

Everett School Employee Benefit Trust

Minutes of
August 29, 2005
Boardroom
1:30 p.m.

Attendance

Trustees

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

Also Attending

Darla Van Duren
Jill Mehner
Tom Pursley
Melanie Curtice
Arlene Vollema-Rich
Rene Boswell

Recorder

Susan Sacha

I. Call to Order:

The meeting was called to order by Molly Ringo at 1:30 p.m.

II. Adoption of agenda:

The agenda was adopted as written.

III. Approval of Minutes:

Minutes from the August 15th meeting were approved as written. Tom Pursley recommended amending the paragraph regarding Investment Management. A motion was made and seconded to amend the minutes. Motion carried. .

IV. Policy Manual Review (draft)

Melanie Curtice provided trustees with the latest draft of the trust policy manual. She reviewed the changes that were made based on input from the last meeting. It was decided that the trustees would adopt the manual by individual series. A motion was made and seconded to adopt Administration 100 Series. Motion carried. A motion was made and seconded to adopt Financial 200 Series. Motion carried. A motion was made and seconded to adopt Communications 300 Series. Motion carried. A motion was made and seconded to adopt Compliance and Risk Management 400 Series. Motion carried. Melanie will make a few minor changes and send the final document to Molly.

V. Consultant Report (Plan Renewal)

VI. Consultant Report (Plan Renewal)

Tom and Jill reviewed plan renewal information and provided trustees with 5-year trend analysis, total population management, budget scenarios, WEA options/comparison and part-time employee subsidies.

Budget scenario 1 -- \$254,623 deficit with district contribution continuing. 2.5% margin in PPO for claims fluctuation. No changes to PPO-3, Group Health or PacifiCare.

Budget scenario 2 -- \$14,373 surplus with district contribution continuing. 2.5% margin for claims fluctuation. This includes small increments in three lowest plans and larger increments in PPO1 & 2.

Tom suggested looking at part-timers and WEA before making a decision on which scenario to choose. He explained that part-timers must make up the portion of revenue they don't work and that the Trust makes money off those who don't purchase insurance due to the cost. He said that

part-timers are bringing in more revenue than they are spending. After further discussion and analysis, the consensus was to maintain the current practice which treats all employees equally from a financial point of view.

Jill distributed a plan comparison of Washington Education Association (WEA) and explained the different rate tiers and explained the difference between the WEA discounts. It was felt that a close eye needs to be kept on rate comparison because WEA is getting close to a position where an argument could be made to purchase through them. After further discussion it was decided to stay with the trust plan and continue monitoring WEA.

Jill reported that additional language regarding mental health parity will be added to HMA. A motion was made and seconded to approve a \$2 million lifetime maximum for Group Health and PacifiCare. Motion carried.

Jill provided information regarding a health management plan which is a new service HMA is offering. She explained that American Health Holding is the better of those looked at. Program costs for the trust would be \$50,000 (incentives and printing not included) which is very inexpensive as the costs associated with customizing our own program could cost half a million dollars. Discussion followed. Jill will bring a representative from American Health Holdings to the next meeting to make a presentation.

Jill reviewed the trend/rate increase history for trustees. It was suggested this information might be helpful when communicating with staff.

After further discussion regarding the budget scenarios a motion was made and seconded to accept scenario 2 modified by \$150,000 reduction of the aggregated employee contributions. Discussion followed. It was noted that there will some rate increase across all plans. Motion carried.

VII. Other

Darla informed trustees that the Moss Adams audit went very well. She said that the auditors had questioned whether a few employees who had coverage were eligible for it and mentioned that sometimes the auditors ask the question to make sure that procedures are being followed. Darla is following up with them. She also said that Moss Adams will probably interview at least one trustee.

VIII. Adjournment

The meeting was adjourned at 4:50 p.m.

Sincerely,

Betsy Selders
Secretary

**Next Meeting
Monday, September 19, 2005**

3:30 p.m.
Boardroom