

DSHA RETIREE MEDICAL TRUST  
BOARD OF TRUSTEES MEETING  
MAY 19, 2015

The meeting was called to order at 10:00 on May 19, 2015 by Annette Miller. Attending the meeting were Annette Miller (Chair Person), Cheryl Lehman (Vice Chair Person), Trustees: Cynthia Karnai, Joan Smith, Wanda Spiering and Cynthia Fletcher (Office Manager). A Quorum was present and the meeting was properly noticed.

A Motion was made to approve the minutes for May 20, 2014 by Cheryl. Motion was seconded by Joan and approved by all. Annette would see that the minutes are posted to the State's Website.

During the election of Officers, Annette Miller was nominated as chair. Motion carried and all agreed. All other officers and trustees would remain the same.

AON Study was discussed. Annette stated that the cost went down because of Medicare Supplement. Wanda had handouts for expected rate increases that will go into effect in September. There is a risk fee that is applied this year. Wanda confirmed that the rate increase and participating group risk fees of 15% for the health insurance plans will go into effect on July 1<sup>st</sup>. The Medicfill rate with prescription will be \$417.13 and the Medicfill rate without the prescription will be \$236.67. In January 2016 rates will increase again. There will be a 5% risk fee added to Medicfill rate with prescription rising to \$447.93 and Medicfill rate without prescription rising to \$253.95. There was \$101,000 last month in fees for Health care according to Annette. The fees will be going up due to amount of retirees that are retiring, about 5 per year. It was brought up as to whether to do the study every year. Cheryl recommends it because of the increases. Cynthia asked Wanda to go back and look at projections and see when we were at where we are now. Joan had asked why \$300,000 was budgeted and there was only \$227,000 moved. Annette feels it would be better to transfer \$73,000 to cover increase in costs. Cheryl believes the study does back up what we are asking for. Cynthia would feel comfortable with our assessment internally instead of the study if no study is done have to have backup to support why no study was being done. Cheryl stated that there were enough changes to warrant an annual study. Wanda stated that the retiree projections for next 2 years don't look like more than 5 retirees similar to what it has been. Out of the 5 retirees Joan asked how many were State. There were 2. Annette discussed the cost of the study and Cynthia asked about the fluctuation in the cost. Annette stated that it was due to the parameters which had changed. A motion was made to vote on a July 2015 study or to wait until 2016. It was a unanimous vote to wait till 2016.

A motion was made to accept the AON study and seconded. All were in favor and the motion was carried.

Report on activity- As of 4/30/2015 we had investments of \$4,674,195.08. DSHA has contributed \$2,691,000 thru annual contributions and \$2,472,180.16 from authority since inception, Interest earned on investments was over \$230,000 while disbursements total \$446,000 for health Insurance premiums. Various fees for legal, trustee and AON studies total over \$45,000 since inception. There is \$4.9 million in the fund with the addition of the \$227,000 authority contribution on May 1<sup>st</sup>. Motion to accept Treasurer's report was accepted and carried.

Walnut Street Apartments- Have not made the loan yet. There will be a 5% rate of return. Authority takes the risk in case of default. Will have to disclose as liability and not report it. There are monthly payments with a 20 year call.

Contribution- there is an additional contribution to payroll in the amount of \$227,000.

Report on activity/funding status to employees: Cheryl puts a report out on HR Tech website. It is a condensed form of the full financials. It refers to the full financials on the website. Wanda thought that it

would be helpful to talk to Staff/Supervisors about retiree medical. Retiree Medical Trust is there and a benefit that we offer.

Cheryl made a motion to adjourn the meeting, Joan seconded it. All were in favor. Meeting was adjourned at 10:45 a.m.

cpf