## OPEB Board Meeting

Wednesday, June 30th, 2021 – 11:30 AM –12:30 PM

WebEx – Electronic Meeting Only

*Meeting video/audio*(*log in first*)

1. **Roll Call**

Trustees Present:

Darrin Casper, Deputy Mayor of Finance and Chief Financial Officer

K. Wayne Cushing, County Treasurer

David Delquadro, Council Fiscal Manager

Lori Okino, Fiscal Administrator, Mayor Operations

Other Attendees:

Brett Carlson, ESR Manager, Mayor's Financial Administration

Shanell Beecher, Director of Accounting, Mayor's Financial Administration

Jim Sakellariou, Chief Deputy Treasurer

Mari Vellido, Internal Services Manager, Mayor's Financial Administration

Absent:

None

No members of the public attended.

2. **Review minutes from 02/10/21 and move to approve**

Mr. Casper asked the board members if they had a chance to review the minutes from February 10, 2021.

Both Mr. Delquadro and Ms. Okino e-mailed their suggested edits to Ms. Vellido and these were implemented. (attached)

The group was in favor of this idea and motioned to approve with all suggestions and edits.

The modifications can be listened to on the audio and revised on the attached minutes.

### 3. Trust Fund YTD Update – Brett Carlson

Mr. Casper moved on to discuss item #3 *(Trust Fund YTD update)* and Mr. Carlson shared the January – June 2020 OPEB Trust Fund Report Projected as of June 30, 2021 spreadsheet. (attached)

For revenues, Mr. Carlson did a projection for the end of June for $2,921.32. In addition, Mr. Carlson indicated that there is still a big true-up on the OPEB charge that is still due as well as retiree premiums as of June 29, 2021.

Salt Lake County

OPEB Trust Fund (Fund 995 Department 5308000000) Comparison of Revenues and Expenditures

Projected As of June 30, 2021 (query run date: 6/29/2021)

| Revenues | | | | | |
|---|---|---|---|---|---|
| **Fund** | **Dept** | **Account** | **Descr** | **Total** | |
| 995 | 5308000000 | 421005 | Departmental Fees | (26,025.00) | |
| | | 429005 | Interest - Time Deposits | (1,405.99) | |
| | | 429015 | Interest-Miscellaneous | (47,734.79) | |
| | | 431160 | Interfund Revenue | (1,795,715.00) | |
| | | 437090 | Ret Ins - Selecthlth Ret | (134,972.54) | |
| | | 437095 | Ret Ins - Selecthlth HDHP Ret | (62,931.34) | |
| | | 437111 | Ret ins-Cigna Dental Retiree | (57,836.73) | |
| | | 437215 | Ret Ins-Pehp Sumt Retiree | (63,267.10) | |
| | | 437225 | Ret Ins - Pehp HDHP Sum | (68,193.88) | |
| | | **Receivables:** | | | |
| | | 429005 | Interest - Time Deposits (May, June) | (825.20) | |
| | | 429015 | Interest-Miscellaneous (June) | (7,494.08) | |
| | | 431160 | Interfund Revenue - OPEB Chg (June) | (582,964.00) | |
| | | 437090-437225 | Retiree Premiums (June) | (71,959.32) | (663,242.60) |
| **Grand Total** | | | | **(2,921,324.97)** | |

The following are expenditures reported but Mr. Carlson noted that there were still quite a few things that needed to be entered like overhead through June, some claims in admin that are projected out, and RX rebates that are due.

| Expenditures | | | | |
|---|---|---|---|---|
| **Fund** | **Dept** | **Account** | **Descr** | **Total** |
| 995 | 5308000000 | 639025 | Other Professional Fees | 3,200.00 |
| | | 655036 | Ret Ins - Life Insurance | 7,333.32 |
| | | 655045 | Ret Ins - Pehp Medicare Supp | 1,095,227.06 |
| | | 655055 | Emp Ins-Insurance Refunds | 1,894.54 |
| | | 655080 | Ret Ins- PEHP Summit Clms | 239,670.21 |
| | | 655081 | Ret Ins- PEHP Summit Adm | 8,253.98 |
| | | 655082 | Ret Ins- PEHP Summit Rein | 3,856.96 |
| | | 655115 | Ret Ins-PEHP Sum HDHP Clms | 163,921.86 |
| | | 655116 | Ret Ins-PEHP Sum HDHP Adm | 4,165.56 |
| | | 655117 | Ret Ins-PEHP Sum HDHP Rein | 6,607.88 |
| | | 655225 | Ret Ins - Select HDHP Claims | 155,939.81 |
| | | 655230 | Ret Ins - Select HDHP Admin | 23,914.50 |
| | | 655235 | Ret Ins - Select HDHP Reinsur | 6,522.80 |
| | | 655255 | Ret Ins - Select Claims | 255,169.72 |
| | | 655260 | Ret Ins - Select Admin | 15,063.90 |
| | | 655265 | Ret Ins - Select Reinsurance | 5,019.72 |
| | | 655281 | Ret Ins-Cigna Dental Claims | 69,887.41 |
| | | 655282 | Ret Ins-Cigna Dental Admin | 4,081.00 |

Mr. Carlson continued saying that after all expenses and adjustments, the grand total was $2,093,797.56 and indicated until the end of June, the fund was positive $827,527.41.

| | | | | | |
|---|---|---|---|---|---|
| | | [3] RX Rebates | | | |
| | | 655080 | Ret Ins- PEHP Summit Clms (4, 1, 2 Qtr) | (37,535.72) | |
| | | 655115 | Ret Ins-PEHP Sum HDHP Clms (4, 1, 2 Qtr) | (42,927.75) | |
| | | 655225 | Ret Ins - Select HDHP Claims (1, 2 Qtr) | (10,828.00) | |
| | | 655255 | Ret Ins - Select Claims (1, 2 Qtr) | (11,518.00) | 24,067.33 |
| **Grand Total** | | | | **2,093,797.56** | |
| **Revenues (Over) / Under Expenditures** | | | | **(827,527.41)** | |

Mr. Carlson then revisited the fiduciary funds balance sheet from 2019 and 2020:

| | | |
|---|---|---|
| Currently at Moreton | 11,398,669.59 | |
| Orig OPEB Funding | 3,800,000.00 | |
| Additional OPEB Funding | 8,123,901.71 | |
| Current Total Fund Balance | 11,923,901.71 | |
| Pending Receivable | 663,242.60 | |
| Estimated Expenses | (24,067.33) | |
| Adjusted Balance Sheet | 12,563,076.98 | |
| Balance on County Books | 1,164,407.39 | 336,879.98 |
| (Less Amt at Moreton) | | |
| Possible Transfer | (800,000.00) | |
| Remaining Balance at County | 364,407.39 | |
| 2019 Operations w MSD | 2,453,574.74 | |
| 2019 Operation Transfer to Moreton | | |
| 5/21/2020 (MSD) | 623,178.00 | |
| 9/30/2021 (Operations) | 1,800,000.00 | |
| Total | 2,423,178.00 | |

Mr. Carlson indicated that 2019 Operations with the MSD fund had $2.4 million and transfers to Moreton were on May 21, 2020, for $623,178 (MSD) and $1.8 million on September 30, 2021, from Operations. ***(dates need to be revised… MV)*** Mr**.** Carlson went on to say that the 2019 transfers were successful.

*Recording: 5:14* The 2020 operations were a positive $1.3 million that had revenue over expenditures, but the balance sheet was short and didn't have enough to transfer *this* amount so $600,000 was transferred on May 31, 2021 to Moreton.

Mr. Carlson thought that there was a double transfer to the MSD because of the May dates, and Mr. Carlson said that the reason the fund was short is because he thought that the 429005 Interest – Time Deposits and 429015 Interest – Miscellaneous lines were being deposited by the Recorder into the 101050 Cash – Miscellaneous line but they are recorded to 103055 Cash Held by Trustee – OPEB Invest (Moreton) on the balance sheet.

For a few years now, the Recorder had been recording the 429015 Interest – Misc payments to Moreton and when the years were summed up, a shortfall was noticed that did not allow the fund to move the full amount. Mr. Carlson summed up that the fund was short because it had been double transferring the interest.

Mr. Casper then asked where the fund was at right now and what was the possible transfer. Mr. Carlson said that currently at Moreton, there were $11.398 million, in the County books there are $11.923 million, if the pending receivables and expenses are added, the adjusted balance sheet is $12.563 million, so there are $1.1 million over and above that Moreton has that is in the books. Mr. Carlson followed with the possible transfer of $800,000 in June which would leave $364,000 in the County books that is not invested in Moreton.

Mr. Casper went on to say that it made no sense spending a lot of time in the next agenda item (#4 June OPEB Increase Charge 10%) since Mr. Carlson had just covered this. Mr. Casper asked Mr. Carlson about the increase of revenue by 10% to which Mr. Carlson confirmed.

Mr. Casper then said that the fund is sitting comfortable notwithstanding the double interest transfer with the possibility of transferring the $800,000 and the ongoing revenues are going to be bumped by 10% further insulating the fund from a possible negative shock. He continued to say that a very safe transfer amount would be the $800,000 to which Mr. Carlson agreed.

Mr. Casper then motioned to the group to initiate the transfer. Ms. Okino had a question before the motion and asked if the $364,000 that was left in the County account was available to cover claims. Ms. Okino brought up the fact that in in the last board meeting, it was said that a lot of people did not go to the doctor and did not know if this would be enough to cover the claims that would be coming in.

Mr. Casper then said that it would be a buffer because of the increase in revenues by 10% and the $364,000 operating reserve.

Mr. Delquadro then asked about the treatment of the interest going forward and if the Recorder was going to give the interest Moreton. Mr. Carlson confirmed that the Recorder is going to continue to do that.

Mr. Delquadro motioned that the transfer of $800,000 move forward and recognize that the interest is automatically going to go Moreton and he authorized this as part of the motion.

Mr. Casper then clarified to Ms. Okino saying that the amount of money in the trust can pay for OPEB liability issues. Ms. Okino then asked, "what if the money had to be transferred back if it was already transferred to Moreton?" Mr. Casper replied that part of the terms of the irrevocable trust must be used for OPEB liabilities.

Mr. Cushing then gave an update on the Moreton investments and said that there are $1.9 million unrecognized gains on the equity portion.

Mr. Casper then asked if there were any more items for discussion and moved on to approve the motion which passed unanimously.

Ms. Beecher added that she can start drafting updates to the OPEB report now that the Annual Comprehensive Financial report was done then the group can go over the final review in the next OPEB meeting.

## 4. Schedule Next Meeting

Mr. Casper asked if anyone had any new items of business or motion to adjourn.

Mr. Casper asked Ms. Vellido to schedule a 30-minute meeting since it would be a light meeting.

The group did not have any and the meeting was adjourned at 11:47 AM.

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The next OPEB meeting was scheduled for Tuesday, September 28th, 2021, at 2:30 PM via WebEx.