

Everett School Employees Benefit Trust
Wednesday, April 18, 2018
Minutes

Attendance

Larry Fleckenstein
Adam Goldstein
Susan Lindsey
Kelly Shepherd

Absent

Gregg Elder
Debbie Kovacs
Jeff Moore

Also Attending

Nick Albert
Cris Bosket
Shelly Henderson
Randi Seaberg
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

In Jeff Moore's absence, Susan Lindsey called the meeting to order at 4:05 p.m.

Adoption of Agenda

A motion was made by Adam Goldstein and seconded by Kelly Shepherd to adopt the agenda as written. The motion passed unanimously.

Adoption of Minutes

A motion was made by Kelly Shepherd and seconded by Larry Fleckenstein to approve the minutes from the March 14, 2018 meeting as written. The motion passed. Because he was not present at the March meeting, Adam Goldstein abstained.

Financials

Darla provided financials from March 2018 and reviewed them with the Trustees.

Wellness Program Update

Shelly provided the monthly Wellness Program report and reviewed it with the trustees. She shared information about a recent Oregon Education Association (OEA) conference she attended in Bend, Oregon. Clarification was provided on the Wellness Program report regarding the number of individuals who used the CRC fitness room in March. It was listed as two but the actual number is twenty-five.

Investment Manager Presentation

Jayson Davidson of the Hyas Group and Jay Dyer of Becker Capital Management joined the meeting by video conference. Jay presented information on the Trust's investment performance through March 31, 2018.

The portfolio returns continue to be modest but are outperforming the benchmarks. The cash balance was elevated at the end of the quarter, but will drop again by the end of June. The next maturity occurs in July, and given the Trust's cash needs, Becker suggests not reinvesting the cash for now. The Trustees agreed and thanked Jay and Jayson for providing this information.

Plan Renewal Presentation

Sean White and Nick Albert of Mercer presented information on the strategy and planning for the 2019 rate renewals.

An update was provided on a new tax law related to fringe benefits and how the new law might affect the Trust. Sean said the IRS is beginning to look at 2015 assessment letters. Darla shared that no assessment letters have been received.

Sean provided an update on the School Employee's Benefits Board (SEBB) program. Effective January 1, 2020, all districts in the state will be required to purchase benefits through SEBB. Sean shared a number of SEBB-related bills that had been introduced during the legislative session. Two of the senate bills included opt-out provisions for school districts offering benefits through an employee benefit trust. None of those bills made it out of committee during the last session. Questions were raised about how the law is written regarding contribution requirements and how the money will be split. Sean will look into it and report back. The group discussed long-term planning and how potential SEBB scenarios might affect the Trust.

A benchmarking analysis of current medical plans was provided. Sean noted that because Everett Public Schools' costs are higher, it is out of alignment with the market.

Mercer has asked Aetna to provide additional options for the 2019 renewals including an option to remove the Classic plan, an option to add an ACO (accountable care option) plan, and an option to add a narrow network. This information will be provided at the August meeting.

The Trustees discussed the Classic plan, the cost impact to employees who purchase that plan, and the possibility of eliminating it. The group discussed creating a communication plan to help educate the employees who have this plan on how much they are really paying. The Trustees thanked Sean and Nick for providing this information.

2018-19 Regular Meeting Calendar

The proposed 2018-19 regular meeting calendar was provided for second reading and adoption. A motion was made by Adam Goldstein and seconded by Larry Fleckenstein to adopt the 2018-19 regular meeting calendar as presented. The motion passed unanimously.

Upcoming May Agenda items

The Trustees reviewed proposed agenda items for the May 16, 2018 meeting.

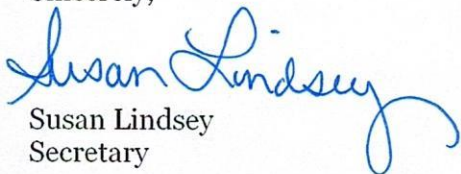
Other

- Darla asked the Trustees' feedback on the video conference of the investment presentation. The Trustees agreed they liked the presentation and felt it was a good use of fiscal resources in not requiring consultants to travel from Oregon for meetings. They agreed that the video conference option should continue. Darla will share the Trustees' feedback with Jayson.
- Cris shared that Aetna has requested that all staff currently registered on Aetna's website begin receiving their explanation of benefits (EOB) statements electronically. This is currently a choice option for staff; however, Aetna requests that it become mandatory. The Trustees asked Sean to reach out to Aetna regarding this request to ask what value it would have to the Trust in making staff comply. The group agreed that a recommendation to staff to consider using this option would be appropriate.

Adjournment

Susan Lindsey adjourned the meeting at 5:08 p.m.

Sincerely,

A handwritten signature in blue ink that reads "Susan Lindsey". The signature is fluid and cursive, with the first name "Susan" and last name "Lindsey" clearly legible.

Susan Lindsey
Secretary

kn