

METROPOLITAN EMPLOYEES BENEFITS ASSOCIATION (MEBA)  
Regular Meeting of Board of Trustees  
Fullerton School District  
Wednesday, July 23, 2008  
**MINUTES**

Jeff Bristow called the meeting to order at 2:00 p.m.

**1. Roll Call**

- Union Trustees:  

<i>Classified Union Trustees:</i> John Lynch (CAPO CSEA) Dianna Mullen (FSD CSEA) Cheri Smith (FJUHSD CSEA) Alternate Trustee: Joe Ahlert (FSD CSEA) Professional Staff Trustee: Pat Prezioso (CSEA) Absent: John Lynch, Dianna Mullen, Joe Ahlert, Frank Weirath, and Steve Balentine	<i>Certificated Union Trustees:</i> Karen Hall (FSTO) Frank Weirath (CUEA) Joyce Wills (BPTA) Alternate Trustee: _____ (____) Professional Staff Trustee: Steve Balentine (CTA)
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- District Trustees:  

Jeff Bristow, (Capistrano) Ken Chandler, (La Habra) Mark Douglas, (Fullerton) John Fogarty (Brea Olinda) Alternate: Sherry Hahn, (Capistrano) Absent: Mark Douglas, Sherry Hahn, Barbara Ott, and Steve Wagner	Doug Kimberly, (FJUHSD) Greg Magnuson, (Buena Park) Barbara Ott, (Brea Olinda) Steve Wagner, (OCHSA) Alternate: Phil Fleming, (FJUHSD)
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- Also Present: Tom Cahill, Jason Riley, and Ron Riley, HUB; Cheryl Masters, Mercer

**2. Approval of Minutes**

- *Motion* – It was moved by Joyce Wills, seconded by Ken Chandler, and approved without objection the minutes of June 25, 2008.

**3. Web Site Presentation**

- *Web Site Presentation* – Phil Fleming, MEBA Web Site Committee Chair, reported that the Web site name is [MyMeba.org](http://MyMeba.org). Last month the Web site address was given out incorrectly. Jason Riley, MEBA Web site developer, presented a preview of the Web site to the MEBA Board. Mr. Fleming relayed that it was important that MEBA Board members agree on information being put on the Web site. The Frequently Asked Questions (FAQ) section is being reviewed by Anthem Blue Cross and will also be sent to Kaiser for review. Mr. Fleming stated that it is anticipated that the Web Site will “go live” on August 18, 2008. It was suggested that the MEBA Web site be linked to the districts and the districts in turn should have a link to the MEBA Web site from their school Web site. There was discussion regarding possible links, like one for wellness; and it was also suggested that a link be added for marketing with drop down menus with requirements for membership and other information. If everyone is in agreement, support agendas could be added. Jeff Bristow added that under the Chair’s Report the item Web Site Update will be added to keep Board members informed of the progress being made in the development of the MEBA Web Site.

#### 4. **Chairs Report**

Jeff Bristow welcomed everyone to the meeting. Mr. Bristow stated that the Web Site Presentation will be moved up to first on the agenda.

- *Trustee Retiring* – Mr. Bristow reported that Alternate MEBA Trustee Sherry Hahn of Capistrano Unified is retiring tomorrow, July 24, 2008. A letter was received from Superintendent A. Woodrow Carter naming Matthew Krause as Capistrano Unified School District's second Management Trustee to serve in the Alternate Trustee position replacing Sherry Hahn. Mr. Krause also signed the Trustee Acceptance of Office Affidavit. The letter and affidavit were given to the MEBA secretary to file.
- *Quorum* – There is a concern about having a quorum at the MEBA Board meetings this summer, especially in July and August.

#### 5. **HUB Report** – A copy of the HUB Report was distributed to all MEBA Board members.

##### *Administration*

- Ron Riley reported that August invoices were distributed by July 15, 2008.

##### *Finance/Accounting*

- Mr. Riley reported that the attached payment approval is for July, 2008. The payment approval listing includes checks #3517 through #3537 totaling \$2,901,725.79 for Board ratification; and checks #3538 through #3547 totaling \$4,240,095.65 for Board approval. Wire transfers for Delta Dental, dated June 26, 2008, through July 21, 2008, totaling \$161,608.10 are presented for Board ratification.
  - *Motion:* It was moved by Greg Magnuson, seconded by Cheri Smith, and approved unanimously without objection, the July payment approval listings and wire transfers as presented.
- *Additional Financial Data* – The MEBA fund balance on cash basis and revenues exceeding expenses for the six months ending June 30, 2008, are included in the HUB report. Also, a Budget Variance Report for the six months ending June 30, 2008, is included with the HUB Report. Please note that the reason the budget is over the projected amount is that the Blue Cross Performance Guarantee was not included in the projected report.

##### *CPEEHCC (California Public Employers/Employees Health Care Coalition)*

- *Board Meeting* – The next Board meeting is on August 4, 2008, at the CSEA Rancho Cucamonga Field Office.
- *Training Conference – Theme: Battling the Rising Costs of Health Care in Las Vegas.*
  - *January 21, 2009* – Wednesday and Pre-session
  - *January 22 and 23* – Thursday and Friday - Training sessions
- *Membership Dues* – MEBA's CPEEHCC membership dues for 2008 were paid.

##### *Other*

- *Moving Redlands Office* – The move is scheduled for August 8, 2008. The new address is HUB International, 4371 Latham Street, Suite 101, Riverside, CA 92501. Old phone numbers will roll over and new direct lines will be determined.

#### 6. **Mercer Report**

- *Claims Experience (handout)* – Cheryl Masters distributed the claims report which represents the months of June 2007 through June 2008. The overall loss ratio is 84.11 percent. Ms. Masters said that she will wait to talk about the renewal under the Medical Benefits Committee report.

## 7. Committee Reports

### *Governance/Marketing/Finance (GMF) Update –*

- *Governance* – Doug Kimberly stated that regarding growth, the GMF Committee has been looking at the ramifications if a secondary pool was pursued. The committee spent time brainstorming on various issues that a secondary pool could raise for the Trust like additional costs, trustee seats, and committees, if any; communications internally and externally; and looking at whether it would be of benefit to current members.
- *Marketing* – In regards to marketing, the committee discussed continuing communication with districts that have expressed interest in MEBA by inviting them to both the committee and Board meetings.
- *Web Site* – GMF will be working on a MEBA Web Site policy. Once it is addressed by the committee, it will be brought back to the Board with recommendations.
- *Opt Out Clause* – The GMF Committee reviewed and supports Capistrano Unified's request for a one-time opt out clause for the new Superintendent, who is a retired Colonel, for purposes of maximizing "creditable compensation."
  - *Motion* – It was moved by Greg Magnuson, seconded by Karen Hall, and approved the one-time opt out clause to allow Capistrano's new Superintendent an exemption, with an amendment to the motion that a letter also be sent to all the MEBA districts' Board of Trustees and copy the Superintendents.
- *HUB Proposal* – Dr. Kimberly informed the Board that he has received a proposal from HUB for expanded services. It will be brought to the Board after review by the GMF Committee.

### *Medical Benefits/Wellness –*

- *Kaiser Formula Load* – A handout from Kaiser was distributed to help clarify the formula load. Kaiser is a prepaid health plan and has an alternate payment plan (APP) policy as explained in the handout. An APP Load is assessed when a purchaser has made late payments totaling 13 or more half-months in a 12-month period. The APP load is unique to each district depending on how many times the premium is late. An APP Load Notification letter is sent to the purchaser, describing the policy and other available alternative payment options. MEBA Board members would like to verify that Kaiser is accurate and find out how we can adjust so that this does not happen in the future. HUB, Mercer and Kaiser are still working together on this matter. When more information becomes available, Board members will be updated.
- *New Kaiser Location* – There is a new Kaiser facility opening in Diamond Bar.
- *HUB Invoice Review* – Tom Cahill requested that districts review the HUB invoices against district records monthly to check for changes requested and that an audit/reconciliation be done quarterly with HUB at the minimum. Please keep a folder of information on changes you have sent to HUB and check that HUB has followed through. Blue Cross and Kaiser are not forgiving the changes and they will only credit us back 60 to 90 days. Since every thing is online, customized reports can be run. Get HUB involved. There are different ways of reconciling the records. For billing, please use this process: pay as billed, point out discrepancies to HUB, and HUB will make the changes.
- *Flu Clinic Workshops* – Joyce Wills said that instead of holding Health Fairs, the committee is recommending flu clinics, possibly three in various locations. The committee will proceed

with the footwork to make this happen. Also, Susan Madnick of Kaiser is checking to see Kaiser will work with MEBA for a flu shot clinic.

- *Anthem Blue Cross Initial Renewal* – We have an initial renewal from Blue Cross and a revised renewal from Kaiser. Cheryl Masters distributed the “Initial 2009 Renewal Results” for MEBA from Anthem Blue Cross (ABC). She relayed that Mercer has not talked to Blue Cross about the renewal figures. The initial renewal offer is based on current experience period from July 1, 2007 to July 1, 2008, and combined last 12 months loss ratio on paid claims of 84 percent. The overall percentage of renewal of 15.96 percent was a surprise. A meeting will be set up to talk with Anthem Blue Cross. We are hoping to negotiate this down the percentage.
- *Kaiser Initial Renewal* – In regards to Kaiser, the initial renewal rate came in at .003 percent and after negotiations with Kaiser, the renewal rate was brought down to no increase.
- *Reliance Standard Renewal* – Reliance Standard has questions and did not release renewal rates. It is anticipated that there will not be a significant increase.
- *Delta Dental administrative Fee* – Nothing official has been received from Delta Dental.
- *Renewal Summary* – Cheryl Masters and Gary Ward will negotiate renewals, look at plan designs, and get verification on a census date request for Reliance Standard.

*Wellness Committee* – No Report.

**8. Old Business –**

- *Staywell Notification* – Cheryl Masters informed the MEBA Board that Staywell was notified that they are the vendor identified by MEBA as the preferred provider to help with the MEBA wellness program “pending” the decision to move forward with a wellness program.
- *Wellness Budget* – Doug Kimberly added that regarding the wellness budget, the possibility of a MEBA fee increase needs to be discussed.

**9. New Business –**

- *Quorum* – According to the Trust Agreement, quorum should be six management and six labor trustees. It is recommended that the GMF Committee look at this and change it to five and five.
- *Full Ratification* – It was recommended that the motions presented for approval this meeting be brought back for full ratification by the Board next month at the August Board meeting.
- *Notification to Trustees* - It was suggested that more work should be done to notify Trustees about attendance at the meetings.

**10. Closed Session – None.**

**Next Meeting:** The next regular business meeting will be held at 2:00 p.m. on Wednesday, August 27, 2008, at the Fullerton Joint Union High School District Board Room. The meeting adjourned at 3:25 p.m.

Respectfully submitted,

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Diana Dorado, MEBA Secretary