

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1
EMPLOYEE BENEFIT TRUST
BOARD OF TRUSTEES MEETING – MAY 11, 2018**

TRUST MEMBERS PARTICIPATING

Kari Thompson, Marcia Cox, Hal Christiansen (late arrival) & Sam Scarmardo

OTHERS PARTICIPATING

Mike Murray, Diana Asseier, Cheri Tropple, & Naomi Morgan – LHUSD #1
Jaime Schulenberg & Elena Lacy - Erin P. Collins Associates

OTHERS ATTENDING (PER SIGN IN SHEET)

Jeff Goss, Stephanie Holmes, Christine Locatis, Nichole Cohen, & Kathy Cox

Meeting called to order at 3:04 p.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Call to the public:

- Jeff Goss concerned with the rate increase for retirees. Would like clarification of rule for the affordable care. Questioned how much money went to the Trust from the bond. Asked if rates have been approved by the Board. Would like the retirees to be on an email list to be notified of EBT meetings.
- Stephanie Holmes requesting to speak in an executive session due to PHI (Personal Health Information).

Fiduciary Liability Insurance:

Jaime Schulenberg stated they are working with the District's broker, Mike Carr at NFP, to obtain fiduciary liability insurance with coverage up to one million dollars with a \$10,000 retention. Could have in place by May 01, 2018 if the carrier will agree to a retroactive term. Cost of coverage if retroactive of May 1, 2018 would be approx. \$3,309. Will renew every July 1st.

Kari Thompson questioned if the policy will be held under the district or EBT.

Jaime Schulenberg stated this policy is specific for the LHUSD EBT.

Marcia Cox made a motion to approve Fiduciary Coverage effective May 1, 2018; if not approved by the carrier, today May 11 or May 14 if available.

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Marcia Cox made a motion to move into executive session for one call to the public and general legal advice and consultation on contracts pursuant to A.R.S §38-431.03(A)(3) and (4).

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Sam Scarmardo made a motion to reconvene from executive session.

Marcia Cox seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Meeting reconvened at 4:36 p.m.

It was stated that Hal Christiansen arrived at 3:28 p.m. during the executive session.

2018-19 Retiree Premium Rates:

Jaime Schulenberg stated there is a dependent cost issue with the Gold Plan. Premiums were calculated based on active employee pays which include a District subsidy which the district has not been contributing for retirees. This results in an underpayment to the Trust in current year. ECA was unable to reconcile the Silver Plan premiums with information they were provided. The Trust is underfunded by approx. \$8,000.00 based on current enrollment.

Kari Thompson asked if the District should contribute the \$8,000.

Mike Murray indicated he would like the District contribution for retirees to the EBT be lump sum and identify the exact number of retirees and dependents to match the dollar contribution. Moving forward will attach deposit with data and back up material and have that information available. Will need to look into setting up a separate retiree account.

Kari Thompson questioned the current procedure when a retiree makes a payment and who the checks are made out to.

Cheri Tropple replied the checks are made out to LHUSD EBT.

Jeff Goss questioned retiree coverage of 49% increase.

Mike Murray responded the total increase for retiree and spouse is \$120.74/mo. 10% across the board and 5% District contribution back to the employee.

Jaime Schulenberg confirmed that the 2018-19 rates will be calculated the same as 2017-18 and the District will contribute toward the dependent premiums for retirees (the same as active employees) for the coming year, which will result in no negative impact on the Trust revenue.

Mike Murray confirmed.

Kari Thompson verified the annual contribution from the district to the retirees is the same as active employees.

Mike Murray explained the contribution will be made whole between the retiree and District. Going forward, a separate deposit will be made for these contributions.

Kari Thompson asked if the retirees are being charged the same rate as active employees.

Jaime Schulenberg responded the Gold Plan is the same. Silver Plan has a separate set of rates because they provide a different level of benefits.

Mike Murray stated the district is contributing approximately \$600,000.00 for dependent premiums.

Health & Wellness Center Benefit Changes:

Item 1 – 90 Day Prescriptions

Jaime Schulenberg reported Cerner is asking for clarification on changes in the 90 day prescriptions as they relate to the \$10.00 copay implemented for prescriptions. Cerner is asking if they are to continue dispensing 90 day supplies of medications for chronic conditions. The options are:

- Continue current practice and apply \$10.00 copay;
- Eliminate dispensing 90 day supplies of medications; or
- Dispense 90-day supplies of medications for chronic conditions only with \$10.00 copay.

Kari Thompson asked if a member would pay three copays for a 90-day supply of medication by going to a pharmacy.

Jaime Schulenberg confirmed and stated members would pay actual cost of medications if under the copay cost. Do not believe the Clinic would have that service.

Kari Thompson asked what ECA's recommendation would be.

Jaime Schulenberg responded ECA's recommendation would be to continue dispensing the 90 day with the \$10.00 copay.

Marcia Cox made clear the Clinic will have a \$10.00 copay for 90 day supplies other than ACA approved preventative medications compared to a pharmacy with three copays and member would pay lesser amount if generic drug is under the copay. Marcia also questioned if mail in orders would have the \$10.00 copay or three.

Jaime Schulenberg confirmed mail orders would have the three copays.

Marcia Cox made a motion to approve 90-day supply generic prescriptions from Wellness Center with \$10.00 copay.

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Item 2 – Over-the-Counter (OTC) Medications

Jaime Schulenberg reported the board made a decision to stop the dispensing of over-the-counter medications and supplies at the clinic. The clinic reported that they are following the Wisconsin Rx formulary and need clarification as to whether to continue practice or eliminate OTC that is in place.

Jaime Schulenberg stated it is ECA's recommendation to discontinue dispensing altogether at the clinic and look into Wisconsin Rx.

Kari Thompson asked which medications will be eliminated at Cerner.

Jaime Schulenberg responded she would have to get a full list of those medications.

Marcia Cox suggests there are no changes in the Board's decision of the discontinued dispensing of over-the-counter medications and supplies at the clinic.

Kari Thompson would like ECA to reach out to Wisconsin Rx.

District Email Addresses for Trustees:

Marcia Cox referred to the Open Meeting Law Training and the recommendation of using a unique or district email to receive Board specific items.

Kari Thompson made a motion to approve the set up for district email addresses for each EBT Trustee.

Marcia Cox seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: NO, Marcia Cox: YES, Kari Thompson: YES

Motion approved by majority vote of Trustees in attendance.

Proposal for LHSEBT Legal Counsel:

Marcia Cox stated when ECA was hired, an RFP for Legal counsel was recommended. Marcia Cox would like to appoint Mike Hensley as interim attorney during the RFP process.

Sam Scarmardo expressed two separate motions should be made for RFP and an interim attorney.

Marcia Cox suggested the vote for RFP and add agenda item to future meeting for interim counsel.

Hal Christiansen made a motion for an RFP for legal counsel.

Sam Scarmardo seconds the motion.

Jaime Schulenberg stated ECA will draft the RFP and share with the Board for agreement before soliciting for quotes to bring back for review.

Kari Thompson asked for this to align with July 1.

Jaime Schulenberg confirmed contracts are to align with fiscal year.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Future Agenda Items:

Jaime Schulenberg stated future agenda items:

- Interim legal counsel
- Wisconsin Rx
- Follow up on past meetings

Kari Thompson would like to request that ECA research and re-address Jeff Goss' call to the public questions.

Hal Christiansen stated there may be a meeting prior to July 19 quarterly meeting.

Jaime Schulenberg made it known that Mike Murray and Naomi Morgan will not be in attendance on the July 19 EBT meeting and ECA will take minutes for that meeting.

Sam Scarmardo made a motion to adjourn meeting.

Hal Christiansen seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 5:22 p.m.

Respectfully submitted,

Naomi Morgan, Secretary, LHUSD #1 Employee Benefit Trust

Minutes of LHUSD #1 EBT Meeting of February 21, 2018 are approved as submitted.

Kari Thompson, Chairperson, LHUSD #1 Employee Benefit Trust

