July 14th Minutes

defensive with half of it leaning towards staples, utilities, health care and the rest broad base index with the stocks being considered on sale.

Moreton was looking to report back to the committee in January 2023 to discuss the cash on the side and to look at the new transfer amount.

5. Revisit 50/50 allocation in September – All

Mr. Casper mentioned that this was covered and asked the group if the group was comfortable with the 60/40 allocation and mentioned that the group talked about going as high as 75 and then asked about the comfort level of the group. The committee members said that they wanted to wait until January to revisit.

6. OPEB Eligibility Criteria – Dave Delquadro

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Mr. Delquadro opened saying: "~~when the committee does the actuary behavior assumptions, for~~ an individual who is an early retiree and not yet eligible for Medicare ~~to receive the supplemental benefits, they~~ must elect to remain covered by the County's healthcare plan continuously in order to ~~get the point where they are not eligible at 65 to get the Medicaid/~~Medicare supplement." at age 65.

Mr. Delquadro mentioned that there had been ~~a~~ miscommunication with HR in terms ~~in~~ how to administer the policy that they came up with steering and said that it was contrary to what had been presented previously. He continued asking if retirees were allowed to enroll in dental during open enrollment, ~~and~~ then if they could enroll in the healthcare portion also becoming eligible to the supplement? Mr. Delquadro suggested that "every new retiree should understand that he or she needs to enroll continuously in healthcare to be eligible for the supplement."

Mr. Cushing then asked how to deal with this. Mr. Casper asked ~~for~~ what the exact error was, and Mr. Lancaster added that there was a change to the policy that in order to have the medical benefit, the retiree needed to remain enrolled. Retirees were allowed to just be enrolled in the dental benefit and *then* add the medical later, and this was inconsistent with what should have been done in the first place.

Ms. Okino asked why it mattered if it is medical or dental. Mr. Lancaster said that the goal of this was to eliminate future liability for people to come back on the medical plan at a later time when they are not enrolled continuously.

Mr. Casper mentioned that "the actuarial report is based on policy" and that it has "invertedly momentarily strayed" but that they are "getting back on track" and asked if there was any action needed.

Mr. Delquadro then asked that the question was "how many people were in a position to be able to take advantage of that, and if it was material enough" to take this before the policymakers.

Mr. Lancaster asked if this was something that should be presented before the council, to which Mr. Cushing added that Mr. Delquadro was asking how many people were taking advantage of this.

Mr. Lancaster was trying to get information of people that had been administered this way and then Mr. Casper asked Mr. Lancaster if he heard anything about this that he would be copied on this.

Ms. Okino suggested to see how many people are not following policy during the next meeting. Mr. Delquadro added that this should reside in HR's lap for the time being, and if they came up with options, then the committee should weigh in because the [OPEB committee] is more sensitive now to the implications and that this ~~should~~ just let it be played out.

The group agreed that ~~this would be stretching beyond the role of the committee and~~ that HR is the right organization to address these questions.

7. Schedule next OPEB meeting

The group did not have any additional business items of business and Mr. Casper then adjourned the meeting at 4:02 PM.

The next OPEB meeting is scheduled for Wednesday, September 28th at 12 PM via WebEx.

April 20th minutes.

Mr. Casper continued that since the fund has a spare of $850,000 above reserve, that in normal times, the transfer should not happen because health insurance rates are going up. Mr. Casper asked Mr. Carlson if the June adjustment was annualized or for six months. Mr. Carlson said that it was annualized. Mr. Casper continued that it made sense to transfer the full $850,000 into the trust knowing that 17.5% will generate an additional $850k which is more than enough to compensate the fund for medical cost increases.

2015-04-21			
2015-12-31	3,195,984		0.00%
2016-12-31	3,364,000	168,016	5.26%
2017-12-31	3,532,534	168,534	5.01%
2018-12-31	4,857,216	1,324,682	37.50%
2019-12-31	5,342,935	485,719	10.00%
2020-12-31	4,372,176	(970,759)	-18.17%
2021-12-31	4,809,408	437,232	10.00%
2022-12-31	5,651,054	841,646	17.50%

Mr. Carlson calculated the extra collected this year, even though some of that will get hit by claims, the fund is in good shape this year.

Mr. Casper continued that he feels good about that and asked if anyone had any objections to continuing the transfer to the fund to plow away at the total liability.

Mr. Delquadro said that 10% of the 17.5% was to recognize that the trust is not at the Annual Required Contribution amount. The 7.5% was assumed to be the price increase including utilization and everything else. The fund presumably was a 10% cushion on top of what was thought to be a reasonable increase in prices.
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Mr. Delquadro continued that if necessary, an increase could be revisited after June. Mr. Casper said that if the fund went a little negative, it was not going to be that big of a deal if it was corrected on Mr. Cushing and Ms. Beecher's end. Mr. Cushing said that it would end up being a slight interest charge instead of interest income.

Ms. Okino then asked if the $250k in reserve should be increased by 7.5% because of the estimated cost increase, but then said that if the fund was okay going negative and taking an interest expense over interest income, it would be fine.

Mr. Casper motioned to transfer the $850k that the fund has now, and then commit to revisit an additional transfer in September.

Ms. Okino asked if there was any chance that the Council would not approve the increase of 17.5%, but Mr. Casper said that this had never happened.

The motion was approved by the group.

Mr. Casper then said that all the agenda items were covered and the next item on the agenda was to schedule the next meeting.

4. Schedule next OPEB meeting

The group did not have any additional business items and Mr. Casper then adjourned the meeting at 2:34 PM.

The next OPEB meeting is scheduled for Thursday, July 14th at 3 PM via WebEx.