

April 13th, 2023, OPEH&W Board of Review Meeting

ACCO Building, 429 NE 50th Street, Oklahoma City, Oklahoma

Board Members Present:

Mike Bouvier – Washington County
Mike Brittingham - Pushmataha County
Heath Dobrovolny – Kingfisher County
Matt Jacobson – OMAG
Tammy Malone – Craig County
Jymay McLeod – Roger Mills County
Kristie Moles – Pawnee County
Tina Newton – Cimarron County
Gary Nielsen – Harper County
CJ Rose – Beaver County
Dolan Sledge – Texas County
Lynn Smith – Ellis County
Steve Stinson – Grant County

Board Members Absent:

Kathy Ross – Johnston County
Lisa Turpin – Seminole County

Guests:

Jenny Vincent – Ellis County
Melanie McFee – Lincoln County
John Williams – McCurtain County
Kevin Duke – Plan Auditor
Ross Naylor – Plan Administration Office
Jennifer Schnelle – Plan Administration Office
January Gilmore – Plan Administration Office

Tammy Malone called the meeting to order at 10:00 AM

Agenda Item A – Approval of the minutes of the last Board Meeting dated January 26th, 2023.

Kristie Moles made a motion to approve the minutes. Lynn Smith seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Tina Newton, Gary Nielsen, CJ Rose, Dolan Sledge, and Steve Stinson all voted aye; motion carried.

Agenda Item B – Discussion and possible action thereon regarding financial position of the plan ending 2/28/2023.

Jennifer Schnelle reviewed the financial position of the plan. Total current assets were \$8,905,000. Total current liabilities were \$4,878,000. Total income was \$29,368,279. Total expenses were \$29,849,000. Leaving a net income of \$-481,035.00

Mike Brittingham made a motion to approve the financial position of the plan. Mike Bouvier seconded. Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, CJ Rose, Dolan Sledge, Lynn Smith, and Steve Stinson all voted aye; motion carried.

Agenda Item C – Discussion and possible action thereon regarding Arvest Loan approval.

The Arvest bank loan was renewed in February and was already approved in the last meeting. However, Arvest was able to lower the interest rate for the Plan down to wall street journal prime -1.25%. Approval is needed for the new rate.

Gary Nielsen made a motion approve the reduced Arvest loan rate. Dolan Sledge seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, CJ Rose, Lynn Smith, and Steve Stinson all voted aye; motion carried.

Agenda Item D – Discussion and possible action thereon regarding the 2021/2022 plan year audit.

Kevin Duke presented the 2021/2022 plan year audit. Total assets on 6/30/2021 were \$8.1 million compared with the

\$9.06 million on 6/30/2022. Total liabilities were \$3.6 million compared to \$4.5 million on 6/30/2022. The bank loan payable increased by \$1.9 million due to the increase in claims of over \$2 million. Total revenues on 6/30/2021 were \$49 million and \$5 million on 6/30/2022. The largest part of that increase was due to surcharges and rebates. Total expenses on 6/30/2021 were \$50.7 million compared to \$52.9 million on 6/30/2022. There were no findings or adjustments to make.

CJ Rose made a motion to approve the 2021/2022 plan year audit. Mike Bouvier seconded. Mike Brittingham, Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, Dolan Sledge, Lynn Smith, and Steve Stinson all voted aye; motion carried.

Agenda Item E – Discussion and possible action thereon regarding McElroy contract renewal for the 23/24 plan year.

There are no changes to the administrators' contract and the standard 5% yearly increase remains in place.

Mike Bouvier made a motion to approve the McElroy contract renewal for 2023/2024. Mike Brittingham seconded. Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, CJ Rose, Dolan Sledge, Lynn Smith, and Steve Stinson all voted aye; motion carried.

Agenda Item F – Discussion and possible action thereon regarding over 65 retiree medical coverage.

The new Medicare product has generated quite a bit of response. Out of 750 retirees on Medicare, there have only been around 350 that have enrolled in the new plan so far. The new Medicare plan begins on May 1. Any retirees that are not choosing to enroll right now will have another opportunity to enroll in the fall during Medicare open enrollment.

No action required.

Agenda Item G – Discussion and possible action thereon regarding IRS pay or play penalty.

The IRS pay or play penalty is a penalty employers can receive for not offering affordable health coverage. The IRS penalty is increasing in 2024. The penalty only applies for employers with more than 50 employees. The penalty will be \$2,970 per employee per year if you don't offer minimal essential coverage and \$4,460 per employee if you make them pay more than the minimum essential value.

No action required.

A motion was made by Gary Nielson to move to new business. Seconded by Steve Stinson.

New Business unforeseen at the time of the posted agenda

Brokers are speaking to groups and comments are being made pertaining to the financial status of the Plan which are false, and Ross is currently combating these statements and misunderstandings.

Ross would like to continue to have groups schedule their presentations. Please contact the plan administrators to schedule one soon.

Next meeting is August 10th.

Agenda Item H – Executive Session:

1. Consider and vote upon:
 - a. Potential litigation in connection with trust special assessment.

Steve Stinson made a motion to go into executive session. CJ Rose seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, Dolan Sledge, and Lynn Smith all voted aye; motion carried.

Lynn Smith made a motion to go back to regular session. Steve Stinson seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovolny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, CJ Rose, and Dolan Sledge all voted aye; motion carried.

Agenda Item I – Discussion and possible action thereon regarding potential litigation considered during the executive session.

Gary Nielson made a motion to seek litigation. Mike Brittingham seconded.

Roll call vote.

Mike Bouvier, Mike Brittingham, Heath Dobrovlny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristie Moles, Tina Newton, Gary Nielsen, CJ Rose, Dolan Sledge, and Lynn Smith, and Steve Stinson all voted aye; motion carried.

Gary Nielsen made a motion to adjourn. Tine Newton seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovlny, Matt Jacobson, Tammy Malone, Jymay McLeod, Kristi Moles, CJ Rose, Dolan Sledge, Lynn Smith, and Steve Stinson all voted aye; motion carried.

Secretary/Board of Review

Attested To/ Notary

My Commission Expires

Chairman/Board of Review

Attested To/ Notary

My Commission Expires