

**APPROVED MINUTES
ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS
(ASCIP)**

EXECUTIVE COMMITTEE MEETING

Thursday, September 26, 2013

A meeting of the ASCIP Executive Committee was held on Thursday, September 26, 2013 at 10:00 a.m. at ASCIP Headquarters, 16550 Bloomfield Avenue, Cerritos, California 90703.

I. CALL TO ORDER – President Fine

The ASCIP Executive Committee (Executive Committee) Meeting was called to order at 10:05 a.m. by President Fine.

II. ROLL CALL - Clerk of the Executive Committee

Members Present

Mr. Michael Fine, President
Ms. Corinne Kelsch, Treasurer
Ms. Nancy Anderson, Member
Ms. Lydia Cano, Member
Mr. John Didion, Member
Ms. Teresa Dreyfuss, Alternate
Ms. Susan Hume, Alternate
Ms. Angela Jones, Member
Mr. Vahe Markarian, Member
Mr. Kris Olafsson, Member
Ms. Barbara Ott, Alternate
Ms. Ann Sparks, Member
Mr. Kim Stallings, Alternate
Mr. John Vinke, Member
Mr. Fred Williams, Member

Members Absent

Mr. Rick Bagley, Alternate
Dr. Michael Conroy, Alternate
Mr. Michael Johnston, Member
Ms. Mays Kakish, Alternate
Ms. Karen Kimmel, Alternate
Ms. Janece Maez, Member
Ms. Thuy Nguyen, Alternate
Ms. Cheryl Plotkin, Alternate
Ms. Andrea Reynolds, Alternate
Mr. Quynh Tran, Alternate

Others Present

Mr. Reshan Cooray
Mr. Robert J. Feldhake, Esq.
Mr. Jonathan Lackey
Mr. Russell O'Donnell
Mr. Dan Sanger
Ms. Lynn Truong
Ms. Felicia Williams

Mr. Fritz J. Heirich, ex officio

III. APPROVAL OF AGENDA – President Fine

On **MOTION** of Mr. Didion, **SECONDED** by Mr. Vinke, and **CARRIED**, the Agenda was approved as presented.

IV. Minutes of the Regular Executive Committee Meeting of August 29, 2013

Ms. Williams reported that the Minutes were corrected on page 1 to reflect that Committee Alternate Mays Kakish was present at the August 29, 2013 Executive Committee Meeting.

On **MOTION** of Mr. Stallings, **SECONDED** by Mr. Didion and **CARRIED**, the Minutes of the Regular Executive Committee Meeting of August 29, 2013, were approved as corrected.

V. PUBLIC COMMENTS – President Fine

There were no attendees from the public.

VI. PRESIDENT’S REPORT – President Fine

Mr. Fine commented that given the other items on the Agenda he would forego a report.

VII. COMMITTEE REPORTS

A. AD HOC GOVERNANCE COMMITTEE – President Fine

President Fine reported that the Ad Hoc Governance Committee met following the Executive Committee meeting in August and the Committee is making progress on the Business Conduct Policy.

B. FINANCE/INVESTMENT COMMITTEE – Chair Olafsson

Chair Olafsson reported that the Finance/Investment Committee met and reviewed the second quarter investment report. The Committee had a lengthy discussion regarding an investment strategy plan. The Committee will work with staff and PFM on revisiting ASCIP’s strategy policy, particularly with respect to funds held by LA County Treasurer.

The Committee also reviewed the Finance/Investment Committee policy, audit contract, and Capital Retention policy. The Committee recommended that a smaller sub-committee be formed to evaluate the Capital Retention policy.

C. CLAIMS/COVERAGE COMMITTEE – Chair Anderson

Chair Anderson reported that the Committee met earlier that day and reviewed a number of claim matters in closed session and had given direction to staff.

Chair Anderson announced that she had chaired her last meeting prior to changing roles and that Lydia Cano had volunteered to serve as the new Chair. Peter Hardash who is the Co-Chair will conduct the next meeting until Lydia has been formally appointed.

VIII. TREASURER’S REPORT – Treasurer Vinke

Treasurer Vinke submitted the Treasurer’s report for the period ending July 31, 2013 and August 31, 2013, requesting the Executive Committee receives and file. In addition, Mr. Vinke reported on member’s contributions, ASCIP expenditures, and cash balances.

On **MOTION** of Ms. Kelsch, **SECONDED** by Mr. Olafsson, and **CARRIED**, Item #VIII was approved as presented.

IX. CHIEF EXECUTIVE OFFICER’S REPORT – Fritz J. Heirich, CEO

Mr. Heirich provided a review of the survey results received from the 2013 Strategic Planning Meeting. In addition, Mr. Heirich thanked Ms. Anderson for her support and contribution to the Executive and Claims/Coverage Committees.

X. BOARD MEMBER COMMENTS

There were no board member comments.

XI. INFORMATION AND DISCUSSION ITEMS

A. ASCIP Health Fair

Mr. Sanger provided an overview of the upcoming ASCIP Health Fair scheduled on October 3, 2013.

B. ASCIP End of the Year Celebration

Ms. Williams announced the details of the end of the year function.

C. CalPERS Compliance Audit Status Report

Mr. Feldhake reported that this matter as to Finding 1 and the OAS report has been resolved with CalPERS with no further action required and no employee impact.

XII. CONSENT ITEMS

A. Certification of Signatures for 2013/14

B. ASCIP 2013 Second Quarter Investment Summary Report

On **MOTION** of Ms. Jones, **SECONDED** by Mr. Olafsson and **CARRIED**, Item #XII.A through Item #XII.B were approved as presented.

XIII. ACTION ITEMS

A. Appointment of Executive Committee Alternates:

1. JPA Governance Category

The Executive Committee appointed Ms. Joanne Schultz to the alternate seat through June 30, 2016.

On **MOTION** of Mr. Williams, **SECONDED** by Mr. Didion and **CARRIED**, Item #XIII.A was approved as presented.

B. Approval of Claims/Coverage Committee Policy

Mr. O'Donnell provided a brief overview of the changes in the Claims/Coverage Committee policy. The Executive Committee approved the Claims/Coverage Committee policy as recommended by the Claims/Coverage Committee.

On **MOTION** of Mr. Stallings, **SECONDED** by Mr. Didion and **CARRIED**, Item #XIII.B was approved as presented.

C. Approve the Renewal of the Audit Contract

The Executive Committee approved the audit contract with Vavrinek, Trine, Day & Company for the next three fiscal years from July 1, 2013 through June 30, 2016.

On **MOTION** of Mr. Williams, **SECONDED** by Ms. Anderson and **CARRIED**, Item #XIII.C was approved as presented.

D. Approval of OCIP Consulting Agreement

The Executive Committee approved the proposed consulting contract with Mr. Michael Bishop for OCIP program development and recommended approval by the Board of Directors of CIPA.

On **MOTION** of Mr. Stallings, **SECONDED** by Mr. Olafsson and **CARRIED**, Item #XIII.D was approved as presented, and recommended to CIPA's Board for approval.

XIV. ADJOURNMENT TO CLOSED SESSION – 11:32 a.m.

By order of **GENERAL CONSENSUS**, the Executive Committee adjourned to Closed Session for discussion of the following matters.

A. Summary of Open Claims Reported to ASCIP's excess insurers and reinsurers: SELF, MARP, Markel, and Brit

B. Claims for Review/Action/Information

1. Derrius Salter vs. Paramount Unified School District

On **MOTION** of Ms. Sparks, **SECONDED** by Ms. Jones, and **CARRIED**, the Executive Committee took action to approve staff's recommendation in Closed Session on Derrius Salter vs. Paramount Unified School District.

2. Aristides Gonzalez vs. Inglewood Unified School District

3. Edgar Gill vs. Inglewood Unified School District
 4. James Cricks vs. Montebello Unified School District
- D. Chief Executive Office Performance Evaluation -

XV. RETURN TO OPEN SESSION

By order of **GENERAL CONSENSUS**, the Executive Committee returned to Open Session at 12:02 p.m. President Fine announced that the Executive Committee took action in closed session on Item XIV.B.1 in accordance with staff's recommendations. Item XIVB.2 through Item XIVB.4 were for information only. Item XIVID was a performance evaluation only, and no action taken.

XVI. ACTION ITEMS

- A. Chief Executive Officer Compensation

The Executive Committee discussed the existing contract and bonus provisions, addressed the efforts and performance by the Chief Executive Officer, and proposed a discretionary bonus of 5% of base salary and a 2% salary increase to the Chief Executive Officer as a performance evaluation for twelve months of employment ending June 30, 2013.

In addition, the Executive Committee recommended that the existing Agreement with the Chief Executive Officer be amended to remove the cap on the annual bonus and change the terms of the Agreement to a rolling three years as per prior contracts with the CAO or CEO. The Executive Committee gave direction to General Counsel to prepare a formal Amendment to the existing Agreement for formal ratification in Open Session at the October meeting of the Executive Committee.

On **MOTION** of Mr. Didion, **SECONDED** by Ms. Jones and **CARRIED**, Item #XIV.A. was approved as presented.

XVII. FUTURE MEETINGS

The Executive Committee was provided a list of all future meetings.

XVIII. ADJOURNMENT

By order of **GENERAL CONSENSUS**, the Executive Committee adjourned at 12:23 p.m.

The next regular meeting of the Executive Committee will be held on Thursday, October 24, 2013, at ASCIP Office, 16550 Bloomfield Avenue, Cerritos, CA 90703.