Benefits Activity:
In February, we experienced a year-to-date decrease of 2.4% in benefits costs over the same period last year. This decrease is the result of year-to-date decreases in BCBS claims and administrative fees, and life insurance premiums. These decreases are offset by increases in vision and dental claims, and increases in Humana HMO premiums.

Benefits continued audits resulted in retroactive premium credits of $46,000 in Humana billing. For FY '06, the annualized savings amounted to $350,000.

SURS and the Social Security Administration completed presentations to employees currently not participating in Medicare. Approximately 85 employees attended the presentations.

Payroll Activity:
The Payroll Department mailed 2,200 notices to non-participating employees to sign up for the Direct Deposit service. Currently 41% of our staff is not on direct deposit. Since January 2005 over $3,500 has been expended of replacement checks.

Other Business:
In your packets are the resolutions for the Distinguished Employee awards. Thirty-four employees received awards.

This concludes my report.