

Everett School Employee Benefit Trust

Minutes of
November 29, 2004
Boardroom
3:35 p.m.

Attendance

Trustees

Sue McCann
Molly Ringo
Mike Gunn
Betsy Selders
Kay Nickel

Absent

John Morrill

Also Attending

Darla Van Duren
Rene Boswell
Arlene Vollema-Rich
Jill Mehner

Recorder

Susan Sacha

I. Call to Order

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

II. Adoption of Agenda

The agenda was adopted as presented.

III. Approval of Minutes

Minutes from the October 22nd special board meeting, minutes from the October 25th regular board meeting and minutes from the November 15th special board meeting were reviewed and approved as written.

IV. Financial Report

Darla reported that the financial reports were looking better and that the higher claims have come down. She advised trustees that the Safeco Insurance stop-loss premium of \$79,000 was a combination of September, October and \$43,000 of the annual amount that the trust pays each July. These costs had not been invoiced which was why the bill was so large.

Audit fees from Moss Adams were reduced by \$5,000 this year.

CDs are down due to the fact that they are being cashed in and do not show on the CD report.

John and Darla have been in communication regarding a letter from the IRS. All that was needed was to check the box on the back of their letter that says "Not required to file as the annual gross receipts of the organization were normally \$25,000 or less (Form 990 filers only) and to include a letter from Moss Adams of why we did not file this year.. This will hopefully resolve any issue with the IRS.

Darla distributed a copy of the budget she'll be submitting to the state for review noting that she would be submitting the budget to the state by the end of November.

Fiduciary insurance for Marsh is up for renewal. Darla filled out their request form asking for bids. The renewal date is January 12th. Due to the timeframe and the holidays the trustees approved the renewal of the fiduciary insurance if it is within a \$500.00 increase from the previous year of \$8,700.00. If the renewal rate is higher Darla will let the trustees know as soon as she gets the information back from Marsh so they can make a decision about renewing.

Darla provided the trustees with an explanation about the \$582 question. The state pays an apportionment to the district on a monthly basis. A piece of that apportionment is for benefits. To establish the benefits portion, the state looks at basic ed funding to determine a formula for benefits. They look at classified, certificated and administration together and multiply by \$582.47 to set the monthly amount they will pay. Classified is determined with an additional percentage for the year round employees and multiplied by \$582.47 to establish the monthly amount. The district calculates at \$582.47 for every employee regardless of whether they are basic ed or not. The District reduces the amount for part-time employees and gives that portion of the \$582.47 to the Trust. Since the state only pays for basic ed employees, the district provides the additional dollars necessary to cover all employees. Currently the State is providing funding for 1187 FTE and the district is funding the difference or a total FTE count of approximately, 1700.

V. Open Enrollment Summary

Rene reported that there was a lot of switching between plans. She noted that employees were either moving down a step or moving to Pacificare. Although the benefits department was busy they were able to complete all the changes. Mike commented that he thought the pop-ups were very good this year and Kay commented on how much help Rene and Arlene were to employees with questions or changes. Jill requested information about the number of employees who moved to Pacificare and said it might be wise to look into moving into self insured instead of fully funded.

VI. Flex Plan Services

Arlene distributed information about the Benny Card to help trustees make a decision on whether they wanted to use the card. There were some changes that the Flex Plan has made to their original proposal, i.e. they will share the \$18.00 per year cost of card, there would be a \$5.00 fee per employee per year, participation by FSA employees is optional, and employees can continue to submit claims via paper. Molly asked if the trust wanted to pay the \$5.00 or have the employee pay. A motion was made, seconded and passed to offer the plan and have employees pay the \$5.00. The benefits department will notify employees later this week.

VII. Consultant Report

PCN Drug List Changes – Jill provided trustees with the PCN standard pharmacy benefit design. She noted that as a general rule the trust has declined PCN when they've come up with benefit changes. She recommended that if the trust were to accept some of these changes there would be little or no disruption. After discussion a motion was made, seconded and approved to not accept any changes to the current PCN Drug list. Jill informed trustees that PCN representatives would be attending the next trust meeting.

Jill reviewed the allegations involved in the Marsh McLean lawsuit. She said the lawsuit involves overrides and bid rigging. She said that although Mercer is a subsidiary of Marsh McLean they are not named in the suit and distributed information that speaks to Mercer's practices regarding the treatment of overrides.

VIII. Molly shared information about another insurance plan to demonstrate how good the district's plan was. As an example the other plan had a ninety day new hire waiting period, dental and LTD after six months of employment and 180 day waiting period for long term insurance.

IX. The meeting was adjourned at 4:50 p.m.

Sincerely,

Sue McCann
Secretary