

**173. AN ORDINANCE APPROVING THE ESTABLISHMENT OF A TRUST FUND FOR THE PURPOSES OF FUNDING RETIRED EMPLOYEE HEALTH CARE BENEFITS (INITIALLY APPROVED AUGUST 4, 2008; FINALLY APPROVED SEPTEMBER 2, 2008)**

**WHEREAS**, it is the intent of the City of Groton to fund current and future health care benefits for eligible retired employees;

**WHEREAS**, the Government Accounting Standards Board Statement No. 45 (GASB 45) requires state and local government employers to account and report the annual cost of other postemployment health and life benefit plans in the same manner as they account and report for pensions; and

**WHEREAS**, in accordance with Conn. Gen. Stat. § 7-450, any municipality or subdivision thereof may, by ordinance, establish trusts for the purpose of holding and investing all contributions and assets for pension, retirement, or other postemployment health and life benefit plans; and

**WHEREAS**, the City of Groton has determined it is prudent to establish a trust for the purpose of funding postemployment health care benefits for eligible retired employees, as well as to, with respect to the disclosure requirements under GASB 45, improve its accountability related to the costs and liabilities associated with providing such benefits;

**WHEREAS**, this resolution was published in *The Day*, a newspaper having circulation in the City of Groton on August 8, 2008 and August 9, 2008; and

**THEREFORE, BE IT RESOLVED** that the Mayor and Council finally approve “An Ordinance Approving the Establishment of a Trust Fund for the purposes of funding Retired Employee Health Care Benefits”

**Retiree Health Care Trust**

**A. Trust Fund:**

In accordance with Conn. Gen. Stat. §7-450(a), the City shall establish a Trust Fund (“Trust”) to hold and invest all contributions and assets of the City’s retiree health care plan (“Plan”). The Trust shall be for the purpose of funding current and future health care benefits for eligible retired employees in accordance with the Plan. The City shall appoint a bank or trust company incorporated and doing business under the laws of the United States or of any state to receive and accept the assets of the Plan and to serve as the Trustee under the Trust.

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B. Administration of Trust:

The Mayor and City Council may amend or terminate the Trust. The Plan Administrator of the Plan shall be the City's Director of Finance. The Plan Administrator shall be responsible for the administration of the Plan. The Trustee shall accept and act upon all proper instructions and directions received by the Trustee from the Plan Administrator.

C. Investment of Trust:

A Board appointed by the Mayor and Council which shall be known as the Retiree Medical Trust Board shall be responsible for determining the funding policy of the Trust and shall control the investment of the assets of the Trust Fund. The Trustee shall invest the Trust assets in accordance with the directions of the Retiree Medical Trust Board. The Board shall consist of the Mayor, who shall be chairman, a city councilor, a utility commissioner, one city employee (other than the Director of Finance) from each City employee group which would, upon retirement, be a recipient of post retirement medical benefits, one retired employee who is a recipient of post retirement medical benefits and such other members as shall be determined by the Mayor and Council, each member to be appointed biennially. The term of each member shall continue until his successor shall be elected or appointed and shall have qualified. In the event of a vacancy on said Board, such vacancy shall be filled in the same manner as the member so to be succeeded was appointed. The members of the Board shall serve without compensation. The Board shall make by-laws and regulations not inconsistent with the law; shall employ such actuarial, medical, clerical and other services as may be necessary for the proper operation of the Retiree Medical Trust, and shall do all things necessary and proper toward carrying out the purpose for which the Retiree Medical Trust is created. The Board shall submit annually to the Mayor and City Council a schedule of its estimated expenses necessary for the administration of this act, and all such expenses of administration shall be paid by the City. The Board shall meet at least annually and designate the frequency of meetings between the annual meeting.

Initially approved: August 4, 2008  
Finally approved: September 2, 2008

  
Dennis L. Popp, Mayor

  
Debra Patrick, City Clerk