

# VEBA COMMITTEE MEETING

Plymouth District Library | May 1, 2023

1. Call to order & attendance:
  - a. The meeting was called to order at 5:33pm by Director Anderson.
  - b. Present: Trustees Pappas, Sexton, Director Anderson, staff member McCardell, and Alerus Representative Shields. Absent: Trustee Morrison.
2. Agenda
  - a. Resolved by Trustee Pappas and seconded by Trustee Sexton to approve the agenda
3. Meeting Minutes
  - a. Resolved by Trustee Pappas and seconded by Trustee Sexton to approve the minutes for the February meeting.
4. Public Comment
  - a. None
5. Old Business
  - a. Account Update: Representative Shields stated that while Alerus has a strong preference for individual bonds for the reasons stated in the February meeting, after legal review, the state laws governing our account do not expressly permit mutual funds. It does not exclude mutual funds either. Alerus now recommends keeping the account as-is with our current funds.
  - b. Shields stated that our investments have done well considering the market. The goal is to track the stock market, which is at 9% YTD. We are at 6% YTD. With this in mind, Rep. Shields recommends a rebalance.
  - c. Trustee Pappas questioned the impact of the banks on the current market. Shields responded by saying that bonds are beginning to stabilize after interest rate hikes from the Feds. If we head into a recession, Shields stated, bonds traditionally do well.
  - d. Trustee Pappas motioned, seconded by staff member McCardell, to maintain bond funds instead of individual funds. Motion passed unanimously.
  - e. Trustee Pappas motioned, seconded by Trustee Sexton, to rebalance the account now and ask for an update from Shields in August. Motion passed unanimously.
  - f. Future funding needs: Director Anderson reiterated her concern over the future of the VEBA program. Despite updates to the plan this year that moved a portion of the retirees from the library's census, the employee insurance pool continues to suffer rate hikes with worsening coverage due to the presence of so many Medicare-eligible retirees on our insurance census. Director Anderson also brought everyone's attention to the bubble of VEBA-

eligibility that will happen in about 7 years, when a new wave of staff members will become eligible for the program.

- g. Director Anderson has been researching HSA alternatives to retiree medical funding. This option would function similarly to the 457 plan, which supports employees generously while mitigating liability for the organization. Director Anderson is in talks with MERS to learn more about their funding models, and hopes to have more concrete plans to present to the committee in the next year.
- 6. New Business
    - a. None
  - 7. The meeting was adjourned at 6:19 pm, resolved by Trustee Pappas, seconded by Trustee Sexton.