

# **UUA Employee Benefits Trust Trustees Meeting**

MINUTES

DECEMBER 6, 2008

8:00 A.M.

SCHULTZ ROOM  
41 MT VERNON ST,  
BOSTON, MA 02108

<b>ATTENDEES</b>	Trustees: Brent Wilkes, David Tedesco, Dan Brody, Tim Brennan, Paul Bluestein, and Kathy Burek (Chair); UUA Staff: Jim Sargent, Richard Nugent, Tracy Withy
<b>GUESTS</b>	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

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

<b>DISCUSSION</b>	<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>
<b>RELATED VOTE</b>	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"> <li>Health Plan Director will work with Treasurer on an RFP for audit services</li> </ul>		
<b>ACTION ITEM</b>	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

<b>DISCUSSION</b>	<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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<b>ACTION ITEM</b>	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

<b>DISCUSSION</b>	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

<b>DISCUSSION</b>	
See separate summary attached.	

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

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

<b>HOUSEKEEPING</b>	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
<b>ADJOURNMENT</b>	M - Paul Bluestein, S - Brent Wilkes. Meeting adjourned at 2:55 PM