

Tri-County Schools Insurance Group

Executive Committee Meeting
Thursday, March 16, 2006
Yuba City Corporation Yard
1185 Market Street
Yuba City, CA 95991

Executive Committee Members Present

Colusa County	Daena Meras, Julie Tucker, Ron Turner
Glenn County	Tim Uptegrove
Lassen County	None
Modoc County	Doug Squellati
Placer County	Ralph Johnson
Plumas County	Cameron Abbott
Sutter County	Larry Combs, Joann Dobelbower, Baldev Johal Charlie Reimers (EBAC), Ryan Robison
Tehama County	Kathleen Wheeler
Yuba County	Al Alt, Dione Beilby (EBAC), Debra Pearson, Cindy Sutfin, Ric Teagarden

Consultants and Others Present

Delta Dental	David Seiler
Evans, Wieckowski & Ward	Matt Evans
Red Bluff High School	Bob Pellersels
Sierra Self-Insurance	Mike Krill
TCSIG	Richard Hare, Roberta Womer
Turner Consulting	David Turner
Yuba City Unified	Vince Crittendon

A. Call to Order

President Robison called the meeting to order at 9:30 a.m. He noted that a quorum of the Executive Committee was present.

B. Comments from Visitors

President Robison asked if there were any comments from visitors.

There were no comments from the visitors.

C. Consent Agenda

C1. Approval of Minutes of January 26, 2006

C2. Approval of Payments for January and February 2006

C3. Adopt Investment Policy - Resolution EC/2006-001

Mr. Larry Combs made a motion to approve the Consent Agenda. Secretary Alt seconded the motion which carried.

D. Reports

D1. President's Report

President Robison indicated that he did not have a report for this meeting.

D2. Executive Director's Report

Mr. Hare reviewed the financial statements. He indicated an estimated \$4.2 million in retained earning in the medical program due to the pricing of the medical plans and better claims experience.

E. Information and Discussion Items

None

F. Action Items

F1. Consider Delta Dental DPO Incentive Plan

Mr. David Seiler of Delta Dental Plan of California reviewed the DPO Incentive Plan. He indicated that the PPO saves about 20% more than under the Premier Plan. Vice-President Johal made a motion to include the DPO Incentive option to annual benefit. Mr. Ralph Johnson seconded the motion which carried.

F2. Medical Rate Recommendation FY 2006/2007

Mr. David Turner reviewed the actuarial funding. He indicated that based on claims, enrollment, revenue history and current reserves a rate increase is not needed for 2006-07; however, the Standard Plan rate could be reduced by five percent. Mr. Turner stated that the claims experience through February continues to be good. Mr. Turner also reviewed the Medical/Rx Net Claims graph which included claims experience per member per month and revenue.

A general discussion ensued and Mr. Hare indicated the Standard Plan has a cross section of participants, has the highest net income and reducing its rate five percent would still

maintain an appropriate relative value split between it and the next higher and next lower Plans. If the Committee reduced the Standard Plan's rate it would also make it more competitive with other plans.

Ms. Kathleen Wheeler made a motion to recommend to the Joint Powers Board of Directors a zero increase in the medical plans and a five percent reduction of the rate for the Standard Plan. Mr. Tim Uptegrove seconded the motion.

After further discussion, President Robison called for a roll-call vote. The motion failed with 10 members opposed and four in favor.

Mr. Larry Combs made a motion to recommend to the Joint Powers Board of Directors a zero increase in premiums for all medical plans. Mr. Ric Teagarden seconded the motion which carried.

F3. Dental Rate Recommendation for FY 2006/2007

Mr. Turner reviewed the dental program analysis.

Secretary Alt made a motion to recommend to the Joint Powers Board of Directors a zero increase in premiums for the dental program. Ms. Debra Pearson seconded the motion which carried.

F2. Medical Rate Recommendation for FY 2006/2007

Mr. Hare reported that Kaiser agreed to provide a composite rate for their Kaiser Plan for 2006/2007 which reduces the current rate in which the tiered family rate was used. Mr. Hare also reported that the Executive Committee needs to consider eliminating the Kaiser Plan based on Policy 216 which requires an enrollment of at least 100 members at the end of three years or the plan is discontinued.

Ms. Debra Pearson made a motion to recommend to the Joint Powers Board of Directors the composite rate agreed upon by Kaiser for FY 2006/2007. Secretary Alt seconded the motion which carried.

F4. Vision Rate Recommendation for FY 2006/2007

Ms. Kathleen Wheeler made a motion to recommend to the Joint Powers Board of Directors a zero rate increase for the vision program. Mr. Tim Uptegrove seconded the motion which carried.

F5. Medical Reinsurance FY 2006/2007

Vice-President Johal made a motion to recommend to the Joint Powers Board of Directors continuing medical reinsurance with Sun Life subject to no more than a 20% increase in premiums and increase the lifetime maximum to \$6 million if Sun Life agrees. Ms. Kathleen Wheeler seconded the motion which carried.

F6. Property/Casualty Rates FY 2006/2007

Mr. Michael Krill of Sierra Self-Insurance Services reviewed the background of this item. He noted that the renewal rates have not been finalized; however, the Executive Committee could increase the SIR in the liability program to \$250,000 to minimize any increase in the liability program rate. Mr. Krill also recommended we seek coverage from Genesis for the layer from \$1 million to \$5 million if pricing was better than S.E.L.F.

Mr. Hare suggested a zero increase in the property program and a zero increase in the liability program to the members. He indicated that if the Executive Committee raised the SIR in the liability program to \$250,000 it could result in a 10 percent reduction in the liability rate; however, the rates would remain the same to our members and any savings would go to the deductible fund.

Vice-President Johal made a motion to accept the recommendation. Mr. Ron Turner seconded the motion which carried.

D7. Budget FY 2006/2007

Mr. Hare indicated that the budget would have to be amended to reflect the actions that the Executive Committee took today.

Mr. Doug Squellati made a motion to recommend to the Joint Powers Board of Directors the budget for 2006/2007 as amended by the actions taken by the Executive Committee. Vice-President Johal seconded the motion which carried.

F8. Membership of California Interscholastic Federation for Employee Benefit Programs

Ms. Kathleen Wheeler made a motion to accept the California Interscholastic Federation for membership in employee health care benefit programs with no "buy-in". Mr. Doug Squellati seconded the motion which carried.

F9. Membership of Plumas Unified School District for Employee Benefit Programs

Mr. Hare reviewed the background of this item. He reported that the Plumas Unified School District claims experience indicates a higher average claims costs for their enrollment. Secretary Alt made a motion to defer the acceptance of the Plumas Unified School District until further information can be obtained. Mr. Cameron Abbott seconded the motion which

carried.

F10. Approve Slate of Member Candidates for the Executive Committee

Ms. Julie Tucker made a motion to approve the slate of candidates to the Executive Committee for recommendation to the Joint Powers Board of Directors. Mr. Ralph Johnson seconded the motion which carried.

The slate named the following: Cameron Abbott, Al Alt, Larry Combs, Robert Douglas, Greg Haulk, Jeffrey Holland, Baldev Johal, Ralph Johnson, Ric Teagarden, Julie Tucker, Tim Uptegrove and Kathleen Wheeler based upon contributions and the at-large candidates, Daena Meras, Debra Pearson, Ryan Robison, Doug Squellati and Ron Turner.

D2. Executive Director's Report Continued

Mr. Hare reported that the Pinnacare Pharmacy has gone out of business and staff was working with the ten users of their service to obtain refills of their prescriptions .

G. Items for Next Agenda

Kaiser Plan continuation options.

H. Closed Session

President Robison called for a Closed Session at 11:25 a.m.

I. Return to Open Session

President Robison called for an Open Session at 11:45 a.m. and reported that no action was taken in Closed Session.

J. Adjournment

President Robison adjourned the meeting at 11:50 a.m.

Respectfully submitted,

Roberta Womer
Recorder
03-16-06