

Everett School Employees Benefit Trust
June 16, 2008
Board Room
4:00 pm

Attendance

Mike Gunn
John Morrill
Wayne Kettler
Susan Lindsey
Molly Ringo
Betsy Selders

Also Attending

Darla Van Duren
Randi Seaberg
Gail Buquicchio
Sean White
Tom Pursley

Recorder

Susan Sacha

1. Call to Order

The meeting was called to order by Mike Gunn at 4:01 p.m.

2. Adoption of Agenda

The agenda was revised and approved. (Wellness program status was added under item number 11 – Other.)

3. Approval of Minutes

The minutes from the May 19th meetings were approved as written.

4. Financial Report

Darla provided the May financials. Highlights included:

- Increase of \$181,632 in the fund balance for the month.
- Two Government Bonds were purchased.
- Four CDs were purchased.
- One CD matured.
- Full call of one CD.
- Trust consultants invoicing for April was offset by commissions. New credit balance is \$(41,272).
- PacificCare premiums that were overpaid in April were reduced by \$18,000 in May.
- IBNR was adjusted. The reduction increased the Fund Balance by \$73,000.
- HMA claims were only \$15,000 less than May 2007. Overall the monthly average is still lower than a year ago. The current total for this fiscal year is \$299,931 less compared to May of 2007.
- ESI (& NMHC) claims are \$67,828 more this May than last May due to a \$47,070 rebate last year. Overall the monthly average is still lower than last year with a current total for this fiscal year of \$81,945 less compared to May of 2007.

- The Fund Balance this month is \$11,287,576 compared to \$8,230,770 a year ago and the overall assets for this fiscal year total \$12,425,576 compared to \$9,394,770 a year ago.

Tom Pursley recommended that the trustees have a conversation with Curt about the risks of long-term investment. In answer to Molly's question from the previous meeting, Darla reported on the status of Countrywide given their recent financial troubles. Darla said that Curt sees no risk for the Trust but he will investigate further. Molly felt that it would not be wise to purchase more Countrywide. Darla will advise Curt and she will also let him know about Tom's concern regarding the length of CDs. It was suggested that Curt discuss the risks of long-term investment and Countrywide at the August or September meeting.

5. Approve Auditor Engagement for Annual Audit

Darla is recommending that the auditor be engaged for the upcoming year. The motion was passed.

6. Approve Consultant Engagement/Budget for 2008-09

Sean provided the trustees with information relating to Mercer's scope of service and fees for the upcoming year. There is an increase of 9% (from \$165,000 to \$190,000) which will be offset by commissions. Sean believes all of Mercer's cost will be covered by commissions with perhaps some excess money after they are paid. A motion was made and seconded to accept the engagement budget for 2008-09. Motion passed.

7. Preliminary Discussion of Plan Renewals and Establishment of Employee Contribution Rates

- Paid Claims Experience – Total claims are up about 14.7% Plan costs up 15%. Plans are running very favorably. Very low trends over the last two years.
- Sean provided a comparison of alternative care benefits between PacifiCare, Group Health Cooperative and the PPO Plans. He discussed the part-time rates and how they were set up. Part-time employees make up the portion of the contribution not funded by the State. When the Trust made this decision some time ago, it was felt that it was equitable. Sean said that there is no rule or guideline on this and that the decision is entirely up to the trustees. Discussion followed. In August the trustees will be able to see the projected part-time rates which should assist them in deciding whether they want to look at some alternative methodology to determine part-time contributions.
- Short-term disability – it is difficult to find a carrier because of the low percentage of participants. The process used for disability is very confusing to an employee, i.e. employee gets a check from Standard, then the District does a report to payroll then payroll deducts from employee and credits their sick leave. Sean recommended that we not move above 100%.

Wellness Vendors – Sean provided information about wellness vendors to be considered for the upcoming year and reviewed the materials with trustees. The proposals included tobacco cessation, behavioral health, health advocacy, weight management, home care, disease management and health risk assessment. Sean asked which of these proposals the Trust would like to explore. Gail stressed the importance of the health risk assessment. Sean was asked to provide the trustees with specific information from the various vendors in all the areas outlined in the document.

8. Establish ESEBT 2008-09 Meeting Schedule

Mike asked for comments about the proposed calendar for next year. The meeting dates in August were changed to August 11th and August 24th. Both August meetings will begin at 1:00 p.m. Wayne will provide food for August 11th and Susan Lindsey will provide food for the August 24th meeting.

9. Rotation of ESEBT Officers for 2008-09

New officers for 2008-09 are Betsy Selders, chairperson and Molly Ringo secretary.

10. Review Annual Calendar

Several changes were made to the annual calendar.

- 4th quarter investment report was moved from August to September.
- Approve annual Wellness Program plan and budget was added to September.
- Approve annual budget was added to September.

11. Other

a. Wellness Status

Gail reported on her activities. Her focus for the month was getting to all schools to meet staff and introduce herself. She had the opportunity to speak at several staff meetings and visit with staff in their lunchrooms. By the end of the month Gail hopes to have made all the rounds. She said people are excited and hopeful about the program. Gail is looking for good ways to promote and communicate the advantages of the program. Some of the things she has been doing include:

- Working on a Wellness link for the district home page.
- Interest survey. Gail e-mailed a survey to all staff asking for information about needs and interest. She said 570 people visiting the site and 525 completed the survey.
- Newsletter. Gail informed the trustees that she spoke with several other districts including Tacoma and Spokane and found that they use the Hope Newsletter which Gail feels is a good newsletter.
- Summer Wellness Challenge flier. To date 14 schools have signed up 55 people. Gail read an e-mail she received from Cedar Wood about their year-long plan relating to health.

Gail has been working very hard since arriving and is very positive about the work she would like to do for the health and well-being of all staff.

12. Adjournment of Regular Meeting

Regular meeting was adjourned at 5:55 pm.

13. Executive Session to Review Compensation for Financial & Recording Services

Sincerely,

John Morrill
Secretary