MINUTES

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

Committee Members Absent

Others Present:
Janet Underwood – Benefits Manager
Christina Cruz --Senior Accounting Manager
Kristi Olivas – Director, Health & Productivity Actuary,
               Buck Consultants
Debbie Hainke – Account Representative, AmeriBen
Les Lauen -- Record-keeper

MEETING CALLED TO ORDER
Dr. West called the meeting to order at 5:30 p.m.

QUORUM - A quorum was present.

CALL TO THE AUDIENCE
No one requested to speak.

INFORMATION / ACTION ITEM

Dr. West welcomed Anna Maiden to the Trust Board.

New Business

IBNR/Reserves/Accruals Update and Set 2015-2016 Plan Review Dates
Dr. West asked that the meeting begin with a presentation from Kristi Olivas from Buck Consulting because Ms. Olivas had to leave shortly due to travel plans.

Ms. Olivas distributed a written copy of her presentation on IBNR (Incurred But Not Reported) reserves and led the Trust Board through the documents.

From page 11 of the Buck presentation: using data through October 2014, the June IBNR has been restated at $2.9 million. This result is calculated independently of the Trust’s reserve policy and is for benchmarking purposes only.

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Mr. Mansfield observed that he would like to see historical numbers in order to have a better picture of the information. A discussion of the trends in medical and drug costs took place, with Ms. Olivas noting that drug costs are expected to rise higher than had been seen in a long time.

Dr. West commented that the Trust Board would like to see how this year’s expanded benefits will affect the districts trends this year and next year. Dr. Stegeman asked about the “Cadillac tax.” Ms. Olivas explained that it is a tax on overly rich benefits plans. There was a general discussion of the “Cadillac tax” and its likelihood.

As the presentation continued, Ms. Olivas said that she would not recommend drastic rate changes. Dr. Stegeman commented that it would seem best to keep the rates constant if possible.

The Trust Board discussed the HDHP and the PPO and the participants’ migration back and forth between the two plans.

Ms. Olivas concluded her presentation, and Dr. West thanked her for her work.

Meeting Minutes
Dr. West presented the October minutes to the board and noted that one correction should be made. The correction would change the word “June” to “October” in the statement, “Mr. Mansfield made the motion to accept the June minutes.”

Financials
Christina Cruz reviewed the Prior Year Comparison portion of the financials, covering items that had significant change from the prior year and also noted no significant changes in the list of investments. Ms. Cruz also mentioned that she will follow up regarding how often the change in the IBNR is recorded in the financials.

The discussion focused on financial details. Mr. Mansfield suggested that the Trust Board should designate where the reserves should go and that he would like this to become part of the reserve policy. Dr. Stegeman agreed.

The Trust Board also requested that the savings in stop loss premium should be accounted for. Finance should determine how this can be done with standard accounting rules.

New Business
Determine CAFR Q&A Session
The Board reviewed briefly whether or not to invite the district auditors Heinfeld, Meech & Company to come and answer questions related to the latest audit of the Benefits Trust. The Board members will review the CAFR and bring questions to the next Trust Board meeting. Since Bob Harbour is a CPA, he may be able to answer those questions.
Heinfeld and Meech will be contacted to determine the timing and costs should the Board decide they would like Heinfeld and Meech to present their findings.

**Medical Plan/RFP Timing Update**
Janet Underwood explained that the purpose of the RFP had been revised to request bids for both a fully insured option and a self insured option. She explained that the bids are due by mid-January, that the review committee will complete their work in time to present recommendation to the Governing Board by the April board meeting, and that the new insurance year would begin 9/1/15.

Mr. Mansfield, who is on the RFP review committee, noted that he would need to shift his schedule in order to accommodate the timeline change.

**Wellness/FitBit, etc.**
In the discussion of FitBit and related devices, Janet Underwood explained what the devices were and generally how they worked. Mr. Mansfield commented that from his research, the item cost was $60.00 - $70.00 each.

Dr. West said he was in favor of buying the devices for district insured members but wanted to know more about how the items work and how their use would be tracked. He explained that he thought they would help support the Trust Board’s ideas for fitness by getting more people involved in taking care of themselves.

Ms. Maiden asked how people would earn or qualify for the FitBit and if the idea is to purchase one for everybody. Dr. Stegeman expressed his concern that people might just throw the devices away.

Mr. Mansfield explained more about how the devices work and noted that reports are available online. A discussion followed that focused on how the FitBit works and on ideas for getting people involved.

Mr. Mansfield noted that it would be important to include the wellness folks in this effort. Dr. West agreed and asked Janet Underwood to contact the wellness group and ask for their attendance at the next meeting to discuss this potential benefit.

**Visitor Seating/Expense**
Ms. Maiden explained the request for the Trust Board to fund the visitor seating for the Benefits Office area, noting that the current visitor seating was inadequate. She further pointed out the cost of the furniture in the estimate from Goodmans Interior Structures.

In a response to a question from Ms. Cruz about who should have ownership of the furniture, Mr. Mansfield explained that the Trust Board intends for the District to own the property.

**Old Business**
**Trust Board Applicants and Process**
Janet Underwood reviewed earlier discussions about the process of reviewing and appointing Trust Board applicants.
Dr. West observed that many of the Trust Board members have talked to people who are interested in becoming members. He suggested that CVs for those people be brought to the next meeting for review and asked that the consideration be included in the agenda for that meeting.

**Executive Session**

**Subrogation Offer**
The Trust Board discussed subrogation in general and also considered a specific case, which was presented by Debbie Hainke.

Dr. West ended the Executive Session at 7:25 p.m. with the approval of the Trust Board.

**Further Business**
Dr. West asked for a motion to submit a counter proposal back to the attorney in the subrogation case discussed in Executive Session.

After discussion, it was recommended that a conference call be arranged for 2:00 p.m. on 12/16/14 to follow up on the subrogation case and Dr. West would be on site during the conference call.

**Future Trust Board Meetings**
Mr. Mansfield recommended that the Board not meet in January. Discussion followed which resulted in suggestions for future meeting dates: February 9, 2015, March 16, 2015 and April 20, 2015.

Dr. West reminded members to gather CVs for potential Trust Board members.

Dr. Stegeman commented that the Board needed to move on getting legal direction with subrogation language.

The meeting adjourned at 7:50 p.m.

Approved this _________ 6th __________ day of __________ April, 2015 __________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ________________________________

Dr. Neil R. West, Chairperson