

Everett School Employee Benefit Trust

Minutes of
February 28, 2005
Conference Room C3
3:30 p.m.

Attendance

Trustees

Sue McCann
Molly Ringo
Mike Gunn
Betsy Selders
Kay Nickel

Absent

John Morrill

Also Attending

Darla Van Duren
Rene Boswell
Penny Peters

Recorder

Susan Sacha

I. Call to Order:

Sue McCann called the meeting to order at 3:35 p.m.

II. Adoption of agenda:

The agenda was adopted as presented.

III. Approval of Minutes:

Minutes from the January 24th meeting were approved as written.

IV. Appeal 05-001

Molly introduced Penny Peters who is currently the acting HR benefits supervisor. Penny provided some background information on the appeal and gave an overview. She reported that the employee was requesting reimbursement for physical therapy expenses that were over the yearly maximum. The injury was a non-work related injury however extensive physical therapy was necessary to prevent permanent disability.

Concern was expressed by trustees regarding granting the exception and setting a precedent which could create equity issues and additional appeals. Discussion followed. A motion was made and seconded to deny the appeal. The motion passed and the appeal was denied.

V. Financial Report

Darla distributed and reviewed the January 31st financial report. For this report she included a balance sheet comparison page which she felt would be helpful. The trust is looking better each month. Currently there is an excess of revenue over expenses in the amount of \$838,000. February looked good for claims experience and there wasn't anything unusual for January. Darla reported that Curt Haldorson of Smith Barney will make several short-term CD purchases to fill in some of the gaps. This would allow a steady flow of cash. There is no benefit in purchasing two month CDs or three year CDs in terms of the interest rate and it wouldn't be wise to tie up the short-term cash. Curt is scheduled for the April 25th meeting to provide additional information to the trustees. However, a decision can be made at the March meeting as to whether he should come to the April meeting or a different meeting.

Molly wondered about aligning the stop loss with the benefit year. Possible options would be to extend the current stop loss until January or go to an 18 month year to align to the benefit year. Molly will be pursuing this issue with Mercer and report back. No decision was made regarding this issue.

VI. Paxil Lawsuit

Trustees discussed whether or not to join the Paxil lawsuit. A motion was made and seconded to allow PCN to act on behalf of the trust as their authorized agent in the lawsuit and to authorize the benefit department to work with Mercer to explore cost effective recovery of mail order and previous pharmaceutical benefit plans that distributed Paxil. The motion passed.

VII. Discussion – Reinstatement of Trust Document

- A. Request for a sub-committee
- B. Request for presentation regarding trust fiduciary responsibilities

Molly would like to put together a procedural manual which would include such things as annual calendars and historical information among other information. She would like to set up a sub-committee to work on developing the manual. Mike asked to be included on the committee.

Mike would like Melanie Curtice to provide trustees with a presentation regarding fiduciary responsibilities. After discussion it was decided that a meeting on this topic would be in the best interest of the group. Molly will see if Melanie is available to attend the April 25th meeting. If so the meeting will be extended to allow time for her presentation. Dinner will be provided.

Molly asked for some discussion regarding the draft trust document. With regard to the “deadlock” issue it was the consensus of the group that the chairperson, who normally didn’t vote, would step down and vote to break the tie. Betsy felt Melanie’s approach to Section 3.1 Benefits (page 7 of cover memo) was a good one. By outlining what benefits are offered and including that information as an appendix there wouldn’t be a need to revise the trust document each time a benefit change was made. Mike felt that all of Melanie’s comments were good. Molly asked the trustees to e-mail any questions or comments regarding the trust document to her so that she could forward them on to Melanie for an opinion. Further discussion and work on the draft document will be conducted at the April 25th session.

VIII. Other

None

IX. Executive Session

The regular meeting was adjourned at 4:40 for an executive session.

Sincerely,

Sue McCann, Secretary