

DSHA RETIREE MEDICAL TRUST
BOARD OF TRUSTEES MEETING
MAY 25, 2017

The meeting was called to order at 10:30 on May 25, 2017 by Wanda Spiering and seconded by Joan Smith. Attending the meeting were Annette Miller (Chair Person), Lisa Semans (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 17, 2016 by Annette Miller. Motion was seconded by Joan and approved by all. Annette would see that the minutes are posted to the State's Website.

On 4/13/2017 a General Order was changed by Anas Ben Addi to add Lisa to the Board to replace Cheryl Lehman. Joan Nominated Lisa Semans as Vice Chairperson. A vote was taken by the Board All approved. Annette will remain as Chair person for another year.

AON Study was discussed. Annette stated that study will continue in the fall of 2017. There will be more disclosure on financial statements. The results estimated \$1,417,000 with an excess of \$109,613 from 2016. GASB 74 will show an under funding of \$500,000. Cynthia discussed with the new GASB we can't sustain with \$1.4 million. Asked for any recommendations?

Report on activity-Thru 4/30/2017 we had investments of a little more than \$4,400,000. Last fees were about \$600-\$700.00 per quarter. All activity is supplemental contributions. The consensus of the group is that the late fee will be triggered when the payment is received after the 15th of the month. Wanda made a motion to accept the treasurer's report as presented. Joan Seconded. All agreed.

There was a discussion on the loans outstanding and if there are any issues Cynthia brought up that in the wording of the documents that we can charge a 5 % penalty for late payments. Cheryl asked if there was a grace period and Cynthia told her it was 15 days. Wanda made a motion to implement the 5% penalty when necessary.

Walnut Street Apartment Funding has been on time, everything is going well.

Contribution- there is a contribution in the amount of \$300,000 to the Retiree Medical Trust Account. This covers the AOC for fiscal year per the General Order #637 that was attached to the memo dated 5/18/2017 to Wilmington Trust.

Report on activity/funding status to employees: Lisa and or Wanda will put 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. She will explain to them that DSHA has a medical trust to ensure that there are funds to cover retiree medical insurance costs for retirees. Additionally, information will be shared regarding how the trust benefits employees and retirees."

Reporting on Activity/Funding Status to Employees- We are taking steps to make sure the information is put on Tech web. Cheryl puts comparative reports are on tech web under the Human Resources. There was a discussion as to how to get employees more involved and as to whether they understood exactly what was being done to make sure the funds were there for them.

Other business: Joan asked if there would be anymore financing? Cynthia said that she reached out to Susan Eliason has not heard back from them. Annette wants to invest \$720,000. Annette does not think

we want to invest from the Retiree Fund. This type of investment does not meet the criteria. Wanda feels unless we have specific knowledge on the Developments and Investments. We would have to check with the Attorneys. Annette wants to invest and will get back in touch with everyone at a later time.

Anas asked if we have any ways to curb the 1.5 million. Some suggestions were made including the percentage that DSHA pays for New Employees. Wanda stated that for employees hired since January 1, 2012, eligibility for DSHA share upon retirement changed requiring them to work 15 years to be eligible for 50% DHSAs portion of the health insurance, 17.5 years to be eligible for 75%, and 20 years to be eligible for 100%. All of DSHA's retirees are enrolled in Medicfill retiree health supplement at this time."

Joan has thoughts that the non-state 40% federally funded that we should mirror the state more. Says we will gain some with our funding 8.09 to 11.59% OPEB Instead of 9.59-10.69 Pension based on current rates. Mirroring the State would allow Federal funds to cover some of it. Need to look at our eligibility for assistance. Joan requested to bring in Federal funds in 2018. Joan will do a memo to Anas about the Federal Funding and OBEB.

Also can we look into both along with the ICMA and Hart.

Lisa made a motion to adjourn the meeting, Joan seconded it. All were in favor. Meeting was adjourned at 11:00 a.m.

Cpf