

UUA Employee Benefits Trust Trustees Meeting

MINUTES

DECEMBER 6, 2008

8:00 A.M.

SCHULTZ ROOM
41 MT VERNON ST,
BOSTON, MA 02108

ATTENDEES	Trustees: Brent Wilkes, David Tedesco, Dan Brody, Tim Brennan, Paul Bluestein, and Kathy Burek (Chair); UUA Staff: Jim Sargent, Richard Nugent, Tracy Withy
GUESTS	From Auditors KPMG: Eric Knox, Senior Manager; Stephen Caron, Partner; Pierre Guertin, Partner (by phone)

Absent Mindy Scharlin

Agenda topics

8:15 AM CHECK IN, INTRODUCTIONS AND AGENDA TOPICS

CONCLUSIONS	Agenda approved by all.
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8:33 AM FIRST REPORT OF AUDITORS FOR FY08 KPMG

DISCUSSION	<p>Eric Knox reported that the trust has grown and premiums are sufficient to cover claims and administrative expense. Net asset growth is on a steady pace. Balance sheet is healthy. Receivables are low, remarkably so for a plan of the EBT's size. Overall, the plan is financially sound. Deferred to EBT on the question of proper size of surplus fund.</p> <p>Tim Brennan reviewed the structure of the investment portfolio.</p> <p>Discussed the status the \$80,000 contribution from UUGIP. The amount is currently on the balance sheet as a contribution.</p> <p>Discussed IBNR level and post-retirement obligations.</p> <p>Reviewed notes to the Audit and made minor adjustments.</p> <p>Noted that a few minor details remain, such as the reporting format for sweep account transactions.</p> <p>The second part of the Auditors' report focused on the results of the KPMG internal review of audit procedures:</p> <p>Steve Caron reported on an internal KPMG audit done a month ago. KPMG experts in the Health and Welfare division recommended further review in two areas: contributions and distributions (claims).</p> <p>Reviewers recommend a field audit at the congregation level to confirm that all eligible employees were invited to participate, and that only eligible employees had enrolled. They also recommended that staff implement a routine sampling of congregations to gather data, consistent with the EBT's assessment of the risk of non-compliance. EBT members discussed practicality issues and instructed to staff to create the appropriate controls.</p> <p>Regarding claims payouts, KPMG reviewers recommended an onsite audit of claim files at Highmark. KPMG will work with staff to arrange access to file at Highmark's Pittsburgh office.</p> <p>In follow-up discussion, Brent asked Eric if there is any risk of receiving anything other than a clean final audit for FY08, or any timing risk with required tax filings. Steve Carron responded "no" to both questions. with having a final audit by 4/15/09. Eric replied and said that there is no risk.</p> <p>KPMG stated that no pricing had been established (as of December 6) for the additional field work.</p> <p>The Chair thanked and dismissed the auditors.</p> <p>Discussion followed regarding options for audit firms for the FY09 audit and the process for seeking competitive bids.</p>
RELATED VOTE	M – Brent Wilkes, S – Tim Brennan: Health Plan Director is authorized to work with the Treasurer to create an RFP for audit services for the FY09 EBT audit. Voted unanimously.

<ul style="list-style-type: none"> Health Plan Director will work with Treasurer on an RFP for audit services 		
ACTION ITEM	Tim Brennan will negotiate final KPMG pricing for additional field audit work and report to EBT.	
10:05 AM – 10:30 AM	DIRECTOR’S REPORT & TREASURER’S REPORT	Jim Sargent Tim Brennan

DISCUSSION	<p>Jim Sargent reported that the health plan is running steadily better than projected through CY week 44, pointing toward a very strong year. Open enrollment, when complete, will add 50-60 new subscribers. There will be about 340 congregations with a subscription agreement, representing approximately a 50% penetration rate in congregations with qualifying staff. The RFP process to choose an independent consultant is on schedule.</p> <p>Tim Brennan reviewed FY-T-D financials, which point to a strong FY09. Reviewed investment account performance, where most funds are in CDs. Dan Brody suggested that as the fund balance increase, perhaps in a year or so, the EBT may want to consider a risk/reward analysis of a more aggressive position.</p>
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ACTION ITEM	Investment Policy Taskforce will be Tim Brennan, David Tedesco, and Dan Brody.	
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Enter Executive Session

10:30 AM -11:18 AM EXECUTIVE SESSION WITH ATTORNEY CHIP KERBY

DISCUSSION	Trust status as an ERISA entity and the implications for vendor contracts and negotiations for other services.
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Return from Executive Session

11:30 – 2:30 DISCUSSION OF EBT PURPOSE, VALUES, AND ROLES, LED BY FACILITATOR BARBARA BATES

DISCUSSION	
See separate summary attached.	

2:30 – 2:45 APPROVAL OF 2009 CONTRACTS, DISCUSSED PREVIOUSLY DURING Oct 3, 2008 MEETING ON 2009 RENEWAL STRUCTURE

DISCUSSION	<p>Contracts related to CY2009 operations:</p> <p>HM Insurance (Stop Loss); HM Benefit Administrators (COBRA); eBDS (billing & collection); MES Solutions (independent medical review); Risk Strategies (stop loss brokerage)</p>
RELATED VOTE	M – David Tedesco, S – Brent Wilkes: 2009 operational contracts are approved. Voted unanimously.
	2:45 – 2:50 approve minutes of October 3, 2008
RELATED VOTE	M - Paul Bluestein, S – Brent Wilkes: Voted unanimously

HOUSEKEEPING	Approve payment to facilitator Barbara Bates. M – Brent Wilkes, S – Paul Bluestein. Approved unanimously.
	2009 meeting dates: March 28, August 8, October 2 (conference call), December 5
ADJOURNMENT	M - Paul Bluestein, S - Brent Wilkes. Meeting adjourned at 2:55 PM