

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

November 24, 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

Mr. Scott Walmer, Director of Finance
Dr. Ken Garland, Director of Finance (assisting)
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.fusd1.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 October 31, 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 May 28, 2015
2. Approval of Investments for Renewal of Existing CD's
3. Reappointment of FSIT Board Members by FUSD Governing Board in January 2016

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

BOARD SUMMARY
FUSD Self-Insurance Trust (FSIT)

MEETING DATE: November 24, 2015

REVIEW OF REPORT on the Condition of the Health Benefits Account as of Oct. 31, 2015, and the Confirmation of the Plan for Moving Forward with the Investment Program

EXECUTIVE SUMMARY:

The Summary Report on the attachment shows four 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 \$6,812,992. The balance through October 2015 shows a balance of \$7,003,471.

The interest earned from July 1, 2015 through Oct. 31, 2015 was \$18,364. We are striving to keep all idle funds invested and, with possible changes in interest conditions, future investment strategies will be altered. It will be necessary to have a Board meeting prior to June 30, 2016.

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, the email from Mr. Sampson assures us that they will renew a two year CD in November 2015 at a .75% rate. We have been receiving .75% on the two year CDs now in effect. This allows us to propose the following for investments from Nov. 30, 2015 to Nov. 30, 2017:

- A. Existing Investments that continue:
 - 1. \$2.5 M CD at .75% matures Nov. 7, 2016
 - 2. \$1.5 M CD at .75% matures June 24, 2017
- B. It is our intent to invest with Alliance Bank the following funds as of November 30, 2015 or by December 31, 2015:
 - 1. Invest in a \$1,800,000 two year CD at .75% interest rate or the highest possible rate until Dec. 31, 2017

RECOMMENDED ACTION:

This item is for discussion and general direction for Administration to invest in a two year \$1,800,000 CD by December 31, 2015 at an interest rate of .75% rate if available. Administration will convene a Board meeting prior to June 30, 2016 for additional investments outside of the money market.

Scott Walmer/K. Garland

FLAGSTAFF UNIFIED SCHOOL DISTRICT #1

Four years' summary information for the Health Benefits Account showing revenue, expenditures and balances.

FY 2012, FY 2013, FY 2014 and 2015 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	\$11,988,274.38	\$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	\$6,812,992.50	\$9,659,407.75	\$9,448,199.95	\$7,024,200.30	6/30/2015

FY 2016 Health Benefit Monthly Revenue Expenditures and Balances

Month	Beg Balance	Revenue	Expenditures	Ending Balance	Date
July	\$7,024,200.30	\$222,947.80	\$744,022.37	\$6,503,125.73	7/31/2015
August	\$6,503,125.73	\$782,911.66	\$582,586.86	\$6,703,450.53	8/31/2015
September	\$6,703,450.53	\$781,290.41	\$610,058.99	\$6,874,681.95	9/30/2015
October	\$6,874,681.95	\$812,313.98	\$683,524.60	\$7,003,471.33	10/31/2015
November 2015-June 2016*	\$7,003,471.33	\$6,000,000.00	\$5,760,000.00	\$7,243,471.33	6/30/2016

* November 2015 through June 2016 projected amounts

Explanation of Account Balances (\$8,700,000) as of October 31, 2015

Funds Held in Checking Acct (.10% rate)	Total Checking Acct Interest YTD	Funds Held in Money Market (.27% rate)	Total Money Market Acct Interest YTD*	Funds Held in 12 Month CDs (.55% rate) 11/7/2015	Current 4 Months' Yield*	Funds Held in 24 Month CD (.75% rate) 11/7/2016	Current 4 Months' Yield*	Funds Held in 24 Month CD (.75% rate) 6/24/2017	Current 4 Months' Yield*	Total Interest for all accounts as of 10/31/15
\$982,808.57	\$998.84	\$1,033,311.18	\$3,305.04	\$1,500,000.00	\$2,770.00	\$2,500,000.00	\$7,540.00	\$1,500,000.00	\$3,750.00	\$18,363.88

*Interest amounts for CDs and Money Market are close to actuals. The annual earnings will be approximately 3 X \$18,360 = \$55,080.

SW:KG:GW:jm 11/24/2015

From: Greg Sampson [<mailto:GSampson@alliancebankofarizona.com>]

Sent: Tuesday, November 17, 2015 2:15 PM

To: Ken Garland

Subject: RE: Rate Sheet

Ken, we will bump the interest rate on a new 24 mo CD of \$1,500,000 or more to .75%. This is .20% over our current posted CD rates.

Greg Sampson

Vice President

MLO# 771917



A Division of Western Alliance Bank, Member FDIC.

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Alliance Bank

OF ARIZONA

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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	APY	Rate	APY	Product/Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	APY	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%	
								100,000 - 249,999.99	0.15%	0.15%	
Business Savings	\$100	0.01+	0.08%	0.08%				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	APY	Rate	APY	Product/Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	APY	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%	
								1,000,000+	0.27%	0.27%	
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%	0.10%	
						IDA/AZ Saves	\$5	5.00+	0.10%	0.10%	

CERTIFICATES OF DEPOSIT*

Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	APY	Rate	APY	Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	APY	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	APY	Rate	APY	Term	Minimum Opening Balance	Minimum Balance/Tiers to Earn	APY	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+	0.55%	0.55%	

*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

May 28, 2015

The FUSD Self-Insurance Trust Board (FSIT), Coconino County, Flagstaff, Arizona held a Board Meeting on May 28, 2015 at the District Administrative Center, 3285 E. Sparrow Avenue, Flagstaff, Arizona.

PRELIMINARY

1. Call to Order - Mr. Garcia called the meeting to order at 7:39 a.m.
2. Pledge of Allegiance
3. Roll Call:

Board Members

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 – 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 Benefit Accounts as of April 2015, and discussion on a plan for future investing - Dr. Garland presented the Review of Report on the Condition of Health Benefit Accounts as of April 2015.
 - b. Current Events – None.

ADMINISTRATION: DISCUSSION/ACTION ITEMS

1. Approval of Minutes of the Regular Meeting held on October 27, 2014 - Mr. Stanton moved to approve the minutes of the meeting held on October 27, 2014. Mr. Bavasi seconded; motion carried.
2. Approval of Investments for Renewal of Existing CD's - Ms. Smith moved to approve action as stated. Mr. Stanton seconded; motion carried.

INFORMATION ITEMS

1. Trustee Board Members' Reports
 - a. Current Events – Mr. Garcia and Mr. Bavasi asked about the District Wellness Incentive Program and the NAPEBT Health Clinic.
2. Meeting Dates – The Board may approve additional meeting dates, may reschedule and/or cancel previously scheduled meetings. The Board may reconvene in November for a review of the Health Benefit Accounts and any changes in Federal prime interest rates, and to discuss the Health Clinic.
3. Future Agenda Items – The Trustee Board may identify items they would like placed on a future agenda. Board will send any future agenda items to Ms. Moore.

ADJOURNMENT OF PUBLIC MEETING

Mr. Stanton moved to adjourn the meeting at 8:07 a.m.; Mr. Bavasi seconded; motion carried.

FUSD Self-Insurance Trust (FSIT)

Trust Board Reappointments to be Recommended to FUSD Governing Board

Suggested reappointments to the Trustee Board are as follows:

Governing Board Member -	1 year term -	Board determination
Community Member -	3 year term -	Julie Smith
Community Member -	2 year term -	Chris Bavasi
Community Member -	1 year term -	Benjamin Stanton
District Employee Member -	1 year term -	Frank Garcia

Scott Walmer/K. Garland