

**CONTRA COSTA COUNTY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING MINUTES
Thursday, March 18, 2004
Contra Costa County Schools Insurance Group, Conference Room
550 Ellinwood Way, Pleasant Hill, CA**

Present were:

Executive Committee:

Roberta Silverstein, Vice President	San Ramon Valley USD
Jim Campbell, Secretary	Mt. Diablo USD
Pam Currier	Brentwood Union SD
Tim Rahill	Martinez USD
Mike De Sa	Walnut Creek SD
Chris Learned	Acalanes Union High SD
Lenee Cadotte	Lafayette SD
Carol Ortega	Contra Costa County Office of Education
Mark Bonnett	Oakley Union School District

Staff:

Guy M. Schuelke, Executive Director	CCCSIG
Bridget Moore, Deputy Director	CCCSIG
Erica Williamson, HR Manager	CCCSIG
Joe Emmett, Chief Financial Officer	CCCSIG
Wade Gullede, Loss Prevention Services Manager	CCCSIG
Michael Clark, Claims Manager	CCCSIG
Carla Scherbert, Executive Assistant	CCCSIG

Guests:

John Alltop	Bickmore Risk Services
Tina Treis	Perry-Smith
Nancy Jones	Public Financial Management, Inc.
Michael Delehunt	Foley & Lardner
Warren Pulley	Pulley & Cohen

1. CALL TO ORDER

The meeting was called to order by Vice President Roberta Silverstein at 11:35 a.m.

2. PUBLIC COMMENT

2.1 Items on the Agenda

No public comment items.

2.2 Items of Interest to the Public

No items of interest to the public.

3. CONSENT CALENDAR

3.1 - 3.4 Approve Minutes of Executive Committee Meetings held on November 13, 2003 and December 4, 2003; Ratify Expenditures for October – February 2004; Ratify Reclassification of Network Administrator Positions; Ratify Change in Method of Transportation

A motion was made by Campbell to approve the minutes of the Executive Committee Meetings held on November 13, 2003, and December 4, 2003, with note that the spelling of Theresa Cidrian should be corrected to Theresa Sidrian in the November minutes, ratify expenditures for October – February 2004, as presented in the agenda, ratify the reclassification of Network Administrator positions to IS Coordinator as presented in the agenda, and ratify change in method of auto expense reimbursement for the Executive Director to an agency owned vehicle for personal and business use as presented in the agenda. Second by Cadotte. Motion was approved unanimously.

4. PERSONNEL

4.1 Consider Modifications to CCCSIG Staff Benefit

The Executive Director and Human Resources Manager presented recommendations for modifications to the Group's benefit plan. Discussion followed and the Committee provided input on the proposed modifications along with suggested alternatives due to current budgetary situations within the districts. It was determined that the 2% at 55 retirement option is widely practiced throughout the districts and would have the least negative impact within the districts and afford the best use of funds. Motion was made by De Sa to adopt the 2% at 55 Retirement Option effective April 1, 2004. Second by Cadotte. Motion was approved with four yes votes and three no votes.

4.2 Consider Amendments to Group's Policies

Staff recommended that in order to appropriately reflect the authority the Executive Committee now has with regard to all agency policies and regulations, the Committee direct staff to combine and modify, as necessary, all existing Board Policies and Administrative Regulations into one master set of Administrative Policies. A revised set of policies will be presented to the Executive Committee at an upcoming meeting for final approval. There was no action necessary for this item.

5. GENERAL ADMINISTRATIVE ITEMS

5.1 Ratify Budget Adjustments for 2003/04

The Chief Financial Officer presented two budget adjustments for the current fiscal year 2003/04. The first was Health Benefits Project Costs of \$100,000, and the second adjustment was for State User Fees in the amount of \$98,000. Motion was made by De Sa to approve the budget adjustments as presented.. Second by Campbell. Motion was approved unanimously.

5.2 Investment Report and Policy Review

Nancy Jones of Public Financial Management presented a review of the Group's investment performance as of December 31, 2003, and general information regarding the Group's assets along with proposed changes to the investment policy as outlined in the corresponding agenda detail. Motion was made by De Sa to approve the Investment Policy. Second by Cadotte. Motion was approved unanimously.

5.3 Presentation of 2002/03 Financial Audit

Tina Treis of Perry-Smith, the Group's auditors, reviewed the 2002/03 Financial Audit with the Executive Committee, along with corresponding management letter. Motion was made by Tim Rahill to approve the financial audit as presented. Second by De Sa. Motion was approved unanimously.

5.4 Consider 2004/05 Budget

The Executive Director and Chief Financial Officer reviewed the proposed budget for 2004/05, which did not reflect the benefit change. Motion was made by De Sato approve 2004/05 Operating Budget, with amendments discussed. Second by Bonnett. Motion was approved unanimously.

5.5 Consider 2004/05 Rate Recommendation

The Executive Director and Chief Financial Officer, along with the Group's actuary, John Alltop, presented the Committee with information regarding the Workers' Compensation base premium rate for 2004/05. The base rate necessary to achieve funding at the 80% confidence level is \$2.35 per \$100 of payroll, which means there would be no increase from the current year's base rate. Motion was made by Bonnett to adopt the 2004/05 base rate of \$2.35. Second by Cadotte. Motion was approved unanimously.

5.6 Consider Ad Hoc Health Benefits Subcommittee Recommendations

Keenan & Associates was retained to obtain proposals from the insurance carriers and submitted them to the Subcommittee for program consideration. After finalist insurance carriers were selected, they were invited back to participate in interviews before a panel consisting of the Health Benefits Subcommittee, Keenan & Associates, Consultant Ron Mason and CCCSIG staff. Blue Cross was selected as the non-carrier for the program.

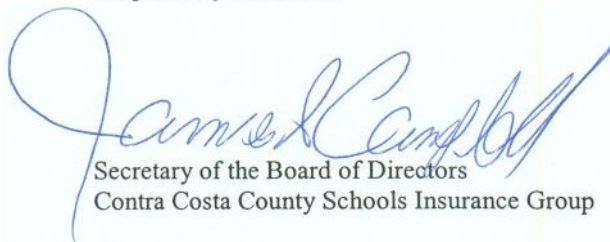
The Deputy Director recommendations as set forth by the Health Benefits Program Subcommittee, Executive Director and Staff are as follows: 1) Proceed with Blue Cross and Kaiser to deliver a viable offering to our member districts for their healthcare needs; 2) approve membership of all districts who participated in the health Benefits RFP (20 Contra Costa County districts, Calistoga and St. Helena) into the "CCCSIG Health Benefits Program" and approve JPA membership for Calistoga, St. Helena; 3) issue formal Notice of Acceptance into the JPA and Health Benefits Program to said members by the Executive Director; and 4) present "CCCSIG health Benefits Program: to the Board of Directors at the April 9, 2004, Board Meeting, with presentations occurring at each district by CCCSIG staff and Consultant(s) for Program implementation on October 1, 2004 and January 1, 2005. A motion was made by De Sa to approve the recommendations as presented. Second by Bonnett. Motion was approved unanimously.

There was also discussion among the Committee to have a Committee representative at the formal Health Subcommittee meetings. A motion was made by De Sa to appoint Roberta Silverstein as the Executive Committee representative. Second by Campbell. Motion was approved unanimously.

6. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:03 p.m., and motion was made by Campbell to move to Closed Session. Second by Learned. Motion was approved unanimously.

Respectfully submitted,



Secretary of the Board of Directors
Contra Costa County Schools Insurance Group