

Everett School Employees Benefit Trust
Minutes of February 11, 2008
Board Room
4:00 pm

Attendance

Mike Gunn
John Morrill
Wayne Kettler

Also Attending

Darla Van Duren
Sean White

Recorder

Susan Sacha

Absent

Molly Ringo
Betsy Selders
Randi Seaberg
Susan Lindsey

I. Call to Order

The meeting was called to order by Mike Gunn at 4:00 pm.

II. Adoption of Agenda

The agenda was approved as written.

III. Approval of Minutes

Due to the fact that there was not a quorum, the January 14th minutes will be presented for approval at the April meeting.

IV. Financial Report

Darla provided the trustees with the January financials. She reported that there was a \$357,853 increase in the fund balance for the month. Purchases included two CD's (Firstbank of Puerto Rico and M & I Marshall & Ilsley BK) for \$95,000 each. The trust consultants invoicing for services was offset by commissions again this month resulting in a new credit balance of \$(18,148). Darla reported that HMA claims were \$385,391 less this January than last January and overall the monthly average is still lower than a year ago with the current total for the fiscal year \$590,290 less than last year at this time. ESI claims were \$22,620 less than last January and their overall claims are approximately \$109,155 less than NMHC claims for this fiscal year. The fund balance this month is \$10,014,830 compared to \$6,847,590 a year ago. Overall assets for this fiscal year total \$11,235,830 compared to \$8,011,590 a year ago.

Darla provided revised Statement of Operations and Funds Balance sheets for the months of August through December, 2007 due to the fact that the adjusted fund balance should have only included the fund balance and not the total assets.

V. IBNR Mid-Year Review

Sean reviewed Incurred But Not Reported (IBNR) information with the trustees. He reported that the revised estimate of the IBNR reserve is \$1,081,000 for medical and vision and \$67,000 for prescription drugs which is down from Mercer's previous two estimates. Medical reduced by 10.5% and prescription drugs by 7% due to a lower rate of claims cost growth over the last six months.

VI. Review of previous years medical claim data

Sean provided the Paid Claims Experience report for review. He said that he and Molly will be working on getting more claims experience information which should help explain what is driving the positive experiences for the plans. Sean felt that this will be good information for projecting ahead. He will provide a more detailed claims analysis at the April meeting.

VII. Review of Annual Calendar

Due to the fact that there were no items on the annual calendar for March, the March meeting was cancelled.

VIII. Other

ESI Rebate Policy

Molly asked if there was a schedule for ESI rebates. Darla responded that rebate checks are sent 150 days after the quarter ends which means the Trust receives rebate checks approximately every other month.

IX. Adjournment

The meeting was adjourned at 4:45 pm.

Sincerely,

John Morrill
Secretary

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IX. Other

Darla reported that the fiduciary liability insurance renewed on Saturday with the same premium as last year. She said the coverage was still at \$1,000,000 and wanted to know if that was enough. Melanie Curtice stated that, in her opinion, the coverage was adequate.

X. Adjournment

Meeting was adjourned at 5:50 pm.

Sincerely,

John Morrill
Secretary