



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST**

**NOTICE OF PUBLIC MEETING**

**Thursday, October 14, 2021 at 5:00 p.m.  
2200 Havasupai Blvd. – Governing Board Conference Room  
Lake Havasu City, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE CALL.**

**AGENDA**

**REGULAR MEETING SESSION: 5:00 p.m.**

**1. Routine Opening of Meeting - Call to Order Chairperson**

1.1 Roll Call

1.2 Call for an Executive Session

*(If the situation warrants, an Executive Session may be held during the meeting, pursuant to A.R.S. §38.431.03 (A)(2) for "Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law" or (A)(3) for "Discussion or consultation for legal advice with the attorney or attorneys of the public body.")*

**2. Call to the Public Chairperson**

*(Form BEDH-E is required to address the Board during Call to the Public. Form must be turned in to the Secretary before the meeting starts. At this time, the Chairperson will call for comments from members of the public on items not on the agenda. Because of the restrictions imposed by A.R.S. §38.431.01, discussion and action on items brought before the Board during this time will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date. The Trustees reserve the right, as authorized by open meeting laws, to limit the length of comments and to also limit the number of speakers if the speakers are merely going to repeat the comment already made by multiple other members of the public. **There will be a five (5) minute time limit per speaker.***

**3. Old Business Chairperson**  
3.1 Approval of March 22, 2021 Regular Meeting Minutes

**4. New Business Chairperson**

4.1 Approval of Final Financial Report Chairperson

4.2 Discussion and Possible Action re Closure of Investment Account Chairperson

4.3 Discussion and Possible Action re Trust Wind-Down Chairperson

**5. Adjournment Chairperson**

**LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST**

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

**Trust Board Minutes**

March 22, 2021

**REGULAR MEETING:**

1. Routine Opening of Meeting – Call to Order

The Regular Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, at 5:00 p.m. on March 22, 2021.

1.1 Roll Call

BOARD MEMBERS PRESENT: Marcia Cox, Chairperson  
Amy Barney, Trustee  
Stephanie Lueras, Trustee  
Julie Sasseen, Trustee

BOARD MEMBERS ABSENT: N/A

GOVERNING BOARD MEMBERS PRESENT: N/A

ADMINISTRATION PRESENT: Dr. Rebecca Stone, Superintendent  
Mike Murray, Director of Business Services  
Naomi Morgan, Administrative Assistant

OTHERS: Mike Hensley, Jones Skelton & Hochuli – Legal Counsel (Via Phone)  
Jaime Schulenberg, ECA, A Gallagher Company – Broker/Consultant  
Public - 1

1.2 Call for an Executive Session

Ms. Schulenberg confirmed that legal counsel was available if there was a need for legal advice on the two appeals on the agenda.

2. Call to the Public – None

3. Old Business

### 3.1 Approval of October 22, 2020 Regular and Executive Minutes

Trustee Barney moved to accept the minutes as presented, seconded by Trustee Sasseen, and unanimously approved.

### 3.2 Medical Claims Appeal #1

Ms. Schulenberg reminded the Board that during the October 22, 2020 meeting, they heard an appeal from a member who was requesting coverage for a mammogram done by a company other than Mobile Onsite Mammography. Trustees voted to pend a decision on the appeal and request that the member provide a letter from her doctor that could be presented to Gilsbar for reconsideration. Ms. Schulenberg requested that letter but never received a response and therefore recommended denial of the appeal.

Trustee Sasseen recused herself from voting on this appeal. Trustee Barney moved to deny the appeal, seconded by Trustee Lueras and approved by majority.

### 3.3 Medical Claims Appeal #2

Ms. Schulenberg again reminded the Board that during the October 22, 2020 meeting, they heard an appeal from a member who was requesting additional payment for emergency hospitalization at an out-of-network hospital at the onset of COVID. Trustees voted to pend a decision on the appeal and directed staff to try and negotiate additional payment for the Board's consideration.

Ms. Schulenberg worked with American Health Group to negotiate with the hospital, who agreed that they would only accept 40% off billed charges, which would result in additional payment of \$18,365.06.

Trustee Sasseen recused herself from voting on this appeal. Trustee Barney moved to approve the additional payment/appeal, seconded by Trustee Lueras and approved by majority.

## 4. New Business

### 4.1 Discussion and Possible Action re Continued Operation of the Trust

Chairperson Cox introduced this item, noting that she had asked the Trust's legal counsel, Mike Hensley, to provide an opinion on whether the Trust could continue to operate after its financial obligations had been fulfilled to ensure that the remaining dollars would be used for acceptable purposes rather than be diverted to NAEBT. Mr. Hensley reported that he had researched options and felt that the Trust could continue to operate, with the Governing Board's approval, meeting once or twice a year to approve financial

expenditures from the Trust for benefits-related expenses and that no changes to the Trust Document would be necessary.

Mr. Murray asked whether he could simply send ECA/Gallagher the insurance invoice on a monthly basis for payment; Ms. Schulenberg said she would have to figure out the logistics but that should not be a problem.

Chairperson Cox moved to arrange for the Trust to pay the monthly NAEBT premiums once wind-down is completed and until the Trust funds are depleted, seconded by Trustee Lueras and unanimously approved.

#### 4.2 Approval of October 2020 – February 2021 Financials

Ms. Schulenberg reviewed the financials through February 28, 2021. She reported that as expected, claims activity is declining with \$11,906 in medical paid in February. The only outstanding administrative expenses are for legal and claims runout. She also reported that there is one large claim that exceeded the specific deductible but was not received in time for payment under the LHSEBT policy; she is working with NAEBT to attempt to recover funds from that policy.

Trustee Barney moved to approve the October 2020 through February 2021 Financials, seconded by Trustee Lueras and unanimously approved.

#### 4.3 Updates and Announcements

Ms. Schulenberg did not have any updates or announcements to share.

Trustee Barney noted that her term would be expiring June 30, 2021, as was Trustee Sasseen's. Mr. Murray said they would take that item to the Governing Board in April or May; both Trustee Barney and Sasseen offered to remain on the Board through the run-out and continued operations.

Trustee Barney moved to adjourn at 5:30pm, seconded by Chairperson Cox and unanimously approved.

#### **Next Meeting:**

TBD/October 2021

Video of the entire meeting may be seen on the District website ([www.havasu.k12.az.us](http://www.havasu.k12.az.us)) under EBT Documents.

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Minutes of the Trust Board Meeting of March 22, 2021 are approved as submitted.

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Marcia Cox, Chairperson



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## **MEMORANDUM**

DATE: October 8, 2021

TO: **LHSEBT Trustees**

FROM: **Gallagher Benefit Services**  
Jaime Schulenberg, Account Executive Senior

RE: Final Financial Summary through September 2021

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Attached is the final financial report for the Lake Havasu Schools Employee Benefit Trust through September 30, 2021 for your review. Highlights of the report are:

- 1) There were some final expenses incurred by the Trust after June 30, 2021, including:
  - a. Prescription Admin;
  - b. Investment Management Fees; and
  - c. Gilsbar Run-Out Fees.
- 2) The Trust received a reinsurance reimbursement in the amount of \$273,229.
- 3) The Plan's ending cash/surplus position is \$4,065,684, which will be utilized by the District to pay NAEBT premiums until the funds run out.

If you have any questions regarding the financial report, please don't hesitate to call or email me at 928.391.2297 or [Jaime.Schulenberg@ajg.com](mailto:Jaime.Schulenberg@ajg.com).





**Gallagher**

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# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **Gallagher Benefit Services**  
Jaime Schulenberg, Account Executive Senior

DATE: October 07, 2021

RE: Authorization to Close Trust Investment Account

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Due to the termination of the Lake Havasu Schools Employee Benefit Trust, Mr. Murray has requested that the Board authorize the closure of the investment account currently managed by Claremont Capital.

The Trust is currently paying Claremont a fee to manage the investment account; with the Board's authorization, they will sell the bonds and have the proceeds transferred to the "checking" account for use in paying NAEBT premiums as previously approved.

I would recommend the Board authorize closure of the investment account.

Please don't hesitate to call or email me at 928.391.2297 or [Jaime\\_Schulenberg@ajg.com](mailto:Jaime_Schulenberg@ajg.com) if you have any questions.



**Gallagher**

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# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **Gallagher Benefit Services**  
Jaime Schulenberg, Account Executive Senior

DATE: October 07, 2021

RE: Discussion re Trust Wind-Down

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This item is intended to serve as a final opportunity to ask and/or resolve any outstanding questions related to the termination of the Trust.

Please don't hesitate to call or email me at 928.391.2297 or [Jaime\\_Schulenberg@ajg.com](mailto:Jaime_Schulenberg@ajg.com) if you have any questions.