

**DULUTH JOINT POWERS ENTERPRISE TRUST
BOARD OF TRUSTEES MEETING MINUTES
Wednesday, February 1, 2012**

Attendance: Brian Ryks, Dan Russell, Rick Ball, Dave Montgomery

Meeting called to order by Chairman Dave Montgomery at 10:30 AM.

Minutes to the October 12th meeting were approved. Motion to accept minutes made by Rick Ball, Dan Russell seconded the motion. Motion passed.

Wayne Parson, City of Duluth Finance Department gave a 12 month financial medical and dental activity update for the board. At the conclusion of the report the board asked if it was possible to transfer the dental surplus funds to the medical fund. Steve Hanke/Attorney's office will look into the issue.

Kim Hall, City of Duluth Human Resources Director made the following report:

- Renewed interest on the Wellness Committee
- New Logo
- Health Fair will be held at city hall on February 8, 2012
- A three year strategic plan will be developed in the upcoming months.

Dan Russell brought up Community Wellness Day which will be held at the University of Minnesota Duluth campus on April 28th. Dan suggested a City walk be established so as to encourage participation by City workers. It was suggested a donation of \$2,000 be made to the event. Committee members will look into possible funding resources.

Treasurer's Report presented to the Board. Comparison of 2011 health care claims to 2010 shows an increase of 11.25% for the year; however, 2011 actual expenses compared to projection is only .9% over. Comparison of 2011 prescription drug claim to 2010 shows an increase of 6% for the year; however actual expenses compared to projection shows an increase of 1% for the year. Will have IBNR sometime in mid-March. Comparison of 2011 dental claims to 2010 shows 3.54% increase; however, 2011 actual expenses are 7.3% less than projected.

Wayne Parson, City of Duluth Auditor, gave a report on the professional services provided by the City of Duluth for health and dental plan administration and other services as needed under the Duluth Joint Powers Enterprise Fund. Discussion took place as to how to improve some efficiencies such as automating the annual benefit open enrollment process. Additional discussion took place regarding the 5 year contract with DJPE.

A motion was made by Dan Russell and seconded by Rick Ball. Motion reads:

Establish a contract for services with the City of Duluth for a two year period at the rate of \$255,000 per year to administer the Duluth Joint Powers Enterprise Funds.

Vote was 3 - 0 - 1 Montgomery abstained.

Steve Hanke, Assistant City Attorney, informed the Board of proceeds amounting to \$11,059 due to the McKesson Wholesale Drug Price Class Action litigation. Funds were deposited to the DJPE Fund and formally accepted by the Board.

CBIZ gave an executive summary report of the Zywave claims analysis (2009 – 2010). The data analysis is provided by BCBSMN, and ClearScript directly to Zywave via annual medical and Rx file feeds. Key findings were discussed, including demographics, total benefits paid, claim utilization, major diagnostic categories, wellness (i.e., preventive care) benefits paid, report on lifestyle – related claims, pharmacy benefits paid and trends, and discussion regarding opportunities for improvement. CBIZ will work with the Wellness Committee to prepare a 3-year strategic plan to present to the DJPE Board. CBIZ will also present the Zywave health care trend analysis report to the Health Insurance Labor Management Committee, a subcommittee of the City of Duluth's Labor Management Committee.

With no further business the meeting was adjourned at 12:10 PM.

Submitted by Amy Norris