

Everett School Employees Benefit Trust
Monday, June 20, 2011
Minutes

Attendance

Mike Gunn
David Jones
Susan Lindsey
John Morrill
Molly Ringo
Betsy Selders

Absent

Also Attending

Gail Buquicchio
Darla Vanduren
Randi Seaberg
Arlene Vollema-Rich
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Susan Lindsey at 4:05 p.m.

Adoption of Agenda

The order of the agenda was modified because not all Trustees were in attendance at the beginning of the meeting. A motion was made by Betsy Selders and seconded by John Morrill to approve the modified agenda. The motion passed unanimously.

Approval of Minutes

The minutes of the June 13, 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.

Financial Report

Darla reviewed the May 2011 financials with the group.

Balance Sheet – The fund balance for the month of May decreased \$(361,215) resulting in an overall decrease for the fiscal year of \$(2,605,948). Corporate Obligations (CD's) had sales of \$190,000. Government obligations pay downs were \$1,220.96. There were no changes to prepaid expenses. . Overall assets for this fiscal year total \$11,506,155 compared to \$14,334,072 a year ago.

The Statement of Operations and Fund Balance – indicates Wellness program expenses for the month were \$2,043 which were offset by fall fit pass sales and the Weight Watchers program of \$533. Bank fees were \$1,279.23 for the quarter and \$125.39 for this month totaling \$1,404.62. \$4,689 was paid for this quarter's investment fees. Payment was made to Stoel Rives for ongoing legal fees through March in the amount of \$5,457. HMA claims are \$199,025 less this month than May 2010 and overall claims this year are \$1,534,594 more than May 2010. ESI claims are \$20,746 more this month than May 2010 and overall claims this year are \$406,321 more than in 2010.

Darla noted that HMA claims are paid every Monday of the month. May 2011 had 5 Mondays and the last Monday of the month was a holiday. This required that the money be deducted on Tuesday, May 31st. May 2010 also had 5 Mondays; however, the last day of the month fell on the holiday resulting in HMA claims being less this May 2011 than they were last May 2010.

Wellness

A copy of the proposed 2011-2012 Wellness Program budget was previously provided to the Trustees at the June 13, 2011 Trust meeting and via email on June 17, 2011. Gail reviewed the highlights of the budget proposal with the group. She explained the increases and decreases in the estimates. She stated that for data comparison, she was considering using health screenings in conjunction with the planned Everett Public Schools weight management system and was recommending the elimination of the Wellness Program Administrative Assistant position. She stated the budget totals for the 2011-2012 school year were less overall than for the current school year. A motion was made by David Jones and seconded by Betsy Selders to adopt the proposed 2011-2012 Everett School Employee Benefit Trust Wellness Program budget as presented. The motion passed unanimously.

Gail thanked the Trustees for allowing her to present the Wellness Program end of the year report at the September meeting. She said this will allow her time to crunch numbers and provide comparison data from recent surveys. At that time she will also present a strategic plan for the Wellness Program. Gail provided updates on current Wellness Program activities and an example of the survey data she is collecting. She stated she is asking the same questions year after year in order to build comparisons, and noted that employees are moving into a direction of positive trends in the culture. She commented that an employee had shared that they felt the Wellness program had saved their life. Because they were being more aware of their health, they visited their doctor who found something that might have been life threatening.

Consultant Report

In continuing the discussion of the 2012 budget review, Sean shared that the WEA released their renewal rates. He stated it was interesting that their higher cost plans are increasing 10%-12% and their premium costs are also changing. Sean proposed that when the Trust comes back to this topic at the August meeting, the WEA option be maintained for comparison. John asked Sean about the methodology he used to create the comparisons. Sean explained that he calculated the income coming from the state, employees and the Trust to reach his comparison. He did not include reserves. Sean will include this information in the analysis he provides in August.

Sean talked with the group about the Statement of Work (SOW) that he previously emailed to the Trustees regarding actual charges exceeding the estimated budget. He asked the Trustees if they would rather see a higher budget in the SOW, or would they want the core levels with the knowledge of possible requests for additional work and expenses. David commented that he would like to see a budget with the basic functions of Mercer, and then if there was anything over the basic functions, the Trustees would want to know including additional costs. The Trustees agreed. Sean explained about the commissions and the goal of getting the levels down. He stated the Trust should continue to see costs come down as they move forward. A motion was made by Mike Gunn and seconded by David Jones to approve Mercer's Statement of Work for the 2011-2012 budget as proposed. The motion passed unanimously. Molly Ringo abstained as she was not present for the discussion.

Sean reported that he and Randi had been contacted by Aflac recently. The Trust has been contacted in the past regarding this service but has not been interested. Sean asked if the Trustees would like to pursue Aflac. The Trustees agreed that with tightening resources they are not interested in pursuing Aflac at this time.

Review and Approval of Proposed Revisions to Annual Calendar & 2011-12 Meeting Calendar

The group reviewed the annual calendar and meeting calendar. Molly indicated a vote was not necessary for the annual calendar as it was for the Trustees use only. Mike commented that he thought it would be beneficial for the Trustees to meet for a focused session to look at the long range outlook for the Benefit Trust. A suggestion was made to meet in August and October with Mercer present to look at all the strategic issues affecting the Trust, and to look at long-term actions including legislative actions, dwindling reserves and the continuing increases in health care costs. Molly supported Mike's idea and stated the regular monthly meetings are to discuss the day to day business but the Trustees also need to look at options down the road; more than just one year to the next. David suggested including Tom Pursley might also be helpful. John commented that a report from the state was due to be released on December 15th regarding a possible state take over. The Trustees should include that in their planning. Betsy asked if the meeting should be planned in January after the report is received from the state. The group discussed when to meet and the importance of framing the discussion prior to meeting. A suggestion was made to use the first meeting to discuss the long-term topics and program influences with Sean. That would allow for time to identify the areas of discussion. The group discussed the possibility of connecting with larger employers in the Everett area such as Boeing. A decision was made to collect the dates that the Trustees are available in August for the first meeting. A motion was made by Molly Ringo and seconded by Mike Gunn to accept the proposed Everett School Employee Benefit Trust 2011-2012 Meeting Calendar as written. The motion passed unanimously.

Rotation of Trust Officers

David Jones was nominated for Trust Chairperson and John Morrill for Trust Secretary. The Trustees agreed unanimously.

Other

David asked about the draft letter that was proposed at the June 13, 2011 meeting. The letter had been edited to include suggestions from the Trustees. Molly indicated it would be shared with President's Council on June 22, 2011.

At the June 13, 2011 meeting there was discussion regarding ways to assist the Trustees to be better prepared to discuss agenda items. Suggestions included presenters providing an estimated time for their agenda item(s) and also providing any handouts in advance of the meetings to be included when emailing the Trust agenda. It would also be helpful for the presenter to alert the Trustees to the need for discussion of a particular agenda item so that they can be prepared. John commented that an individual commitment was needed from each other to take the time to review the materials prior to the meetings.

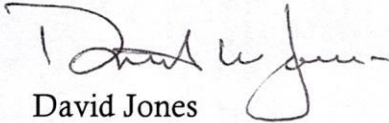
Adjourn to Executive Session

The regular meeting was adjourned to executive session by Susan Lindsey at 5:00 p.m. for review of employee performance and compensation for Trust financial and support services. The executive session was adjourned at 5:08 p.m.

Adjournment

The regular meeting was reconvened and immediately adjourned at 5:09 p.m.

Sincerely,

A handwritten signature in black ink, appearing to read "David Jones", written over the printed name.

David Jones
Secretary

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