

**Everett School Employees Benefit Trust
February 9, 2009
Board Room
4:00 pm**

Attendance

John Morrill
Wayne Kettler
Susan Lindsey
Molly Ringo
Betsy Selders
Mike Gunn

Also Attending

Darla Van Duren
Randi Seaberg
Sean White
Jayson Davidson

Recorder

Susan Sacha

1. Call to Order

The meeting was called to order by Betsy Selders at 4:00 pm.

2. Adoption of Agenda

The agenda was approved as written.

3. Approval of Minutes

The minutes of the January 12th meeting were revised and approved.

4. Financial Report

Darla distributed and reviewed the financial report for January with the trustees. She reported that:

- Trust Consultants invoicing for December was more than the offset of commissions so there was no change to the prepaid balance of \$(12,905).
- The increase in fund balance for January was \$844,819 resulting in an overall increase for the year of \$1,490,556.
- January's fund balance was \$12,997,023 compared to \$10,014,830 a year ago.
- Investments included the purchase of three CDs, maturity of one CD, and the purchase of two government bonds.
- Legal fees in the amount of \$23,600 were paid this month for a total of \$66,726 for the fiscal year;
- First quarter payment was made to the investment consultant in the amount of \$4,375 and to Magellan Behavior for \$14,082.
- HMA claims were \$39,102 more than January 2008 and overall were \$368,431 more than in 2008.
- ESI claims were \$53,304 more than January 2008 and overall were \$112,715 more than in 2008.

5. Consultant's Report

Sean White reviewed the Paid Claims Experience report with the trustees. He felt the claims were looking very good. Net paid claims below the stop-loss triggers equaled \$7,938,329 and only one claim has exceeded the \$175,000 specific stop loss level by \$42,081. Total plan costs amounted to \$8,526,224 or 84.6% of the recommended funding level. When the total plan costs are compared to the recommended plan funding an overall surplus of \$1,553,491 was generated for 2008. On a per employee per month basis claims costs increased 5% in 2008. Sean provided a handout showing the combined medical claims payment distribution covering the last four years which showed improved experience due to a reduction in large claims.

Sean also provided the group with copies of Senate Bill SB-5491 which requires school districts or educational service districts to purchase employee health insurance coverage through the state health care authority. A public hearing is scheduled for Wednesday, February 11th and Sean asked if anyone was interested in attending the hearing. He felt this bill would have a dramatic affect on the Trust. Discussion followed. Mike and Betsy will check their schedules and, if possible, attend the hearing.

6. Investment Consultant's Report

Jayson Davidson provided his report and reviewed his analysis and recommendations with the Trustees (see Investment Manager Report submitted by the Hyas Group). Jason felt that the portfolio has done fine from a performance point of view and that Curt Haldorson's fees were competitive. However, he felt there were several factors that should be considered in the overall evaluation of the current investment management relationship. After discussion a motion was made and seconded to authorize Jayson to solicit proposals for money management and banking services for the Trust. The motion passed.

7. Review previous years medical claim data

Sean provided a handout and a brief review of previous years medical claim data. He will present a more in depth report at a later meeting after he receives the D2 Hawkeye information.

8. IBNR mid-year review

As requested by the Trustees Mercer provided information on the estimated incurred but not paid (IBNP) claim liability. The report showed that medical was down 9.5% (driven by a reduction per employee per claim notice) and drugs decreased by 2.8%. In total, the revised liability estimate as of 12/31/08 decreased 9% from Mercer's prior estimate.

9. Wellness

Gail Buquicchio provided information on the Wellness program. Highlights included four confirmed meetings of Weight Watchers At Work; an Eight Weeks To Wellness class; upcoming class series on stress management, disease management and healthy cooking and continuing activity classes in strength and tone, yoga and zumba.

Gail held her first meeting with the Wellness representatives. The team was very enthusiastic and did some good work. Their next meeting is scheduled for March 11th with the goal of planning the spring campaign. The second Wellness Council meeting was held and a mission statement crafted (***Our mission is to create a culture of wellness by promoting opportunities that enhance the overall health and quality of life for all district staff***). The Wellness Council's next meeting is scheduled for February 23rd where they will be setting objectives and goals for the program that reflect the vision statement.

10. Annual Calendar

A motion was made and seconded to cancel the March trust meeting. The motion passed.

A recommendation was made and agreed upon to place Gail's Wellness report earlier on the meeting agenda each month.

11. Other

- **Everett School Employee Benefit Trust Amendment**

An amendment signature page for the trust agreement was signed by the trustees to include Susan Lindsey and Wayne Kettler.

- **Flexible spending**

Randi reported that 245 employees and 37 dependents enrolled in the flexible spending plan which was very similar to last year.

- **Appeals**

Randi gave the Trustees a heads-up that there may be one or two appeals coming up. She will keep the group apprised.

12. Adjournment

The meeting was adjourned at 6:10 pm.

Sincerely,

Molly Ringo
Secretary