**Everett School Employees Benefit Trust**

**Wednesday, January 20, 2016**

**Minutes**

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| **Attendance** | **Absent** | **Also Attending** | **Recorder** |
| Gregg Elder | Darla Vanduren | Cris Bosket | Kellee Newcomb |
| Adam Goldstein |  | Jayson Davidson |  |
| Susan Lindsey |  | Angie Erickson |  |
| Jeff Moore |  | Rickie Lee Marker-Hoffman |  |
| Molly Ringo |  | Randi Seaberg |  |
| Kelly Shepherd |  |  |  |

**Call to Order**

The meeting was called to order by Kelly Shepherd at 4:03 p.m.

**Adoption of Agenda**

A motion was made by Adam Goldstein and seconded by Jeff Moore to adopt the agenda as written. The motion passed unanimously.

**Approval of Minutes**

A motion was made by Jeff Moore and seconded by Gregg Elder to approve the minutes from the October 21, 2015 meeting as written. The motion passed unanimously.

**Consultant Report**

Jayson provided the Trust’s portfolio report that was prepared in November 2015. It was not presented in November because of the cancellation of the November meeting due to a power outage caused by a wind storm. Jayson reviewed the portfolio with the group. He said the current portfolio has stayed true to protecting principle and diversifying to meet the Trust’s needs. Jayson provided copies of proposed revisions to Trust Policy 220, Investment Guidelines. He said there are three items for the Trustees to weigh in on: 1) revisit the cash flow needs instructing Becker to maintain $350-$400 thousand in cash at all times; 2) review changes in the benchmark; and 3) discuss money market regulatory changes.

Jayson reviewed quick snapshot of the markets with the group. He said there has been small, slow growth in the market. A positive perspective in the economy is that jobs increased above expectation. Rates were up in the third quarter but lost ground in the fourth quarter. Bond yields have come back down. The 10-year treasury had gone up but now is back down. The equity market has had no impact on the portfolio. Regarding the stock market, Jayson said it is supposed to have corrections and the current state is supposed to happen. In the short term the market reacts to investor sentiment. In the long term, the market is supposed to reflect the value of the companies in the market. Over time the sentiment seen today washes itself out. This sort of thing should not be a worry and Jayson predicts it will wash itself out pretty quickly. The group discussed the unemployment rate.

Overall, the Trust’s portfolio is high quality and very safe. Jayson reviewed the year-to-date with the group. He said since this report was printed in November 2015, the portfolio has gone up and the one-year return is at about 64% for the year. He talked about the policy change last May that affected this. They will not have a clear picture of the performance until a full year from May. He noted that they have not had to sell anything to cover requests for cash.

48% of the Trust’s assets are in CDs. Jayson reviewed the largest holdings in the Trust’s account. The group reviewed the information provided and asked questions. The top holdings in the account were reviewed. The treasury note is the largest.

Jayson reviewed the portfolio summary and recommendations with the group.

1. Regarding the cash flow question, the Trustees said they would like to wait for Darla to be present to weigh in. The Trustees agreed to table this decision to a meeting that Darla can attend. Becker will attend the April meeting.
2. Jayson reviewed the reasons for the change to the benchmark. A motion was made by Jeff Moore and seconded by Susan Lindsey to change the Bank of America/Merrill Lynch US Treasury Index benchmark from 1-5 to 0-5. The motion passed unanimously.
3. Jayson explained there has been a rule change in money markets. This is a big issue for the Trust because in times of financial stress, it will restrict liquidity. The solution is to move to a government money market fund to avoid the restriction. However, in taking the risk out of the equation the Trust will be giving up some yield. Jayson said they would typically do a market search; however, he doesn’t think it is necessary with the Trust. He recommends the Vanguard treasury option. He said Becker will do the search and report back in April if the Trustees would like. The group discussed whether or not to do the search. The Trustees agreed to have Becker conduct the money market search and to report back to the Trust at the April meeting.

**Wellness Program Update**

Rickie Lee shared the monthly report and provided a recap of fall wellness activities. Molly asked about the possibility of seeing data by site to track fluctuations. Rickie Lee will look at past reports to determine if she has the data to provide this request.

**Human Resources Update**

New benefits technician, Angie Erickson, was introduced to the group. She shared her background and the group welcomed her.

Open Enrollment Update – Cris shared information about open enrollment. She said things are progressing smoothly. The systems all worked seamlessly. Overall there were 340 plan changes; 40 staff moved from a traditional plan to Group Health. There continues to be migration to Group Health as staff learn it is becoming more inclusive. Overall there was not much backlash regarding not receiving paper documents for open enrollment.

Quarterly EAP Report – Randi shared that Magellan continues as the EAP provider. Usage remains the same. In 2015, there were 67 uses for counseling and 150 online user sessions. Staff can find many helpful tools on the Magellan Health website. Randi noted a principal shared how helpful it was for their staff to have the EAP services on site recently due to the death of a staff member. Randi said they continue to reach out to staff regarding EAP options.

**Upcoming February Agenda Items**

The group discussed agenda items for next month’s meeting. The Trustees agreed to cancel the February meeting due to several calendar conflicts.

**Other**

Jeff shared a change to Mercer’s Statement of Work that lowers the Trust’s fees. The group reviewed the information provided. A motion was made by Adam Goldstein and seconded by Molly Ringo to accept the revised Mercer Statement of Work. The motion passed unanimously.

The group discussed a staff member’s email that was recently cc’d to the Trustees. Randi summarized the dispute and said human resources is proceeding with remediation. This is a function of human resources and does not impact the Trust, nor does it require any action of the Trustees.

**Adjournment**

The meeting was adjourned by Kelly Shepherd at 5:18 p.m.

Sincerely,

Adam Goldstein

Secretary

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