

**Everett School Employees Benefit Trust**  
**June 15, 2009**  
**Minutes**

**Attendance**

Betsy Selders  
Mike Gunn  
Susan Lindsey  
Molly Ringo  
David Jones

**Also Attending**

Darla Van Duren  
Randi Seaberg  
Gail Buquicchio  
Jayson Davidson  
Sean White  
Tom Pursley

**Recorder**

Susan Sacha

**1. Call to Order**

The meeting was called to order by Betsy Selders at 4:05 pm.

**2. Adoption of Agenda**

The agenda was approved as written.

**3. Approval of the Minutes**

The minutes were approved as written.

**4. Financial Report**

Darla presented the financial report for May, 2009

- Trust Consultants invoicing for March services was offset by by commissions. There is no change to the prepaid balance of \$(12,905).
- Decrease in the fund balance for the month was (\$289,530) resulting in an overall increase for the fiscal year of \$1,914,277.
- Fund balance was \$13,420,744 compared to \$11,287,576 a year ago and the overall assets for this fiscal year totaled \$14,557,744 compared to \$12,435,576 a year ago.
- Two CDs were purchased, one maturity and two full calls.
- Purchased seven government bonds and full call of two bonds.
- First payment in the amount of \$21,465 was made to Wellsource Health Solutions for the start up of the health coaching and HRA packages for participants. The balance of %50,085 is due by the end of June.
- HMA claims were \$391,937 more than last May. Overall this year's claims are \$430,616 more than in 2008.
- ESI/NMHC claims were \$10,922 less than last May. Overall this year's claims were \$149,613 more than in 2008.

**5. Investment Consultant**

Jayson Davidson provided the results and recommendation for the custodian search. The custodian will work in conjunction with the new investment advisor (Becker Capital Management) and will serve as the central asset repository and will facilitate manager trades and district cash-flow needs.

Jayson contacted several possible custodial banks and narrowed it down to two banks (US Bank and Union Bank of California) that could provide the services needed. Jayson said that the good news was that Beck is familiar with both banks and that the banks.

Jayson reported that from a custodial standpoint both banks were good and he felt either would work for the Trust.

From a custodial standpoint both were good. Jayson thought either would work. Where they had the most comfort with the customer service. Jayson felt most confident with the bank they ultimately recommended. US Bank larger by asset than Union. Both have comparable turn around time. Pricing US Bank quoted a slightly lower price. Union bank is still leaning because of the customer service even with the price. Non transaction based fee model. OK with the recommendation Jayson will try to get them to 5point. The recommendation is go with Becker's level of comfort and Jayson's recommendation and would go with Union Bank. No problem with how Darla does business.

The base fee \$4600 with Union and \$3000 with US and Jayson feels he can get Union down to 5 basis points.

Master custody services for Washington – Union was recently given this.

Overall manage fee at 30 basis points for Becker and custodian. This is still less than the current model by Smith Barney.

45 to 60 days to get a transaction complete. No notification has been made to Smith Barney yet because Jayson wants to make sure the trust was ready.

Discussion followed.

A motion was made and seconded to that Union Bank of California be selected as the custodian bank. And to authorize Jayson and Darla to work on a transition plan and for Jayson to be authorized to negotiate a lower fee with Union. The motion passed.

#### 6. COBRA Policy Vote

Randi provided a revised policy of 480 the intent of which is to have in writing the ability of employees laid off to qualify for subsidized COBRA. The procedure modifies the previous procedure.

A motion was made and seconded to approved the revised COBRA policy and procedure 480. The motion passed.

#### 7. Wellness/Strategic Plan Update

Gail provided the trustees with a year-end review (power point presentation).  
--- Get a copy of the power point presentation and note some highlights.

Gail is asking for Wellness Teams rather than representatives. She has a team in place for almost all schools. Gail will send the link for the wellness survey.

8. Consultant Report  
Health Management

Sean reviewed the paid claims experience with the trustees. Data thru April. Yr to date plan funding up 1-1/2%. Medical vision up Claims cost up 4.4% in total. Fixed 5.5% in total plan costs 4% yr over yr. Loss ration over 4 months 80% continues to be low. Well below projected costs. Per employee per month up 4.5%. 36 month period of 7%. Continued very low on plans for the last three years.

Health Management -- Gail and Sean have been working with Ron Burt on the next phase of this plan. Put together a recommendation for the trustees. Sean reviewed the proposal with the trustees.

Sean wanted to spend time reviewing the Everett Risk profile which is based on the D2Hawkeye. 7.9m in total health care. In line with the bench mark.

Sean provided some background to summarize the recommendation. The recommendation is on page 30. Gail explained what staff needed to do to get points. (Look at handout). Made it very easy for people to participate.

Discussion followed.

Sean and Gail are looking for the trustees to "go" or "no".

A motion was made and seconded to approve conceptual approval of the recommended design on page 30 for the ESEBT Employee Wellness incentive program. The motion passed.

9. Rotation of Trust Officers

Molly Ringo will be Chair and Betsy Selders will be secretary. Molly thanked Betsy for her leadership on a year well done.

10. Other

- 2009-10 Meeting Calendar

Go with the calendar

11. Annual Calendar

12. Adjournment for Executive Session

Adjourn at 6:20 pm

