

Everett School Employees Benefit Trust
Wednesday, November 16, 2016
Minutes

Attendance

Gregg Elder
Adam Goldstein
Susan Lindsey
Jeff Moore
Molly Ringo

Absent

Kelly Shepherd

Also Attending

Cris Bosket
Jayson Davidson
Angela Erickson
Shelly Henderson
Gayla Jenner
Randi Seaberg
Darla Vanduren

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Adam Goldstein at 4:02 p.m.

Adoption of Agenda

A request was made to change the order of agenda. A motion was made by Gregg Elder and seconded by Jeff Moore to adopt the agenda as modified. The motion passed unanimously.

Adoption of Minutes

Kellee Newcomb reported an error in the minutes that were previously provided. The error has since been corrected. A motion was made by Molly Ringo and seconded by Susan Lindsay to approve the minutes from the October 19, 2016 meeting as modified. The motion passed. Because they were absent from the October meeting, Adam Goldstein and Jeff Moore abstained.

Financials

Darla reported that the financials are not yet ready from the annual audit. She hopes to have some ready for the next meeting.

Wellness Program Report

Shelley reviewed the monthly Wellness Program report with the group. She noted that this year's Walktober was on par with last year. There were over half a million minutes of activity logged during this year's event. She will be providing awards to participants next week. Shelly asked for the Trustees thoughts on the best way to obtain future executive leader support for Walktober. Jeff and Molly will arrange a time to meet with Shelly to discuss this further.

Legal Counsel Follow-up

The Trustees previously reviewed an engagement letter from Melanie Curtice regarding legal representation for the Trust. A motion was made by Jeff Moore and seconded by Gregg Elder to confirm Melanie Curtice of Perkins Coie LLP as the Trust's legal counsel and to accept the terms provided in the letter of engagement. The motion passed unanimously. The Trustees discussed reviewing legal counsel fee structures in the future. Melanie is currently charging the same hourly rate as she was with Stoel Rives. This rate will remain in effect until December 31, 2017.

Consultant Report

Jayson provided hard copies of the Trust's annual portfolio review prepared by the Hyas Group and reviewed by Becker Capital Management. He reviewed the criteria used based on the Trust's investment policy and the general risk and return objectives established and communicated by the Trustees. Jayson noted the change made to the Trust's investment policy in May 2015 that extended the allowable maturity range of securities which could be held in the Trust's portfolio.

As the policy is written today, Hyas Group is still holding three months in reserve; however, that will change to two months of reserve with today's adoption of the revisions to the investment policy. The group discussed the longer term benchmarks and the unknowns in the market.

A Markets and Economic Update for the third quarter of 2016 was provided for the Trustees to review. Jayson asked that he be contacted if they have any questions regarding this information. He also reviewed the third quarter 2016 economic and bond market data and noted that the Trust is in a good position pre-and post-election.

Jayson reviewed the portfolio's yield overall year-to-date. He noted there are no concerns regarding the portfolio. Its overall allocation, credit quality, duration and general diversification are consistent with the Trust's investment objectives and policy. While the portfolio is making money, it is conservative and expectations for the portfolio should remain modest. The Trustees thanked Jayson for his clear explanation and review of the Trust's investment portfolio.

Policy Approval

Proposed revisions to Trust Policy 220, Investment Guidelines, were presented to the Trustees for second reading and adoption. Proposed revisions were provided to the Trustees for first reading at the October 19, 2016 meeting. Revisions reflect changes discussed at the September 14, 2016 meeting regarding moving from three months to two months of reserve. A motion was made by Jeff Moore and seconded by Susan Lindsay to adopt the proposed revisions. The motion passed unanimously. Darla will work with Jayson to adjust the Trust's cash flow based on the newly approved policy.

Open Enrollment Update

Randi reported that open enrollment ended yesterday. She thanked the benefits team, Gayla and the numerous other staff members who assisted with this massive undertaking. She said all but thirty-two staff members signed up for coverage through Employee Online. She noted that school administrators and office managers were very helpful this year in reminding staff that they had to sign up for the new vendor coverage.

Cris provided an overview of the movement of employees from the UHC plans to the Aetna plans. Randi reviewed the information with the group. The benefits team is currently in the process of verifying, checking and re-checking employee's requests over the next few weeks in preparation for the December payroll. They are also working with Aetna to prepare and send out to employees their new insurance cards. The Trustees thanked the benefits team for their hard work.

Upcoming Agenda Items

The Trustees discussed agenda items for the December 14, 2016 meeting.

Adjournment

The meeting was adjourned by Adam Goldstein at 4:55 p.m.

Sincerely,



Jeff Moore
Secretary

kn