

15. TRUST FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)

At your June 2009 meeting, in establishing the Trust Fund to manage the assets associated with providing post-employment benefits other than pensions (OPEB), you appointed a local finance Board pursuant to Section 15.2-1547 of the Code of Virginia with three (3) Trustees: our Treasurer, Our Finance Director, and me (personally and not in my capacity as County Administrator).

Southampton County began phasing in our OPEB liability over a ten year period in FY 2009. At the end of May, the balance of the OPEB Trust Fund was \$73,765.50. Our net OPEB obligation on June 30, 2010 was \$461,127. Based on the actuarial study two years ago, our annual contribution to the trust fund increases by \$16,000 each year - \$48,000 is included in the FY 2012 annual budget.

Assets are managed by Davenport & Company with dual objectives of growth in capital and income. The portfolio is comprised of cash and short-term investments (5% to 30%), fixed income investments (30% to 60%), and domestic and foreign equities (40% to 65%).

While the Treasurer's and Finance Director's appointments are related to their positions and remain in perpetuity, my term actually expires on June 22. If the Board is so inclined, it is necessary to reappoint me to OPEB Trust Fund Finance Board.

MOTION REQUIRED:

A motion is required to reappoint Mr. Johnson to the OPEB Trust Fund Finance Board.