

Everett School Employees Benefit Trust
Tuesday, September 30, 2014
Minutes

Attendance

Gregg Elder
Susan Lindsey
Jeff Moore
Molly Ringo
Kelly Shepherd

Absent

Gail Buquicchio
Jared Kink
Sean White

Also Attending

Cris Bosket
Debbie Kovacs
Aanya Lee
Bev Rogers
Randi Seaberg
Darla Vanduren
Arlene Vollema-Rich

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Gregg Elder at 4:04 p.m.

Adoption of Agenda

A motion was made by Jeff Moore and seconded by Molly Ringo to approve the agenda as written. The motion passed unanimously.

Approval of Minutes

A motion was made by Kelly Shepherd and seconded by Jeff Moore to approve the minutes from the September 24, 2014 meeting as written. The motion passed unanimously.

Consultant Report

Aanya provided a Short-Term Disability Policy report with options for voluntary short-term disability (STD) insurance for the Trustees review. She apologized for the delay in getting the information to the Trustees and explained that it was due to one of the scenarios having financial impacts resulting in the need for full underwriting from MetLife.

Aanya reviewed with the group the district's current approach, the alternate options and impacts. She noted MetLife would not authorize Option 3. The group reviewed the revised Alternate Option 1 which offered an approximate savings to the Trust of \$27,500 to employee cost from MetLife's original proposal and Alternate 1. MetLife reserves the right to re-rate should enrollment fluctuate more than 10%; there must be minimum enrollment of 10% of total eligible employees; should enrollment drop below 10%, MetLife would first initiate a communication campaign to encourage enrollment, prior to terminating the plan. Employees would have the option if the plan were to terminate to convert to individual plans. Rates would be based on the pool and would fluctuate up or down by 10%.

The group discussed the demographic of the current STD insurance enrollees and concerns regarding enrollment dropping below 10% causing MetLife to possibly re-rate. Aanya said she is not aware of a time when MetLife re-rated a plan. She said because the Trust is a new business with them, they want to be a partner and would work with the Trust. Molly shared information regarding a previous provider that did drop the Trust when enrollment dropped below 10% and the issues that occurred as a result. Aanya said the current rates are very favorable to the employee and she might expect to see an enrollment decrease if rates were not as favorable.

The group discussed the current district STD insurance practice which is 14 days of sick pay before STD insurance kicks in; they talked with Bev about the practices of other school districts and discussed providing a return to work incentive for employees. The Trustees asked what option payroll and human resources staff would like have. They said Option 2 would be their preference and explained the reasons why. They said with Option 1, the employee would have to use all of their sick leave and when they return to work they would have nothing left in their sick leave bank. The group discussed the need to revise district leave procedures which Molly said would not be an issue.

The group continued to discuss concerns regarding what might happen if participation levels dropped below 10%. The current contract with MetLife will be for three years at which time the Trust could revisit STD insurance options. Aanya reminded the group that with the move away from the WEA, they will have now receive claims data and will have a better picture of employee needs in three years. The group discussed the communication plan for the STD insurance change.

A motion was made by Kelly Shepherd and seconded by Jeff Moore that the Trust approve Alternate Option 2 for voluntary Short-Term Disability Insurance with MetLife. The motion passed unanimously.

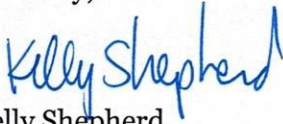
Approve Annual Budget

A motion was made by Jeff Moore and seconded by Gregg Elder to approve the 2015 Trust budget. The motion passed unanimously.

Adjournment

The meeting was adjourned by Gregg Elder at 5:00 p.m.

Sincerely,



Kelly Shepherd
Secretary

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