

Lincolnway Area Affiliation of Participating School Districts Employee Benefit Plan
Trustees Meeting, Thursday, August 3, 2023
Richland Grade School District 88A, Crest Hill, IL

Minutes

1. Welcome

Chairman Simpkins called the meeting to order at 1:07 p.m.

2. Roll Call

Krzeczkowski called the roll with the following members present:

Trustees: Joe Simpkins, Steve Stein, and Dr. Kathleen Wilkey absent - Margo Empen and Dr. Joe Salmieri.

Marsh & McLennan Agency (Assurance): Ashton Harnung, April Krzeczkowski, Maryann Mileto, and Danny Omiecinski

Other Attendees: Andy Siegfried, Chaney-Monge S.D.; Catie Norton, CCSD 181; Lisa Krueger, Will-County S.D.; Tiffany Frey, SOWIC; Chris Ruddy, Manhattan S.D.; Amanda Hertz and Adrian Fulgencio, Peotone S.D.

3. Election Results and FOIA & OMA Officer designation

Krzeczkowski announced the LAA Board election results. 13 of the 18 LAA members voted, Dr. Joe Salmieri was reelected and Dr. Kathleen Wilkey was newly elected, both for a three year term.

Steve Stein, LAA treasurer, was designated as LAA's FOIA & OMA Officer

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

4. Approval of Agenda

Chairman Simpkins asked if any changes to the agenda. No changes were required.

TRUSTEE STEIN MOTIONED TO APPROVE THE 08/03/2023 AGENDA AS PRESENTED. TRUSTEE WILKEY SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

5. Approval of Minutes

TRUSTEE SIMPKINS MOVED TO APPROVE THE 05/09/2023 BOARD MEETING MINUTES AS PRESENTED. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

6. Action Item: Approval of May and June (Before Audit) 2023 Financial Statements as Presented

Krzeczkowski reviewed the Financial Statements and stated that June was a significantly higher claims month for LAA, Will County and Dixon. The June before audit financial statements have LAA ending the fiscal year with a loss greater than budget due to claims being higher than expected this past fiscal year. The LAA reserves continues to decrease.

TRUSTEE STEIN MOVED TO APPROVE THE MAY AND JUNE (BEFORE AUDIT) 2023 FINANCIAL STATEMENTS AS PRESENTED. TRUSTEE WILKEY SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

7. Action Item: Presentation and Approval of Bills

Krzeczkowski went over the list of bills presented for the period May 10, to August 03, 2023. The Board reviewed the list of payments.

TRUSTEE WILKEY MOVED TO APPROVE THE PAYMENT OF BILLS AS PRESENTED. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

8. Action Item: Maturing CD 08/31/2023

The Board discussed the concern of future cash flow and chose to reduce the amount invested in CDs until cash flow improves.

TRUSTEE WILKEY MOVED TO APPROVE THE RENEWAL OF THE CD MATURING ON 08/31/2023 AT A REDUCED AMOUNT DEPENDENT ON CASH FLOW NEEDS AT BEST AVAILABLE RATE FOR A 6 MONTHS' TERM. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

9. Action Item: Approval of CCSD 181 9/01/2023 Plan Year Revision

Marsh & McLennan Agency presented the plan changes, rates and BCBS credit taking effect for CCSD 181 at 09/01/2023 and 01/01/2024. The Board inquired about the credit pass through as being only an one-time occurrence and Marsh confirmed that this was the case.

TRUSTEE STEIN MOVED TO APPROVE THE CCSD 181 9/01/2023 PLAN YEAR REVISION. TRUSTEE WILKEY SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

10. Action Item: Selection of Actuary for Fiscal Year 2023

Krzeczkowski stated that Carangi & Associates, Inc is a successor to LAA's current actuary, Mitchell I. Serota & Associates.

TRUSTEE WILKEY MOVED TO APPROVE THE SELECTION OF CARANGI & ASSOCIATES, INC. AS THE ACTUARY FOR THE PERIOD OF FISCAL YEAR 2023 AS PRESENTED. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

11. Action Item: LAA Trust Amendment

The Board directed Krzeczkowski to contact the LAA attorney to discuss the option of changing the definition of Trustee in the Trust Agreement to include a Superintendent designee.

TRUSTEE WILKEY MOVED TO APPROVE CONTACTING THE ATTORNEY FOR DISCUSSION OF A TRUST AMENDMENT. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

12. Action Item: Approval of Adding a Doing Business As / Assumed Name

The Board discussed the two options presented and asked for attendees' input.

TRUSTEE WILKEY MOVED TO APPROVE THE LAA BOARD OF TRUSTEES SELECTION OF ISIN (ILLINOIS SCHOOL INSURANCE NETWORK) AS

LAA'S DOING BUSINESS AS / ASSUMED NAME. TRUSTEE STEIN SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

13. Discussion Item: Claims Cost Containment Strategies

Marsh & McLennan Agency presented three plan change options for claims reductions for LAA to consider at the next renewal or as an early implementation at 01/01/2024. The Board expressed concern that the dollar reduction amount is not enough to increase LAA's reserves.

14. Discussion Item: Claims Report

Marsh & McLennan Agency presented a detailed claims report by month for the current plan year for both the PPO and HMO. HMO claims are running significantly higher than expected and PPO claims are almost at expected. This report will be presented at regular scheduled Board meetings. The Board asked for an explanation on both specific and aggregate claims stop loss insurance.

15. Discussion Item: Administration and Benefit Updates

Marsh & McLennan Agency reported on the 2024 IRS HDHP/HSA updates, transparency in coverage and GCPCA.

Additionally, the FY2023 audit is currently in progress, PCORI payments were due on 07/31/2023, and the renewal process on LAA's fiduciary liability has started.

16. Other Business

The Board discussed deep concerns over the declining reserve balance and cash flow. A special meeting will be held to implement an additional reserve charge for members. Marsh & McLennan Agency will provide the Board with additional payment options to be assessed onto the LAA membership.


17. Next Board Meeting Date and Location: A special LAA Trustee Meeting has been scheduled for Monday 8/28/2023 at 1:00pm. Along with the next regular LAA Trustee Meeting on Friday 10/20/2023 at 10:30am. Both meetings will be held at Richland Grade School District 88A and will be in-person only.

18. Adjournment

TRUSTEE STEIN MOVED TO ADJOURN THE MEETING. TRUSTEE WILKEY SECONDED THE MOTION.

UPON BEING PUT TO A ROLL CALL VOTE, THE MOTION CARRIED. AYES-3; SIMPKINS, STEIN AND WILKEY; NAYS-0 ABSENT-2; EMPEN, and SALMIERI.

The meeting adjourned at 2:15 pm.


Chairman