

**Association of Washington Cities
Employee Benefit Trust
Health Care Program**

Meeting Minutes
Seattle Airport Marriott and Online
Thursday, September 25, 2025
9 am

Present:

Chair & Northeast Region Trustee, Paul Schmidt, Councilmember, Cheney
Vice Chair & Southeast Region Trustee, Francis Benjamin, Mayor, Pullman
Northwest Region Trustee, Wendy Weiker, Councilmember, Mercer Island
Southwest Region Trustee, Jennifer Jensen, Councilmember, Ruston
AWC Trustee, Marla Keethler, Mayor, White Salmon
AWC Trustee, Brett Gailey, Mayor, Lake Stevens
EBAC Chair, Emily Schuh, Administrative Services Director, Anacortes
EBAC Vice-Chair, Jennifer Gorsuch, Administrative Services Director, Camas

Staff Present:

Deanna Dawson, CEO
Gene Emmans, CFO
Carol Wilmes, Director, Member Pooling Programs
Beverly Lakey, Program Director
Laurell Kaiser, Health Promotion Supervisor
Terri Luther, Marketing and Field Service Manager
Betsy Hildreth, Recording Secretary

Others:

Kiran Griffith, Stoel Rives
Kyle Plitt, RVK
Paris Ramsey, Nicole Persson, Aon
Adam Ware, John Clavin, Merganser
Olga Darlington, Leah Johnson, Baker Tilly

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

1.1 Welcome, introductions, and opening remarks

Chair Paul Schmidt called the meeting to order at 9 am. A quorum was established.
Introductions followed.

2. *CEO Report*

2.1 Meeting Overview

Ms. Dawson provided an overview of the meeting.

3. *Governance*

3.1 Open Public Meeting Act – Call for Public Comment

Ms. Lakey gave a brief overview of the Open Public Meetings Act in relation to the AWC Trust Health Care Program meeting.

In accordance with the Open Public Meetings Act RCW 42.30, the AWC Trust Health Care Program Board of Trustees invited public comment.

There was no public comment.

4. *Administration/Operations*

4.1 April 24, 2025 Health Care Program Meeting Minutes

The Board reviewed the minutes of the April 24, 2025, Health Care Program Board of Trustees meeting.

Motion:

Motion by Emily Schuh to approve the April 24, 2025, Health Care Program Board of Trustees meeting minutes, second by Francis Benjamin; motion carried.

5. *Financial Reports*

5.1 Trust Health Care Program Investment Report & Investment Manager Presentation

Kyle Plitt of RVK reported on the Trust's second quarter investment performance through July 31, 2025, and provided a market update.

Representatives from Merganser Capital Management provided an overview of their firm, reviewed the HCP portfolio characteristics and capabilities, portfolio performance, and provided a fixed income market update.

5.2 Trust Health Care Program Second Quarter 2025 Financial Report

Mr. Emmans reviewed the 2025 second quarter unaudited financial report with the Board.

5.3 2023 Financial Audit Reinstatement

Mr. Emmans introduced representatives from Baker Tilly who provided an update on the HCP financial audit, including a restatement of the 2023 HCP financials. The necessity to generate a restatement of the 2023 financial audit resulted in a finding, which was included in the agenda report and addressed by staff, as well as representatives from Baker Tilly. Neither the 2023 Trust consolidated financial statements nor the HCP 2024 financial statements were impacted by the restatement.

5.4 2024 Trust Health Care Program Audited Financial Statement

Representatives from Baker Tilly reviewed the 2024 draft audited financial statements. The auditor issued an unmodified opinion on the Health Care Program financial statements.

Motion:

Motion by Francis Benjamin to accept the 2024 audited financial statements of the AWC Employee Benefit Trust Health Care Program, second by Jennifer Gorsuch; motion carried.

6. *2026 Renewal – Benefit Experience, Rate Adoption*

6.1 Experience and 2026 Renewal Projections

Nicole Persson of Aon reviewed with the Board the 2025 year-to-date experience, 2026 renewals for all self-insured plans, as well as the 2025 large claim distribution to date.

6.2 2026 Rate Renewal Adoption

Ms. Lakey reviewed the 2026 renewal projections with the Board.

Motion:

Motion by Francis Benjamin to adopt the January 1, 2026, rate renewal for the self-insured plans, based on broker/consultant recommended increases: Regence/Asuris all active plans: 8.7% increase, all non-Medicare retiree plans: 8.7% increase, and LEOFF 1 (Plan A) 8.7% increase. For Kaiser Permanente: all active plans (HMO & PPO) 11.6% increase, and non-Medicare retiree plans 11.6% increase. For Delta Dental: 4.3% increase, and Willamette Dental: 7.6% increase, and for VSP a 0% increase, second by Jennifer Jensen; motion carried.

7. *Meeting Schedule/Training*

7.1 2025-2026 Board of Trustees Health Care Program Meeting and Fiduciary Training Schedule -For Board Information Only

The 2025-2026 Board of Trustees Health Care Program meeting schedule and fiduciary training opportunities were provided in the agenda packet.

8. *Adjournment*

8.1 Adjourn

Chair Schmidt adjourned the meeting at 11:44 am.

The foregoing minutes were approved by the Board of Trustees on 12/9/2025.
Date

Signed by:

Paul Schmidt

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Chair

ATTEST:

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Betsy Hildreth

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Recording Secretary