

Everett School Employees Benefit Trust
Wednesday, December 12, 2012
Minutes

Attendance

Gregg Elder
Mike Gunn
David Jones
Jared Kink
Susan Lindsey
Molly Ringo

Absent

Also Attending

Randi Seaberg
Darla Vanduren

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Susan Lindsey at 4:01 p.m.

Adoption of Agenda

A motion was made by Mike Gunn and seconded by Jared Kink to approve the agenda as written. The motion passed unanimously.

Approval of Minutes

A motion was made by Jared Kink and seconded by Mike Gunn to approve the minutes from the November 14, 2012 meeting as written. The motion passed unanimously.

Auditor Visit

Darla welcomed Bruce Dietrich of Toyer, Dietrich and Associates who has conducted the Trust's annual audit for the past two years. Mr. Dietrich thanked the Trustees for the opportunity to meet with them. He provided a letter with details related to the Trust's audit and reviewed the information with the group. He explained what they look for when performing the audit. The audit findings indicated nothing different than in prior years; no difficulties and no disagreements with management. The Trust is running good and meeting its goals.

Mr. Dietrich stated a peer review is done in his field every three years. He went through the review process this summer but has not yet received their report. He will provide the report to Darla once it is received. Molly asked if he had any suggestions about Trust's practices. He noted none were raised and that investments were their only risk area; however, he thinks internal controls are adequate. The Trustees thanked him for his service and providing the information.

Financials

Monthly Financials

Darla provided the September and October financials and reviewed them with the group. She indicated she needs to do another analysis with Union Bank regarding differences in their monthly fees. She also noted the Trust's fund balance is slowing down indicating the decrease.

Fiduciary Liability Insurance Renewal

Darla reviewed with the group the history of fiduciary liability insurance premium costs from 2005 to 2012. She said the 2013 premium is due January 12. Although Darla has not yet received the 2013 rate, she believes it would be the same or lower (last year's rate was \$4,051). A motion was made by David Jones and seconded by Jared Kink to renew the 2013 Fiduciary Liability Insurance not to exceed the amount of \$6,000. The motion passed unanimously. Darla will contact the Trustees if the 2013 rate is more than \$6,000.

Darla provided the Trustees' with a report from Becker Capital Management regarding the Trust's third quarter investments.

Health Care Reform Update

Molly provided information to the group from Howard Bye-Torre regarding hidden fees coming with Health Care Reform. The Transitional Reinsurance Program fee is a new federal fee that will begin in 2014. It will be paid by each group health plan or group insurance policy. The fee is collected in insured plans by the insurance company (in the form of increased premiums) and by the third-party administrator in self-funded plans (by a direct additional payment to the TPA), and then the fee is paid by the insurer/TPA to the federal or state government. This means the premiums paid for by the Trust's health plan coverage will increase in order for the health insurers to pay the 2014 estimated federal fee of \$63 per covered person. The fee is per covered person, employees and dependents. For example, if a plan covers 50 employees and 50 family members, the total fee would be \$6300. Bottom line: this new fee will be added into premiums, which will increase the cost for the Trust's health insurance coverage. The group discussed the information and how best to provide it to employees next year.

Also noted was that Health Care Exchanges have been approved for the state. Melanie Curtice is on the state board and will be asked to attend the January Trust meeting to discuss how exchanges will affect the Trust.

Wellness Report

Gail was able to attend the Trust meeting after speaking to the President's Council. She provided a brief update of Wellness program activities. She noted Everett Public Schools is being looked at from across the country as a Wellness program example.

Open Enrollment Update

Randi reported open enrollment ended just fine. Arlene did a heroic job. The three evening support events really helped. Staff are now reviewing the changes.

Randi shared that Aon Hewitt, a consultant to the WEA, will be conducting a dependent verification review. This means any employee with a spouse or child(ren) covered by Premera will need to document that the dependents are theirs and are active. This review will not affect employees enrolled in Group Health unless they have vision and dental. In mid-January employees will receive a letter at their home address asking them to verify their dependents and to provide proof in the form of legal documentation. All non-eligible dependents will be dropped by Premera. There is an appeal process but it is lengthy. The group discussed the review and communications to staff.

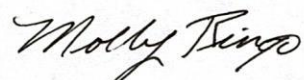
Review of Annual Calendar & Meeting Calendar

The group discussed the option of revising the date for the June 2013 meeting. A motion was made by Mike Gunn and seconded by Jared Kink to revise the June meeting date from June 19, 2013 to June 12, 2013. The motion passed unanimously.

Adjournment

The meeting was adjourned by Susan Lindsey at 4:46 p.m.

Sincerely,



Molly Ringo
Secretary