

Everett School Employees Benefit Trust
Monday, May 14, 2012
Minutes

Attendance

David Jones
Susan Lindsey
Molly Ringo
Betsy Selders

Absent

Mike Gunn
John Morrill

Also Attending

Gail Buquicchio
Randi Seaberg
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by David Jones at 4:07 p.m.

Adoption of Agenda

A motion was made by Susan Lindsey and seconded by Betsy Selders to approve the agenda as written. The motion passed unanimously.

Approval of Minutes

A motion was made by Susan Lindsey and seconded by Molly Ringo to approve the minutes from the April 30, 2012 meeting as written. The motion passed unanimously.

Financials

Monthly Financials

Darla reported the financials are not available for this meeting. She noted it was a bit too early in the month, as well as the fact that she had just returned from a conference. She hopes to have them available by the end of the week and will provide them electronically once they are completed.

Important Announcement – USB Acquisition

Darla reviewed with the Trustees the information about the acquisition of the Union Bank Retirement Plan Services, Labor Management Trust Services, and Registered Investment Advisor Business Segments by U.S. Bank. She noted they are only billing for the month of January, prior to the bank's purchase. There will be a separate billing from next quarter. She is assuming that services will remain the same and the transition should be complete around September. Darla will report anything note worthy to the Trustees.

Review Auditor Engagement for Annual Audit

Darla reported it has been an unusual audit year for the district. She is still researching concerns expressed by the state auditors about Dietrich, Toyer and Associates. District Accounting Manager (and former state auditor) Gina Zeutenhorst will go to Dietrich, Toyer and Associates at the end of this week to discuss the concerns. Darla suggested that the Trust go out for bid for an annual auditor to see who is available to complete a timely, thorough and affordable audit. The Trustees discussed the annual audits and what the state auditors are concerned about, and the fact that Toyer has performed the Trust's audits for the past 5 years. A peer review will be conducted for Dietrich, Toyer and Associates in June. If information becomes available about the peer review, Darla will share it with the Trustees prior to the June meeting.

Wellness Program Report – Gail Buquicchio

Monthly report

Gail shared with the Trustees the highlights of the Wellness Program for the month of May. She noted the stress management classes concluded and were well received. There is a possibility that Lynn Evans may be able to help offer clock hours for this class in the future.

Review annual Wellness Program plan, budget and recommendations

Gail shared a draft of the end of the year Wellness Program survey and a copy of the Wellness Program budget for the past four years. She said she wants the plan for the Wellness program to be intentional. Without access to data, Gail was unsure of where the Trustees wanted the program to go from here and what the future goals might be. The Health Risk Assessment (HRA) is one of the only sources of data for the Wellness Program now with the move to the WEA health plans. She asked the Trustees what they wanted the goal of the Wellness Program to be, and how much money they wanted to invest in the program. Another source of data is the end of the year survey. Gail is hoping for at least 50% participation. She has added a few new questions this year and asked the Trustees for their feedback.

The group discussed the possibility of changes in receiving data based on the recent legislation. However, Sean noted the way the legislation is written, it is not clear at this point if they will have access to any state data. The group discussed what might affect the bottom line. Sean talked about the overall pool and the impact the district's program might have on the pool. It will be important for the Trust to define the goals for the program and how much they want to invest in the program in the future. Molly thought the Trust would not invest less than what it is now. Sean said there is a wellness category that would need to be added to the bottom line. From a fiduciary perspective, Sean asked the Trustees if it made sense to provide plush programs. The initial driver of the Wellness Program was to impact health care costs; however, it is unclear if that is still the driver and if the Trust should spend that kind of money.

The group discussed the survey questions and provided feedback to Gail. Gail said she wants to be clear on what the function and goal is for the Wellness Program. Susan commented that the goals of the Wellness Program are for the most part still the same. Molly stated the Wellness Program that Gail has created is leading the way for others in the state, as well as nationally.

Gail asked the Trustees to contact her with any additional input for the survey. Susan and Betsy felt it was important to provide the survey to employees sooner than later due to busy end of the year schedules and activities. Gail indicated she would try to provide it to employees before Memorial Day. David will email Gail with suggestions for wording in the survey. He talked about conversations he has had about the Wellness Program and how strongly staff feel about the program and the Trust. He noted it confirms the vision of the Trust.

Consultant Report – Sean White

Review consultant engagement/budget for upcoming fiscal year

Sean reviewed with the group the State of Work (SOW) that confirms the scope of Mercer's work and the compensation of its engagement with the Trust. He noted the balance of the services have remained the same with the exception of revisions based on the move from self-insured plans. A sizable reduction in fees has been projected for next year. This item will be presented for approval at the next meeting.

Preliminary renewal discussion

Sean provided preliminary projections of the Trust's budget for 2013 and an illustrative budget for 2014. He reviewed the information with the group. If the Trust continues with the status quo, at the end of 2013 there would only be a reserve of 1.4 months of expenses. If the Trust continued with the status quo into 2014, the reserves would be fully depleted. The group agreed the status quo is not a likely option. Sean stated to make a major impact on the budget, employee contributions would have to increase. He noted this is not an expense problem it is an income problem with no increase in funding from the state. Assuming the income is not going to increase, the choice is to adjust the contributions. For the next meeting, Sean will prepare multiple scenarios to reduce the level of deficit. He will also look at scenarios for 2014 and when the federal exchanges come into play. Sean talked with the group about what they will need to pay attention to as far as subsidies for the exchanges. He noted some employers are developing private health care exchanges. The group provided feedback to Sean in creating the scenarios.

Proposed Pertussis Vaccination Clinic for Staff

The group discussed the possibility of holding a Pertussis (DPT) vaccination clinic that might be partially or totally subsidized by the Trust. The vaccinations would be \$55 per shot if the Trust ordered 100 doses (the cost would increase if the Trust ordered less than 100 doses). DPT vaccinations are paid by insurance through a doctor's office. However, if the employee wanted to use their insurance for the Trust sponsored vaccinations, they would have to pay the fee up front and then submit their own paperwork to Premiera for reimbursement.

Molly said Pertussis has hit all levels of the organization. Adults spread it more than children because children have had current immunizations. The group discussed the option of a vaccination clinic and thought it might be better to provide information to staff encouraging them to get vaccinated. Gail can put information in the payroll information that comes out right before pay day, and can also talk with Mary Waggoner about putting something in *Newsbriefs*.

Review of Annual Calendar & Meeting Calendar

Establish annual regular meeting calendar for 2012-13

A draft meeting calendar for 2012-13 was provided. Susan noted there will be dates in conflict with the EEA meeting calendar, but she does not have the EEA calendar yet. She noted there was a recommendation from the EEA for the Trust to move their meetings from Monday's to Wednesday's. The group discussed possible conflicts with moving the meeting day. A draft calendar will be created for the next meeting using Wednesday and Thursday dates. Betsy noted she will be leaving the Trust and a replacement will come in either June or August.

Review proposed revisions to annual calendar

A draft annual calendar was provided with revisions based on the move from self-insured plans. Molly suggested the timeline for the Wellness survey be changed from May to April. A motion was made by Betsy Selders and seconded by Susan Lindsay to adopt the proposed revisions to the Trust Annual Calendar. The motion passed unanimously.

Executive Session – Review Performance of Investment Advisor

The regular meeting was adjourned to executive session by David Jones at 5:26 p.m. for review of the performance of the investment advisor. The anticipated duration of executive session was 5 minutes.

Adjournment

The regular meeting was reconvened and immediately adjourned at 5:30 p.m. based on a motion made by Molly Ringo and seconded by Susan Lindsay.

Sincerely,

David Jones (in John Morrill's absence)
Chair

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