

**FIRE DISTRICTS ASSOCIATION OF CALIFORNIA
EMPLOYMENT BENEFITS AUTHORITY**

Board of Directors Meeting

Wednesday, October 17, 2007
9:30 a.m. – 1:00 p.m.

US Bank Building
980 9th Street, 12th Floor Conference Room
Sacramento, CA 95814

AGENDA

<i>Item</i>	<i>Function</i>
I. Welcome and Introductions	
II. Public Comment	Discussion
III. Consent Calendar	Discussion/Action
A. Minutes	
B. Financials	
III. FY 05/07 Audit	Discussion/Action
IV. Organizational/Administrative Structure	Discussion/Action
A. Update on Status	
B. Discuss Cash Flow Process	
V. Open Enrollment Update	Discussion/Action
VI. Rate Discussion	Discussion/Action
VII. Fiscal Policy	
VIII. FY 07/08 Budget Revision	Discussion/Action
IX. Adjourn	

Fire Districts Association of California Employment Benefits Authority
Board of Directors Meeting
Minutes
August 23, 2007

In Attendance

Michael McMurry
Jim Hill
Ron Collier
Richard Blanco

Staff/Guests

Catherine Smith
Melissa Dixon
Jon Hilgers
Jason Andrew

David McMurchie
David Turner
John Miller
Rosa Soria

The FDAC Employment Benefits Authority (FDAC EBA) Board of Directors convened on Thursday, August 23, 2007 via teleconference. Having established a quorum, the meeting was called to order by EBA President Michael McMurry at 2:34 p.m. There were no public comments.

Agenda Item II – Professional Services Agreements

Administrator Catherine Smith began the discussion with an overview of the current organizational structure, noting that all contracts and funds are currently being filtered through LHI. Based on previous Board meetings, it was the Board's desire to see an organizational shift so that all the contracts and funds would be held and managed by the EBA. This will allow for direct accountability to the Board for consultant services, as well as bring the focus of the Authority back into the hands of the Board of Directors. With the revised contract, all terms will be from September 1, 2007 through June 30, 2008.

Broker Agreement

The revised Lawson-Hawks Insurance agreement was discussed first. It was noted that the scope of services is now limited to brokerage services, and the term of the contract is now only for one year, concluding on June 30, 2008. It was requested that language in the contract allow for LHI to market services outside of the agreement with the EBA to public agencies other than fire districts. It was also requested that language be included that would allow this new agreement to supercede all other agreements.

Director Jim Hill moved to approve the agreement with amendments. Director Richard Blanco seconded; the motion carried in a unanimous roll-call vote. Legal Counsel David McMurchie will make the revisions and forward to LHI.

Third Party Administrator

The revised BRMS agreement was then discussed. Legal Counsel McMurchie articulated the changes he had made to BRMS's template agreement, including that BRMS will transfer all funds on a monthly basis to the EBA, who will forward payment to all vendors. The "claims" portion of the agreement had been checked, but BRMS will not be handling claims on behalf of the EBA.

Director Blanco moved to approve the agreement with amendments. Director Hill seconded; the motion carried in a unanimous roll-call vote. Further, Legal Counsel McMurchie has the authority to make any other necessary changes with the approval of the President and Administrator.

Administrator

The Smith Moore & Associates agreement was discussed next. Prior to this agreement, the FDAC EBA administration was handled through the contract held between the Fire Districts Association of California (FDAC) and Smith Moore & Associates. In the draft contract, there existed a stipulation for how many Board meetings would be included. At the Board's request, that stipulation was stricken. As this agreement will begin on September 1, and the agreement through FDAC terminated on June 30, 2007, Smith Moore & Associates will invoice the EBA for services rendered in July and August.

Director Blanco moved to approve the agreement with amendments. Director Hill seconded; the motion carried in a unanimous roll-call vote.

Actuary

The agreement prior to this with the actuary was held between the actuary, David Turner, and LHI. The new structure stipulates that the actuary should be contracting with the EBA directly. David Turner's standard letter of agreement allowed for him to attend six meetings per year. The Board requested that language be added to allow for an hourly rate of \$250 to attend meetings beyond the six already included.

Director Ron Collier moved to approve the agreement with amendments. Director Blanco seconded; the motion carried in a unanimous roll-call vote.

Open Enrollment

LHI Representative Jason Andrew explained the open enrollment process, noting that three separate mailings were scheduled. The first, and overall view of the process, had been sent already. The second mailing would detail the rates for each individual member agency. The third mailing will provide member agencies with an update and a reminder of the process and deadlines.

Rates

LHI Representative Andrew indicated that Kaiser rates had come down from 19% to 11.9%. They stipulated, however, that this decrease in the rate increase had been due to anticipated growth in the program, and if that growth does not occur, the rates for 2009 would see a dramatic increase.

ING Products

The Board will discuss whether to allow ING to market additional payroll-deduction products at the next EBA Board meeting, to be held the following week.

Having nothing further to discuss the Board adjourned at 3:48 p.m.

Respectfully submitted,

Melissa Dixon
Deputy Administrator

Fire Districts Association of California Employment Benefits Authority
Board of Directors Meeting
Minutes
August 30, 2007

In Attendance

Michael McMurry
Jim Hill
Tom Gross
Richard Blanco

Staff/Guests

Catherine Smith
Melissa Dixon
Jon Hilgers

David McMurchie
Jason Andrew
Rosa Soria

The FDAC Employment Benefits Authority (FDAC EBA) Board of Directors convened on Thursday, August 30, 2007 via teleconference. Having established a quorum, the meeting was called to order by EBA President Michael McMurry at 2:10 p.m. There were no public comments.

Agenda Item II – ING Payroll Deduction Programs

Lawson-Hawks Insurance was able to secure a reduced rate and increased benefits for life insurance through ING. The Board approved moving from Prudential to ING, effective January 1, 2008. ING offers other programs as well, such as critical illness and accident insurance, that would be deductions from employee payroll. The programs could be allowed to be offered by ING, but not be affiliated with the EBA or its plans.

After much discussion, the Board decided that it does not want to allow ING to market those payroll deduction programs at this time. There may be a time in the future when the Board wishes to pursue ancillary products; at such time, the EBA will issue an RFP.

Agenda Item III – Audit

With regard to the audit, staff noted that information from HFS has been sent to two outside auditing firms, and that we are currently awaiting response. Legal Counsel David McMurchie informed the Board that an audit of a public agency should be submitted to the California State Controller's Officer no later than September 1 of the following fiscal year. This particular audit will be from inception through June 30, 2007.

The Board confirmed that its next in-person meeting would be held on Wednesday, October 17, 2007 in Sacramento.

Having nothing further to discuss the Board adjourned at 2:46 p.m.

Respectfully submitted,

Melissa Dixon
Deputy Administrator

FDAC EBA
Balance Sheet
As of September 30, 2007

Sep 30, 07

ASSETS

Current Assets

Checking/Savings

Margin Fund	211,651.27
Medical Reserve (BRMS held)	150,000.00
Money Market Account	8,675.71
US Bank	<u>25,553.62</u>
Total Checking/Savings	<u>395,880.60</u>

Total Current Assets 395,880.60

TOTAL ASSETS 395,880.60

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	<u>22,113.88</u>
Total Accounts Payable	22,113.88

Other Current Liabilities

Prior Year Income	12,914.96
Promissory Note from FDAC	<u>30,000.00</u>
Total Other Current Liabilities	<u>42,914.96</u>

Total Current Liabilities 65,028.84

Total Liabilities 65,028.84

Equity

Reserves & Contingencies	100,000.00
Retained Earnings	171,828.45
Net Income	<u>59,023.31</u>
Total Equity	<u>330,851.76</u>

TOTAL LIABILITIES & EQUITY 395,880.60

FDAC EBA
Profit & Loss
September 2007

	<u>Sep 07</u>
Ordinary Income/Expense	
Income	
Premium Earnings	613,098.43
Total Income	<u>613,098.43</u>
Expense	
Broker	43,050.44
Carrier Payments	531,480.35
Insurance	94.44
Professional Fees	
Consulting	<u>2,000.00</u>
Total Professional Fees	<u>2,000.00</u>
State Filing	20.00
Supplies	
Office	<u>126.04</u>
Total Supplies	<u>126.04</u>
Total Expense	<u>576,771.27</u>
Net Ordinary Income	<u>36,327.16</u>
Net Income	<u><u>36,327.16</u></u>

FDAC EBA
Profit & Loss
September 2007

	<u>Sep 07</u>	<u>Jul - Sep 07</u>
Ordinary Income/Expense		
Income		
Interest	0.00	1,098.66
Premium Earnings	613,098.43	1,849,361.51
Total Income	<u>613,098.43</u>	<u>1,850,460.17</u>
Expense		
Administration	0.00	5,000.00
Broker	43,050.44	171,730.72
Carrier Payments	531,480.35	1,609,746.22
Insurance		
E & O Insurance	0.00	0.00
Insurance - Other	94.44	94.44
Total Insurance	<u>94.44</u>	<u>94.44</u>
Meetings	0.00	0.00
Office Supplies	0.00	0.00
Professional Fees		
Consulting	2,000.00	2,000.00
Legal Fees	0.00	2,700.00
Total Professional Fees	<u>2,000.00</u>	<u>4,700.00</u>
State Filing	20.00	20.00
Supplies		
Office	126.04	126.04
Total Supplies	<u>126.04</u>	<u>126.04</u>
Telephone	0.00	19.44
Total Expense	<u>576,771.27</u>	<u>1,791,436.86</u>
Net Ordinary Income	<u>36,327.16</u>	<u>59,023.31</u>
Net Income	<u><u>36,327.16</u></u>	<u><u>59,023.31</u></u>

PROPOSAL OF SERVICES

TO

FIRE DISTRICTS ASSOCIATION OF CALIFORNIA EMPLOYMENT BENEFITS
AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2007

* * *

SUBMITTED BY

BERGER/LEWIS ACCOUNTANCY CORPORATION

740 FRONT STREET, SUITE 365

SANTA CRUZ, CA 95060

(831) 423-6500

CONTACT: ROBERT W. SMILEY, C.P.A., PRINCIPAL

* * *

October 6, 2007

TABLE OF CONTENTS

	<u>Page</u>
1) LETTER OF TRANSMITTAL	
2) AFFIRMATIVE STATEMENTS	1
3) SUMMARY OF PROPOSER'S QUALIFICATIONS:	
Firm Qualifications and Experience	1
Key Professional Staff Resumes	2
4) SCOPE OF SERVICES:	
Specific Audit Approach	2
Our Audit Work Plan	3
Engagement Deliverables	4
4) PROPOSED FEE SCHEDULE:	
Fee Schedule	5

Frank A. Minuti, Jr.
Robert W. Smiley
Thomas C. Bondi
Lawrence S. Kuechler

EMERITUS
Alexander W. Berger (1916-2005)
Griffith R. Lewis

BERGER/LEWIS
ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Roberto M. Maragoni
Daniel C. Moors
Randy G. Peterson
Martha A. Sanford
Suzanne M. Weber

October 6, 2007

Fire Districts Association of California
Employment Benefits Authority
7 Erba Lane
Scotts Valley, CA 95066

Enclosed is our audit proposal for Fire Districts Association of California Employment Benefits Authority.

This proposal contains our commitment to perform the audit of Fire Districts Association of California Employment Benefits Authority's financial statements for the year ended June 30, 2007, in accordance with generally accepted auditing standards. The financial statements will be prepared in accordance with Governmental Accounting Standards Board (GASB) guidelines, including GASB 34.

Based on current engagements we will not be able to start our audit until December 2007.

We would like to highlight the following items from our proposal: We make working with governmental agencies a major priority. We work with other local governmental agencies; we take continuing professional education specific to our audit work with governmental agencies; we make our staff readily available for questions and telephone consultations throughout the year, usually at no additional cost; and we use trained staff accountants and minimize staff changes from year to year.

The proposal is a firm and irrevocable offer for ninety days.

Very truly yours,

Berger/Lewis Accountancy Corporation

BERGER/LEWIS ACCOUNTANCY CORPORATION

Frank A. Minuti, Jr.
Robert W. Smiley
Thomas C. Bondl
Lawrence S. Kuechler



Roberto M. Maragoni
Daniel C. Moors
Randy G. Peterson
Martha A. Sanford
Suzanne M. Weber

EMERITUS

Alexander W. Berger (1916-2005)
Griffith R. Lewis

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

October 6, 2007

Fire Districts Association of California
Employment Benefits Authority
Scotts Valley, California

It is a pleasure to propose our services to Fire Districts Association of California Employment Benefits Authority, the "JPA". We believe that there are certain factors that make us especially qualified to serve your organization. The following are our affirmative statements, a brief description of our relevant firm qualifications and experience, our specific audit approach, our audit work plan, and the specific deliverables you will receive.

AFFIRMATIVE STATEMENTS:

License to Practice in California - Berger/Lewis Accountancy Corporation, and the principal who would be assigned to the audit are properly licensed to practice in California, and have performed continuous audit services for a minimum of five years.

Independence - Berger/Lewis Accountancy Corporation is independent of Fire Districts Association of California Employment Benefits Authority as defined by Government Auditing Standards.

External Quality Control Review - Berger/Lewis Accountancy Corporation participates in the California Society Peer Review Program, and does not have a record of substandard audit work.

Specific Requirements - Berger/Lewis Accountancy Corporation meets all specific requirements imposed by the State, local law or rules and regulations, as of October 6, 2007.

FIRM QUALIFICATIONS AND EXPERIENCE:

Established in 1950, Berger/Lewis Accountancy Corporation is a regional firm of Certified Public Accountants, offering a full range of services in the areas of accounting, auditing, taxation and business advisory services to government agencies, nonprofit organizations, and private industry. Our firm is oriented and equipped to provide quality service on a timely basis to organizations of all sizes. Further, with locations in both Santa Cruz and San Jose, we are committed to, and understand, the needs of our local communities. The firm currently consists of eight principals and forty professional and administrative staff.

FIRM QUALIFICATIONS AND EXPERIENCE (Continued):

The principal who will be responsible for services to the JPA is highly qualified with broad experience in the areas of auditing and accounting and is from our Santa Cruz office. Our approach to quality control includes technical reviews by principals, a firm commitment to continuing professional education, and participation in professional bodies and associations.

KEY PROFESSIONAL RESUMES:

Robert W. Smiley, C.P.A.: Robert, a graduate of San Jose State University, is a principal of our firm's Santa Cruz office. He provides auditing, accounting, taxation, and general business consulting services. Robert will act as principal in charge of the audit. He will conduct the review of the audit and will be involved in planning and performing audit fieldwork.

SPECIFIC AUDIT APPROACH:

The extent of audit testing we perform will be based on an evaluation of your existing internal controls. We will identify specific internal control structure policies and procedures and perform tests of controls to evaluate the effectiveness of such policies and procedures. We will obtain our understanding of your internal controls by review of organizational charts, manuals and inquiry of JPA personnel. Tests of controls to evaluate operating effectiveness include inquiries of your staff and management, inspection of documents and reports, observation and performance of the application of the policy or procedure by the auditor.

The objectives of internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected.

OUR AUDIT WORK PLAN:

The following is an explanation of the major steps we will use in conducting our audit:

1.) Holding an Initial Entrance Conference

Principal/Staff - We will hold an entrance conference to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace.

2.) Reviewing Accounting and Administrative Procedures and Controls

We will review accounting and administrative procedures and controls to determine their appropriateness and compliance with generally accepted accounting principles. We will also perform an analysis of the JPA's accounting and administrative procedures (i.e. system of internal control), to the extent required by government auditing standards and make recommendations for improvements that we feel may be appropriate.

3.) Conducting an Analytical Review

Comparisons of account balances between accounting periods, comparisons of budgeted to actual results, and ratio and trend analysis will improve our understanding of your operations and identify audit areas for increased attention.

4.) Conducting Required Tests

Examples of test that may be done include: Confirmation of aid from other government agencies, accounts receivable; testing of accounts payable by review of invoices and search for unrecorded payables by review of invoices paid or received after the fiscal year end; other expense accounts will be selected for testing based on analytical review; in addition, we will perform a test of transactions.

OUR AUDIT WORK PLAN (Continued):

5.) Holding an Exit Conference

At the conclusion of the audit engagement, we will hold an exit conference:

- a) The level of responsibility we assume for an audit performed in accordance with government auditing standard and the nature of the assurance an audit provides.
- b) The significant adjustments arising from the audit - both those that have been reflected in the financial statements and those that have not.
- c) Our responsibility for unaudited information in documents containing audited financial statements, the procedures performed, and the conclusions reached.
- d) Overview of the financial statements, reportable conditions letter (if required) and our recommendations.

6.) Preparing and Submitting Draft Audit Report and Financial Statements to Management

We will draft the financial statements in compliance with generally accepted accounting principles of the United States (including GASB guidelines) and submit that draft to management.

7.) Preparing and Submitting the Management Letter

We will discuss any problems identified in the audit, such as significant deficiencies in the internal control structure, violations of grant requirements, and errors or irregularities. Suggestions for improvements will be discussed.

ENGAGEMENT DELIVERABLES:

We propose to perform an examination of the financial statements of Fire Districts Association of California Employment Benefits Authority for the year ended June 30, 2007.

Fire Districts Association of California
Employment Benefits Authority
October 6, 2007
Page 5

ENGAGEMENT DELIVERABLES (Continued):

An audit will be conducted in accordance with generally accepted auditing standards. The specific deliverables are as follows:

Audit reports and financial statements (GASB 34)

The purpose of our examination will be to express an opinion on the fairness of the financial statements. If, for any reason, we feel it necessary to give other than an unqualified opinion, we would clearly state the reasons for qualifications.

PROPOSED FEE SCHEDULE:

Our fees for performing the audit of the JPA's financial statements will be:

<u>Period Ended</u>	
June 30, 2007	\$ 3,950

Very truly yours,

Berger/Lewis Accountancy Corporation

BERGER/LEWIS ACCOUNTANCY CORPORATION

FIRE DISTRICTS ASSOCIATION OF CALIFORNIA
EMPLOYMENT BENEFITS AUTHORITY
Board of Directors Meeting

Wednesday, October 17, 2007

AGENDA ITEM V

I. Subject:

Open Enrollment Update

II. Program:

Medical, Dental, Vision and Life

III. Requested Action

Information Only

IV. Background:

In order to assure that the member districts received the proper communication, we sent out a few communication pieces and had several phone conversations with the member districts.

Our first mailing, we sent out a pre-renewal communication, updating the member districts that we were still in negotiations with the carriers and to prepare them that open enrollment was approaching. This communication included information regarding the changes to the vision and life insurance programs.

In the midst of the communication pieces, Lawson-Hawks Insurance contacted each of the member districts with medical coverage to explain some of the changes that were taking place with the rating methodology, as well as the vision and life insurance changes. Lawson-Hawks also contacted the medical clients to find out what type of assistance they would need during the open enrollment process.

The second communication consisted of updated rate sheets, a letter from the EBA, a letter from Lawson-Hawks and information regarding the vision and life insurance changes, and the open enrollment change forms.

Lawson-Hawks Insurance worked closely with each of the member districts to assure that they had the support and documentation they needed in order to have a successful open enrollment period. As of now, only two districts have requested our attendance for on-site meetings; however we are available and ready to help. Due to the conversations we have had, we do not anticipate a lot of movement based on the discussions we had with the member districts.

Lawson-Hawks Insurance will be sending out a separate communication piece regarding a summary of administrative changes, which includes contact information.

**FIRE DISTRICTS ASSOCIATION OF CALIFORNIA
EMPLOYMENT BENEFITS AUTHORITY**

Board of Directors Meeting

Wednesday, October 17, 2007

AGENDA ITEM VI

I. Subject:

Custom Rated Groups' Transition Plan

II. Program:

Medical

III. Requested Action

Information Only

IV. Background:

Upon creation of the FDAC pool, some member districts that secured prior coverage on their own (i.e., outside CalPERS) were offered custom rates in order for the EBA to be competitive. These custom rates have carried forward through the 2007 and 2008 renewals. The custom rates create either a surplus or deficit relative to the Blue Shield fully-insured rates.

Beginning in 2008, the FDAC has moved to a Standard Rate for all non-custom groups equal to the fully-insured Blue Shield rate + 12% admin + 5% margin. The FDAC EBA Board would like to move the custom rated groups toward the Standard EBA rates in order to maintain equity and eliminate district-specific surpluses/subsidies within the pool.

Since the new 2008 rates have already been established for the custom groups at 2007 + 15%, any implementation of a transition plan would not begin until 2009.

V. Analysis (see attached spreadsheet)

Based on rate information provided by LHI, Turner Consulting performed an analysis of the custom rated groups relative to the Standard EBA rates. Custom rated groups appear to vary from as much as 39% below to 27% above Standard rates. However, most groups are within +/-7% of the Standard rate.

Further complicating the future transition is that some groups have single/2-party rates that are lower than Standard rates but family rates that are higher.

Each custom rated group will be evaluated individually to determine the appropriate adjustment and transition timeframe, based on the direction of the required adjustment (up or down), the magnitude of the adjustment, the competitiveness of the resulting rates, and the effect on overall EBA revenue balancing.

Our sense is that any adjustments under 3% could be accomplished in 1 year, adjustments from 4%-8% in 2 years, and adjustments above 8% in 3 years.

However, it is possible that competitive pressures, including a group's access to favorable outside coverage options due to region, demographics, claim experience, plan design, etc. may result in little or no adjustment for some groups.

VI. Recommendation

We recommend continuing to evaluate each custom group individually according to the parameters outlined above. A transition recommendation for each group will be provided in early 2008 so that it can be discussed and potentially incorporated into 2009 renewal pricing.

**FDAC EBA
Summary of Custom Plan Rates**

Enrollment Distribution 32% 25% 44%

Standard EBA Rates	Single	2-Party	Family	Fam/Sing
Basic HMO	\$418	\$836	\$1,087	2.60
Premier HMO	\$460	\$920	\$1,196	2.60
Basic PPO	\$459	\$919	\$1,194	2.60
Premier PPO	\$501	\$1,001	\$1,301	2.60
Kaiser HMO	\$491	\$982	\$1,276	2.60

Custom Group Rates		Single	2-Party	Family	Fam/Sing	vs. Standard Rates				Transition
						Single	2-Party	Family	Avg.	Years
Alpine	Premier HMO	\$424	\$848	\$1,272	3.00	-7.8%	-7.8%	6.4%	-1.6%	1
	Basic PPO	\$454	\$809	\$1,173	2.58	-1.2%	-11.9%	-1.8%	-4.1%	1
	Premier PPO	\$616	\$1,242	\$1,570	2.55	23.1%	24.1%	20.6%	22.3%	3
	POS	\$341	\$727	\$1,173	3.44	n/a	n/a	n/a	n/a	n/a
Kaiser		\$263	\$512	\$893	3.40	-46.4%	-47.8%	-30.0%	-39.6%	3
	Basic PPO	\$366	\$807	\$1,268	3.46	-20.3%	-12.2%	6.2%	-6.8%	2
Burney		\$370	\$801	\$1,269	3.43	-19.4%	-12.8%	6.3%	-6.6%	2
	Kaiser HMO	\$493	\$986	\$1,282	2.60	0.4%	0.4%	0.5%	0.4%	1
Central Calaveras		\$370	\$801	\$1,269	3.43	-19.4%	-12.8%	6.3%	-6.6%	2
	Basic PPO	\$432	\$864	\$1,297	3.00	-5.9%	-5.9%	8.6%	0.4%	1
Meeks Bay		\$473	\$947	\$1,420	3.00	-5.5%	-5.4%	9.1%	0.9%	1
	Premier PPO	\$370	\$801	\$1,269	3.43	-19.4%	-12.8%	6.3%	-6.6%	2
Sacramento River		\$619	\$1,271	\$1,679	2.71	23.7%	27.0%	29.0%	26.8%	3
	Premier PPO	\$424	\$908	\$1,304	3.08	-7.8%	-1.3%	9.0%	1.1%	1
Cloverdale		\$619	\$1,271	\$1,679	2.71	23.7%	27.0%	29.0%	26.8%	3
	Premier PPO	\$366	\$733	\$1,006	2.75	-20.4%	-20.3%	-15.9%	-18.4%	3
Crest Forest		\$388	\$776	\$1,010	2.60	-21.0%	-21.0%	-20.9%	-20.9%	3
	Kaiser HMO	\$423	\$908	\$1,306	3.09	-8.0%	-1.3%	9.2%	1.2%	1
Rincon		\$557	\$1,026	\$1,406	2.52	11.3%	2.5%	8.0%	7.7%	2
	Premier PPO	\$493	\$986	\$1,282	2.60	0.4%	0.4%	0.5%	0.4%	1
	Kaiser HMO	\$424	\$908	\$1,304	3.08	-7.8%	-1.3%	9.0%	1.1%	1
Russian River		\$493	\$986	\$1,282	2.60	0.4%	0.4%	0.5%	0.4%	1
	Premier HMO	\$391	\$849	\$1,249	3.19	-15.0%	-7.7%	4.4%	-4.7%	2
Mokelumne		\$473	\$947	\$1,420	3.00	-5.5%	-5.4%	9.1%	0.9%	1
	Premier PPO	\$398	\$922	\$1,226	3.08	-18.9%	-6.1%	-3.9%	-9.2%	3
	Kaiser HMO	\$391	\$849	\$1,249	3.19	-15.0%	-7.7%	4.4%	-4.7%	2
Stanislaus		\$473	\$947	\$1,420	3.00	-5.5%	-5.4%	9.1%	0.9%	1
	Premier PPO	\$398	\$922	\$1,226	3.08	-18.9%	-6.1%	-3.9%	-9.2%	3
	Kaiser	\$812	\$1,306	\$1,306	1.61	62.2%	30.5%	0.4%	27.4%	3
Lake	Premier PPO									

Headcounts		
single	2-party	family
1	0	0
3	4	5
0	2	1
3	1	0
4	0	0
		1
3	3	4
2	0	0
0	1	0
1	2	1
3	10	13
1	0	3
4	2	7
1	6	3
1	0	2
3	2	3
1	0	0
2	0	9
16	10	22
1	0	0
2	0	1
9	5	9
61	48	84
193		

FDAC Employment Benefits Authority

Policy: Fiscal Administration and Authority	Policy Number: TBD
<p>Purpose: The FDAC Employment Benefits Authority (EBA) recognizes that the EBA is a public agency and therefore its funds are public funds. The EBA acknowledges its responsibility to the public to maintain sound fiscal operating policies.</p> <p>The following policies are intended to provide consistent fiscal standards to conduct FDAC EBA business while exercising prudent use of public funds.</p>	

Fiscal Year

FDAC EBA's fiscal year shall be from July 1 to June 30 of each year.

Accounts

FDAC EBA shall maintain the following accounts:

EBA checking account
EBA savings account
EBA margin fund

Held in trust by our third party administrator shall be:

Premium account – where dollars are held once they have been received from members but not yet paid to carriers or otherwise distributed. This account is balanced to zero with each month-end reconciliation.

Reserve account – this account maintains \$100,000. It is used by the third party administrator as a cash-flow account, so that carrier and other payments can be made on time even when the members have not yet paid their bill for that month. This account is balanced back to \$100,000 with each month-end reconciliation.

Transparency

The financial condition and transactions of the FDAC Employment Benefits Authority will be open to the public for review. The FDAC EBA financial statements will be available on the EBA website or in print unless restricted for confidentiality by law as is consistent with the Public Records Act.

FDAC Employment Benefits Authority

Budget

A budget shall be prepared by staff with input from the Treasurer or appropriate Board representatives annually and presented to the full Board of Directors before June 15 for the following fiscal year. The budget shall include all public funds associated with the EBA, including premium dollars paid to the third party administrator as the EBA's agent.

The budget will also indicate how much of the net income is allocated to the margin fund. This fund is a restricted fund account, to be used for rate stabilization, if the pool decides to become self-funded, or for any other purpose as befits the mission of the organization, and with approval of the Board of Directors.

The Board of Directors shall adopt the budget before any spending may occur.

Treasurer

The Treasurer shall keep or cause EBA appropriate staff to keep adequate and correct accounts of the properties and business transactions of EBA, including accounts of assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Directors or EBA members and for public review.

The Treasurer shall cause the appropriate staff to verify invoices and ensure timely payment each month.

The Treasurer shall approve all reimbursements for FDAC EBA Board of Directors prior to payment.

The EBA's financial performance will be reviewed against the adopted budget by the Treasurer of the Board at least quarterly, and the results of this review presented to the full Board at the first public meeting following the review.

Preparing Checks

The Treasurer shall cause the appropriate staff to prepare checks for disbursements, mail or distribute checks, file paid bills, and record checks.

The Executive Director has the authority to approve payments of all expenditures within the Board of Directors approved budget within the limits of the California Government Code. Any unbudgeted amount or expenses exceeding the approved budget or requiring funds be transferred from the margin fund must be approved by the FDAC EBA Board of Directors or other body given authorization by the Board.

FDAC Employment Benefits Authority

Signing Checks

The Board of Directors will authorize a list of persons who are authorized to sign checks. Those authorized will include the Executive Director and Treasurer. Two signatures will be required on all FDAC EBA checks.

Reconciliation

The Treasurer shall cause the appropriate staff to maintain the General Ledger. The Treasurer shall from time to time review the General Ledger. The Treasurer shall cause the appropriate staff to reconcile the General Ledger with the monthly reports received by the third party administrator, and with the monthly statements received from the financial institution.

A summary list of all warrants processed since the last Board of Directors meeting will be presented to the Board for review and approval at each regular open meeting. The summary list will be available for public inspection.

Audit

Every year, FDAC EBA shall engage an outside auditing firm to perform an audit of FDAC EBA's financial position and state of internal controls. The audit will be placed on the Board agenda within 60 days of receipt or January 1 of the year after close of the fiscal year, whichever is sooner.

The Board of Directors hereby establishes an Audit Committee, comprised of the entire Board of Directors. The purpose of establishing the Audit Committee is to formally signify the entire Board of Directors has fiduciary responsibility for oversight of EBA administration, governance and financial accountability in the interest of the public.

The role of the Audit Committee is to provide oversight and accountability for all aspects of fiscal affairs including:

- Selection and hiring of the financial audit firm
- Audits are performed on an annual basis
- Formal acceptance, in open session, of the audit report
- Assurance that fiscal processes are adequate and being followed
- Payments are made accurately and promptly
- Records and reports are accurate

