

Everett School Employee Benefit Trust

Minutes of
June 20, 2005
Boardroom
3:30 p.m.

Attendance

Trustees

Molly Ringo
Mike Gunn
Sue McCann
John Morrill
Betsy Selders
Kay Nickel

Also Attending

Darla Van Duren
Jill Mehner

Recorder

Susan Sacha

I. Call to Order:

The meeting was called to order by John Morrill at 3:35 p.m.

II. Adoption of agenda:

The agenda was revised to include the election of officers.

III. Approval of Minutes:

Minutes from the May 23rd meeting were approved as written.

IV. Financial Report

Darla distributed and reviewed the May 31st financial reports with the trustees.

Discussion was held regarding the need for some oversight of the trust's investments. Jill reported that Mercer doesn't have a recommendation at this time but that they are looking. Kay reported that she has a contact that may be able to recommend someone. A motion was made and seconded to move forward in engaging a financial management consultant. Mercer and Melanie Curtice will continue looking, Kay will ask her contact for a recommendation, and Mike will talk with Jeff Riddle and Jeff Moore about some possible recommendations. The motion carried.

V. Old Business

A. Any Follow-up Regarding Increasing Fiduciary Insurance

The rate for the current insurance of \$1M is \$8,700. An increase to \$2M would cost \$13,900, \$3M would cost \$16,350 and \$5M would cost \$23,490. According to Molly, Melanie felt we were under insured. She said that Melanie would do some research and let her know what she finds. Melanie will be asked to attend the August 15th meeting for further discussion on this issue.

B. Trust Document Revisit

Kay reported that the Association was not in favor of including Everett Public Schools' Board of Directors on the insurance plans because board members are not employees. The rep council from the executive board accepted the trust document with the exclusion of 1.5D *"any of the District's Board of Directors who pays the premiums or the equivalent due on Trust benefits as required by Title 28A, Chapter 400 RCW"*. Discussion followed regarding the latest versions. Mike requested that 1.1 and 1.2 be cleaned up to match 1.5, i.e. *"and other individuals"*. It was decided that no changes other than the deletion of 1.5D would be made. A motion was made and seconded to resubmit the trust document with the revisions made on June 20th to the Everett Public

Schools Board of Directors for their approval at their August 23rd meeting. The motion carried with one member abstaining.

C. Annual Calendar Update

The trustees reviewed the calendar. No updates were made at this time. A suggestion was made to review the stop loss renewal one month earlier.

VI. Consultants

A. Stop Loss Renewal

Jill provided the trustees with information regarding the proposals Mercer obtained for aggregate and individual stop loss insurance coverage. The current carrier is Symetra (contract expires in July). Mercer worked with seven carriers. They included American United Life, Hartford Life (declined to bid), HCC Benefits, ING Employee Benefits, QBE, Regence Life (declined to bid) and Health, SunLife and Symetra. Based on the initial evaluation Mercer is recommending that the trust consider using SunLife with a 12 month contract or request an 18 month contract. She also asked permission to go back to Symetra for their final proposal. A motion was made and seconded to ask Symetra for their last best proposal rate. A second motion was made and seconded to give Mercer authority to negotiate a final rate with SunLife for a 12 month duration. Both motions carried.

A short meeting will be held in Molly's office at 8:30 a.m. on June 29th to hear the outcome of Jill's contact with SunLife and Symetra.

B. Funding Projections

Jill provided two scenarios regarding rates for next year which had increases in PPO1 and PPO2. Discussion followed and it was felt that increasing rates for the other plans should be looked at. Mike mentioned formularies for prescriptions (savings of \$30,000 per year). He felt this would be a more standardized way of handling prescriptions and might be worth looking into. Jill will come back with a couple different scenarios reflecting these requests.

VII. Other

a. Election of Officers

Molly Ringo was selected as chair for 2005-06 and Betsy Selders as secretary.

b. Meeting Dates

Molly will propose a list of meeting dates for the upcoming year.

c. Engagement Letter

Darla asked for direction regarding an engagement letter with Moss Adams for the year-end audit. A motion was made to engage Moss Adams for the 2004-05 audit. Motion carried.

VIII. Adjournment

The meeting was adjourned at 6:00 p.m.

Sincerely,

Sue McCann
Secretary