

Association of Washington Cities

Board of Trustees Meeting Minutes

April 13, 2018

Cedarbrook Lodge, SeaTac

9:00 am

Present:

Chair & Southeast Region Trustee, Glenn Johnson, Mayor, Pullman

Vice-Chair & AWC Trustee, Dorothy Knauss, Mayor, Chewelah

Northwest Regional Trustee, Julie Struck, Mayor, South Bend

Southwest Region Trustee, Neil Johnson Jr., Mayor, Bonney Lake

AWC Trustee, Cynthia Pratt, Deputy Mayor, Lacey

EBAC Chair, Terry Walsh, Executive Director of Employee & Community Relations, Kennewick

EBAC Vice-Chair, Angie Chaufy, Department Assistant, Burien, *arrived at 10:26 am*

Staff Present:

Peter King, Chief Executive Officer

Lucy Lu, Chief Financial Officer

Carol Wilmes, Member Pooling Programs Director

Beverly Lakey, Employee Benefit Trust Manager

Darla Mansfield, Employee Benefits Supervisor

Julie McDowell, Health Promotions Supervisor

Michelle Catlin, Executive Assistant/Recording Secretary

Others:

Kyle Plitt, RVK

Melanie Curtice, Kiran Griffith, Perkins Coie

Doris Holzer, Mike Rask, Aon-Hewitt

Brian Enslow, Arbutus Consulting

Hamish Eisler, Castlight Health

Absent & Excused:

Northeast Region Trustee, Chuck Johnson, Councilmember, East Wenatchee

1. *Call to Order, Welcome, and Introductions*

1.1 Call to Order

Chair Johnson called the meeting to order at 9:00 am. A quorum was established. Introductions followed.

2. *CEO Report*

2.1 Meeting Overview

Mr. King gave an overview of the meeting.

3. Administration/Operations

3.1 December 7, 2017 Board Meeting Minutes

The Board reviewed the minutes of the December 7, 2017 meeting.

Motion:

Motion by Dorothy Knauss to approve the minutes of the December 7, 2017 meeting, second by Neil Johnson, Jr; motion carried.

3.2 Board & EBAC Election Update

Ms. Mansfield provided an update on the EBAC and BOT elections. Board of Trustee positions up for election include the Northeast Region Trustee and Southwest Region Trustee. EBAC positions up for election include District 1, 4, 6, 7, and 13.

The EBAC Vice Chair is also up for election and will occur at the next EBAC meeting.

3.3 Board Chair and Vice Chair Election

The positions of chair and vice chair of the Board were up for election.

Chair Johnson called for nominations for the position of chair. Terry Walsh nominated Glenn Johnson. Neil Johnson, Jr. seconded the nomination. All were in favor.

Chair Johnson called for nominations for the position of vice chair. Neil Johnson, Jr. nominated Dorothy Knauss. Terry Walsh seconded the nomination. All were in favor.

3.4 Dependent Verification Services - 2017 Statistics

Ms. Mansfield reviewed the year-end dependent verification results with the Board.

3.5 Non-City Entity Application – Sammamish Plateau Water

Ms. Mansfield reviewed the non-city entity application from Sammamish Plateau Water with the Board, and confirmed that all Board-stipulated criteria for non-city entity membership was met.

Motion:

Motion by Neil Johnson Jr. to approve Sammamish Plateau Water's non-city entity membership application to the AWC Employee Benefit Trust, second by Cynthia Pratt; motion carried.

3.6 Non-City Entity Application – Whitworth Water District #2

Ms. Mansfield reviewed the non-city entity application from Whitworth Water District #2 with the Board, and confirmed that all Board-stipulated criteria for non-city entity membership was met.

Motion:

Motion by Dorothy Knauss to approve Whitworth Water District #2's non-city entity membership application to the AWC Employee Benefit Trust, second by Neil Johnson, Jr; motion carried.

3.7 Efforts on Long Range Work Planning Strategies/Goals

Ms. Lakey reviewed the progress staff has made on achieving the goals the Board adopted at the 2016 Long Range Planning Retreat. Additionally she gave an overview of the 2018 work plan.

3.8 Billing, Enrollment, and Eligibility RFP Update

At the 2016 Long Range Strategic Planning Retreat, EBAC and BOT set a goal to utilize innovations and technology in plan design and education efforts. Staff reviewed the progress made on this goal including the RFP timeline for billing, enrollment, and eligibility services.

3.9 Certificate of Excellence – AGRiP Application

Ms. Wilmes and Ms. Lakey reviewed the AGRiP recognition application with the Board.

Motion:

Motion by Glenn Johnson to approve the AGRiP Recognition application as recommended by staff, second by Dorothy Knauss; motion carried.

Motion by Terry Walsh to adopt Resolution 2018-01, authorizing the AGRiP application submission, second by Cynthia Pratt; motion carried.

4. *Regulatory/Legal*

4.1 Update on IRC Section 6055/6056 Reporting

Ms. Lakey provided an update on the Affordable Care Act reporting requirements under sections 6055 and 6056.

4.2 Legislative Report

Brian Enslow of Arbutus Consulting updated the Board on the 2018 legislative session and what to expect in 2019.

5. *Financial Reports*

5.1 Trust Investment Report

Kyle Plitt of RVK gave an overview of the Trust investment performance through 2017 year-end and a summary of investments through March 2018.

Mr. Plitt reviewed the investment manager search RVK has conducted to replace the Fidelity Strategic Real Return Fund. RVK recommended replacing Fidelity with the State Street Global Advisors Real Asset Strategy and that the Real Return allocation be rebalanced.

Motion:

Motion by Neil Johnson Jr, to approve the replacement of Fidelity Strategic Real Return Fund with State Street Global Advisors (SSGA) Real Asset Strategy, and equal weighting the Real Return allocation 50% PIMCO All Asset fund/50% SSGA Real Asset Strategy, second by Dorothy Knauss; motion carried.

5.2 Trust 2017 Year-End Financial Report

Ms. Lu presented the unaudited financial report for the year-ending December 31, 2017. The financial results came in better than expected.

6. *Benefit Plans*

6.1 Trust Enrollment and Experience Reports

Doris Holzer of Aon Hewitt reviewed the 2017 year-end claims experience and 2018 open enrollment results for Willamette Dental.

7. *Total Health Management*

7.1 **Wellness Vendor Transition Update**

Ms. McDowell provided an update on the Jiff transition.

7.2 **2017 Total Health Management Program Review**

Ms. McDowell presented the 2017 Total Health Management Program review.

8. *Membership, Education & Program Promotion*

8.1 **Staff Report**

Ms. McDowell and Ms. Mansfield provided a membership status update.

9. *Other Business*

9.1 **Other Business**

There was no other business.

10. *Adjournment*

10.1 **Adjourn**


Motion by Dorothy Knauss to adjourn the meeting at 12:10 pm, second by Neil Johnson, Jr; motion carried.

The foregoing minutes were approved by the Board of Trustees on 9/26/2018.
Date



Chair

ATTEST:



Recording Secretary