

Everett School Employees Benefit Trust DRAFT
December 8, 2008
Board Room
4:00 pm

Attendance	Also Attending	Recorder
Mike Gunn	Darla Van Duren	Susan Sacha
John Morrill	Sean White	
Wayne Kettler	Howard Bye	
Susan Lindsey	Gail Buquicchio	
Molly Ringo	Jayson Davidson	
Betsy Selders		

1. Call to Order

The meeting was called to order by Molly Ringo on behalf of Betsy Selders at 4:15 pm.

2. Adoption of Agenda

The agenda was revised and approved.

3. Approval of Minutes

The minutes of the November 17th meeting were reviewed and approved. Betsy arrived.

4. Financial Report

Darla distributed and reviewed the financial report for November. She reported that:

- Trust Consultants invoicing of \$12,469 for October was offset by the prepaid balance resulting in a new prepaid balance of \$(12,905).
- Trust Consultants invoicing of \$3,205 for investment consulting was also paid this month which did not come off the prepaid balance.
- Free & Clear's first payment of \$9,125 (\$3,500 implementation fee and \$5,625 pre-pay for first 15 participants).
- Increase in fund balance for November was \$71,547 resulting in an overall increase for the year of \$267,797.
- Fund balance for November was \$11,774,264 compared to \$9,449,179 a year ago and overall assets for this fiscal year totaled \$12,911,264 compared to \$10,670,179 a year ago.
- Investments for November included 3 new CDs, maturity of one CD and tendering of one CD.
- Net Appreciation in market value included redemption of one mortgage and asset backed security.
- HMA claims were \$131,515 more than November, 2007 and ESI claims were \$9,442 less than November 2007.

5. Approval of Annual Report and Budget for the Office of Financial Management

Darla presented the final report for the trustee's approval. A motion was made and seconded to accept the Annual Report and Budget for the Office of Financial Management as presented. The motion passed.

6. Marsh Fiduciary Liability Insurance Update

Sean introduced Angie Yarger from Marsh Affinity Group Services, Inc. Angie distributed a handout and gave an overview of what fiduciary insurance provides the trustees. Angie discussed the renewal. Discussion followed. A motion was made and seconded to extend the coverage of \$1,000,000 for the coming year with the caveat of reviewing it again next year. The motion was withdrawn. Marsh will provide additional information for the trustees to help in their decision making at the next meeting and a vote will be taken.

7. Consultant Report

1. Paid Claims Experience

Sean reviewed the Paid Claims Experience report which included information for the first ten months of the 2008 plan year. The total recommended plan funding (Budget) for the first ten months of the 2008 plan year for the three PPO plans combined totaled \$8,408,360. Net paid claims below the stop loss triggers equaled \$6,438,352. One claim has exceeded the \$175,000 specific stop loss level by \$38,041. The Trust has paid \$440,496 in fixed costs. The total plan costs amounted to \$6,928,527 or 82.4% of the recommended funding level resulting in an overall surplus of \$1,4798,833 on the plans for January through October 2008.

Sean provided some additional information regarding Sound Health Solution Weight Management. Since Sound Health is located in Seattle the commute could be a problem. To help with this they will reach out to local gyms and vet their trainers so they are properly trained. The trainers would be paid out of existing fees so no additional cost would be incurred. The member will need to belong to the gym where the trainer works and pay their own membership fee but not the Weight Management portion

2. Stop-Loss Renewal

Sean provided the trustees with information for the 2009 Stop Loss renewal and reviewed the renewal options. Options included renewing at \$175,000 or increasing to \$200,000 or \$225,000. Mercer is recommending that the trustees consider renewing at the current deductible level (\$175,000). A motion was made and second to adopt option 1. The motion passed.

8. Investment Consultant

Jayson Davison thanked the trustees for selecting his firm. He provided an overview of his thoughts with respect to evaluating the investment manager. Jayson feels a broader perspective of what the trustees want from the manager and specific benchmarks based on the permitted investments were important and he would like to see a more formal agreement with the manager. Broadening the maturity limits is also important. The idea would be to give the manager a little more flexibility than a five year plan but not longer than ten years. The Trust could establish, on an annual basis, an actual policy benchmark. For example, this year the trustees would expect the manager to keep pace with inflation. Jayson will meet with Smith Barney and look at their costs and what they do for the Trust. He will also look at any alternative investment managers and provide a report and recommendation at the February meeting. Jayson feels that the investment reports from Curt should continue on schedule while things are being decided. The quarterly reports will be provided to Jayson.

9. Continuation of Proposed Revision to Policy 220 – Investment Guidelines & Rules

Melanie Curtice and Howard Bye were present to review the proposed revision to Policy 220. Howard indicated that it might change at a later date but that the policy needed to be in place to start with. Jayson also recommended that the policy be approved. A motion was made and seconded to approve the proposed revision to Policy 220 with the revision on page 2 (change administrative agent to trust administrator). The motion was approved.

Notification that an investment consultant was hired will be sent to Curt Halderson. Molly will draft a letter.

10. Wellness

Gail is continuing to lay the ground work for wellness in the district. She distributed a summary and reviewed the activities she's been working on. Included was information on the monthly newsletter, wellness tips, flu shot clinics, implementation of the web-portal, HRA and health coaching and Hope Health pamphlets. Weight Watchers at Work continues to be successful. There are three active meetings going on in the district with another two set to begin in January. Gateway has developed a "Maintain Don't Gain" campaign. Activity classes include a yoga class at Jefferson with additional classes at other locations after the first of the year; a zumba class at Silver Firs and resistance training being offered to district staff at Athletics beginning in January. Seated Chair massage is available in several locations and Gail will begin scheduling more at most district locations beginning in January. Gail will also be facilitating several classes ("Be Well, Teach Well" and "Eight Weeks to Wellness"). The wellness council held its first meeting on November 12th with 12 members attending.

11. Annual Calendar

Betsy asked the trustees to look at the meeting dates for the rest of the year to make sure there were no conflict. There were none.

12. Other

N//A

13. Adjournment

Meeting was adjourned at 6:10 pm.

Sincerely,

Molly Ringo
Secretary