

Reasons for the OPEB Line Item

Please take a moment to read the links on the virtual table regarding OPEB liability and rating Agencies.

While our stabilization funds are extremely important, and we still need to show a commitment to building them (i.e. the importance of our turnback numbers), we can not ignore other factors that rating agencies look towards OPEB funding as well. GASB 45 (OPEB liability) has, for more than a decade come to the forefront of rating assessment.

Mr. Gitto is asserting that the small amount to fund opeb would better suit us in stabilization. That \$35,000 amounts to only .03% (Less than one third of ONE percent), thus not having any material impact for rating agencies. They already have seen that we are committed to reducing our use of free cash in the budget, so they see that we are on track to secure our stabilization.

The OPEB money is an effort to show the same. It, too, is negligible in offsetting debt – but it sends a message that we are securing our finances on multiple fronts – and not ignoring others.

On the link to the Odyssey FAQ, please read question number 10 and the response on the importance of funding to rating agencies.