Meeting Minutes
Worker's Compensation and Employer Liability Trust Board
Regular Meeting

June 12, 2024, | 4:00 pm
Council Chambers Conference Room
88 East Chicago Street, Chandler, AZ

Call to Order

The meeting was called to order by Chair Bond at 4:46 pm.

Roll Call

Board Attendance

Chair Terry Bond
Vice Chair Vacant
Secretary Jennifer Huppenthal
Board Member Mark Knight
Board Member Zachary Cummard
Board Member Carson Mohr

Other Attendance

Rae Lynn Nielsen, Human Resources Director
Kristin Maier, Human Resources Manager
Fernanda Acurio, Human Resources Manager
Dawn Gingerich, Assistant City Attorney
Lina Alam, Accounting Supervisor
Sarah Meland, HR Management Assistant

Scheduled and Unscheduled Public Appearances

None.

Consent Agenda and Discussion

1. January 31, 2024 City of Chandler Workers' Compensation and Employer Liability Trust Board Meeting Minutes

Consent Agenda Motion and Vote

Board Member Cummard moved to approve the Consent Agenda of the June 12, 2024, Regular Workers' Compensation and Employer Liability Trust Board Meeting; Seconded by Secretary Huppenthal. Motion carried unanimously (5-0).

Briefing

2. Financial Statements – Lina Alam, Accounting Supervisor

Statement of Net Position as of March 31, 2024

Ms. Elam advised the Board that the total assets were above $20 million, a $1 million increase from the last quarter. Total liabilities are $50,000, no change from the prior quarter. The unrestricted net position is almost $20 million which is a $1 million increase over last quarter. When compared to the June 30, 2023, reserve goal there's a surplus of over $5.9 million.

Statement of Revenues, Expenses and Changes in Net Position – December 31, 2023

The annual and prorated budget is shown, some items are prorated based on the number of months while other items may have been 100% spent. The total operating revenues of $4.1 million which is approximately $339,000 over budget. Operating expenses of just over $2.8 million are $1.5million under budget primarily related to claims payable and insurance premium expenses being less than budgeted for the quarter. The result is Operating Income of over $1.2 million, which is $1.8 million more than anticipated. The Non-Operating Revenues and Expenses total $1.9 million with a change in net position of $1.7 million. The ending net position of almost $20 million agrees with the Statement of Net Position.

Statement of Cash Flows – December 31, 2023

The end of year Cash and Equivalents total over $18.8 million which agrees with the Statement of Net Position.

3. Investment Report – Lina Alam, Account Supervisor

The portfolio statistics yield at cost is 3.67% compared to 3.20% in the last quarter. Yield at Market is 4.97%, up from 4.78% in the prior quarter. Effective Duration is 1.35 which is the same as the prior quarter; the Benchmark Effective Duration is 1.35. The money market rate is down from 5.22% to 5.16% for Allspring and down from 5.24% to 5.22% for First American Funds (PFM). The Sector Allocation is showing slight change in the U.S. Treasury type, while other types remain the same.

4. Excess Insurance Renewal – Kristin Maier

Ms. Maier reported no change in our rate, except for payroll. Our payroll went up 15% so the rate reflects that. It was a very good report. Ms. Nielsen added that we anticipated our stop loss increasing so we won't have to change the budget.

5. Election of Officers
No discussion.

Action Agenda

6. Election of Officers – Chair, Vice Chair, and Secretary

Board Member Wright made a motion to nominate Jennifer Huppenthal as Chair of the Workers' Compensation and Employer Liability Trust Board. Board Member Huppenthal accepted the nomination. The motion was seconded by Board Member Mohr. The Motion passed unanimously.

Board Member Huppenthal made a motion to nominate Mark Wright as Vice Chair of the Workers' Compensation and Employer Liability Trust Board. Board Member Wright accepted the nomination. The motion was seconded by Board Member Mohr. The Motion passed unanimously.

Board Member Cummard made a motion to nominate Carson Mohr as Secretary of the Workers' Compensation and Employer Liability Trust Board. Board Member Mohr accepted the nomination. The motion was seconded by Board Member Wright. The Motion passed unanimously.

Member Comments/Announcements

None.

Calendar

The next regular meeting will be held on Wednesday, September 11, 2024, at 4:00 pm, in the Council Chambers Conference Room, 88 East Chicago Street.

Informational Items

None.

Adjourn

Board Member Huppenthal motioned to adjourn the meeting. The motion was seconded by Board Member Wright and passed unanimously. The meeting was adjourned at 4:58 pm.

Sarah Meland, Secretary

Jennifer Huppenthal, Chair