

**Everett School Employees Benefit Trust
October 3, 2018 – Special Meeting
Minutes**

Attendance

Gregg Elder
Larry Fleckenstein
Adam Goldstein
Susan Lindsey
Jeff Moore
Kelly Shepherd

Absent

Debbie Kovacs

Also Attending

Nick Albert
Katherine Bursch
Angie Erickson
Shelly Henderson
Randi Seaberg
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The special meeting was called to order by Adam Goldstein at 4:03 p.m.

Adoption of Agenda

A motion was made by Jeff Moore and seconded by Kelly Shepherd to adopt the agenda as written. The motion passed unanimously.

Adoption of Minutes

A motion was made by Kelly Shepherd and seconded by Susan Lindsey to approve the minutes from the September 19, 2018 meeting as written. The motion passed unanimously.

Consultant Report

Sean provided copies of the proposed 2019 rates to the Trustees. Scenarios included the Trustees' requests from the September 19, 2018 meeting, which were projecting rates to end the year with a reserve of 1) \$250,000 and 2) \$500,000. Sean reviewed the information with the group.

The Trustees discussed the history of employee changes and moves regarding medical plans each year and the potential risk to the Trust. Randi said historically the percentage stayed relatively the same. It is sometimes impacted by local businesses such as Boeing, but she has not heard that they will be making any major changes to their benefit offerings. The group asked about how much money is needed to pay bills in a month. Darla provided the average monthly expenditures and said funds are transferred as needed to cover expenditures. She also noted that when the School Employees Benefits Board (SEBB) program begins in 2020, the Trustees will still have to provide funds for a final audit, pay any legal fees incurred, etc. A question was raised regarding options to continue the Wellness Program after the SEBB is in place. The Trustees agreed to discuss a transition plan as they move closer to implementation of the SEBB.

The group discussed concerns related to the SEBB implementation and the risk to the Trust if there is a spike in expense as employees try to use their current benefits before moving to the SEBB. Sean said the Trust is protected from that occurrence; the risk would fall on the vendors. The group discussed the SEBB and its potential impact to Everett Public Schools employees. The Trustees will work toward the least amount of disruption possible. Sean said Everett's position heading into the SEBB is good; better than most districts without a benefit Trust.

A motion was made by Susan Lindsey and seconded by Gregg Elder to adopt a 10% decrease in 2019 rates for Aetna and Kaiser Permanente and target a year-end reserve of \$250,000. The Trustees discussed the proposed motion. An amended motion was made by Jeff Moore and seconded by Larry Fleckenstein to adopt a 9% decrease in 2019 rates for Aetna and Kaiser Permanente and target a year-end reserve of \$350,000. This option would allow some additional year-end funds if needed.

The Trustees discussed the proposed motions and shared their concerns. They want to ensure that all employees maintain continuity and are not negatively impacted by the move to the SEBB. The Trustees discussed the need for a potential exit strategy and the possibility of the district continuing the Wellness Program after the move to the SEBB.

After the Trustees' discussion, Adam called for a decision on the amended motion of a 9% decrease in 2019 rates for Aetna and Kaiser Permanente rather than a 10% decrease, with a year-end reserve of \$325,000 rather than \$250,000. The motion carried unanimously. Sean will revise the scenarios and provide the information using the 9% decrease with year-end reserves targeting \$325,000.

Randi noted that Open Enrollment will start one day early on October 19 rather than October 20 as listed in the collective bargaining agreement. This is because October 20 falls on a Saturday.

Upcoming Agenda items

The Trustees reviewed the list of agenda items currently planned for the October 17, 2018 regular Trust meeting. They agreed that Jayson should present the investment portfolio review online rather than travel to the meeting.

Adjournment

The special meeting was adjourned by Adam Goldstein at 4:47 p.m.

Sincerely,

Larry Fleckenstein
Secretary

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