



MACo Pooled OPEB Investment Trust

The MACo Pooled OPEB Investment Trust Fund is a vehicle designed to help local governments invest current funds toward future obligations for retiree health insurance, a.k.a. “other post-employment benefits.” Recent accounting rule changes have highlighted these liabilities on government balance sheets, and many counties are amidst plans to save toward these future costs.

Why a Trust?

Investing through an entity like the MACo Pooled OPEB Trust offers governments an opportunity under state law to invest funds in a manner suitable for longer term assets, and outside the laws generally governing “public funds.” The Trust arrangement ensures that the funds may not be extracted for purposes other than the intended benefits, making that distinction clear. Some counties have created similar entities on their own, but others have sought a collective effort to make costs manageable and seek greater expertise from outside advisors.

Why Pool Together?

Pooling assets together has multiple potential benefits for participating governments:

- this is a “ready to go” option for a government who doesn’t have a Trust established
- sharing legal and administrative overhead costs reduces each participant’s share
- pooling assets gains opportunities for lower fees for investment advisors
- greater pooled assets gains access to stronger investment options

Who Can Join?

Both county and municipal governments, and other county-funded entities (like libraries and community colleges), are welcome to join the MACo OPEB Trust – regardless of whether they currently have their own Trust, have current assets in use, or only have a plan to target this issue.

Joining the Trust does not bind your government to any particular OPEB funding policy – this is only an investment tool for your county to use for this purpose. Whether you have one-time funds to put toward OPEB costs, or are funding annual contributions, the Trust can put your investment to work for your jurisdiction.

There is no minimum deposit to join the Trust and establish an account. Funds may be withdrawn at any time.

Who Runs The Trust?

The Trust itself is managed and overseen by a Board of Trustees:

Jason Bennett, Allegany County Finance Director – Chair

Angela Lane, Talbot County Finance Director – Vice Chair

Robert Cochrane, College of Southern Maryland Controller

Jeannett Cudmore, St. Mary's County Chief Financial Officer

Bruce Miller, City of Annapolis Finance Director

Lisa Moody, Town of Bel Air Finance Director

Jonathan Seeman, Queen Anne's County Director of Budget and Finance

Rebecca Shick, St. Mary's County Metropolitan Commission Chief Financial Officer

Michael Sanderson, MACo Executive Director – ex officio

Trust Advisors:

[Davenport & Company](#) – offering Trust management and administrative services

[McGuire Woods](#) – offering legal services to the Trust and its members

[Boomershine Consulting](#) – actuarial services to the Trust and its members

[Wilmington Trust](#) – custodial and reporting services

[GYL Financial Synergies](#), [Wells Fargo Advisors](#) – investment consultants to the Trust

[Clifton Larsen Allen](#) – independent auditors

What is The Trust's Investment Policy?

Overall, the Trustees have adopted a fairly conservative mixed portfolio, with 65% in equities and 35% in fixed income investments. The target rate of return for the Trust is 7% annually, set generally in keeping with industry trends given the diversified portfolio construction. Members may continue to use their own return assumption embedded in local plan valuations.

Working with investment advisors Wells Fargo, the Trustees have allocated funds with a number of index investments to keep administrative fees low, while capturing the various sectors specified as part of the overall strategy. A recent [summary sheet](#) of Trust managers and allocations is available online. (Note that the trust is currently migrating into active investments using a dollar cost averaging method, with some allocations still in cash during that transition)

The full adopted [Investment Policy](#) details the standards and objectives of the Trustees.