

Meeting Minutes

Workers' Compensation and Employer Liability Trust

Board

Regular Meeting

November 18, 2021 | 4:00 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Chairman Myer at 4:04 p.m.

Roll Call

Board Attendance

Chair Alex Myer
Vice Chair Michael Bohnert
Secretary Lily Longacre
Val Gale

Other Attendance

Fernanda Osgood, Benefits/Compensation Manager
Kristi Smith, Accounting Manager
Rae Lynn Nielsen, HR Director
Roni Laxa, Assistant City Attorney
Teresa Canjar, Management Assistant

Absent

Terry Bond

Scheduled and Unscheduled Public Appearances

Consent Agenda and Discussion

1. September 16, 2021 Minutes
Vice Chair Bohnert made a motion to approve the minutes as presented from the September 16, 2021, meeting of the City of Chandler Workers' Compensation and Employer Liability Trust Board, seconded by Ms. Longacre, motion carried.

Briefing

1. Financial Statements

Statement of Net Position as of September 30, 2021

Kristi Smith advised the Board that the total assets were \$14,775,342, cash is up \$700,000 from last quarter, and Due from the City is down about \$510,000. Total liabilities is \$31,000, down \$75,000 because no accounts payable were reported this quarter. The unrestricted net position is \$14,744,342 which is up from last quarter. When you compare the Net Reserve to 6/30/20, there is a surplus of almost \$3.4 million. The Trust audit has been completed by Heinfeld Meech and the results will be presented at the February 2, 2022, meeting. Special thank you to Human Resources staff for all the information they provided.

Statement of Revenues, Expenses and Changes in Net Position – September 30, 2021

The 2021 Budget prorated for 3 months. The total actual operating revenues are \$1,193,370 which is slightly over budget. Operating expenses are under budget at \$945,547. The actual operating Income is \$247,823 which is higher than anticipated. The nonoperating revenues and expenses total \$29,141 and there is a change in net position at \$276,964. The ending net position is \$14,744,342 which agrees with the Statement of Net Position.

Statement of Cash Flows – September 30, 2021

Kristi Smith advised the Board that this report shows the inflows and outflows of cash by activity. The Cash and Investments total \$14,571,252 which agrees with the Statement of Net Position.

2. Investment Report – September 30, 2021

Kristi Smith provided a brief overview of the Investment Performance Review. The report looks a little different because they have changed their name to PFM Asset Management LLC and are now under the US Bank umbrella. The portfolio statistics yield at cost is 0.50% which is down from 0.56% in the previous quarter. Yield at Market is 0.32% which is the same as last quarter. Effective Duration is at 1.87 as compared to the prior quarter of 1.83. The Benchmark Effective Duration is 1.83. The money market rate for Wells Fargo (now Allspring Global Investments) is 0.01% and PFM is 0.02%, which is in line with the last quarter. The Sector Allocation has been pretty consistent with prior quarters.

Calendar

The next regular meeting will be held on Thursday, February 3, 2022, at 4:00 p.m., in the Council Chambers Conference Room, 88 E. Chicago St.

Informational Items

Agenda Items for Future Meeting Dates

Financial Audit Report – Heinfeld Meech

Financial Statements – Management Services

Investment Report – Management Services

Rate Contribution and Reserve Recommendation – Management Services

Adjourn

Mr. Gale made a motion to adjourn the meeting of the City of Chandler Workers' Compensation and Employer Liability Trust Board of November 18, 2021, at 4:12 p.m., seconded by Vice Chair Bohnert, motion carried.

Teresa Canjar, Secretary

Alexander Myer, Chair