



NAPEBT

Serving Those Who Serve the Public

NAPEBT Finance Committee - Minutes

January 8, 2018, 11:00 am

Lone Tree Campus, Rm 201 & Phone

Call-in number 1(877)820-7831

Participant code – 365739#

Present or on phone:

Rick Tadder, City of Flagstaff
Scott Walmer, FUSD
Ginger Wischmann, FUSD
Jami Van Ess, CCC
Bonny Lynn, Coconino County
Lauree Battice, NAIPTA
Lori Jundt, Ashton Tiffany
Garrett Mahoney, Ashton Tiffany
Mike Townsend, Coconino County
Nura Patani, Segal

Not Present:

Amy Girardo, Segal
Shannon Anderson, City of Flagstaff
Siri Mullaney, CCC
Jeanie Confer, Accommodation

Minutes

1. December minutes - **approved**
2. Monthly Financial Statement Review – **Committee members reviewed the November financial statements electronically and Garrett provided a review of the dashboard.**
3. Reserve policy – **The committee reviewed Exhibit 2 The Self-funded Projection Summary and Exhibit 3 Self-funded Cost Analysis (Budget) from the November NAPEBT Board Packets as well as the Simplified Modeling Dashboard sent out by Nura. The difference between the aggregate stop loss and the projected claims is \$5M. Based on a historical rolling 12 month medical/ RX claims, the probability of exceeding the aggregate stop loss is less than 1%. Projections based on 2-year-old data. Because of the 2-year lag, NAPEBT would want to be able to cover an unexpected \$1M or 4%. The goal of the reserves is to smooth out unusually large premium increases. The recommendation was to lower the minimum reserve to 25% from 27.5% and keep the maximum at the 33%. The target for reserves is the midpoint between the min and max of 29%. The committee also recommended a three year smoothing amortization for adjustments to reserves.**

Examples

Example 1 - If reserves are at 26% (3% below the 29% target) then a 1% increase will be added to projections premium increase for three years.

Example 2 – If reserves are at 32% (3% above the 29% target) then a 1% reduction will be deducted from the projections premium increase for three years.

4. Check-in on budget – **Lori recommended a few couple of adjustments to the FY 19 Budget via email based on actual revenue and expense trends. In summary the changes are:**
 - a. **Increase investment revenues per trend**
 - b. **Adjust Ashton Tiffany administrative fees per contract**
 - c. **Increase payroll for actual wellness salary and benefits**

- d. Decrease IT hourly fees, there are no planned modifications**
- 5. Check-in on audit – Clifton has requested work papers**
- 6. Investments – table**
- 7. Calendar - table**
- 8. Meeting schedule - second Monday of the month, next meeting February 12th, 11:00**