

Everett School Employees Benefit Trust
Wednesday, May 15, 2013
Minutes

Attendance

Mike Gunn
David Jones
Jared Kink
Susan Lindsey
Molly Ringo

Absent

Gregg Elder
Randi Seaberg

Also Attending

Chris Bosket
Gail Buquicchio
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Susan Lindsey at 4:10 p.m.

Adoption of Agenda

A motion was made by Mike Gunn and seconded by Jared Kink to approve the agenda as written. The motion passed unanimously.

Approval of Minutes

A motion was made by Jared Kink and seconded by Mike Gunn to approve the minutes from the April 17, 2013 meeting as written. The motion passed unanimously.

Financials

Monthly Financials

Darla noted she emailed revised April financials to the group due to a question posed by Mike Gunn regarding the Statement of Operations. She reviewed the revision with the group. Things to note for April were: run out claims were completed by HMA and ESI in December 2012; the Trust is no longer offsetting the IBNR liability set aside for HMA and ESI claims; the Fiduciary liability insurance is still under review; and all premiums for Washington Dental Service and Willamette Dental are under WEA/APA Insurance. Darla shared that as planned, the Trust is close to breaking even with the premiums.

Review Auditor Engagement for Annual Audit

Darla provided the yearly engagement letter from Toyer, Dietrich and Associates. She noted the proposed fee is slightly reduced for this year from \$8,950 to \$8,775 for the upcoming year. Darla said she and Gina Zeutenhorst reviewed with Bruce Dietrich issues that were brought up last year. All issues have been corrected and Bruce's peer review came back satisfactory. Darla recommended that the Trust continue to engage Toyer, Dietrich and Associates as the Trust's auditor. The group discussed the information provided and will vote on this item at the June meeting.

Wellness Program

Monthly Report

Gail provided and reviewed with the Trustees an overview of the most recent Wellness Program activities. She said this year she asked Wellness Challenge participants to complete a number of different forms to verify their activities so they would be more accountable. As a result, she has been very busy processing the forms. She will provide a comparison next month for the health risk assessment.

Gail reviewed with the group the proposed 2013-14 Wellness Program budget. She explained the decreases and increases in some areas. She plans to direct a portion of the budget towards an incentives program. She talked about the requirements and noted that she and Darla have discussed a system for "paying" the participants. She would also like to increase the frequency of the Hope Health newsletter. She is working with Premera and Group Health to provide a representative at the health fairs.

Costco has contacted her about providing flu shots for a lower price than Safeway. Gail noted the proposed 2013-14 Wellness Program budget has room for change if needed.

Gail talked with the Trustees about an email she will be sending out to employees regarding the Wellness Program annual survey. She plans to add a couple of new questions this year. She asked the Trustees to please work with their colleagues encouraging them to take the survey. The group discussed the best timing for sending the email requesting that staff complete the survey. The group will continue the discussion regarding the Wellness Program plan, budget and next steps at the June meeting.

Discussion of 2014 Plan Renewals

Sean reviewed with the Trustees Mercer's recommended 2014 renewal strategies. The group asked Sean if he had a sense of how the insurance exchanges might affect the state's health care allocations. Darla noted that she had just attended a WASBO (Washington Association of School Business Officials) webinar and shared the state's perceived savings that may occur with the insurance exchanges for part-time employees. Sean noted that there are no state budget proposals calling for an increase in state allocations at this point. A motion was made by Molly Ringo and seconded by David Jones that the Trust approve Mercer's recommended 2014 renewal strategies so that Sean can proceed with processing and developing the renewal package. The motion passed unanimously.

Review Consultant Engagement/Budget for the Upcoming Fiscal Year

Sean provided and reviewed with the group Mercer's proposed Statement of Work (SOW) for the Trust's 2013-14 fiscal year. He noted reductions in the estimated budget due to the termination of self-funded plans and the move to the WEA plans reducing the scope of services provided by Mercer. Another change is related to how Mercer is paid. Sean explained the reasons for this change. As a result, Mercer's corporate leadership has instituted a new commissions policy effective on any SOW under which commissions are used to offset fees and an accounting is provided to clients. Sean is now required to assess a fee equal to 10% of commission revenue. He noted the Trust's annual commission revenue is about \$36,000 to \$40,000 which would equal a fee of about \$3,600 to \$4,000. Sean noted that there is no flexibility on this issue, so they have proposed a slight change in how they handle and communicate their commissions income to avoid the 10% fee. He reviewed the proposal with the group and the possible alternative of removing commissions altogether and invoice strictly based on fees. Darla shared what the Trust has currently paid this year for commissions. The Trustees discussed the information provided and agreed to try Sean's proposal for one year and then review how it is working.

Human Resources Update

EAP Report

Randi was unable to attend the meeting. Susan reviewed an email Randi sent with information about the EAP report. The Trustees asked that actual usage data be provided at the next meeting.

Review Operational Manual

A suggestion was made to not review the manual page-by-page during a meeting, but rather to review it during the summer and report back. The Trustees agreed. Molly will head up this summer project and will enlist help as needed.

Review of Annual Meeting Calendar & Annual Calendar

The Trustees reviewed the agenda items for the June meeting.

Other

David Jones has submitted his resignation as a Trustee. His last meeting with the Trust will be June 12, 2013.

Molly requested that anyone planning to provide handouts at a Trust meeting please send them directly to Kellee in advance so that they can be included with the meeting agenda. The Trustees agreed that it would be helpful to have all the attachments included with the meeting agenda. Molly will work on developing a schedule/timeline similar to what is used for the school board meetings. Having all attachments provided with the meeting agenda will also be helpful if the Trust receives a public records request.

Darla shared that she was contacted by attorneys regarding HMA subrogation claims. She has been in contact with Sean for documentation and will also follow up with Randi. Darla said the Trust may be getting a refund of approximately \$3,000. The group discussed the Trustees' level of involvement. It was agreed that Darla would keep the Trustees informed of the process and would contact them if any decisions or negotiations are needed.

Adjourn to Executive Session

The meeting was adjourned at 5:20 p.m. to executive session. The Trustees reviewed the performance of the Trust's investment advisor. The meeting reconvened at 5:27 p.m. The Trustees noted that they had reviewed the performance of Hyas Group and found that they were meeting the Trust's expectations for its scope of work and that the Trust would continue with them.

Adjournment

The meeting was adjourned by Susan Lindsey at 5:28 p.m.

Sincerely,

Molly Ringo
Secretary

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