

# FDAC EMPLOYMENT BENEFITS AUTHORITY

Board of Directors Teleconference Meeting  
700 R Street, Suite 200  
Sacramento, CA

Monday, August 12  
1:00 p.m. – 2:00 p.m.

**Call-in Number:** 1-800-250-2600  
**Participant PIN:** 451 9494

1364 Tavern Road, Alpine, CA  
630 Second St. West, Sonoma, CA  
5221 Deer Valley Road, Rescue, CA

7 Erba Lane, Scotts Valley, CA  
504 Mill Creek Court, Roseville, CA  
37 Jones Street, Murphys, CA

## *Agenda*

- | <u>Item</u> |   | <u>Action</u>      |
|-------------|---|--------------------|
| 1.          | <b>Call to Order and Introductions</b>  |                    |
| 2.          | <b>Approval of Agenda Items</b>   | <b>Action</b>      |
| 3.          | <b>Public Comment</b><br><i>At this time, members of the public may address the Board on any item that is not on the agenda. No action may be taken on items that are not on the agenda unless authorized by law. Comments are limited to three minutes per person.</i> | <b>Discussion</b>  |
| 4.          | <b>Consent Calendar</b><br><i>The Board will review and may approve the following:</i><br>A. Minutes – July 9, 2019<br>B. Financial Reports – June 2019   | <b>Info/Action</b> |
| 5.          | <b>2020 Rate Setting</b><br><i>The Board will review recommendations for and finalize program rates for the 2020 program year.</i>  | <b>Info/Action</b> |
| 6.          | <b>Feasibility Study Update</b><br><i>The Board will receive and discuss an update from the identified consultant.</i>  | <b>Info/Action</b> |
| 7.          | <b>Director Comments</b>  | <b>Information</b> |
| 8.          | <b>Public Comments</b>  | <b>Information</b> |
| 9.          | <b>Next Meeting</b>   | <b>Info/Action</b> |
| 10.         | <b>Adjourn</b>  | <b>Action</b>      |

## **FDAC EBA Board of Directors Teleconference Meeting**

July 9, 2019

### **In Attendance**

Bill Paskle, President  
Brian Wilkes, Secretary/Treasurer  
Georgette Darcy  
Jodi Martin

### **Consultants/Guests**

Melissa Manchester, FDAC EBA Administrator  
Bordan Darm, Keenan  
Dawn Almanzor, Keenan  
Mary Boyer, Keenan  
David McMurchie, Legal Counsel

President Bill Paskle convened the meeting at 3:08 p.m. President Paskle welcomed everyone and established a quorum.

### **Approval of Agenda Items**

Director Jodi Martin moved to approve the agenda; Director Georgette Darcy seconded.

Ayes: Bill Paskle, Brian Wilkes, Georgette Darcy, Jodi Martin

Noes:

Absent: Steve Kovacs

### **Public Comment**

There was no public comment.

### **Consent Calendar**

The Board reviewed the consent calendar, which included the minutes from the June 14 meeting. Director Martin moved to approve the consent calendar; Director Brian Wilkes seconded.

Ayes: Bill Paskle, Brian Wilkes, Georgette Darcy, Jodi Martin

Noes:

Absent: Steve Kovacs

### **Preliminary Rate Discussion**

Broker Bordan Darm reviewed with the Board the preliminary rates as received by the carriers. Vision, life and EAP are all on a rate pass, as is the MetLife DHMO plan. The Dental PPO plan came back at a significant reduction, prompting Darm to recommend the Board consider self-funding this for 2020. The Self-Funded medical had an administrative increase of 2.4% from Blue Shield and Health Now, and Kaiser is a recommended rate pass. The Board will convene again in August to formally set rates for 2020.

### **Public Comments**

There were no public comments.

### **Next Meeting**

The next meeting will be held in August to confirm the 2020 program rates.

**Adjourn**

Director Martin moved to adjourn the meeting at 3:49 p.m. Director Wilkes seconded.

Ayes: Bill Paskle, Brian Wilkes, Georgette Darcy, Jodi Martin

Noes:

Absent: Steve Kovacs

Respectfully submitted,

Melissa Manchester

# FIRE DISTRICTS ASSOCIATION OF CALIFORNIA EMPLOYMENT BENEFITS AUTHORITY (FDAC EBA)

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## TREASURER'S REPORT

FOR THE ONE MONTH ENDED JUNE 30, 2019

As mandated by Section 53646 of the California Government Code, Fire Districts Association of California Employment Benefits Authority (FDAC EBA) is able to meet its pool's expenditure requirements for the next six months.

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Officer

FDAC EBA pools the claims experience of all member districts in all health and welfare pools. Operating as a blind pool since inception, individual claims experience is not available.

Prepared by:



**Innovative Solutions. Enduring Principles.**

2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501  
(310) 212-3344 / (310) 212-0300 Fax  
License No. 0451271



**Fire District Association of California  
Employee Benefits Authority  
(FDAC EBA)**

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## Distribution and Use of Report

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SETECH may utilize actuarial projections as an integral component of this Report, as provided by the Authority's actuary and in the case of some Benefit Groups, by a staff member of the Keenan & Associates Technical Department. We may also rely upon financial data provided by the Authority's Treasurer, Accountant or County Office of Education. We have not audited this data and are not responsible for its accuracy. With any financial analysis, the accuracy and relevance of the conclusions as well as the reasonableness of the recommendations depend upon the accuracy and relevance of the underlying data. Financial information provided in this Report is subject to an annual independent financial audit.

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**Fire District Association of California  
Employee Benefits Authority  
(FDAC EBA)**

**Treasurer's Report - Unaudited**

**For the One Month Ended 06/30/2019**

	Cash Transactions			Balance Year To Date	Final Budget 2018/2019	% of Budget
	06/01/2019 - 06/30/2019	07/01/2018 - 05/31/2019	Accruals			
Unaudited, Net Position as of 07/01/2018				\$ 1,317,707		
<b>Operating Revenues</b>						
Member Contributions						
Premium Earnings - 18/19	\$ 932,786	\$ 9,840,599	\$ 22,987	\$ 10,796,372	\$ 10,305,451	104.76 %
Premium Earnings - 17/18	--	(4,321)	4,321	--	--	--
Health Now Rebates	--	9,155	--	9,155	8,000	114.44
Total Operating Revenues	<u>932,786</u>	<u>9,845,433</u>	<u>27,308</u>	<u>10,805,527</u>	<u>10,313,451</u>	<u>104.77</u>
<b>Operating Expenditures</b>						
Self Funding						
Claims Expense	269,582	2,739,527	153,994	3,163,103	3,133,029	100.96
Administration	13,158	104,157	11,056	128,371	236,507	54.28
Insurance Rebate	--	--	--	--	(575,000)	--
Change in Incurred But Not Paid (IBNP)	--	--	--	--	150,000	--
Premium:						
Carrier Payments	494,594	6,198,057	--	6,692,651	6,739,277	99.31
<b>Administrative:</b>						
Third Party Administrator	9,900	102,663	--	112,563	81,801	137.61
Financial Services - SETECH	8,233	39,729	--	47,962	45,600	105.18
Broker Fees	13,000	143,000	--	156,000	153,000	101.96
KPPC Fees	--	3,346	--	3,346	--	--
Broker Commissions	42,959	126,204	--	169,163	103,000	164.24
Administration Contract	(308)	46,141	4,167	50,000	60,000	83.33
FDAC Subsidiary Fee	--	20,000	--	20,000	20,000	100.00
Broker - Member Services	--	--	--	--	30,000	--
Board Meetings	308	1,677	--	1,985	2,000	99.25
FDAC Conference	--	1,227	--	1,227	5,000	24.54
E & O Insurance	--	1,400	--	1,400	1,500	93.33
Office Supplies Other	--	--	--	--	50	--
Postage & Delivery	--	104	--	104	300	34.67
Printing & Reproduction	2	1,015	--	1,017	100	1,017.00
Staff Travel	--	--	--	--	200	--
Telephone	111	316	112	539	1,000	53.90
Storage	5	128	5	138	100	138.00
Audit	--	5,785	--	5,785	8,000	72.31
Legal Fees	54	567	--	621	26,000	2.39
Treasury Fee	951	--	--	951	--	--
Prior Year Expenditure	1,479	39,682	--	41,161	--	--
Total Operating Expenditures	<u>854,028</u>	<u>9,574,725</u>	<u>169,334</u>	<u>10,598,087</u>	<u>10,221,464</u>	<u>103.68</u>
Income/(Loss) from Operations	<u>78,758</u>	<u>270,708</u>	<u>(142,026)</u>	<u>207,440</u>	<u>91,987</u>	<u>225.51</u>
<b>Non Operating Revenues &amp; Expenditures</b>						
Bank Service Charges - US Bank	--	(90)	--	(90)	(750)	12.00
Investment Income - US Bank	--	1,972	--	1,972	--	--
Investment Income	154	32,188	12,979	45,321	15,551	291.43
Total Non Operating Revenues & Expenditures	<u>154</u>	<u>34,070</u>	<u>12,979</u>	<u>47,203</u>	<u>14,801</u>	<u>318.92 %</u>
<b>Net Increase/(Decrease)</b>	<u>\$ 78,912</u>	<u>\$ 304,778</u>	<u>\$ (129,047)</u>	<u>254,643</u>		
<b>Total Net Position, 06/30/2019</b>				<u>\$ 1,572,350</u>		

**Fire District Association of California  
Employee Benefits Authority  
(FDAC EBA)**

**Statement of Net Position**

**As of 06/30/2018 and 06/30/2019**

	<b>Unaudited Balance 06/30/2018</b>	<b>Activity 07/01/2018 Through 06/30/2019</b>	<b>Balance 06/30/2019</b>
<b>ASSETS:</b>			
<b>Current Assets</b>			
Union Bank Checking	\$ 389	\$ 41,120	\$ 41,509
Local Agency Investment Fund	809,915	1,260,079	2,069,994
Comerica - Money Market	100,757	(100,757)	--
US Bank - Business Checking	117,870	(117,870)	--
US Bank - Money Market Account	225,036	(225,036)	--
US Bank - Margin Fund	424,893	(424,893)	--
Delta Dental Prefund	79,000	5,800	84,800
Health Now Deposit	170,000	--	170,000
Subtotal Cash and Cash Equivalents	<u>1,927,860</u>	<u>438,443</u>	<u>2,366,303</u>
Member Contributions Receivable - 18/19	--	22,735	22,735
Member Contributions Receivable - 17/18	98,597	(94,276)	4,321
Accounts Receivable	--	--	--
Interest Receivable	--	12,979	12,979
Pre Paid Expenses	99,391	4,419	103,810
Subtotal Current Assets	<u>197,988</u>	<u>(54,143)</u>	<u>143,845</u>
Total Assets	<u><b>2,125,848</b></u>	<u><b>384,300</b></u>	<u><b>2,510,148</b></u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Accounts Payable	175,761	(6,175)	169,586
Unearned Revenue	146,194	135,831	282,025
	<u>321,955</u>	<u>129,656</u>	<u>451,611</u>
Claim Liabilities - IBNR	486,186	--	486,186
Subtotal	<u>486,186</u>	<u>--</u>	<u>486,186</u>
Total Current Liabilities	<u><b>808,141</b></u>	<u><b>129,656</b></u>	<u><b>937,797</b></u>
<b>NET POSITIONS:</b>			
Undesignated Net Position	1,267,707	254,644	1,522,351
Designated - Reserves & Contingencies	50,000	--	50,000
Total Net Position	<u><b>1,317,707</b></u>	<u><b>254,644</b></u>	<u><b>1,572,351</b></u>
Total Liabilities and Net Position	<u><b>\$ 2,125,848</b></u>	<u><b>\$ 384,300</b></u>	<u><b>\$ 2,510,148</b></u>



**Fire District Association of California  
Employee Benefits Authority  
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**Check Reimbursements and Wire Transfers  
For the Period from 06/01/2019 through 06/30/2019  
Payment Order Number 2018/2019 - 05**

<b>Ck Date</b>	<b>Check/WT #</b>	<b>Payee</b>	<b>Invoice #</b>	<b>Amount</b>	<b>Transaction Description</b>
6/5/2019	10151	ASi Administrative Solutions	154080A	1,543.00	Cobra Admin 05/19
- -	- -	- -	154080RETIREE	147.00	Retiree Admin 05/19
- -	10152	HealthNow Admin Service-C	0519-053119MED	7,595.24	Med Claims 05/24-30/19
- -	10153	Keenan & Associates ADMIN	227233	4,098.30	SETECH 05/19
- -	10154	MetLife - Group Benefits	KMO057347400001-0619	4,097.64	Premium 06/19
6/5/2019	WT060519	Kaiser-FDAC WT	000601044-0000-0619	319,563.40	Premium 06/19
- -	WT060519A	Kaiser-FDAC WT	000601044-0122-0619	108,614.92	Premium 06/19
- -	WT060519B	Kaiser-FDAC WT	000601044-0055-0619	1,446.26	Premium 06/19
6/17/2019	10155	HealthNow Admin Service-C	0619-060719MED	58,141.39	Med Claims 05/31-06/06/19
- -	- -	- -	0619-061419MED	25,976.05	Med Claims 06/07-13/19
6/17/2019	10156	Hourglass Systems Inc	FDAC 2019-06	7,616.00	TPA 06/19
- -	10157	Keenan & Associates ADMIN	228589	42,959.08	Admin Fee 2nd Qtr 18/19
- -	10158	Pacific Storage Company	4180166	5.00	Storage 05/19
- -	10159	VSP	12262789-806987705	21,524.72	Premium 06/19
- -	- -	- -	12262789-807000665	10.87	Premium 06/19
6/17/2019	WT061719	Delta Dental of California WT	BE003433578A	10,897.64	Admin 05/19
- -	- -	- -	BE003433578C	104,457.92	Claims 05/19
- -	WT061719A	EmpiRx Health WT	0004286	10,399.37	Claims 05/31/19
- -	- -	- -	INV1102	570.00	Admin 05/19
- -	- -	- -	0004221	20,561.15	Claims 05/15/19
6/21/2019	10160	Happy Valley FPD	0617ACH	330.00	Anderson FPD s/b FDAC
- -	10161	HealthNow Admin Service-C	0619-062119MED	30,320.19	Med Claims 06/14-20/19
- -	10162	Keenan & Associates ADMIN	226887	13,000.00	Consult 06/19
- -	- -	- -	228744	4,134.40	SETECH 06/19
- -	10163	Retiree First	07012019RX	3,740.00	RX Premium 07/19
- -	- -	- -	07012019MED	6,281.00	Medical Premium 07/19
6/21/2019	WT062119	EmpiRx Health WT	0004351	12,130.25	Claims 06/15/19
- -	WT062119A	HealthNow Admin Services-C WT	0719	103,810.14	Stop Loss Premium 07/19
- -	WT062119B	Standard Insurance Company WT	0619	19,293.98	Premium 06/19
6/28/2019	10164	ASi Administrative Solutions	156633	1,554.00	Cobra Admin 06/19
- -	- -	- -	156633RETIREE	730.00	Retiree Admin 06/19
- -	10165	Department of the Treasury	2017-20-3180738	510.76	20-3180738 Form 720 2017
- -	10166	McMurchie Law Firm	4400	54.00	Legal Fee 18/19
- -	10167	Department of the Treasury	2018-20-3180738	967.95	20-3180738 Form 720 2018
- -	10168	Department of the Treasury	2019-20-3180738	950.60	20-3180738 Form 720 2019
				<b>Jun-19</b>	<b>948,032.22</b>
				<b>Total</b>	<b>948,032.22</b>