

**FDAC Employment Benefits Authority
Board of Directors Meeting
Sacramento Metropolitan Fire District
Mather, CA**

Monday, December 17, 2012

In Attendance

Charlene Virts, President
Jean Moore, Vice President
Tom Keating, Secretary/Treasurer
Dan Grebil, Director

Consultants/Guests

*Jane Phoong, BRMS
David Turner, Actuary
Anna Marie White, Thoits
Rosa Soria, Thoits
Helen Buhagiar, Thoits
*David McMurchie, Legal Counsel
Melissa Dixon, FDAC EBA Administrator
*Sandy Goree, FDAC EBA Controller
Chase Wymore, FDAC EBA Staff
**Participated via Teleconference*

President Charlene Virts called the meeting to order at 10:02 a.m. President Virts welcomed everyone. A quorum was established. There was no public comment.

Consent Calendar

The Board addressed the consent calendar, which included minutes from the Board teleconference meeting of November 14, 2012; the financials from November 2012; and the approval of the new member agency, Murphy's Fire District. Director Dan Grebil moved to pass the consent calendar; Director Tom Keating seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes: None

Bylaws Revision

Administrator Melissa Dixon explained the revision process and proposed amendments to the Bylaws. She noted that obtaining the FDAC EBA audit within six months of the fiscal year is rather difficult; she suggested extending the audit retrieval deadline to nine months.

Administrator Dixon also suggested the following changes:

- Board appointments - the FDAC Board of Directors approved the FDAC EBA Board of Directors appointing its own Board, with ratification of the FDAC Board;
- Contributions - the contributions section previously had the member agencies with an annual allocation, with payments made quarterly. The was updated to reflect actual practice;
- Termination of Membership - this was edited to require Notice of Intent to Withdraw no later than August 15 annually, with the deadline to rescind said notice by October 1 annually.

The Board reviewed such changes and offered further recommendations. It was suggested that the verbiage regarding mail notifications for membership renewals and termination of memberships be revised for clarity. Director Grebil moved to approve the Bylaws with the suggested changes; Director Moore seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes: None

Rate Setting Policy

Administrator Dixon explained the rate setting policy to the Board. After discussion, it was agreed that the term *percentage increase* will be removed and that *percentage change* will replace it in paragraph two of both the *Medical Rates* and *Ancillary Rates* sections of the Rate Setting Policy. The Board felt that this would clarify the deadline for the carrier percentage change. Director Keating moved to approve the Rate Setting Policy with the suggested changes; Director Moore seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes: None

Investment Options

Director Moore informed the Board that the investment options presented would provide greater opportunities for higher returns. Director Moore briefly described and compared the investment options from Morgan Stanley, UBS and Comerica, followed by the FINRA report for each option. After reviewing the options with the Board, Director Moore stated that Alpine was currently conducting business with Comerica. She was asked if she would recommend Comerica based on past experience. Director Moore stated that she would recommend Comerica, but that the other firms would also do an excellent job. Director Keating moved to select the Comerica investment option; Director Grebil seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes: None

Liability Insurance Policy

The Board reviewed the insurance policy. No action was taken.

2010-2011 Financial Audit

Director Moore recommended that the verbiage be changed on the Management's Discussion Analysis of the 2010-11 audit.

Director Keating moved to receive and file the 2010-2011 audit with the recommended changes; Director Moore seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes:

2011-2012 Financial Audit

The Board reviewed the 2011-2012 financial audit. Controller Sandy Goree reported that adjustments were identified in the 2011-2012 audit. Controller Goree then explained a gain in profit due to a one-time credit refund in the 2011-2012 fiscal year.

Director Moore moved to approve the 2011-2012 financial audit as presented; Director Grebil seconded.

Ayes: Charlene Virts, Jean Moore, Tom Keating, Dan Grebil

Noes: None

2012-2013 Budget Revision

Administrator Dixon explained the revisions proposed to the 2012-2013 budget to the Board, due to the one-time credits received in 2012 being considered in the budgeted numbers for the following fiscal year. The Board requested an explanation for the difference between the proposed revision and the adopted budget, as the difference between the net incomes did not equal the amount of the one-time credit. Staff will review and bring back to the Board.

Board Vacancy

The Board discussed its options for filling the Board vacancy. Thoits representative, Rosa Soria, informed the Board that Lake County Fire District has shown an interest in filling the Board vacancy. President Virts volunteered to work with Ms. Soria and contact potential candidates to fill the vacancy.

Prospective Members

Thoits representative, Anna Marie White, described the efforts currently in place to recruit new members. Calls will be made in January to desirable districts promoting membership in the FDAC EBA.

Consultant Reports

Ms. Soria agreed to inquire about laminated cards for members. These cards would display name of carriers, policy numbers, websites and phone numbers. Ms. Soria agreed to send the Board a draft of these cards.

David Turner, actuary, discussed with the Board the trends in health insurance rates, as well as the EBA participants' experience over the first year with Health Net.

The next meeting was tentatively scheduled for January 2013.

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Chase Wymore
Account Assistant