

Everett School Employees Benefit Trust
June 15, 2009
Minutes

Attendance

Betsy Selders
Mike Gunn
Susan Lindsey
Molly Ringo
David Jones

Also Attending

Darla Van Duren
Randi Seaberg
Gail Buquicchio
Jayson Davidson
Sean White
Tom Pursley

Recorder

Susan Sacha

1. Call to Order

The meeting was called to order by Betsy Selders at 4:05 pm.

2. Adoption of Agenda

The agenda was approved as written.

3. Approval of the Minutes

The minutes of the May 18, 2009 minutes were approved as written.

4. Financial Report

Darla presented the financial report for May, 2009

- Trust Consultants invoicing for March services was offset by commissions. There was no change to the prepaid balance of \$(12,905).
- Decrease in the fund balance for the month was (\$289,530) resulting in an overall increase for the fiscal year of \$1,914,277.
- Fund balance was \$13,420,744 compared to \$11,287,576 a year ago and the overall assets for this fiscal year totaled \$14,557,744 compared to \$12,435,576 a year ago.
- Two CDs were purchased, one maturity and two full calls.
- Purchased seven government bonds and full call of two bonds.
- First payment in the amount of \$21,465 was made to Wellsource Health Solutions for the start up of the health coaching and HRA packages for participants. The balance of \$50,085 is due by the end of June.
- HMA claims were \$391,937 more than last May. Overall this year's claims were \$430,616 more than in 2008.
- ESI/NMHC claims were \$10,922 less than last May. Overall this year's claims were \$149,613 more than in 2008.

5. Investment Consultant

Jayson Davidson provided the results and his recommendation for the custodial bank search. The custodian will work in conjunction with the new investment manager (Becker Capital Management), will serve as the central asset repository and will facilitate trades and district cash-flow needs. Jayson contacted several possible custodial banks and narrowed it

down to two (US Bank and Union Bank of California). The good news was that Becker is familiar with both banks and that from a custodial standpoint both would work well for the Trust. Jayson's recommendation was Union Bank of California because of their customer service. Their quote was slightly higher than US Bank but he felt he'd be able to get them to come down to 5 basis points. Jayson noted that their largest pension fund client as well as the State of Washington itself uses Union Bank for overall custodial services. The overall management fee for Becker and the custodial bank would be about 30 basis points which is still less than the current model used by Smith Barney. Jayson said it would take 45 to 60 days to get the transaction complete. No notification has been made to Smith Barney at this time. Discussion followed.

A motion was made and seconded that Union Bank of California be selected as the Trust's custodian bank; that Jayson and Darla be authorized to work on a transition plan and that Jayson would be authorized to negotiate a lower fee with Union. The motion passed.

6. COBRA Policy Vote

Randi provided copies of revised COBRA Policy and Procedure 480. The intent of the revision was to have in writing the ability for employees who were laid off to qualify for the subsidized COBRA.

A motion was made and seconded to approve the revised COBRA Policy and Procedure 480. The motion passed.

7. Wellness/Strategic Plan Update

Gail provided the trustees with a year-end review (Power Point presentation) and highlighted accomplishments made during the year. She reported that the program exceeded her expectations and that district staff were very pleased with it. Gail reviewed program goals and their outcomes. The goals included:

- Create a Wellness Team

The Wellness Council helped create a mission statement for the program; wellness representatives were identified at every school and wellness teams are now forming for the 2009-10 school year.

- Collect Data

Participation rates included 100+ Weight Watchers, 250+ activity classes, 100+ educational classes, 300+ chair massages, 600 EPS Trails Challenge and 150 Bike to Work. There were 500 respondents to the end of the year wellness survey and the Health Risk Assessment is scheduled for January 2010.

- Evaluate Program

There were 500 respondents who participated in the evaluation.

- Health Awareness and Intervention

Gail arranged classes and connections for employees including gym discounts onsite classes and seasonal campaigns.

- **Wellness Promotion**

Wellness promotion was done through the Hope Health letter and wellness columns in Newslinks, HR Payroll and the Principal Packets as well as the Wellness Website.

- Establish a supportive work environment (create a *culture* of wellness)

Gail conducted a survey to determine how staff felt after the first year of the program.

With respect to the budget, Gail was able to keep costs down spending with actual spending totaling \$121,906 of the proposed budget (\$209,600).

Next steps in the program include the strategic plan, budget and programming for 2009-10 (submitted in August 2009); Wellness Challenge web-portal (beginning January 2010); Health Risk Assessment and Health Coaching (beginning January 2010); and program evaluation, completed and submitted in the summer, 2009.

8. Consultant Report

- **Paid Claims Experience Report**

Sean reviewed the paid claims experience with the trustees. He reported that the year to date plan funding was up 1.3%. Medical and vision were up 2.7% and pharmacy was up 11.0% for a total claims cost of 4.4%. Fixed costs were 5.5% and the total plan costs were at 4% year over year. Loss ratio over four months was 80% and continues to be well below projected costs. Claims costs per employee per month were up 4.5%. Sean said that in spite of the economic downturn, the plan continues to perform well.

- **Health Management**

Sean had been working with Gail and Ron Burt from Health Force Partners on the next phase of the Health Management plan and provided the proposal for review and discussion. He spent some time reviewing the Everett Risk Profile and reported that Everett's total health care costs were \$7.9M which is in line with bench marks. Sean also provided some background to summarize the recommendation and Gail explained what staff members needed to do to get points. The recommended design for the Trust includes the following:

- Initial HRA campaign would occur in January 2010 with an incentive recommendation of \$100 for completion of HRA and participation in at least one follow-up telephonic session during the quarter of 2010 (employees only).
- The Wellness Challenge through Health Force Partners will be effective January 1, 2010.
- Participants will need to meet a certain threshold of criteria to earn an incentive.
- Subsequent years would follow a similar format.

Discussion followed.

A motion was made and seconded to give conceptual approval of the recommended design on page 30 of the proposal for the ESEBT Employee Wellness Incentive program. The motion passed.

9. Rotation of Trust Officers

Molly Ringo will Chair and Betsy Selders will act as secretary for the 2009-2010 school year.

10. Other

- 2009-10 Meeting Calendar

The school calendar has not been set yet due to upcoming negotiations. The trustees agreed to meet in August on the 17th and 24th beginning at 8:00 am. The remaining proposed dates will be left as is until the school calendar has been established.

11. Annual Calendar

N/A

12. Adjournment for Executive Session

The regular meeting was adjourned at 6:20 pm so the executive meeting could be held.

Sincerely,

Molly Ringo
Secretary