

DYSART UNIFIED SCHOOL DISTRICT

MINUTES: EMPLOYEE BENEFIT TRUST BOARD MEETING

2010-2011

April 26, 2011

Location: Nathaniel Dysart Education Center

REGULAR MEETING

1. Mr. Ed Christy, Chairman, called the regular meeting to order at 4:40 p.m. Employee Benefit Trust Board members constituting a quorum were present: Edward Christy, Matthew Kinney, Julie Halleck, Jerry Eynon and Scott Thompson. Mark Bagnall from the bagnall company was also in attendance.
2. Mr. Christy called for public comment; there was none.

ACTION ITEMS

1. A motion was made by Matthew Kinney, seconded by Jerry Eynon to approve the agenda. UNANIMOUS
2. A motion was made by Matthew Kinney, seconded by Jerry Eynon to approve the minutes of the March 29, 2011 minutes of the trust board meeting UNANIMOUS

There were no claim appeals.

DISCUSSION ITEMS

Old Business

1. Regarding July 1, 2011 Employee Benefit Plan Update:

Mr. Bagnall reported that confirmations of board actions on all employee benefit programs have been forwarded to vendors and that the online system is in final programming stages and will be ready per the master implementation timeline.

2. Regarding Domestic Partner Coverage:

All members of the board agreed that approaching the governing board in a study session would be the best process to further consider this issue and prior to any formal trust board action. Mr. Thompson will discuss with cabinet and Mr. Dean for their input and then correspond with board members on next steps. Mr. Bagnall will provide suggested language and a sample affidavit along with additional statistics for the trust board to review.

3. Regarding Employee Loans for Medical Care Expenses:

Mr. Thompson reported on research conducted by the Bagnall company. Based on an informal legal opinion obtained, it appears that such loans are not possible since there is no enabling legislation allowing school districts or appointed bodies (of school districts) to provide loans.

4. Regarding Dependent Eligibility Audit:

The board reviewed information indicating potential plan savings of \$52,000 to \$263,000 based on normal results of such an audit and current dependent participation in the medical program. Currently there are 329 employees that insure dependents (713 total dependents are insured currently). The board asked that this be placed on the agenda as an action item in January, 2012. Suggestions by Mr. Kinney included a contingency feature on the fee proposal for the independent auditor and having the audit conducted during open enrollment.

5. Regarding claim experience reports:

Mr. Bagnall reviewed the medical claims experience for the current year through February, 2011. The following comparisons to the average Per Employee Per Month cost for all plans were noted:

HMO \$500 plan is 25% less than average; HMO \$0 plan is 9.5% more than average; PPP \$0 plan is 58% more than average; HSA \$1,500 plan, adjusted for the HSA contribution made by the district, is 46% below average.

Discussion also centered on the high utilization of the PPO plan and whether or not this plan is viable long term. It was suggested this be reviewed next year and also requested that the insurance committee provide input on this plan.

New Business

1. Regarding Trust Financials:

Mr. Thompson reviewed a report for the medical plan showing District contributions and plan expenditures for the period July 1, 2010 through March 31, 2011. Total contributions and expenditures amounted to \$8.5 Million and \$7.14 Million, respectively. The balance in the trust is approximately \$1.4 Million of which \$788,000 is designated for reserves.

ADJOURNMENT

At 5:50 PM, motion was made by Mr. Kinney to adjourn, seconded by Mr. Eynon and unanimously passed.