

**LINCOLNWAY AREA AFFILIATION OF PARTICIPATING
SCHOOL DISTRICTS EMPLOYEE BENEFIT PLAN
TRUSTEES MEETING APRIL 8, 2021**

MEETING MINUTES

The meeting was conducted via Zoom conference. Trustees participating were Donna Gray, Steve Stein, Joe Simpkins, Cathie Pezanoski and Tim Baldermann. Meeting came to order at 10:30.

PARTICIPANTS: From Assurance; Maryann Mileto, Bobby Dufkus, Ashton Wagner and Scott Remmenga. From Shorewood Agency; Marcus Taylor and Jan Smith.

Others attendees: Margo Empen, Dixon S.D.; Sarah Rexroad, Lincoln-Way Special Education District; Andy Siegfried, Chaney-Monge S.D.; Kathy Picciolini and Laura Kortz, Chicago Ridge S.D.

AGENDA: Motion made by Joe Simpkins to approve the agenda, seconded by Cathie Pezanoski. Roll call taken with all in favor.

APPROVAL OF MARCH 22, 2021 MINUTES: Motion made by Steve Stein to approve the minutes, seconded by Tom Baldermann. Roll call taken with all in favor.

PUBLIC COMMENTS: None

FINANCIAL REPORT

The March financial report was reviewed. Motion by Steve Stein to approve the financial report, seconded by Cathie Pezanoski. Roll call taken with all in favor.

MEDICAL RENEWAL RATE ACTION

Two options have been proposed. A 12-month renewal and a 14-month renewal. Recommendation is the 14-month option which will take the next rate action to a September 1st date to coincide with open enrollment elections. There will be a slight increase in stop loss costs, but it is anticipated that it will be offset by excess recoveries. Assurance also stated that the dental and vision will also renew in September. The reserve charge assessed when a participant moves from PPO to HMO

was discussed. Marc Taylor stated that this was originally implemented to cover the cost of the PPO claims when an employer terminates. When the insured HMO was introduced there was a potential for a large shift in enrollment, and the Trustees required the payment of the reserve charge when a participant changed from the self-funded PPO to the insured HMO at open enrollment. Now that the two options have been in place for a number of years, enrollment is stabilized and the reserve charge when a member changes from PPO to HMO at open enrollment is not as critical because there are very few changes. Assurance has suggested removing this at open enrollment. The reserve charge is the obligation a terminating district and they would still have to pay for their PPO members to cover the run-out costs. Beecher's cost will be approximately \$85,000 and they have been made aware that this reserve charge must be paid at termination. ----- A BlueCross projection of costs was reviewed and the plan's ending balance at the end of 14 months is expected to be \$13,850,550. The Trustees reviewed the dental 3-tier rates which were approved at the last meeting. Members will have to satisfy a new deductible from July through December but will also have a new calendar year maximum for that period. The PPO vision exam will now be under BlueCross thereby providing one set of rates for the VSP program whether enrolled in PPO, HMO or vision only. The vision will also be moving to a 3-tier rate structure at July 1st. Donna Gray asked for motion on renewal rates. Motion made by Cathie Pezanoski to accept the 14-month BlueCross renewal with no changes to medical, dental and vision rates as presented and to eliminate the reserve charge when changing from PPO to HMO. Motion seconded by Tim Baldermann. Roll call taken with all in favor.

CLOSING OF FLEX ACCOUNT

Marc Taylor reported that all of the districts with a flex account have direct contracts with PBA and there is no need to keep the Old Second Bank account ending in 8091open. Motion made by Joe Simpkins to close the account, seconded by Steve Stein. Roll call taken with all in favor.

APPOINTMENT OF TRUSTEES

Marc Taylor reviewed the provisions of the Trust. It is the obligation of the board to appoint a trustee to fill the term of a retiring or resigning Trustee. The size of the district and geographic location are also considerations. Both Donna Gray and Cathie Pezanoski will be retiring July 1, 2021. Marc Taylor has spoken with Margo Empen, Dixon S.D. and Joe Salmieri, Laraway S.D. both have expressed a

willingness to serve as a Trustee. Steve Stein made a motion to appoint Margo Empen to fill Donna Gray's term which ends in 2023 and Joe Salmieri to fill Cathie Pezanoski's term which ends in 2022. Motion seconded by Joe Simpkins. Roll call taken with all in favor.

APPOINTMENT OF CHAIRMAN AND TREASURER

The Trust also requires the appointment of a Chairman and Treasurer. The Trustees discussed the issue. Cathie Pezanoski made a motion to appoint Joe Simpkins as Chairman and Steve Stein as Treasurer effective July 1, 2021, motion seconded by Tim Baldermann. Roll call taken with all in favor. Marc Taylor will work with the banks to secure the appropriate paperwork.

NOMINATION OF NOVEMBER ELECTION

Marc Taylor stated that the terms of Joe Simpkins and Steve Stein are up November 1, 2021. They were asked if they wish to continue and both confirmed they would like to continue serving as Trustees. Donna Gray made a motion to nominate Joe Simpkins and Steve Stein as Trustees to serve the term of November 2, 2021 to November 1, 2024. Seconded by Cathie Pezanoski. Roll call taken with all in favor. A ballot will go out to all the participating districts in October.

UP DATE BANK CONTACTS AND AUTHORITY

Marc Taylor noted that staff from Assurance will need to be added an additional banking relationship contacts at Old Second Bank and Peoples First Bank. Assurance does not sign check but will prepare checks for signature by the Chairman and/or Treasurer and they will need online access for transfers and CDARS renewal. Assurance will also need lock box receipts as they assume accounting duties on July 1, 2021. Steve Stein asked about the process and requirements. Marc Taylor will work with the banks to obtain all necessary forms. Motion made by Cathie Pezanoski to authorize Assurance staff to be added as relationship contacts for accounting procedures as discussed. Seconded by Steve Stein. Roll call taken with all in favor.

FISCAL YEAR 2021 – 2022 MEETING SCHEDULE

Marc Taylor noted that it is the obligation of the Trustees to establish a minimum of four meetings per year. Assurance has requested the third Friday of the month which will allow enough time to obtain reporting from BlueCross. The dates are subject to change with any changes communicated to member districts. Dates for consideration:

8/22/21
10/22/21
1/21/22
4/22/22

Joe Simpkins made a motion to approve the dates presented, seconded by Steve Stein. Roll call taken with all in favor.

DISCUSSION ITEM: SPECIAL TRUSTEE MEETING ACCOUNTING/ADMINISTRATION

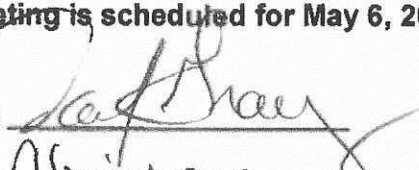
Assurance would like to move from a cash to accrual basis. Finish this year on a cash basis then move forward for the following year. The Trustees discussed this and asked those districts present what they were currently doing. Some were doing cash and others accrual. Cathie Pezanoski said their district is moving to accrual and it was a consensus that there were other District currently on a cash basis that will be doing the same. The question of the auditors used was presented, keeping the current auditor for this year is preferred. Assurance also stated that they have been advised that the PECORI fees which currently are submitted by the Affiliation are the obligation of each individual district. Donna Gray suggested a special meeting. Meeting date set for May 6, 2021 at 10:30 am.

ADJOURN

Cathie Pezanoski made a motion to adjourn, seconded by Tim Baldermann. Roll call taken with all in favor. Meeting adjourned 11:24 am.

Next Meeting is scheduled for May 6, 2021 at 10:30 am.

SIGNED: _____



TITLE: _____

Chairman

DATE: _____

5/11/2021