

RETIREE HEALTHCARE TRUST MEETING

NOVEMBER 21, 2017



OPEN CALENDAR

January-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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April-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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May-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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June-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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July-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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30	31					

August-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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September-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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October-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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November-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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December-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
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Holidays
 Meetings
 Conferences

Retiree Healthcare Trust Meeting Agenda

Florida Keys Mosquito Control District
Marathon Office
503 107TH Street
Marathon, FL

November 21, 2017
10:30 AM (Approximate)

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Approval of Minutes** of the Retiree Healthcare Trust Meeting held on April 11 and July 18, 2017 and the Retiree Healthcare Trust Workshop held on June 20, 2017. **Pages 5 - 9**
- 5. Items for Discussion:**
 - a.) Update on OPEB Investment (Holden)
- 6. Items for Committee Review and Action:**
 - a.) Retiree Buyout (Holden)
- 7. Good of the Order**
- 8. Meeting Adjourned**

Item 4

Approval Of Minutes

RETIREE HEALTHCARE TRUST MEETING MINUTES

**FLORIDA KEYS MOSQUITO CONTROL DISTRICT
MARATHON OFFICE
503 107TH ST, MARATHON, FL**

APRIL 11, 2017

The Board of Trustees of the Florida Keys Mosquito Control District Retiree Healthcare Trust Fund held their meeting on Tuesday, April 11, 2017 at the FKMCD Marathon office.

PRESENT WERE: Phillip Goodman, Jill Cranney-Gage, Brandon Pinder, Stan Zuba, and Yvonne Talbot. Tom McDonald was absent.

GUESTS PRESENT: Andrea Leal, Dirk Smits, Bruce Holden, Michael Behrend, Tammy Hollander, Chrissy Bloxom and Beth Ranson.

APPROVAL OF AGENDA: *A motion was made by Ms. Cranney-Gage and seconded by Mr. Pinder to approve the agenda. The motion passed with no objection.*

APPROVAL OF MINUTES: *A motion was made by Mr. Pinder and seconded by Ms. Cranney-Gage to approve the minutes of the January 17, 2017 meeting. The motion passed with no objection.*

ITEMS FOR BOARD REVIEW AND/OR ACTION:

Item 4a “Appointment of Retiree Representative” – We received two letters of interest for the position, with one of the interested parties attending the meeting. Bill Shaw addressed the Board to speak about his background and interest in being the representative. *A motion was made by Ms. Cranney-Gage, seconded by Ms. Talbot and passed unanimously to appoint Bill Shaw to a 4-year term as the new Retiree Healthcare Trust Representative.*

Item 4b “OPEB Valuations Update” – Marlo DeMoss was unable to attend so Bruce gave a brief update.

GOOD OF THE ORDER:

After some discussion, it was decided that there will be an OPEB Workshop held June 20th at 10am. This will be an opportunity for the new commissioners to become familiar with the Retiree Healthcare Trust.

MEETING ADJOURNED: There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Phillip L. Goodman, Chairman

Brandon Pinder, Secretary/Treasurer

RETIREE HEALTHCARE TRUST WORKSHOP MINUTES

FLORIDA KEYS MOSQUITO CONTROL DISTRICT MARATHON OFFICE 503 107TH ST, MARATHON, FL

JUNE 20, 2017

The Board of Trustees of the Florida Keys Mosquito Control District Retiree Healthcare Trust Fund held a Workshop on Tuesday, June 20, 2017 at the FKMCD Marathon office.

PRESENT WERE: Phillip Goodman, Jill Cranney-Gage, Brandon Pinder, Tom McDonald, Stan Zuba, William Shaw and Yvonne Talbot.

GUESTS PRESENT: Andrea Leal, Dirk Smits, Bruce Holden, Michael Behrend, Tammy Hollander, Chrissy Bloxom and Beth Ranson.

INVITED GUESTS: Marlo DeMoss

APPROVAL OF AGENDA: A motion was made by Ms. Cranney-Gage and seconded by Mr. Pinder to approve the agenda. The motion passed with no objection.

DISCUSSION:

Michael Behrend began the discussion by explaining the history of the Retiree Healthcare Trust. Prior to September 20, 2010, OPEB provided lifetime healthcare that included a supplement for all of FKMCD retirees. The requirements for the retiree are to have been hired prior to September 20, 2010, 10 years of service, satisfied the rule of 70, (which is calculated by adding the years of service and age to equal 70) and retired from FKMCD as defined by Florida State Statute. The cost of the healthcare supplement for the retired employee is \$50.00 and \$238.33 for spouse coverage, totaling \$288.33. Per State Statute, all FKMCD employees are eligible for OPEB benefits; however only those employees hired before September 20, 2010 are eligible for the healthcare supplement. The cost to an employee who is not eligible for the supplement is approximately \$2,000.00 per month for continued coverage.

FKMCD has 36 current retirees and 34 active employees who are eligible for the healthcare supplement. FKMCD currently has 14 retired employees who are receiving healthcare and are not Medicare eligible at this time.

Marlo DeMoss expressed to the Board that she wanted to start by explaining the purpose of the Actuarial Report. The Actuarial Report is used to assist when gauging the amount of liability for accounting purposes only. The last Actuarial Report was completed in FY September 2014 and included the retiree's dependents continuing the healthcare benefit after the retiree's death. The report also included 25% of retirees retaining the healthcare benefit after their supplement ended. New rules were adopted on October 20, 2015 changing the current policy that allowed the retiree's dependents to remain on after the retiree's death. The new rules also reduced the 25% calculation to 0% calculation of the retiree remaining on the benefit after their supplement had ended. The new rules will take effect in the next Actuarial Report calculation. The report is done every 2 years. A new Actuarial Report will not be available until December 2017 or January 2018.

The trust was established in 2012 with the primary purpose of funding the healthcare benefits. FKMCD's previous Board members requested the trust in order to avoid future Boards inability to pay the benefits. The trust is currently funded with \$1.6 million. The unfunded amount of the trust is \$2.7 million.

Chairman Goodman expressed concern over the FKMCD having the ability to fund the account in its entirety. Ms.

DeMoss stated the main goal of the Board at that time was to fund the trust enough to avoid any benefits from being taken away from the retirees.

Commissioner McDonald recommended only funding the pharmacy benefit in an effort to save money.

Chairman Goodman recommended looking outside of the box to come up with other options moving forward to make the trust more sustainable.

Commissioner McDonald suggested rearranging how the healthcare benefits are paid.

Chairman Goodman expressed that he would like to do a workshop on insurance and include OPEB before the Budget is finalized. Director Leal stated that the discussion on insurance will come at the last quarter of the year making it impossible to include any changes for the FY 2018.

Ms. DeMoss explained to the Board the four separate investments that make up the \$1.6 million currently held in the trust. Chairman Goodman expressed concern that if they were only funding the trust \$200,000 a year for ten years, would that be an adequate amount. Ms. DeMoss recommended to do a new Actuarial Report with the new rules applied and get a clearer picture of the financial status at this time.

Chairman Goodman recommended that the Board fund the cost to get a new Actuarial Report.

Chairman Goodman requested Bruce Holden to get a quote on the cost of a new report and bring it to the Board during July's meeting. Director Leal mentioned that the Board could put that as a votable item on the agenda for the July meeting.

MEETING ADJOURNED: There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Phillip L. Goodman, Chairman

Brandon Pinder, Secretary/Treasurer

For more specific information or detail of meeting, please refer to the digital recording of the meeting at www.keysmosquito.org.

RETIREE HEALTHCARE TRUST MEETING MINUTES

FLORIDA KEYS MOSQUITO CONTROL DISTRICT MARATHON OFFICE 503 107TH ST, MARATHON, FL

JULY 18, 2017

The Board of Trustees of the Florida Keys Mosquito Control District Retiree Healthcare Trust Fund held a Workshop on Tuesday, July 18, 2017 at the FKMCD Marathon office.

PRESENT WERE: Phillip Goodman, Jill Cranney-Gage, Brandon Pinder, Tom McDonald, Stan Zuba, William Shaw and Yvonne Talbot.

GUESTS PRESENT: Andrea Leal, Dirk Smits, Mikki Coss, Bruce Holden, Michael Behrend, Tammy Hollander, Chrissy Bloxom and Beth Ranson.

INVITED GUESTS: Marlo DeMoss

COMMUNITY INPUT: One person spoke on OPEB.

APPROVAL OF AGENDA: Chairman Goodman modified the agenda by moving Items 7a & 7b to Items for Discussion 6a & 6b and the Items for Discussion 6a & 6b were moved to items 6c & 6d. *A motion was made by Commissioner Cranney-Gage, seconded by Commissioner McDonald and passed unanimously* to modify the agenda. The modified agenda was *unanimously* approved.

APPROVAL OF MINUTES: Due to the requested changes to the minutes of the June 20, 2017 workshop they were not approved. The minutes of the April 11, 2017 meeting were not approved. Both minutes will be brought back to the next meeting for approval.

ITEMS FOR BOARD DISCUSSION:

- 6a.) BOCC Monroe County recent actions concerning OPEB** – Chairman Goodman discussed the decisions being considered by the Monroe County Government concerning the County’s OPEB benefit.
- 6b.) Legal Review** – Dirk Smits confirmed that the FKMCD is included in local governments for the purposes of insurance, as referenced in Chapter 112.08. Mr. Smits explained to the Board the benefits that must be given to all employees of FKMCD.
- 6c.) Future Focus Area Options** – Michael Behrend, Insurance/Human Resources, discussed with the Board the additional options to healthcare that are available for the FKMCD.
- 6d.) Retiree Buyout** – Bruce Holden, Finance Director, explained that a retired FKMCD employee would like the FKMCD to consider buying out their current healthcare plan. Chairman Goodman asked Bruce to contact that employee and find out what they considered the value of the plan to be and notify the Board at the next meeting.

ITEMS FOR BOARD REVIEW AND ACTION:

- 7a.) Actuarial Report** – Marlo DeMoss, DeMoss Financial, explained to the Board the benefits of the specific reports used to calculate funding. *A motion was made by Commissioner Cranney-Gage, seconded by Commissioner McDonald and passed unanimously* to spend \$17,000.00 on the GASB Report for the FY 2017-18, which will be on a two payment schedule, one due on 9/30/2017 for \$8,000.00 and the next one due on 9/30/2018 for \$9,000.00. After some discussion, *a motion was made by Commissioner Cranney-Gage, seconded by Commissioner McDonald and passed unanimously* to purchase the Actuarial Report for \$4500.00 for the purposes of determining funding needs.

GOOD OF THE ORDER:

Mr. Shaw recommended that the FKMCD Board fund the OPEB healthcare each year to avoid funding issues in the future.

MEETING ADJOURNED: There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Phillip L. Goodman, Chairman

Brandon Pinder, Secretary/Treasurer

For more specific information or detail of meeting, please refer to the digital recording of the meeting at www.keysmosquito.org.