

Minutes
Meeting of the Trustees of Utrust
July 8, 2020

Trustees of Utrust met in a Special meeting on July 8, 2020 at 1PM through zoom conferencing due to COVID-19 pandemic. Participating in the meeting were: Chairman David Jones, Vice-Chairman Joey Cooper, Trustees: Dawn Fry, Roger Greene, Jasper Taylor, Norma Tate and Regina Waller. Trust Attorney Dewey Branstetter; staff members: Dr. Dan Tollett, Trust Administrator and Kristi Coleman, Director of Finance & Administration.

Chairman David Jones called the meeting to order at 1:00 p.m. He welcomed all participants. He stated that this called meeting was for the singular propose of considering a recommendation by the staff and legal counsel that a special assessment be enacted.

Special Assessment

He called upon Dr. Tollett to present the recommendation.

Dr. Tollett said that due to the unusually high number of unemployment compensation claims caused by the Covid-19 virus, the cost of paying such claims were likely to be outrageously high. He commended Kristi for her work with member school district staffs and the Tennessee Department of Labor and Workforce Development. He said that she and school district staffs had collected a considerable amount of information that she had provided to the Department of Labor to show which claims were justified and which did not meet state and/or federal requirements. He said that even at that, the cost to pay the claims was expected to be the highest we've seen since the creation of Utrust. He said the issue was complicated by the fact that the federal government had agreed to reimburse school districts for 50% of the cost of claims related to Covid 19. Additionally, local governments receive additional funds to reimburse for costs related to the pandemic. Local governments could include the other 50% of the cost of unemployment claims. However, neither half of the funds were available to reimburse Utrust for the claims. Therefore, he recommended that Utrust bill members for the cost of paying the claims so that the school districts were actually paying their unemployment compensation claims and would, therefore be eligible to receive reimbursement for the claims cost.

Mr. Branstetter answered several legal questions related to the proposal and explained that the recommended procedure would provide the documentation needed by member school systems to satisfy an audit.

He summarized the recommendation as follows: Due to the unusually high number of unemployment compensation claims caused by the Covid-19 virus, Utrust should implement an assessment of members in accordance with the provisions of the Utrust Intergovernmental Agreement, specifically Sections 2 and 3 of Article V, and that Utrust send invoices for a supplementary payment in an amount equal to the amount of reimbursement that member systems receive for unemployment benefits as funded through the Education Stabilization Fund established by the CARES Act, or any other law designed to reimburse school systems for unemployment costs related to the Covid-19 virus. In the event that any member does not receive reimbursement for unemployment costs that are billed as a supplementary payment, Utrust will waive collection of any amounts for which the member has not been reimbursed. Further, any funds received as a supplementary payment will only be utilized to pay a member's unemployment benefits, or to reimburse Utrust for benefits which have already been paid on the member's behalf.

Taylor/Tate

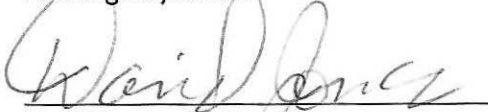
Motion to approve the action as stated by Mr. Branstetter. **Motion carried unanimously.**

Motion to adjourn

Waller/Fry

Motion to adjourn. **Motion carried unanimously.**

Meeting Adjourned



David Jones, Chairman



Dan Tollett, Trust Administrator