

School Board Meeting/Workshop Date:

September 28, 2009

Subject:

OPEB Trust Agreement

Presenter:

Chuck Klaassen
Director of Finance and Operations

SUGGESTED SCHOOL BOARD ACTION:

Approval of OPEB Trust Agreement with Bremer Trust

DESCRIPTION:

I am recommending the approval of Bremer Trust as the designated trustee for our OPEB funds. This will be an Irrevocable Trust, with all funds held in trust reserved only for the legal purposes allowed under the terms of the Trust Agreement and GASB 45.

Dr. Bauck, Tina Burkholder, Dave Wilson and myself met with representatives from four different companies – Bremer, Wells Fargo, PFM Asset Management, and PMA/MnTrust. We evaluated their proposals on a variety of criteria and settled on Bremer as our first choice. Wells Fargo and PFM also were also rated highly and viewed by us as very capable and worthy trust options, but we settled on Bremer for several reasons.

Bremer's Trust references were uniformly enthusiastic about them. Communication and relationship-building were mentioned often as outstanding qualities in Bremer. Their corporate-wide commitment to building and strengthening communities was another theme we heard. The investment advisory team impressed us with their performance history, detailed research, hands-on approach to working with clients and their willingness to listen and work with us. We felt they were the right fit for us.

The next step in this process is to approve and sign the Trust Agreement, which follows this memo. This agreement designates our Trust Officers. These will be James Bauck, Charles Klaassen and Tina Burkholder as outlined on the Authorized Officers page of the Agreement. Mary C. Thompson of Bremer will be the Trust Officer for Bremer and Shawn McFarlane of Bremer will be the Senior Portfolio Manager for the Trust.

We will also be working to write our OPEB Trust Investment Policy over the next month. That policy will come to the Board of Education for approval as soon as we are able to finish it. The anticipated first reading will be October 26. All OPEB funds are currently being held in a separate account with the Minnesota School District Liquid Asset Fund. They will be transferred to the new Bremer Trust Account as soon as we are able to finish getting that set up.

ATTACHMENT(S): OPEB Trust Agreement