

Everett School Employees Benefit Trust
Minutes of August 27, 2007
Board Room
3:00 pm

Attendance

Susan Lindsey
Betsy Selders
John Morrill
Mike Gunn
Sue McCann
Molly Ringo

Also Attending

Darla Van Duren
Randi Seaberg
Tom Pursley
Kurt Haldorson
Rene Boswell
Arlene Vollema-Rich

Recorder

Susan Sacha -- Absent

I. Call to Order

Mike Gunn called the meeting to order at 3:09 pm.

II. Adoption of Agenda

The agenda was approved as written.

III. Approval of Minutes

Several changes were made to the minutes including: (1) under LTD, the last line was changed to "*on a percent of payroll basis*"; (2) under Stop-loss – dates were changed to July 1, 2007 and January 1, 2009; and the year was corrected to read 2008 on page 3. The minutes were approved as corrected.

IV. Financial Report

Darla distributed the financial report for July 2007. She reported that there was an increase of \$193,251 in the fund balance for the month of July. One CD matured in the amount of \$40,000, one CD was purchased for \$95,000, and one mortgage and asset backed security was purchased for \$250,000. The trust consultants invoicing continues to be in a credit position with the June services offset by commissions resulting in a credit balance of \$(22,062). HMA claims (\$30,000) and ESI claims (\$5,000) are less than a year ago. July's fund balance was \$8,511,381 compared to \$6,166,161 a year ago and overall assets for this fiscal year total \$9,732,632 compared to \$7,330,161 a year ago.

V. 4th Quarter Investment Report

Kurt Haldorson spoke to the reports included in Darla's finance report and to the documents "Bond Maturity Distribution" and Projected Monthly Income – summary".

VI. Consultant's Report (Continuation of Plan Renewals & Rates)

1. STD – A 3% rate increase is needed for the \$800 weekly maximum and 5% for \$1,000. A motion was made and seconded to maintain the current coverage maximum. Motion carried.
2. Inadvertent Error – Molly asked Melanie Curtice for a legal opinion regarding the proposed language change under Inadvertent Error. Melanie recommended 180 days rather than 90 days and striking the phrase "*in the keeping of records or*". Tom will pursue this with HMA.
3. Dependent Eligibility – Tom reported that there will be no impact to the PacificCare and Group Health rates due to removing the full time student

requirement and replacing the bullet for dependent child eligibility criteria with “*An employee’s unmarried dependent child(ren) under age 23*”.

5. Sunlife – Mercer is waiting for a response from SunLife regarding the stop-loss rate impact for proposed transplant benefit changes.
6. ESI – ESI confirmed that the off label drug benefit as proposed by HMA can be administered as written.
7. SPD – Mercer is waiting for clarification from HMA regarding the SPD re-write fees.

2008 Employee Contribution Reduction Scenarios

Tom distributed scenarios which outlined a 10%, 15% and 20% contribution reduction. Scenario 1 (10%) would reduce the projected surplus by \$271,000, scenario 2 (15%) by \$406,000 and scenario 3 (20%) by \$542,000. Tom indicated that any of the scenarios are acceptable from a financial standpoint, but there is the issue of employee expectations for future years. A motion was made and seconded to accept the 20% contribution reduction. Motion carried with three yeas, two nays (the chairperson abstained). Discussion followed regarding how to communicate the contribution reduction to employees.

VII. Approve Draft Trust Audit

Darla distributed a revised “rough draft” of the Independent Auditor’s Report and Financial Statements for the year ending June 30, 2007 and explained the revisions. A motion was made and seconded to approve the draft. The motion carried.

VIII. Quarterly EAP Report

Randi reported on some data regarding the use of EAP. The numbers were consistent with previous usage.

IX. Quarterly THM Report

Randi indicated she and Sean would be getting together to discuss options regarding the possible expansion of this program.

X. Review of Annual Calendar

The trustees decided to cancel the September 17th meeting.

XI. Other

The trustees agreed that future trust meetings would begin at 4:00 p.m. instead of 3:30 p.m.

XII. Adjournment

The meeting was adjourned at 4:20 p.m.

Sincerely,

John Morrill
Secretary