

Everett School Employee Benefit Trust

Minutes of
March 21, 2005
Conference Room C3
3:30 p.m.

Attendance

Trustees

Sue McCann
Mike Gunn
John Morrill
Betsy Selders
Kay Nickel

Absent

Molly Ringo

Also Attending

Darla Van Duren
Rene Boswell
Tom Pursley

Recorder

Susan Sacha

I. Call to Order:

The meeting was called to order by John Morrill at 3:40 p.m.

II. Adoption of agenda:

The agenda was adopted with the addition of information about the June meeting (included under “other”).

III. Approval of Minutes:

Minutes from the February 28th meeting were approved as written.

IV. Financial Report

Darla distributed and reviewed the February 28th financial report. The trust is looking at another increase in the fund balance – \$336,000 higher than last month. A couple more CDs were cashed in. A CD purchase was made for 95,000 at a yield of 4.15%. Revenues for the month were \$250,000, nothing extraordinary this month and HMA claims on the lower end. Darla reported that a \$19,000 check was received from PCN which offsets PCN paid prescriptions. This is done quarterly.

V. Lupron Lawsuit

A motion was made to have PCN represent the trust in the Lupron class action lawsuit. This lawsuit claims there was a fraudulent scheme about the marketing, sale, and distribution of Lupron that caused class members to overpay. The motion was seconded and approved – PCN will represent the trust.

VI. Stop-loss Coverage (aligning with medical plans).

Tom provided information about aligning the stop-loss with the medical coverage plan year. He reported that there was no real significant advantage to aligning. The down side would be a shorter plan year which would mean that the stop-loss is a higher deductible (could have two deductibles in the same year). Mercer could negotiate but it wouldn't be an equivalent transfer of risks. Shorter or longer plan years make actuaries nervous consequently Mercer is not recommending aligning stop-loss with medical plans.

Tom distributed the paid claims experience report and reviewed it with trustees. He noted that February claim costs were less than most months other than July. Incremental percentage claims over the last three months are up 7%. These numbers are encouraging.

VIII. Other

The renewal planning meeting will be moved from June 13th to June 20th. This will allow Mercer to gather information about changes being made with the WEA benefits and premium/contributions. This information isn't available until the second week of June. The renewal meeting normally involves deciding if there will be any changes for the coming year. Tom stated that right now it doesn't look like there are any major changes necessary. Mercer will provide the trust with some information on what they see coming at the May 23rd meeting. Tom reminded the group that the part-time employee issue was going to be discussed and would be appropriate for the May meeting.

Rene' distributed information from the Everett Clinic regarding their national recognition for providing quality diabetes care.

IX. Agenda items for April 25th meeting

Melanie will be available to present information on fiduciary responsibilities and the plan document. This meeting is expected to run longer and will include dinner. Due to the expected length, Darla will have Curt attend the May meeting instead of April.

X. Adjournment

The meeting was adjourned at 4:30 p.m.

Sincerely,

Sue McCann
Secretary