I. REGULAR MEETING - GENERAL FUNCTION

1. Ed Christy, Trustee, called the regular meeting to order at 4:37 p.m. Employee Benefit Trust Board members constituting a quorum were present: Edward Christy, Matthew Kinney, Michele Caruso, Jim Dean, Assistant Superintendent for Employee & Public Relations for Dysart Unified School District. Mark Bagnall, from the bagnall company, and Jack Eaton, Executive Director for Business Services for Dysart Unified School District, were also in attendance.

2. Public Comment

   NONE

CALL FOR EXECUTIVE SESSION

A motion by Matthew Kinney, second Caruso was entered to recess to executive session for discussion of A.R.S. 38.431.03 A.3 and A.4

A.3 and A.4  To receive legal advice regarding a subrogation claim.

RECESSING OF REGULAR MEETING FOR EXECUTIVE SESSION – 4:38 p.m. – 4:49 p.m.

The executive session was called to order at 4:38 p.m. The following individuals were present Mr. Edward Christy, Mr. Matthew Kinney, Ms. Michele Caruso, Ms. Jennifer MacLennan, legal counsel, Mr. Jim Dean and Ms. Eva Pierce, recording secretary.

The executive session concluded at 4:49 p.m.

RECONVENE REGULAR MEETING

ACTION ITEMS

1. Approval of Agenda
   Motion to approve made by Matthew Kinney, seconded by Michele Caruso. UNANIMOUS
   Motion carried.

2. Approval of Minutes of June 24, 2013 Special Meeting
   Motion made by Matthew Kinney, seconded by Michele Caruso. Motion carried. UNANIMOUS

3. Approval of Minutes of August 21, 2013 Meeting
   Motion made by Matthew Kinney, seconded by Michele Caruso. Motion carried. UNANIMOUS
4. Claims Appeal
   a. Subrogation claim
      Motion made to advise Legal Counsel to wave the right to subrogate and to communicate this decision to Socrates not to pursue subrogation. Motion made by Matthew Kinney, seconded by Michele Caruso. Motion carried.

5. Request to Approve Trust Document Second Amendment
   Motion made to adopt the Second Amendment to the Dysart Unified School District No.89 Employee Benefits Trust Agreement and Declaration of Trust. Motion made by Matthew Kinney, seconded by Michele Caruso. Motion carried.

   **DISCUSSION ITEMS**

1. RFP Discussion
   Presented by Mark Bagnall. RFP has been delivered to the district and will be reviewed by the district. The Insurance Committee review proposals that come in by February 5, 2014.

2. 2013-2014 Benefit Plan and Timeline Review
   Presented by Mark Bagnall. Key dates:
   - February 5, 2014 Review renewals and evaluation with Jim Dean and evaluation committee
   - February 12, 2014 Dysart Procurement to release Best and Final (if necessary)
   - February 26, 2014 Webinar with evaluation committee to review best and final responses
   - March 5, 2014 Trust Board Meeting to review evaluation committee recommendations

3. Healthcare Reform Update
   Presented by Mark Bagnall
   a. Exchange Notices were sent to Dysart employees (attached for the Board to view)
   b. General Overview as of September 2013
      i. Two (2) recording requirements which will become effective in 2015 – Forms 6055, generally provided by Claims Administrator, and 6056 is provided by the District. Bagnall will work with District to ensure compliance.
      ii. Individual Mandate still applies beginning 2014 – Individuals must maintain health insurance for themselves and their dependents
   c. Change that took place on September 18, 2013 - Employee Benefit Security Administration (EBSA) issued joint release on same spouse marriage
      i. Same spouse marriage in a legal jurisdiction - other than State of AZ - that legal jurisdiction applies to how they are treated for Federal income tax purposes; this applies to employees who come to work for the District.

4. Medical/Rx Claim Audit Update to be completed by end of January
   Presented by Mark Bagnall
   a. The Claim Audit is in process

5. 2013 National Health Plan Survey Results
   Presented by Mark Bagnall
   a. 2013 survey was completed by over 10,000 employers and comprised of over 17,000 medical plans in the data base; a very broad based survey.
   b. The employee contribution for single coverage is at least less than or equal to state industry averages; 2,500 HSA program the employee contribution rate is below the state industry averages; for all plans deductibles are less than state industry averages; maximum out of pocket costs is less than or equal to state industry averages
6. Financial Information  
a. Trust Financial Information – provided by Jim Dean  
i. 0.1% Interest earned;  
   1. Mr. Christy - why is the balance forward the same for each month? The balance forward from previous month end will be corrected on this report.  
   2. Mr. Kinney – why is the interest earned so low? The money is with the County. Investigating whether or not the money can be invested.  
   3. Will look into having backup and reports provided electronically  
   4. Will adjust column headers to carryover from page to page on reports  
   5. Attention was made to note expenditures and revenues for Employer TSA rates and HSA expenditures and revenues. These results are certainly to be expected at the beginning of a school year.

b. Claim Experience Review- Presented by Mark Bagnall  
i. The first two months have pretty heavy costs; certainly to be expected having eliminated the Zero Dollar Deductible Plan; July and August usually have the claims run out from previous year.  
   ii. Funding on July 1  
      1. There was a significant impact in July due to the fact that HSA plan contributions are funded this month and there was high HRA activity as well.  
   iii. The two benefit plans through the first three months that are in the black are the two (2) HSA plans  

c. 7/1/12-6/30/13 Blue Cross Performance Guarantee Results – Presented by Mark Bagnall  
i. Performance guarantees that have been negotiated; all metrics and performance issues have been met

7. Wellness  
a. Updated Plan and Web Portal – Presented by Mark Bagnall  
i. Updated in current format; anticipate updating again, moving forward with web based portal tracking system. BCBS can provide this wellness tracking portal if the District would agree to at least a $240 differential in premium per employee, resulting in the potential commitment of a $432,000 premium differential. The bagnall company, through Mohave Educational Services Cooperative, has an approved contract with the same portal. The cost for the portal is approximately $19,000 per year for the portal. This allows District to have total flexibility in terms of the premium differentials you want to see.  
   ii. Just finished the Walktober Wellness event. There was tremendous participation.  
   iii. There are no numbers on the flu vaccination yet. Will analyze the effect on the absentee rate next quarter. We are running positively ahead in our numbers for absences this year than we have in the past.

b. 50% Smoker Premium Differential Update  
i. How could this be viewed? For purposes of affordability, employers can assume everyone receives the non-smoker rate.  
   ii. We are allowed to charge higher rate for smokers, but haven’t made a decision yet. We must have a corresponding Wellness program for smokers.

8. Miscellaneous Updates – Presented by Mark Bagnall  
a. PPO/HRA plan will require an amendment due to ACA in 2014  
i. Flexible spending accounts. If you don’t have a plan with a Grace Period, you can now carry forward $500. Currently the Dysart program does have a Grace Period. The District allows employees to use up their balance within the 2 ½ month Grace Period from the end of the fiscal year. Currently Dysart cannot take advantage of the $500 carry forward.  
   ii. Mark Bagnall will bring numbers back to the Board as to how many employees are using
their contributions during the Grace Period.
iii. Whether or not to amend the plan can be addressed at the next Board meeting.
b. Flexible Spending Account Ruling
   i. Will need to amend the Health Reimbursement Account – we need to allow terminated (COBRA) employees to Opt Out

ADJOURNMENT

A motion to adjourn the meeting was made by Matthew Kinney, seconded by Michele Caruso, and by a unanimous vote, the meeting ended at 5:33 p.m.