

# **AGENDA - FUSD Self-Insurance Trust Board (FSIT)**

**FLAGSTAFF UNIFIED SCHOOL DISTRICT NUMBER ONE  
District Administrative Center – 3285 E. Sparrow Avenue – Flagstaff, Arizona  
Meeting of the Trustee Board – 7:30 am**

**May 28, 2015**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Trustee Board and to the general public that the Board of the FSIT will hold a Board Meeting, which will be open to the public. Pursuant to A.R.S. §38-431.03(A)(3), the Trustee Board may consider any item on this agenda in any order and at any time during the meeting. Pursuant to A.R.S. § 38-431.4, members of the Trustee Board may participate via speakerphone or other technological devices.

## **PRELIMINARY**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call:

### **Board Members**

Ms. Christine Fredericks, Member  
Mr. Chris Bavasi, Member  
Mr. Frank Garcia, Member  
Ms. Julie Smith, Member  
Mr. Ben Stanton, Member

### **Administration**

Dr. Ken Garland, Director of Finance  
Mr. Robert Kuhn, Assistant Superintendent  
Ms. Ginger Wischmann, Director of Accounting  
Ms. Jennifer Moore, Benefits Specialist

4. Reorder Agenda - At the Trustee Board's discretion, the agenda may be reordered to accommodate guests who are present to address specific agenda items.
5. Agenda - Adoption of the agenda with addenda items, as submitted, is recommended.

**If any disabled person needs any type of accommodation,  
please notify the Business Office at 527-6062  
as soon as possible before the scheduled meeting time.**

*Members of the Board may not discuss items that are not specifically identified on the agenda. Additional information about agenda items can be found on the FUSD website at [www.fusdl.org](http://www.fusdl.org) or by contacting the Director of Finance at 928-527-6062.*

**CALL TO THE PUBLIC** - Any person wishing to address the Board on a non-agenda item will be granted time to make a presentation at the discretion of the presiding chairperson. Action taken as a result of public input will be limited to directing staff to review the matter for consideration or decision at a later time. Individual remarks may be limited to three minutes.

## **PRESENTATIONS**

### 1. **Administrative Reports**

- a. Review of Report on the Condition of Health Benefit Accounts as of April 2015 and discussion on a plan for future investing.
- b. Current Events

## **ADMINISTRATION: DISCUSSION/ACTION ITEMS**

1. Approval of Minutes of the Regular Meeting held on October 27, 2014
2. Approval of Investments for Renewal of Existing CD's

## **INFORMATION ITEMS**

1. **Trustee Board Members' Reports**
  - a. Current Events
2. **Meeting Dates** – The Board may approve additional meeting dates, may reschedule and/or cancel previously scheduled meetings.
3. **Future Agenda Items** – The Trustee Board may identify items they would like placed on a future agenda.

## **ADJOURNMENT OF PUBLIC MEETING**

**FLAGSTAFF UNIFIED SCHOOL DISTRICT #1**

Three years summary information for the Health Benefits Account showing revenue, expenditures and balances. Two years of

**FY 2012, FY 2013 and FY 2014**

**Summary Information for FUSD Health Benefit Account**

Year	July 1 Beg Balance	Revenue	Expenditures	Ending Balance	Date
FY 2012	\$3,214,509.71	\$9,340,747.30	\$9,977,085.76	\$2,578,171.25	6/30/2012
FY 2013	\$2,578,171.25	\$1,988,274.38	\$9,842,972.94	\$4,723,472.69	6/30/2013
FY 2014	\$4,723,472.69	\$10,118,695.33	\$8,029,175.52	\$6,812,992.50	6/30/2014

**FY 2015 Health Benefit Monthly Revenue**

**Expenditures and Balances**

Month	Beg Balance	Revenue	Expenditures	Ending Balance	Date
July	\$6,812,992.50	\$447,989.38	\$613,013.92	\$6,647,967.96	7/31/2014
August	\$6,647,967.96	\$727,635.81	\$722,904.67	\$6,652,699.10	8/31/2014
September	\$6,652,699.10	\$1,117,558.32	\$626,034.65	\$7,145,222.77	9/30/2014
October	\$7,145,222.77	\$771,561.96	\$673,508.75	\$7,243,275.98	10/31/2014
November	\$7,243,275.98	\$775,047.84	\$755,234.21	\$7,263,089.61	11/30/2014
December	\$7,263,089.61	\$778,628.02	\$720,426.22	\$7,321,291.41	12/31/2014
January	\$7,321,291.41	\$1,096,699.47	\$696,181.84	\$7,721,809.04	1/31/2015
February	\$7,721,809.04	\$434,202.85	\$720,065.01	\$7,435,946.88	2/28/2015
March	\$7,435,946.88	\$1,156,840.41	\$714,944.18	\$7,877,843.11	3/31/2015
April	\$7,877,843.11	\$682,425.99	\$770,544.29	\$7,789,724.81	4/30/2015
May 2015*	\$7,789,724.81	\$650,000.00	\$750,000.00	\$7,589,724.81	5/31/2015
June 2015*	\$7,589,724.81	\$350,000.00	\$650,000.00	\$7,289,724.81	6/30/2015
July 2015*	\$7,289,724.81	\$450,000.00	\$650,000.00	\$7,089,724.81	7/31/2015
August 2015*	\$7,089,724.81	\$730,000.00	\$650,000.00	\$7,169,724.81	8/31/2015
September 2015*	\$7,169,724.81	\$700,000.00	\$650,000.00	\$7,219,724.81	9/30/2015

\* May 2015 through September 2015 projected amounts

**Explanation of Account Balances (\$7,200,000) as of April 30, 2015**

Funds Held in Checking Acct (.10% rate)	Total Checking Acct Interest YTD to Date	Funds Held in Money Market (.15% rate)	Total Money Market Acct Interest YTD to Date	Funds Held in 3 Month CDs* (.20% rate)	3 Month Yield	Funds Held in 12 Month CD (.55% rate)	Current Yield Amt on 12 Month CD	Funds Held in 24 Month CD (.75% rate)	Current Yield Amt on 24 Month CD	Total Interest for all accounts as of April 30th
\$2,044,774.38	\$936.00	\$1,731,542.32	\$4,303.21	\$3,000,000.00	\$1,512.58	\$1,504,095.74	\$4,095.74	\$2,509,312.37	\$9,312.37	\$20,159.90

\*The 3 month CD was closed 11-7-14 and was rolled into the 12 and 24 month CD's

# Alliance Bank

OF ARIZONA

A division of Western Alliance Bank. Member FDIC.

This Rate Chart contains information about interest rates and ANNUAL PERCENTAGE YIELD (APY) for some of the accounts we offer. Please contact any Alliance Bank of Arizona Division employee for further information about applicable fees and terms.

BUSINESS ACCOUNTS									
Product	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY	Product/Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY
Prime Plus Checking	\$100	0.01+	0.10%	0.10%	Business Money Market	\$100	.01 - 9,999.99	0.08%	0.08%
IOLTA	\$100	0.01+	0.10%	0.10%		10,000 - 99,999.99	0.08%	0.08%	
Business Savings	\$100	0.01+	0.08%	0.08%		100,000 - 249,999.99	0.15%	0.15%	
							250,000 - 999,999.99	0.25%	0.25%
							1,000,000+	0.27%	0.27%

CONSUMER ACCOUNTS									
Product	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY	Product/Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY
Premier Interest Checking	\$100	0.01+	0.08%	0.08%	Personal Money Market	\$100	.01 - 9,999.99	0.08%	0.08%
Elite Interest Checking	\$100	.01 - 9,999.99	0.08%	0.08%		10,000 - 99,999.99	0.08%	0.08%	
		10,000+	0.11%	0.11%		100,000 - 249,999.99	0.15%	0.15%	
Personal Savings	\$100	0.01+	0.08%	0.08%			250,000 - 999,999.99	0.25%	0.25%
IRA/SEP Savings	\$50	50.00 - 1,500.99	0.10%	0.10%	Health Savings Account	\$50	.01 - 1,499.99	0.05%	0.05%
		1,501+	0.20%	0.20%				1,500+	0.10%
					IDA/AZ Saves	\$5	5.00+	0.10%	0.10%

CERTIFICATES OF DEPOSIT*									
Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY	Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY
30 - 89 Days	\$1,000	0.01 - 24,999.99	0.12%	0.12%	24 Months	\$1,000	0.01 - 24,999.99	0.55%	0.55%
		25,000 - 99,999.99	0.12%	0.12%			25,000 - 99,999.99	0.55%	0.55%
		100,000+	0.15%	0.15%			100,000+	0.55%	0.55%
90 - 179 Days	\$1,000	0.01 - 24,999.99	0.15%	0.15%	36 Months	\$1,000	0.01 - 24,999.99	0.60%	0.60%
		25,000 - 99,999.99	0.15%	0.15%			25,000 - 99,999.99	0.60%	0.60%
		100,000+	0.20%	0.20%			100,000+	0.60%	0.60%
180 - 364 Days	\$1,000	0.01 - 24,999.99	0.20%	0.20%	48 Months	\$1,000	0.01 - 24,999.99	0.75%	0.75%
		25,000 - 99,999.99	0.20%	0.20%			25,000 - 99,999.99	0.75%	0.75%
		100,000+	0.25%	0.25%			100,000+	0.75%	0.75%
12 Months	\$1,000	0.01 - 24,999.99	0.35%	0.35%	60 Months	\$1,000	0.01 - 24,999.99	0.90%	0.90%
		25,000 - 99,999.99	0.35%	0.35%			25,000 - 99,999.99	0.90%	0.90%
		100,000+	0.45%	0.45%			100,000+	0.90%	0.90%

FLEX CERTIFICATES OF DEPOSIT*									
Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY	Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	Rate	APY
12 Month Flex	\$50,000	0.01 - 49,999.99	0.08%	0.08%	24 Month Flex	\$50,000	0.01 - 49,999.99	0.08%	0.08%
		50,000+	0.35%	0.35%					50,000+

\*May be opened as a Traditional or SEP IRA for eligible customers

At our discretion, the interest rate and Annual Percentage Yield (APY) on checking and savings accounts may change at any time after the account is opened. We use the daily balance method to calculate interest on your account. This method applies a daily periodic rate to the principal in the account each day. A penalty may be imposed for early withdrawal from certificates. Fees and/or withdrawals could reduce the earnings on the account.

Interest Rates and Annual Percentage Yields are effective as of October 11, 2014.

# Official Minutes

## October 27, 2014

The FUSD Self-Insurance Trust Board (FSIT), Coconino County, Flagstaff, Arizona held a Board Meeting on October 27, 2014 at the District Administrative Center, 3285 E. Sparrow Avenue, Flagstaff, Arizona.

### PRELIMINARY

1. Call to Order – Ms. Fredericks called the meeting to order at 7:31 a.m.
2. Pledge of Allegiance
3. Roll Call:

#### Board Members

Ms. Christine Fredericks, Member  
Mr. Chris Bavasi, Member  
Mr. Frank Garcia, Member  
Ms. Julie Smith, Member

#### Administration

Dr. Ken Garland, Director of Finance  
Mr. Robert Kuhn, Assistant Superintendent  
Ms. Ginger Wischmann, Director of Accounting  
Ms. Jennifer Moore, Benefits Specialist

#### Guests

Ms. Katie Wittekind, CWWPM

4. Reorder Agenda - At the Trustee Board's discretion, the agenda may be reordered to accommodate guests who are present to address specific agenda items.
5. Agenda – Agenda was adopted as recorded.

CALL TO THE PUBLIC – There were no questions from the public.

### PRESENTATIONS

1. Administrative Reports
  - a. Review of Report on the Condition of Health Benefits Account as of September 2014 and a confirmation of a plan for investing - Dr. Garland presented the Review of Health Benefits Account and investment information from Alliance Bank.
  - b. Current Events – None.

### ADMINISTRATION: DISCUSSION/ACTION ITEMS

1. Approval of Minutes of the Regular Meeting held on August 20, 2014 – Mr. Bavasi moved to approve the minutes of the meeting held on August 20, 2014. Ms. Smith seconded; motion carried.

## **INFORMATION ITEMS**

1. Report on RFP (proposals) to establish a health clinic for NAPEBT – Ms. Wittekind presented a report on RFP's to establish a health clinic for NAPEBT.
2. Trustee Board Members' Reports
  - a. Current Events – None.
3. Meeting Dates – Dr. Garland suggested a meeting in April for an update.
4. Future Agenda Items – Reappointment of FSIT Board members by FUSD Governing Board - Dr. Garland presented Trust Board reappointment recommendations.

## **ADJOURNMENT OF PUBLIC MEETING**

Meeting was adjourned at 8:05 a.m.

DRAFT

**BOARD SUMMARY**  
**FUSD Self-Insurance Trust (FSIT)**

**MEETING DATE: May 28, 2015**

**REVIEW OF REPORT on the Condition of the Health Benefits Account as of April 30, 2015, and the Confirmation of the Plan for Moving Forward with the Investment Program**

**EXECUTIVE SUMMARY:**

The Summary Report on the attachment shows three years of receipts, expenditures, and end of the year balances in the FUSD Health Benefits Account. You will note that the end of year for FY 2015 is \$7,089,724. The balance through September 2015 shows a projected balance of \$7,219,725.

The interest earned from July 1, 2014 through April 30, 2015 was \$20,159.90. We are striving to keep all idle funds invested and, with possible changes in interest conditions, future investment strategies will be altered. It may be necessary to have a Board meeting prior to November 15, 2015.

Greg Sampson, VP of Alliance Bank, has communicated to us a new rate sheet. Those rates indicate a two year CD at .55% interest rate. However, Mr. Sampson assures us that they will reconsider in November 2015 and offer us a higher rate. We have been receiving .75% on the two year CD now in effect. This allows us to propose the following investment plan from Nov. 15, 2015 to Nov. 16, 2017.

It is our intent to invest with Alliance Bank the following funds as of November 15, 2015 when the present one year CD is at maturity:

1. Invest in a \$2,000,000 two year CD at .75% interest rate or the highest possible rate until November 16, 2017.
2. That the Board authorize Administration to invest as much as \$2,000,000 at a rate of .55% or more as of November 2015.

**RECOMMENDED ACTION:**

This item is for discussion and general direction for Administration to invest in a two year \$2,000,000 CD on November 16, 2015 at an interest rate of .55% or at a higher rate if available. Administration will convene a Board meeting prior to November 15, 2015 if Federal prime rates or other conditions have substantially changed investment options.

K. Garland