

Everett School Employees Benefit Trust
Wednesday, April 8, 2015
Minutes

Attendance

Gregg Elder
Susan Lindsey
Jeff Moore
Molly Ringo
Kelly Shepherd
Susan Lindsey

Absent

Adam Goldstein
Randi Seaberg

Also Attending

Cris Bosket
Gail Buquicchio
Jayson Davidson
Jay Dyer
Aanya Lee
Keene Satchwell
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Gregg Elder at 4:08 p.m.

Adoption of Agenda

A motion was made by Molly Ringo and seconded by Susan Lindsey to adopt 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 March 11, 2015 meeting as written. The motion passed unanimously.

Financials – Darla Vanduren

Darla provided the March financials and reviewed the highlights with the group.

Darla talked about next month's agenda item: Review of the auditor engagement for the annual audit. She shared that with the Trust's move to an accrual basis, there were no exit items reported at the district's annual exit conference and now the district and Trust are better aligned. Darla spoke with Bruce Dietrich regarding conducting next year's annual audit and he is interested. However, because of the increased amount of time in conducting the audit, his fee may increase. Bruce will provide Darla with an audit proposal in May which will be disseminated to the Trustees. The Trustees will review the information at the May meeting and accept or deny the proposal at the June meeting. (Note: Darla will not be able to attend the May meeting.)

Investment Manager Presentation

Jayson Davidson, Keene Satchwell and Jay Dyer provided the Trustees with information regarding the Trust's investments. Jayson presented proposed revisions to Trust Policy 220, Investment Guidelines and Rules. He noted that some of the revisions are already in practice but the policy language had not been revised. He would also like to adjust the policy benchmark back to 1 to 10 years maturity date for permitted investments.

Jay reviewed the portfolio with the group and Keene discussed the characteristics of the portfolio, the potential change of the Merrill Lynch benchmark and the general market conditions. Keene reviewed the portfolio's total return and noted it is in a low rate environment. He talked about measure of risk and what the Trust is comfortable with. Historical losses are not huge and the bond market risk is low. He noted that with interest rates low from the feds, the Trust may pick up yield if they agree to extend to the 1 to 10 years maturity date. The group discussed the information provided and asked about the risks and penalties with long-term commitments. Keene noted there are very little penalties in this market; potentially small transaction fees. It is really up to the Trust's level of comfort with an incremental risk.

The Trustees will review the information provided and make a decision at their next meeting. In the meantime, Jayson will be happy to answer any questions that may arise.

Consultant Report – Sean White

Sean provided an electronic copy of Mercer's 2015 Strategy and Renewal Planning report for the Trustees' review. He and Aanya reviewed the information with the group. Aanya reminded the Trustees that last year when the decision was made to move from the WEA health plans to United Healthcare (UHC), the Trustees talked about the possibility of carving out the dental benefit from the WEA. She said if the Trustees did decide that is what they would like to do, it would be a major disruption to employees. She also noted that staying in the WEA dental plans requires a dependent verification audit that employees will have to participate in.

Mercer's recommendation is for the Trust to stay with UHC. They noted change is hard, but suggested the Trust give some time to UHC and not jump from one vendor to another. However, if the Trustees are leaning in the direction of looking at other carriers, Sean and Aanya would need to have that decision today to have enough time to solicit information. The group discussed the information and provided feedback including concerns that switching vendors again could cause even more disruption. Other comments included the significant undertaking this would cause Mercer to go out and find new providers, not to mention the significant cost to the Trust in the increased work. Cris said human resources has noted that complaints regarding UHC are down but another "hiccup" might occur in August when the prescription drug list changes. The group discussed providing a communication to employees emphasizing that drug formulary changes are a standard process with all vendors. The Trustees weighed the option of going out to seek other plans but agreed to continue with what they are doing now. A future topic will be the classified benefit being cut and how that will affect the Trust.

Human Resources Update

Premiera security breach: Cris shared the only information provided on the security breach is what was provided to employees by Premiera. She noted calls to Premiera walk employees through the fraud protection process. The group discussed providing proactive communications to staff.

MetLife vision: the group discussed MetLife vision contracting through VSP and leveraging their network. MetLife has communicated with providers to not turn away customers. HR will draft a communication to staff regarding this benefit.

Communications with UHC: Cris noted communications with UHC representatives has improved. The trouble issues being communicated now are ones they would receive anyway. Gregg shared a recent experience regarding a call to a UHC representative and it was great.

Wellness Program Update

Wellness Program monthly report: Gail reviewed the monthly Wellness Program activities with the group.

Wellness Program goals development: Gail provided sample goals and a draft strategic plan for the group's review. The group will review the information provided and finalize Wellness Program goals at the next meeting.

Wellness Program coordinator position: Gail shared they have received about ten applications.

Review Proposed Annual Regular Meeting Calendar for Upcoming Fiscal Year

A draft calendar for the upcoming fiscal year was provided for the Trustees' review at the February 11, 2015 meeting. A motion was made by Jeff Moore and seconded by Kelly Shepherd to adopt the 2015-16 Everett School Employee Benefit Trust regular meeting calendar. The motion passed unanimously.

Review Operational Manual

This item will be discussed at a future meeting.

Upcoming Agenda Items for the May Meeting

- ✓ Review Auditor Engagement for annual audit (Darla will provide information)
- ✓ Review Consultant Engagement/Budget for upcoming fiscal year (Sean)
- ✓ Review performance of investment consultant (Executive Session)
- ✓ Review annual Wellness Program plan and budget (Gail)
- ✓ Finalize Wellness Program goals (Gail)
- ✓ Monthly update on UHC (Randi)

Adjournment

The meeting was adjourned by Gregg Elder at 5:59 p.m.

Sincerely,



Kelly Shepherd
Secretary

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