

Everett School Employees Benefit Trust
Monday, June 18, 2012
Minutes

Attendance

Mike Gunn
David Jones
Susan Lindsey
John Morrill
Molly Ringo
Betsy Selders

Absent

Randi Seaberg

Also Attending

Gail Buquicchio
Kim Mead
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by David Jones at 4:02 p.m.

Adoption of Agenda

A motion was made by Susan Lindsey and seconded by John Morrill to approve the agenda as written. The motion passed unanimously.

Recognition of Retiring Trustees

David welcomed Kim Mead to the meeting to recognize retiring Trustees Betsy Selders and John Morrill. This will be Betsy's last meeting but John will continue until the September meeting. In recognition of their years of service on the Trust, Superintendent Cohn wrote a letter of appreciation to John and Betsy. David read the letter to the group and presented it to John and Betsy on behalf of the superintendent.

Molly presented a gift on behalf of the Trustees. She said the Trustees have appreciated working with such fine individuals in the rather unique experience of looking at what's best in health benefits for the employees of Everett Public Schools. The Trust continues to be a model for others on the complexities of health care and Betsy and John will truly be missed in this group. John thanked everyone and said being part of the Trust has really been an experience. He was one of the original members of the Trust and said it has been one of the most collaborative efforts he has ever experienced. He has enjoyed working on the Trust and believes it to be valuable. Betsy commented that she feels she has learned so much over the years and thanked all the people who have shared their wisdom and contributions. She has appreciated being part of the Trust. David read a brief message from Randi who was unable to attend the meeting.

Kim Mead talked about the opportunity to work with the WEA and it giving her a different perspective of the Trust, and how John has helped educate her to the Trust's benefits. She appreciates the time and effort the Trust has provided on behalf of district staff. On behalf of the members of the EEA, Kim thanked John and Betsy for their service on the Trust. She presented Betsy with a gift and noted she would be back in September to honor John at his last meeting.

Kim provided some background on the new Trustees and explained how they were chosen. She noted they are looking forward to beginning the Trust experience.

Approval of Minutes

A motion was made by Molly Ringo and seconded by Susan Lindsey to approve the minutes from the May 14, 2012 meeting as written. The motion passed unanimously.

Financials

Monthly Financials

Darla provided the April financials. She noted the financials for May were not yet ready as it was early in the month. She said there has not been much activity. For the month of June the Trust received ESI rebate checks in the amount of \$35,000 which will help offset some costs. There were no questions regarding the April financials.

Review and Approval of Auditor Engagement for Annual Audit

As follow up to concerns expressed by the state auditor regarding Toyer, Dietrich and Associates, Darla and District Accounting Manager Gina Zeutenhorst met with Bruce Dietrich. They found only one piece of information lacking in some of his documentation. Darla explained during a self-review information is kept to one's self and the auditors never shared in detail what they were looking for. As a result, Darla and Gina felt there needed to be more documentation in Toyer, Dietrich and Associates' working papers so that people are able to see everything, including the results.

Darla contacted Tacoma Sound partnerships regarding their process for calling for bids. She noted the Trust would have to advertise and do a type of fair bidding process. The only expense to the Trust would be the cost of the advertisement. However, this is not a good time of year to call for bids. For this year, Darla believes that the Trust could engage Toyer, Dietrich and Associates based on the review that she and Gina completed. Mr. Dietrich provided Darla with an engagement letter with fees about the same as in past. Darla believes they should look at Toyer, Dietrich and Associates' working papers to make sure they are finalized. She feels they can rely on Toyer, Dietrich and Associates' for this audit, and next year they could call for bids much sooner in the year. Molly noted auditor references could also be obtained through Sean or Melanie. Darla asked for the Trustees approval in accepting the engagement letter from Toyer, Dietrich and Associates for this audit. A motion was made by John Morrill and seconded by Betsy Selders to accept the engagement letter from Toyer, Dietrich and Associates for the current audit. The motion passed unanimously.

Darla also noted a letter was received from the IRS stating the Trust did not file form 990. Darla noted she is looking into it and will work with Melanie to get it resolved.

Wellness Program Report – Gail Buquicchio

Monthly Report

Gail provided the June Wellness report and reviewed it with the group. She noted the \$1,000 check received for the Gold School Employee Wellness Award 2012 has been deposited. She really appreciated the folks from the state reviewing all of the materials and that they recognized what has been accomplished over the last 4 years. She and the other Gold SEW award winners have been asked to present at the American School Health Association Conference in San Antonio, Texas in October. This is a very positive way to end the school year.

Darla asked the Trustees if they wanted her to track the \$1,000 in its own fund. David asked that she create a separate account for the funds. Molly suggested the funds be used to continue investing in Gail's professional development. Gail noted she will also be interviewed for the Department of Health newsletter. She also received a banner noting Everett Public Schools' as Gold Award winners.

Gail has been assigned to King 5 to serve as a mentor for them to become a more fit friendly company. One of Gail's goals is to build more of these types of partnerships. Molly talked about the district's strategic plan and how to connect Gail's work with the districts.

Approval of Annual Wellness Program Plan and Budget

Gail noted the only significant change to the Wellness Program budget is her salary since her work week has been reduced from 5 days a week to 4 days a week. Gail explained when the future of the Trust seemed uncertain she wanted to expand her horizons so she began seeing patients one day a week. She noted this is also necessary for her to keep her license. Her district responsibilities are organized in such a way that allows her not to have to be on site as much. She said this helps her to conserve resources where she can. Molly commented this was all new information for the trustees. Gail has been working this schedule since early in the year. She is still able to get everything accomplished because she is working smarter. She said if there is a sense that she is not doing her job and if things are not going well, her decision can be revisited. If the Trustees feel there is room in the budget she can also add an assistant. At this time she has a volunteer intern. The Trustees commented that Gail has done amazing work. The accolades this year have been awesome and she accomplished it working only 4 days a week. The Trustees extended their congratulations to Gail.

Consultant Report – Sean White

Approval of Consultant Engagement/Budget for Upcoming Fiscal Year

At last month's meeting Sean presented to the Trustees Mercer's Statement of Work (SOW) engagement letter for July 1, 2012 through June 30, 2013. The group discussed the projected scope of work and engagement from Mercer. A motion was made by Mike Gunn and seconded by John Morrill to accept Mercer's Statement of Work for July 1, 2012 through June 30, 2012 as presented. The motion passed unanimously.

Continue Renewal Discussion/Review Budget Deficit Reduction Scenarios

Sean provided WEA renewal highlights and reviewed them with the group. Plan premiums are increasing but lower than expected. Due to ESSB 5940, a new qualified high deductible health plan is being added. Plan 1 will be eliminated effective October 1, 2012. Because Everett Public Schools plans run on the calendar year, Randi is meeting with Premiera representatives to discuss options for current Plan 1 enrollees between October 1, 2012 and January 1, 2013.

Sean provided Preliminary 2013 and Illustrative 2014 Budgets and reviewed them with the group. Two factors play into the Trust's favor: a large number of employees moved into the lower cost plans and WEA renewals came in lower than expected. Group Health is updating their fee schedules this year and as a result, Sean is seeing some higher renewals from them. Sean expects to have the Group Health information by the end of the month and will provide it at the August meeting. The group discussed the information provided. Sean said the lack of funding from the state is the main problem. The Trust and the WEA are doing a good job of managing available funding. The group thanked Sean for laying out the scenarios for the Trust. Susan asked to see scenarios showing 2-1/2 months of reserves. She would also like to see scenarios that bring down the employee contributions. Sean will provide additional scenarios at the next meeting.

Review of Annual Calendar & Meeting Calendar

Establish Annual Regular Meeting Calendar for 2012-13

The group reviewed the proposed Trust meeting calendar moving from Monday meetings to Wednesday meetings. A motion was made by Betsy Selders and seconded by Mike Gunn to approve the proposed 2012-13 Trust meeting calendar. The motion passed unanimously. John will share the calendar with Jared.

The group reviewed the annual August meeting topics:

- ✓ Consultant presents proposed plan renewals/rates for upcoming fiscal year (Sean)
- ✓ Annual Investment Report (Jayson)
- ✓ Trust audit by independent auditor (Darla)

Note: Molly Ringo left the meeting at 5:30 p.m. to attend the Sequoia High School graduation.

Rotation of Trust Officers

Because of John's retirement, he will not rotate from the secretary position to the chair position. As a result, Susan will take the chair position again. A district representative will be determined. (Note: Molly will become the district representative.)

Executive Session – Review compensation for Trust Financial and Support Services

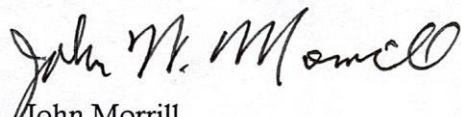
At 5:49 p.m. the regular meeting was adjourned to executive session by David Jones for review of compensation for Trust financial and support services.

The regular meeting was reconvened at 6:01 p.m. A motion was made by Mike Gunn and seconded by Betsy Selders that the Trustees approve an increase in the compensation to Trust support staff Darla Vanduren, Trust Accountant and Kellee Newcomb, Trust Recorder to match adjustments that are made by the district to the professional technical salary schedule when the district contract is finalized. The motion passed unanimously.

Adjournment

A motion was made by Betsy Selders and seconded by Susan Lindsey to adjourn the meeting at 6:04 p.m. The motion passed unanimously.

Sincerely,


John Morrill
Secretary

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