

STATE POST-RETIREMENT BENEFITS TRUST FUND AND THE  
ELECTED OFFICIAL POST-RETIREMENT BENEFITS TRUST FUND  
BOARD OF TRUSTEES

September 15, 2016

9:15 A.M.

Pending Minutes

Meeting Location: 350 N State Street STE C105

Board Members Attending: David Damschen, Nate Talley, and John Reidhead.

Others Attending: Jonathan Ball, Thom Roberts, Marcie Handy, Darin Janzen, Deborah Memmott, Benn Buys and Allen Rollo.

The first item of business called for approval of the minutes from the June 13, 2016 meeting. Mr. Reidhead made a motion to approve the minutes, Mr. Talley seconded the motion. The motion passed unanimously, the vote of each Board member is noted below:

Damschen-Yes

Talley-Yes

Reidhead-Yes

Ms. Handy discussed the potential issues with the Other Employee Benefits Trust Fund (OEBT Fund), which is a subaccount of the Other Post-Employment Benefits Trust Fund (OPEB Trust Fund). Ms. Handy noted that the Feds would likely view the OEBT Fund as a contingency reserve and may require a refund of the share of federal participation in the OEBT rates. Other issues identified with the OEBT Fund are the lack of an actuarial study to determine the rates to fund the liability and the lack of formal plan to identify how the OEBT will be funded. Based upon the current OEBT Fund balance of \$20.9 million and estimated 20% federal participation rate, the payback is estimated at \$4.2 million.

Ms. Handy recommended that the Board adopt options 3 and 4 in the meeting packet to address the issues with the OEBT Fund. Option 3 requires the transfer of excess reserves accumulated since the last OPEB valuation, approximately \$12.8 million, to the OPEB Trust Fund. Option 4 involves moving all Program I and Program II termination pool activity for fiscal year 2016, including any balance/deficit from the termination pools to the OEBT Fund. The combined effects of options 3 and 4 would lower the OEBT Fund balance at the end of fiscal year 2016 to \$7.6 million, along with a reduction of \$1.9 million for a 60 day operating reserve, results in a balance of \$5.7 million over the 60 day reserve, potentially subject to the 20% payback or approximately \$1.1 million. Mr. Talley made a motion to approve options 3 and 4 as presented in the meeting packet to meet federal requirements for the OEBT Fund, Mr. Reidhead seconded the motion. The board unanimously approved the motion, the vote of each Board member is noted below:

Damschen-Yes

Talley-Yes

Reidhead-Yes

There were no other items of business, so Mr. Talley made a motion to adjourn. The meeting was adjourned.