

# **Sonoma County Library**

## **POLICY ON OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Adopted August 6, 2018**

### **Purpose**

The Sonoma County Library provides retiree health care benefits, generally described as Other Post-Employment Benefits (OPEB). These benefits create underlying budgetary and funding challenges that require the Library to ensure that these benefits are sustainable over the long term. This policy is designed to set out the principles and priorities that guide the Library's OPEB decision making.

### **Policy**

The Sonoma County Library will manage its Other Post-Employment Benefits (OPEB) in a manner that ensures that those benefits:

- Are sustainable over the long term,
- Are affordable to both the Library and its employees and retirees, competitive, and sufficient to meet employee needs, and
- May be reasonably expected to remain so.

### **Regulations**

To achieve the goals in this policy, the Library will:

1. Deposit \$3 million from the fund balance into the OPEB Trust from the fund balance over a two year period, at a rate of \$750,000 every six months, beginning in July of 2018. This was the first of two recommendations from the OPEB AdHoc Committee, which were presented to the Library Commission on January 8, 2018.
2. Deposit \$750,000 annually into the OPEB Trust for 10 years from the operating budget beginning with the 2018-19 budget year. This was the second recommendation from the OPEB AdHoc Committee, which was presented to the Library Commission on January 8, 2018.
3. Thereafter, continue with a funding approach that is appropriate to both its circumstances and long-term sustainability, carefully evaluating options annually as part of the budget development process, and adopting an annual resolution as part of the budget approval process that explicitly identifies the selected option and the rationale for selecting that option;

4. Commit to funding the liability to the maximum extent feasible for each budget year, with a goal towards placing the full amount needed for funding the obligation into an irrevocable trust, at the soonest date possible; and

5. Effectively communicate with and educate affected stakeholders on the impact of the decisions made regarding OPEB.