



Board of Directors Meeting Summary

June 5, 2025

Board chair Terrence Miller convened the meeting at 9:40 a.m.

1. The minutes of the March 6, 2025, meeting were approved as presented.
2. James Heer, President and CEO, updated the Board on Natalie Haefner's retirement and the newly hired WCRA staff. He also noted Allison Waggoner's and Edward Reynoso's pending retirements. He then provided a brief update on the 2025 strategic goals.
3. Mr. Heer reviewed the annual WCRA Board officer nominations and committee appointments, and the Board approved the recommended appointments. Terrence Miller was approved as the WCRA Board Chair, and Sheila Brown was approved as the Vice Chair.
4. Mr. Heer provided an overview of the current retention limits, and the Board agreed with the recommendation that they remain the same in 2026.
5. Cynthia Smith, Vice President of Operations and Corporate Secretary, reviewed the Board's annual requirement to read and adhere to the WCRA Code of Business Conduct and the Conflict-of-Interest Policies with the Board. The Board members were asked to complete the electronic acknowledgment and conflict disclosure survey.
6. Alison Khan, Vice President of Actuarial, explained the rate-making process to the board and then reviewed the preliminary 2026 rates. The preliminary proposal was for a 4.9% average rate decrease and a projected 1.3% premium decrease. The medical escalation rate remains at 4.0%, and the Discount Rate remains at 6.5%. Ms. Khan then briefly summarized the 2024 Analysis By Layer of Experience (ABLE) Report.
7. David McKee, Vice President and Chief Financial Officer, presented the first quarter investment report, stating that the portfolio increased by 0.59 percent during the quarter and that all asset classes remained within their policy targets. The portfolio negatively tracked the benchmark in all periods except the 3-mo and 5-yr periods.
8. Mr. McKee then presented the first quarter financial statements.
9. Mr. McKee recommended alternative investments with Nordic Capital Partners XII with a commitment of up to €10 million and an investment in Oak Hill Capital Partners VII with a commitment of up to \$10 million, subject to reaching an agreement on final contractual terms. The Board approved the recommendation.
10. Daniel Lovhaug, VP of Information Technology, updated the Board on the progress made on WCRA's IT Strategic Plan, Enterprise System Project, and IT resources.
11. Mr. Heer led a discussion with the Board regarding the WCRA's surplus distribution strategy.
12. The 2025 and 2026 meeting calendars were presented.
13. The meeting was adjourned at 10:52 a.m., and the Board met in Executive Session.