

Everett School Employees Benefit Trust
Monday, May 16, 2011
Minutes

Attendance

David Jones
Susan Lindsey
John Morrill
Molly Ringo
Betsy Selders

Absent

Mike Gunn

Also Attending

Gail Buquicchio
Darla Vanduren
Sean White

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 Betsy Selders and seconded by Molly Ringo to approve the agenda as written. The motion passed unanimously.

Approval of Minutes

The minutes of the April 18, 2011 meeting were presented for approval. A motion was made by John Morrill and seconded by Betsy Selders to approve the minutes as written. The motion passed unanimously.

Wellness

Gail provided a report of Wellness Program activities. She continues to see a decrease in the number of employees engaged in the Wellness Challenge. She is unsure why this is but continues to send reminders to encourage staff participation. There has been an increase in health coaching. The seasonal campaigns are progressing well. Gail reports some frustration with the Weight Watchers program not allowing "ghost" members in order to meet the minimum attendee requirement. Cedar Wood and Emerson Elementary did not meet the minimum requirement and as a result, Cedar Wood staff have formed their own group called "Fake-Watchers."

Gail is partnering with the Everett YMCA and the Mill Creek YMCA to take-over the fitness classes next year. The Hope Health Letter has been discontinued and replaced with a newly created newsletter titled Constant Contact. This newsletter option is more financially sustainable and offers more reporting with a personal look and feel that is more relevant and engaging to Everett Public Schools' employees. Gail is also working to develop a 12-16 week weight management program with local nutritionists, possibly including Providence and/or Swedish of Mill Creek and local YMCAs.

Gail stated she will be sending out to employees an End-of-the-Year Wellness survey with 5 short questions to inquire from staff how the Wellness Program is affecting their health and well being, as well as how it is impacting the culture of Everett Public Schools. Gail reviewed the survey questions with the group.

Gail provided the Trustees with a copy of the proposed 2011-2012 ESEBT Wellness Program budget. She stated since she is already working on plans for next school year, it would be helpful to have the budget approved in June rather than wait until August. She reviewed the highlights of the budget with the Trustees, including the proposed elimination of the Wellness assistant position. This item will be added to the June agenda for discussion and approval.

Presentation from Moss Adams for HMA/ESI Audit

Olga Darlington of Moss Adams provided the Trustees with a draft of the medical claims review. She explained the process, testing criteria and findings. She reported that no exceptions or significant findings had been found. The prescription audit is still underway but Moss Adams hopes to provide a final report at the June meeting.

Consultant Report

Sean provided the group with several documents for their review. The State of Work (SOW) was provided to confirm the scope of Mercer's work and the compensation for their engagement. Sean reported there are no changes to the SOW at this time. If there are any changes it will be revisited at the June meeting.

Sean reviewed with the group the ESEBT Preliminary 2012 budget. He explained the proposed estimates were determined not knowing for sure what would happen with state funding. In applying the growth factor to the current budget, Mercer estimates an increase to the budget of 9.7%. The group discussed the difficult decisions that they may have to make. They discussed the bulk of the budget expense being medical pharmacy plans, what other vendors are seeing in the medical market, and that this issue may become more than a one-year problem with the state passing a biannual budget. The Trustees asked Sean to look at the changes in the aggregate of people changing plans and report back at the June meeting. In anticipation of the potential difficult decisions the Trustees will have to make regarding the 2012 budget, they agreed to add a second meeting on June 20, 2011.

As a follow up to the discussion of health insurance exchanges at the April meeting, Sean provided information for the Trustees review. He reminded the group that Health Care Reform changes would be coming in 2012 and 2013. He stated there is a lot left to define but that health insurance exchanges will have an impact on employers. A recent survey indicated that employers plan to offer benefits and to continue to offer coverage. However, the national perspective is that exchanges are a good idea.

Financial Report

Darla provided copies of the Trust's first quarter 2011 investment report from Becker Capital Management. The report included investment results, transactions and an investment summary.

Darla provided the financials for April and reviewed them with the group.

Balance Sheet – The fund balance for the month of April decreased \$173,574 resulting in an overall decrease for the fiscal year of \$(2,244,733). There was a decrease in the prepaid expense for Free & Clear tobacco cessation of \$820.13, which left a balance of \$309.37. Corporate Obligations (CD's) had sales of \$995,000. Government obligations purchases were \$201,434 with pay downs of \$3,436.96. Overall assets for this fiscal year total \$11,867,370 compared to \$14,433,688 a year ago.

The Statement of Operations and Fund Balance – indicates payments to Free and Clear for the Mind & Body program in the amount of \$1,889; and payments to HealthForce for March and April in the amount of \$8,700. Wellness program expenses for the month were \$7,902.54 which were offset by fall fit pass sales and the Weight Watchers program of \$4,533.

Bank fees for the month were \$78.64. Payment was made to Stoel Rives for ongoing legal fees through February in the amount of \$3,720. Payment was made for postage costs for the April mailing in the amount of \$871.81. \$69.99 was paid to reimburse a Trustee for April mailing costs.

HMA claims are \$74,605 less this month than last April 2010 and overall claims this year are \$1,335,570 more than in 2010. ESI claims are \$31,689 more this month than last April 2010 and overall claims this year are \$385,575 more than in 2010.

Review Auditor Engagement for Annual Audit

Darla reviewed with the group the fees charged by Toyer and Associates over the past few years; last year's fees were \$9,142 and the year before they were \$8,950. This year, Toyer and Associates would charge \$9,075 for the same coverage and same benefit. Darla talked about the history of the Trust working with Toyer and Associates and that they have always provided good service. She stated they also have a good rating with the state. Because of this, Darla's recommendation would be that the Trust consider using Toyer and Associates again for their annual audit. A motion was made by John Morrill and seconded by David Jones to engage Toyer and Associates to perform the annual audit for the Trust. The motion passed unanimously.

In Randi's absence, Darla noted that the Free and Clear Mind & Body Program has changed their name to Alere. She also indicated that their tobacco cessation program may be changing to the American Cancer Society.

Review Performance of Investment Advisor

This item will be tabled to the June meeting.

Review of Annual Calendar & Meeting Calendar

The group reviewed the draft 2011-2012 meeting calendar and provided suggestions for revisions. An updated calendar will be provided at the next meeting.

Other

Follow-Up on Legislative Actions Relating to the Trust

There is nothing new to report at this time.

Adjournment

The meeting was adjourned at 5:45 p.m.

Sincerely,

A handwritten signature in black ink, appearing to read "David Jones", followed by a horizontal line.

David Jones
Secretary