Tucson Unified School District No. 1
Employee Benefits Trust Meeting
Grey Room, Morrow Education Center
1010 East Tenth Street
Tucson, Arizona 85719

August 25, 2014
5:30 p.m.

MINUTES

Committee Members Present
Dr. Neil West Robert Harbour
Dr. Stegeman Mark Mansfield

Committee Members Absent
Yousef Awwad

Others Present:
Anna Maiden – Chief Human Resources Officer
Janet Underwood – Recordkeeper
Karla Soto – Chief Finance Officer
Cliff Wadhams – Trust Accountant
Mike Hoffman, President, ASBAIT Marketing
Mark Thurston, Director of Sales, ASBAIT Marketing
Penny Mondhink, Meritain Health, Dir. Client Relations
Ralph Epifanio, Meritain Health, Client Relationship Mgr

MEETING CALLED TO ORDER
Meeting called to order at 5.30p.m.

CALL TO THE AUDIENCE
No one requested to speak.

QUORUM - A quorum is present.

INFORMATION / ACTION ITEMS

Meeting Minutes
Mark Mansfield made a motion to approve the June minutes. Dr. Stegeman seconded the motion. Motion passed 4-0.

Financials
Per Finance, TUSD’s auditors have directed to reclassify from the Restricted Fund to the Unrestricted Fund each year for the stabilization. About $2m from the Trust for the next plan year.

July Financials were reviewed. There is an ending cash balance of $28,532 and total investments now at $13m. Dr. West noted that for the laddered investments, the majority due out in 2016, 2017, 2018, 2019. Interest rate has improved.

Unrealized change in value in July; market price last day of month per Wells Fargo
statement. There are no intentions to dispose of these early, so can reach maturity. Per Cliff, several have been called. The Workers Compensation Trust needed cash; Wells Fargo cashed and sold them to EBT for small premium of about $700.00. This was done to keep the funds in the District.

November notice due to Health & Human Services for ACA fee: $63 per participant due in January of $221k; based on a 9 month roll for first year, average participants. $258 estimated for 2015.

Bob Harbour made a motion to approve the financials, seconded by Mark Mansfield. The motion passed 3-0.

**Old Business**
Discussion of the Wellness funds based on targets, and the results of the participation. There is already additional funding in the wellness program. Discussed the amount of premium reduction and the incentive dollar amount.

Dr. West introduced the use of pedometers for the wellness program also; would like to see this on the agenda for October to generate activity for the participants beginning 9/1/15.

Dr. Stegeman recalled that the program required physical activity; the list of requirements was reviewed and discussed.

The premium incentive would be in the form of a premium reduction for the employee in the PPO, or to the HSA in case of a single employee in HDHP.

Mark Mansfield made the motion for the $300 premium incentive reduction or contribution to the HSA earned in plan year 14-15 and paid in 15-16. Dr. Stegeman seconded the motion; the motion passed 4-0.

**New Business**
Presentation of Pooled Arrangements

ASBAIT:
Over 160 SDs participating right now. Their capabilities and managing claims and conditions without an independent TPA; they are more integrated. They can maximize the efficiencies. Show how they minimize risk; how to release some reserves if appropriate via some pooling mechanisms. They have 33,000 covered lives and have their own Governing Board. Liabilities include $13-14m in IBNR reserve; 90% of each dollar goes toward claims; no profits. Has had BCBS as a partner since 1997. Operates as a pool, and then by client size what experience they’d have; uses a blended renewal. Fr TUSD they would have us in our own/cap our exposure in the pool.

Valley Trust:
Valley’s offer to TUSD was to be a consultant only.

The meeting adjourned at 8:50 p.m.
Approved this ________ 22nd ________ day of ________ September ________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ________________________________

Dr. Neil R. West, Chairperson