

**CITY OF DAPHNE, ALABAMA  
ORDINANCE 2020- 09**

**APPROPRIATION: INITIAL FUNDING OF THE OTHER-POST EMPLOYMENT BENEFITS  
(OPEB) TRUST AND AUTHORIZATION TO SETUP THE OPEB TRUST AGENCY FUND**

**WHEREAS**, Ordinance 2019-43 approved and adopted the Fiscal Year 2020 Budget on October 1, 2019; and

**WHEREAS**, subsequent to the adoption of the Fiscal Year 2020 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2020 budget; and

**WHEREAS**, the City of Daphne has established and maintains certain employee benefit plans that provide post-employment benefits other than pensions, including, but not limited to, medical, dental, vision and prescription drug coverage, to participants and their dependents who are eligible for coverage thereunder.

**WHEREAS**, as authorized by the constitution and laws of the State of Alabama, including without limitation Act No. 2008-503 adopted at the 2008 Regular Session of the Legislature of Alabama, the City has determined to establish a trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding and pre-funding OPEB provided under its retirement benefits plans for retirees in accordance with Governmental Accounting Standards Board (GASB) Statement 43 and 45.

**WHEREAS**, Resolution 2020 – 09 created an OPEB Trust to provide certain welfare benefits to Retirees of the City; and

**WHEREAS**, the City has agreed to provide initial funding in the amount of \$500,000 to be deposited into said OPEB trust and a separate fund is required to be maintained for the accounting of the OPEB trust.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA as follows:**

1. An additional appropriation in the amount of \$500,000 from the Capital Reserve Fund is appropriated and made a part of the Fiscal Year 2020 Budget to be transferred to the OPEB Trust at Regions Bank for initial funding.
2. The Mayor and Finance Director are hereby authorized to take all the steps necessary to complete the setup of the new OPEB Trust agency fund.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS 17<sup>th</sup> day of February, 2020.**

  
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Dane Haygood, Mayor

ATTEST:

  
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Candace G. Antinarella, City Clerk