



CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR
THOMAS M. MENINO

April 13, 2010

TO THE CITY COUNCIL

Dear Councilors:

I transmit herewith for your approval an order appropriating \$35,000,000 to the Other Post Employment Benefits (OPEB) Liability Trust Fund authorized under Chapter 32B, §20, as added by Chapter 479 of the Acts of 2008 and approved by this Body.

The City's total liability for retiree health benefits as of June 30, 2009, has been estimated at \$5.8 billion by an independent actuary. This liability associated with the promises made to our employees and retirees for health benefits continues to grow, and undoubtedly increases the pressure on the City's budget. In fact, this liability is greater than the City's pension liability.

The \$35 million being requested this year is a mere fraction of the \$373 million required annually to fund this obligation. While the City is not required to make this appropriation, it is absolutely prudent to address this long-term debt which continues to mount.

The City's OPEB financing plan balances the duty to deliver valuable city services while acknowledging the cost of providing health benefits for our employees, both now, and when they retire.

Sincerely,

Thomas M. Menino
Mayor of Boston

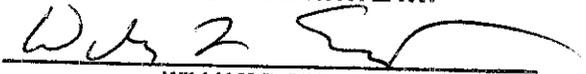
**CITY OF BOSTON
IN CITY COUNCIL**

ORDERED:

That the sum of THIRTY FIVE MILLION DOLLARS (\$35,000,000) be, and the same hereby is, appropriated to the Other Post Employment Benefits Liability Trust Fund established under Section 20 of Massachusetts General Laws Chapter 32B, said sum to be met from available funds on hand as certified by the Director of Accounts pursuant to Section 23 of Chapter 59 of the General Laws

61800-138910 Other Post Employment Benefits Liability Trust Fund \$35,000,000

**I HEREBY CERTIFY THAT
THE FOREGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.**



WILLIAM F. SINNOTT
CORPORATION COUNSEL *WFS*