

**Everett School Employees Benefit Trust**  
**Minutes of November 19, 2007**  
**Board Room**  
**4:00 pm**

<b>Attendees</b>	<b>Also Attending</b>	<b>Recorder</b>
Mike Gunn	Darla Van Duren	Susan Sacha
Betsy Selders	Randi Seaberg	
Molly Ringo	Sean White	
John Morrill		
Sue McCann		
Susan Lindsey		

**I. Call to Order**

Mike called the meeting to order at 4:00 pm

**II. Adoption of Agenda**

The agenda was approved as written.

**III. Approval of Minutes**

The minutes from the August 27<sup>th</sup> and September 14<sup>th</sup> meetings were approved as written.

**IV. Financial Report**

Darla distributed copies of the August, September and October financials and reviewed them with the trustees. She reported that the overall trust fund balance is gaining due to increased state funding, but that our increased premium rates do not take effect until January 2008. Molly commented on the fact that Mercer's costs were quite a bit lower than budgeted. Mercer continues to carry a credit balance and their budget for next year indicates their rates will remain the same and should be offset by commissions.

**V. Review Annual Report & Budget for the Office of Financial Management**

This report is submitted annually to the Office of Financial Management for the fiscal year term of July through June. Darla reviewed the information with the trustees. The only change, other than the dollar amounts, was moving the stop-loss to Sunlife effective July 1, 2007. Darla will bring the report to the trustees for approval at the December 10<sup>th</sup> meeting.

Darla also shared a letter from Curt Haldorson of Smith Barney regarding the necessary disclosure on sales credits or commission costs for overall portfolio management. This was in response to a request that had been suggested at an earlier meeting. Darla noted that the commission cost is only paid when a purchase is made and that Curt had estimated his commission was not more than \$18,000 last year.

## **VI. Total Health Management/Wellness – Next Steps**

Prior to the wellness discussion, Sean reviewed the paid claims experience report covering the plan year January through December 2007. He noted that the HMA plans to date show medical claims have dropped and the actual costs are 23% below the projected recommended funding level. He commented that the plan continues to run very favorably and recommended keeping the budget flat.

Sean provided a handout with options for the trustees to consider for the Wellness Programs. With a projected surplus of \$1 million, the Trust is in a good position to consider expanding current programs and one area to focus on is wellness. Sean presented several options for the trustees to consider. They included:

### **(A) Adopt a comprehensive wellness strategy**

- Consider hiring a wellness coordinator to run the program, lead the ongoing communication campaign, coordinate with local vendors for onsite events, organize seasonal campaigns

### **(B) Outsource the program to a third-party**

- Adopt a comprehensive strategy and expanded program, but utilize a third party to run the program.

### **(C) Expand THM program through HMA**

- While ESEBT could add program elements available through THM, this option does not really take the program to what could be considered a comprehensive wellness strategy.

Molly and Randi are recommending Option A. Sean said that Tacoma has a wellness coordinator and that he would be able to obtain their job description to help develop a similar position for Everett. Discussion followed. The coordinator would report to HR but it was felt that since the position would be funded by the Trust, the trustees should receive some kind of reporting. Sean will provide follow up information to the group at the December 10<sup>th</sup> meeting.

## **VII. Review of Annual Calendar**

No changes were made.

## **VIII. Other**

Open enrollment closed on the 15<sup>th</sup>. Randi reported that there was significant movement from all of the PPO plans into PacifiCare and very little movement in or out of Group Health.

Other changes included a good number of people using the flex plan and an increased number of people signing up for short-term disability. Randi will have cleaner numbers for the February meeting.

**IX. Adjournment**

Meeting was adjourned at 5:15 pm.

Sincerely,

John Morrill  
Secretary