NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
March 27, 2009

The following Consultants/Vendors were present:

Amy Girardo	Segal

The following Trustees were present:

Allison Eckert	Coconino County
Jim Wine	City of Flagstaff
Jami Van Ess	Coconino Community College District

The following Alternate Trustees were present:

Shannon Anderson	City of Flagstaff
Kathy Jenkins	Coconino County
Bob Kuhn	Flagstaff Unified School District

The following guests were present:

Carrie Cromer	Flagstaff Unified School District
Judy Jones	NAIPTA
Siri Mullaney	Coconino Community College
Angi Napier	Coconino County
Kathy Reichman	Flagstaff Unified School District
Sandi Schulz	Coconino County
Drew Sharp	Coconino Community College
Tina Wells	Accommodation School
Barbara West	Flagstaff Unified School District

The following Trustees, Alternate Trustees and guests were not present:

Theresa Alvarado	Coconino Community College District
Deborah Beals	Flagstaff Housing
Jane Binder	City of Flagstaff
Kevin Brown	Flagstaff Unified School District
Debbie Gangloff	City of Flagstaff

AGENDA

1. CALL TO ORDER 12:35 pm

2. APPROVAL OF MINUTES Approved with Addendum of Discussion of Actuarials – February 20, 2009

3. ACTION ITEMS

A. Renewals, Medical Plan Projection, Plan Changes & Contribution Rates Amy Girardo

The Medical plan projection and renewals were presented. The estimated increase after adding Autism benefits, adjusting interest income, updating administration fees and adding additional claims resulted in a projected increase of 1.94%. Amy advised that the contribution rates should be increased in order to acknowledge the correct funding rates in future years in order not to fall behind for example, the requested increase for the next year's renewal could be the 1.94% plus whatever the calculated renewal increase need is for that year. Amy also explained that should the Trustees wish to then use a portion of reserves for a premium holiday to absorb the 1.94% increase in the premium rates they could do so, which in essence would then create a cost neutral result for the employers and their employees. A discussion took place among the Trustees.

The Delta Dental renewals were reviewed. All entities with the exception of NAIPTA will receive an increase to

their premium rates effective 7/1/09. An optional combined set of plans and rates were proposed.

The Vision plan through VSP, the life insurance plan through Minnesota Life, the Flexible Spending Account administration through ASI, the COBRA administration through Discovery Benefits and the Health Savings Account through Health Equity will not receive increases to premium rates/fees for 2009 – 2010.

Individual and Aggregate Stop loss, Insurance for the medical plan will receive a 10.4% increase. A proposal from Symetra has been requested by Segal to review in comparison to the Blue Cross offer.

Motion – Approve all renewal rates as presented with the exception of the stop loss insurance, pending a review of the Symetra offer. The Trust will maintain the current medical contribution rates (effective 7/1/09) for plan year 2009-2010. The dental plans will remain independent and the employers will accept the increases for their plans, however, they would like to revisit combined plans next year. Reserves will be used to buy down the medical rates to 0% from the projected need of 1.94%.– Approved.

B. Reserves — Amy Girardo

The summary was updated through February 28th.

Motion – Reserves will be used to fund the following: a Premium Holiday equivalent to ½ of a month of contributions from each employer or approximately $1/2 million and $2 million to Blue Cross as a claims reserve as long as it is in writing with Blue Cross that the funds are being held and are owned by the Trust – Approved.

C. April Newsletter (Open Enrollment) — Amy Girardo

The newsletter is not available for today's meeting because the renewal and premium rate decisions have not been made prior to this meeting. A draft will be distributed for review via email when it is prepared.

D. Long Term Care — Amy Girardo

Kathy Jenkins received a Long Term Care package overview from Segal. She reviewed the information along with the proposal received from Prudential Financial. After reviewing the proposed coverage and considering the cost to employees and the additional administration it was determined that Long Term Care will not be offered to the NAPEBT employers effective 7/1/09.

E. Domestic Partner Coverage Update — Amy Girardo

A report was prepared at the last meeting for every entity regarding domestic partner imputed income rates. The rats used were based on 2008 – 2009 medical contribution rates. Since the rates for 2009-2010 will not change each entity should have the correct information needed if they decide to adopt Domestic Partner Coverage effective 7/1/09. Each entity is responsible for notifying Segal if they are going to adopt Domestic Partner coverage in order for the coordination of review by the vendors of the Affidavits proposed for use by each employer.

F. Waiving Coverage Committee — Amy Girardo

The Committee was reconvened and it was determined that committee recommends waivers be offered to those employees who wish to waive coverage effective 7/1/09. A $60 stipend (a little more than the current administrative fee to Blue Cross) would be offered.

A discussion took place among the Trustees. They would like to consider offering a waiver program; however, they would not like include a stipend for doing so. The decision was made to Table a decision at this time until next month in order for each entity to revisit this issue internally.

G. Retiree Healthcare Committee — Amy Girardo

Amy received corrected data from BCBS on actives vs. retirees for two years. Segal is reviewing the data and will reconvene the Retiree Healthcare Committee once a report has been developed to share with the committee.

H. Project Plan — Amy Girardo

Presented.

4. INFORMATION REPORTS

A. Zobel Hall Report – Report presented — Amy Girardo

B. Monthly Medical Claims Report – Report presented — Amy Girardo

C. BCBS Administrative Fee Payment Issues – Report presented — Amy Girardo

5. CALL TO THE PUBLIC - None

6. CURRENT EVENT SUMMARIES – None

7. ANNOUNCEMENTS

8. NEXT REGULAR MEETING: April 17, 2009, 12:30 pm

9. EXECUTIVE SESSION - None

10. ADJOURNMENT – Meeting adjourned at 2:55 pm