



Legislation Details (With Text)

File #: R-2023-013 **Version:** 1 **Name:** Establishing Reserve Account for OPEB
Type: Resolution **Status:** Passed
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Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Establishing A Reserve Account In The General Fund to Fund Other Post-Employment Benefits Liabilities.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution to Establish OPEB Reserve_v2.pdf

Date	Ver.	Action By	Action	Result
1/18/2023	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Establishing A Reserve Account In The General Fund to Fund Other Post-Employment Benefits Liabilities.

Financial Management & Administration

Staff Recommends: Approval of the attached Resolution.

Explanation:

The City desires to establish and fund a reserve account in the General Fund to set aside and grow assets to be used to assist in addressing the substantial liabilities it has accrued for OPEB (Other Post-Employment Benefits - retiree health care). The reserve will show the City's determination to address this significant liability and assist the City in future reviews by bond rating agencies. The agencies have expressed concern about the size of the City's OPEB and pension liabilities and inquired about City plans to address both. It is the intent of the City to make set asides into the reserve in future years, depending upon capacity during each future year's budget. Interest earned on the funds in the reserve will remain in the reserve to assist in growing assets to offset the liability.

Fiscal Impact:

This resolution would move one million dollars from unassigned fund balance in the General Fund to a reserve account in the General Fund to be established by the Department of Financial Services for the purpose of setting aside and growing assets to offset the significant OPEB liabilities the City has accrued. OPEB liabilities were \$564.4 million as of 9/30/2021 audited financial statements. The assets would grow by a combination of future contributions

to the reserve and interest earnings.

Recommended for inclusion on the agenda by:

David E. Keller, Director, Financial Services

Adam Reichbach, Assistant City Manager/Finance & Administration