managers, consultants, agents and custodians as the OPEB Board deems necessary or appropriate in its discretion, to assist with the management and investment of those assets in accordance with the investment policy statement adopted by the OPEB Board, as that statement may be amended from time to time.



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Section 5. Provisions of OPEB System to Govern. The terms of the OPEB System shall govern the ultimate payment and disbursement of the funds accumulated in the OPEB Trust. Payments shall be made from the OPEB Trust only to provide benefits to beneficiaries in accordance with the terms of the OPEB System. Funds held in the OPEB Trust may not be used for any purpose other than to (a) pay reasonable operating and administrative expenses of the OPEB Trust, (b) make payments permitted under applicable Connecticut law, (c) pay benefits to beneficiaries in accordance with the terms of the OPEB System, and (d) make a distribution to a trust or entity whose income is exempt from federal income taxation under Section 115 of the Internal Revenue Code of 1986, as amended, as specified by the Town upon the termination of the Trust Agreement as provided in the OPEB Trust Agreement.

Section 6. Further Actions. The Town, acting through the First Selectman, or her designee, is hereby authorized and approved to take any further action that she, in her discretion, deems necessary or appropriate to effectuate the foregoing ordinance including, without limitation, the filing and executing appropriate documents and requests with the Internal Revenue Service.