

Everett School Employee Benefit Trust
Minutes of September 18, 2006
Board Room
8:00 a.m.

Attendance

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

Also Attending

Darla Van Duren
Randi Seaberg

Recorder

Susan Sacha

I. Call to Order

Kay Nickel called the meeting to order at 3:35 pm.

II. Adoption of Agenda

The agenda was revised and adopted.

III. Approval of Minutes

The minutes from the August 28th meeting were approved as written.

IV. Financial Report

Darla reviewed the financial reports for July and August with the trustees. Highlights included:

July -- an increase of \$50,683 in the fund balance for the month with an increase of \$1,697,750 for the year; three CDs matured for a total of \$210,754; purchases included one CD for \$95,000 and one bond for \$100,121. There was no payment made to Symetra and a stop-loss check was received in the amount of \$3,047. Darla reported that the Trust was in a good position for the first month of the fiscal year. The fund balance is \$6,166,161 compared to \$4,403,789 a year ago and the overall assets are \$7,330,161 compared to \$5,560,789 a year ago.

August – an increase of \$83,575 for the month in the fund balance with an increase of \$134,258 for the year; one CD matured for a total of \$98,800; purchases included one CD for \$95,000 and two bonds for a total of \$403,208. There were two payments made to Symetra and another stop-loss check for \$80,610 was received. Two payments were made to HMA and THM for a total of \$15,500. The Trust is in a good position again for this month. HMA claims were similar to a year ago but the stop-loss check offset some of the expenses for a positive cash flow. The fund balance is \$6,239,842 compared to \$4,302,645

last year. Overall assets total \$7,403,842 compared to \$5,459,645 last year.

V. Investment Report – Additional Information

Darla confirmed that she will work with Curt to make sure that the Trust has enough cash on hand to pay the monthly bills with the lower \$400,000 insurance maximum limit for cash deposits.

VI. Review of Audit by Independent Auditor

Darla reviewed the audit with the trustees. She said they were drafted from what Moss Adams did before except that Toyer did a full audit. A summary was included. Mike asked for a clarification in the audit notes to clarify that the FSA plan year is different from the trust plan year and that this amount is not really forfeited but is unclaimed. He also requested that the heading on page 7 be changed. A motion was made and seconded to accept the auditors report with the modification of the FSA and the heading on page 7. The motion passed.

VII. Finalize Upcoming Fiscal Year Plans & Rates with Consultants

This item was deleted from the agenda.

VIII. Flex Plan/Benny Card

- ✓ Flexible Spending Account (FSA) – Historically the Trust has administered the district's FSA "cafeteria" plan. Legal council has recommended that the District administer the plan instead of the Trust. Discussion followed. There is a need for a clean break at the end of the plan year (January 1st) with a three month carryover from the prior year. Molly will ask Melanie Curtice to provide a memo explaining why the District and not the Trust should manage the plan. Molly will also work with the school board regarding approval of a three month extension of the plan year for FSA's.
- ✓ Benny Card – Randi reported that there is an annual fee of \$5.00 per person and that the card is used like a debit card at approved medical care vendor sites such as doctor's offices, some pharmacies and hospitals. There appeared to be some significant disadvantages to the card. As an example the cards are accepted at Walgreens but not Rite Aid and new IRS regulations do not allow use of the card at grocery stores or super retailers such as Target, or Fred Meyers. In view of the fact that the District will be administering the FSA plan, Molly asked the Trust to act as an advisor. A motion was made

and seconded to recommend to the District that they not participate in the Benny Card program due to the number of new restrictions. Motion passed.

IX. HMA Fees for SPD Production

Randi presented three action items to the trustees for their consideration

- ✓ HMA is not willing to adjust their fees on the Summary Plan Description production. Mercer wanted to know the Trust's direction on how to proceed. Molly recommended that Randi work with Mercer on this and the trustees agreed.
- ✓ Rate credit to the Group Health rates to credit time served on a different employer plan toward the transplant waiting period. This change reduced the renewal rate by .2%. This allows an individual on a transplant waiting list with a PPO or Pacific Care plan to not lose their "time served" if they change into a Group Health plan. Mercer asked for a decision on accepting this change. A motion was made, seconded to accept the change. The motion passed.
- ✓ Appendix C first item Major Medical Lifetime Maximum Benefit. A motion was made and seconded to accept the change that the Major Medical Lifetime Maximum Benefit per participant covered under any of the Trust plans would be \$1,000,000. The motion passed.

✓

X. Revisions to the 2006 HMA Summary Plan Document

- ✓ A motion was made, seconded and passed to accept the benefits regarding mammograms and prostate screening as described below.

Coverage of mammograms include routine screening mammograms as recommended by a physician covered at 100% up to once a year and additional medically necessary mammograms recommended by a physician covered subject to deductible and applicable co-insurance. .

Coverage of Prostate Screening include routine screening prostate exams as recommended by a physician covered at 100% up to once per year and additional medically necessary prostate exams recommended by a physician covered subject to deductible and applicable co-insurance.

XI. Other

Darla reported that over \$1,000,000 paid to the Trust is being sent by courier to Smith Barney each month. Currently the District pays \$45.00 per month for the courier service. However Darla informed the group that this cost should be paid by the Trust not the District. She wanted to know if the trustees wanted to continue the practice of using the courier service or if they wanted to use some other service. After discussion it was decided that the courier costs would be paid for by the Trust and that Darla could make the decision about the service used. The trustees did recommend using a secure method of delivery – not regular mail service.

XII. Annual Calendar Review

No changes.

XIII. Adjournment

The meeting was adjourned at 4:55 pm.

Sincerely,

Mike Gunn
Secretary