

**BUTTE SCHOOLS SELF-FUNDED PROGRAMS**

**BOARD OF DIRECTORS**

**October 12, 2016  
Butte County Office of Education  
Oroville, California**

**MINUTES**

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Board Members: Mary Sakuma, President .....Butte County Office of Education  
Ruthie Anaya, Vice President .....Palermo Union School District  
Heather Naylor, Treasurer .....Gridley Unified School District  
Trevor Stewart, Secretary .....Butte-Glenn Community College  
Pam Ragan .....Biggs Unified School District  
Kevin Bultema .....Chico Unified School District  
Len Foreman .....Durham Unified School District  
Joshua Peete .....Golden Feather Union Elementary School  
District  
Andrew James .....Oroville City Elementary School District  
Connie Cavanaugh .....Thermalito Union Elementary School  
District  
Glenda Nelson .....Pioneer Union Elementary School District

Executive  
Director: Christy Patterson .....Butte Schools Self-Funded Programs

Others: Scott McClave (via phone) .....Alliant Insurance Services, Inc.  
Dianna Santos (via phone) .....Alliant Insurance Services, Inc.  
Dana Olson (via phone) .....Alliant Insurance Services, Inc.  
Karen Finley .....Butte County Office of Education  
Shelly Knifong .....Butte Glenn Community College District  
Rick Utterback .....Chico Unified School District

**A. CALL TO ORDER**

President Sakuma called the meeting to order at 1:32 p.m.

**B. INTRODUCTIONS**

Directors and invited guests introduced themselves.

C. AGENDA

President Sakuma reported that the meeting would move to closed session at 4:00 p.m. and adjourn at 4:30 p.m.; directors indicated they could remain until the end of the meeting.

|  |            |       |
|--|------------|-------|
| Motion: Approve as amended.  |            |       |
| Made by: Trevor Stewart  | Yes: 18    | No: 0 |
| Seconded by: Connie Cavanaugh  | Absent: 11 |       |
| Roll call "yes" votes: Ragan, Stewart, Sakuma, Bultema, Foreman, Peete, Naylor, James, , Anaya and Cavanaugh |            |       |

D. PUBLIC COMMENTS

There were none.

E. CONSENT

|                               |            |       |
|-------------------------------|------------|-------|
| Motion: Approve as presented. |            |       |
| Made by: Heather Naylor       | Yes: 18    | No: 0 |
| Seconded by: Len Foreman      | Absent: 11 |       |

F. REPORTS

All reports were deferred until the next meeting.

G. DISCUSSION/ACTION ITEMS

1. Employee Benefit Plans Effective July 1, 2017:

- a. Medical and Prescription: Mrs. Patterson reviewed some of the items to be addressed during development of the 2017 plans, including phantom coordination of benefits, opt-out of coverage, and offering a 3-tier rather than 2-tier alternative to the composite rates. She also reviewed a proposed menu of plans for consideration. It was noted that while BSSP's original July 1, 2014 plans were true between rates and actuarial values, BSSP strayed from that during rate setting for July 1, 2016. CVT's plans have similar variances although SISC remains true when comparing rates to actuarial values.

*Glenda Nelson joined the meeting at 1:45 p.m. Josh Peete joined the meeting at 1:53 p.m.*

Mr. Bultema discussed the frequency of plan changes possibly leading to difficulty in underwriting and Mr. James discussed the value of a lower-rate plan that was not HSA compatible providing disease maintenance at no out of pocket cost to covered members. Mr. Stewart cautioned against adding any costs to the plans, terminating the EAP plan without replacement, not filling the current vacancy for a wellness coordinator, and impacting rates on the lower plans. Mrs. Nelson reported that lower-paid employees may have the option of lower-cost coverage through the exchanges.

- b. Dental: Mrs. Patterson reviewed a proposal for individual choice in dental plans. This would allow a low-rate base plan plus individual buy-up to a broader network and orthodontia coverage and allow employees to utilize dollars previously utilized for dental coverage for medical coverage.
    - c. Vision: Mrs. Patterson reviewed a proposal for individual choice in vision plans. This would allow a low-rate base with a higher frame allowance and a buy-up for expanded contact lens coverage.
  2. Memorandum of Liability Coverage effective July 1, 2017: Mrs. Patterson discussed a proposal to include haunted houses on the list of high risk deductibles. Mrs. Cavanaugh suggested employee pets at work be added to the list as well.
  3. Policy Reviews and Revisions:
    - a. Revised Policy 5.1, Risk Management and Safety: Mrs. Patterson reviewed the proposed changes to the policy.
    - b. Revised Policy 5.6, Property and Liability Memorandum of Coverage: Mrs. Patterson reviewed the proposed changes to the policy.
  4. Bylaws: Composition of Board of Directors: The merits of banded representative votes versus each district having a vote were discussed, including the risks of a larger board with non-participatory and uninformed directors versus risk of reduced district engagement if the district doesn't have a unique vote. The merits of weighted versus single votes were also discussed. Mr. Peete reported that it may be reasonable for the five smallest districts to be represented by a banded vote, since they operate in similar environments have built trust for representation between them. It was the consensus of the directors that management and labor each have an equal vote. The issue of votes only counting for programs in which the district participates was also discussed. Additional proposals for voting structure were to be forwarded to Mrs. Patterson by October 14<sup>th</sup> for inclusion in the next meeting packet.
  5. Policy Reviews, Revisions and Proposals:
    - a. Policy 1.15, Conflict of Interest: This policy was reviewed and no changes were proposed.
    - b. Policy 2.2, Investments: This policy was reviewed and no changes were proposed.
    - c. Policy 2.8, Underwriting: This proposed policy was reviewed and no changes were proposed.
    - d. Policy 2.9, Target Equity: This proposed policy was reviewed and no changes were proposed.

6. Annual Self-Evaluation by the Board of Directors: The results of the survey were reviewed. Mr. Bultema indicated there was not enough encouragement of discussion amongst the directors. Mrs. Patterson was directed to calendar the survey for June rather than October in the future.
7. Annual Review of Governance Handbook: President Sakuma encouraged review of the handbook. Further discussion on the handbook was deferred until the new configuration of the board was determined.

#### H. ITEMS FROM THE DIRECTORS

There were none.

#### I. CLOSED SESSION

Mrs. Sakuma adjourned the meeting to closed session at 3:50 p.m.

Mrs. Sakuma reconvened the meeting in open session at 4:20 p.m. and reported that the Board had taken action to approve the proposed changes to the Executive Director Contract.

#### J. ADJOURNMENT

The meeting adjourned at 4:21 p.m.

Respectfully submitted,

  
Christy R. Patterson  
Executive Director