



3470

Trust Account Investment

Policy 3470

Original Adoption: 03/12/2013

Effective Date: 03/13/2013

Revision Dates:

I. PURPOSE

Minneapolis Public Schools has an obligation to adequately fund the benefit programs for its employees. To that end, the Board of Directors establishes this policy authorizing accounts and investment strategies to appropriately fund the district's obligation.

II. GENERAL STATEMENT OF POLICY

- A. The District shall establish an irrevocable trust account for the purpose of meeting its obligations to fund benefits for its employees.
 1. The trust is intended to provide for the funding of non-pension post-employment benefits (OPEB) for employees who meet the age and service requirements outlined in the various contracts and employment plans entered into by the Board with its employees.
 2. The trust shall be established so that the main investment objective is to achieve long-term growth of trust assets by maximizing long-term rate of return and minimizing risk of loss to fulfill the current and long-term OPEB obligations of the District.
- B. The District shall establish investment strategies for this account that are consistent with a prudent growth model for the funds invested. Target goals of a balance of equity and debt instruments shall be established by the Superintendent or Superintendent's designee working in concert with the Board Standing Committee on Finance.
- C. The Superintendent or Superintendent's designee shall report no less than quarterly to the Board on the performance of this account. The Board Standing Committee on Finance will be alerted if there are significant departures from investment targets that need to be addressed between quarterly reports.
- D. The District shall make the required annual contributions to the account as determined by an independent actuary from district operating funds in order to appropriately fund this account until such time as the account income satisfies the required annual contributions to sustain the account and meet all OPEB obligations.
- E. The Superintendent or Superintendent's designee is authorized to contract with an independent trust fund manager to advise and consult with the District and to execute the investment plan established by the Finance Committee.
- F. The asset classes in the trust may be mixed as permitted by law, and adjusted from time to time by the fund manager to address Board priorities, including but not limited to:



1. long-term stability of the account
2. reasonable growth
3. prudent levels of risk for a grown model
4. ethical investments.

Legal References:

Internal Revenue Code §401(f)

Minn. Stat. §471.6175 (Trust for Postemployment Benefits)

GASB 43 (Financial Reporting for Postemployment Benefit Plans Other than Pension Plans)

GASB 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits
Other Than Pensions)

Cross References:

MPS Policy 3296 (Income from Investments)

MPS Policy 3298 (Investment Accounting)