

Comparison of Trust Documents

Status and Initial Observations

November 14, 2012

Status:

We are reviewing the trust documents from Chandler and Mesa, along with the County Risk trust document; seeking other examples as well. Key provisions are being matched side-by-side in a grid to facilitate comparison.

Initial observations:

- The documents reviewed thus far range in complexity and vary in focus.
- Mesa's document (a draft) defines the powers and duties of the Board of Trustees role in a single sentence:

"The Trustees shall make recommendations to the Council regarding the financial viability of the trusts and shall perform such other duties as may be delegated by the Council from time to time."
- Chandler's trust document defines the "Responsibilities and Powers" of the Trustees in three pages.
 - There is significant focus on reserves, premiums, premium subsidies and premium reserves.
 - "Responsibilities Not Assigned to the Trustees" are specifically delineated, including "(p)rosecuting or defending actions, claims, or proceedings necessary or advisable for the protection of the Trust."
- The County's Benefits Trust document states that the Trustees "consult" with the board of Supervisors, County Manager and Administrator on benefit plans and premiums; the Administrator is to determine the level of appropriate reserves.