

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**SAN CARLOS CHARTER LEARNING CENTER**

June 15, 2011 7:30 PM

At the San Carlos Charter Learning Center Library  
750 Dartmouth Ave., San Carlos, CA

**Meeting called to order at 7:38 PM.**

**Present:** Matt Kowitt, Lynette Hovland, Sonya Sigler, Mike Vargo,  
Marianne Petersen, Janae Novotny

**Absent:** Dave Fecher, Danny van der Rijn

**Also present:** Chris Mahoney, Stacy Emory, Tom Hausken, Jason  
Gische

**COMMUNICATIONS**

COMMUNITY COMMENTS - None

RECOGNITION OF THE COMMUNITY

Thanks to all the parents and family members for joining us at the all-school picnic.

Congratulations to the 8<sup>th</sup> grade graduates! Thank you to the graduating families for all of their contributions over the years.

Thank to the 7<sup>th</sup> grade families for providing the refreshments after the graduations.

**REPORTS**

Parent Resource Team - End of year summary report from the PRT.  
See attached report.

**NEW BUSINESS**

Benefits Management – Chris Mahoney presented the plan for third-party outsourcing of oversight functions for IRS Section 125 compliance, Health benefits, and pre-tax health reimbursements.

On recommendation from CSMC, we are looking at outsourcing to a group called SumCo, (or Summit Corporation).

Oversight and resources provided by SumCo would cost CLC about \$5,000 per year.

Discussion and questions/answers followed.

A motion was made by Mike Vargo and seconded by Marianne Petersen to authorize Chris to negotiate sign a contract to provide the benefit administration services as outlined in the proposal submitted by Summit Consolidated on behalf of the Governing Board.

The motion was passed unanimously.

Salaries – Matt Kowitt presented the need to come up with a way to set administrative salaries for 2011 - 2012 school year.

A motion was made by Jenae Novotny and seconded by Lynette to delegate Matt Kowitt and Mike Vargo to set non-clerical administrative salaries for 2011 - 2012 school year based on average step increase for certificated employees (Educators).

The motion was passed unanimously.

Compensation Framework – Matt shared his thoughts on the need to have a SCCLC compensation framework. He wants to make sure that the new schedule does no harm to current educators (no one moves backward).

- Discussion about what the process is now (are we on the district salary schedule should we make our own schedule).

- Chris would like to bring this to the staff and, based on the discussion with the staff, bring back some ideas about a framework we could use. Chris emphasized that this is a longer term discussion (estimates that we will come back with it in February 2012).

- GC will talk about what they want from a compensation framework at the August 2011 retreat

- The goal is to get a framework that is transparent, fair, consistent and reflective of the SCCLC organization's culture.

Health Benefits Officer - Chris Mahoney discussed that CalPERS needs CLC to identify at HBO onsite.

A motion was made by Matt Kowitt and seconded by Janae Novotny that we appoint Chris Mahoney as the Health Benefits Officer on-site for SCCLC.

The motion was passed unanimously.

Check Approval for Signing Procedure – Chris Mahoney and Sonya Sigler discussed that now that we have a separate bank account for SCCLC that we have a check signing policy.

The GC discussed the actual process for check signing process (do the checks from CSMC need to come to SCCLC for signing or can the checks be OK'd from our site and then CSMS signs them offsite?)

A motion was made by Sonya Sigler and seconded by Matt Kowitt that the Coordinator of Operations can authorize and/or sign for up to \$1,000; the Director of Curriculum and Resources can authorize and/or sign for up to \$5,000; Director of School can authorize and/or sign for items recognized in approved budget.

The motion was passed unanimously.

### **OLD BUSINESS**

Benefits – Chris Mahoney explained that we need to correct the motion made and approved last meeting motion (error on CalPERS part having to do with the name of our group). There are some minor changes about language having to do with “recognized employee organizations”.

A motion was made by Janae Novotny and seconded by Marianne Petersen that the board approve the Resolution Electing to be Subject to Public Employees’ Medical and Hospital Care Act Only With Respect to Members of a Specific Employee Organization and Fixing the Employer’s Contribution for Employees and the Employer Contribution for Annuitants at Different Amounts (see copy, attached).

The motion was passed unanimously.

Budget Update – Chris Mahoney presented the budget proposal for 2011-2012 and Multi-Year Projection. It represents a starting point for our ongoing need for a working operating budget next year **and** meets all the criteria required by the County’s standards.

Chris needs to go back and check some inconsistencies in the Employee Benefits section of the budget. GC will convene next Wednesday to approve the revised budget.

501c3 Implementation Update – Sonya updated the board on new and ongoing efforts to complete SCCLC’s recent transition to operation as a nonprofit public benefit corporation.

- We opened the bank account for our new corporation
- Sonya talked with the EDD office and got a number as a California Employer (so we can have a payroll)
- Suggested that we should come up with some kind of contingency

- plan to address potential cash flow problems while we transition from the district to CSMC. This can be dealt with at an August meeting but the board should be thinking about possible contingencies.
- We are going to file the Tax Exempt letter filed with the Federal Government this month (once Sonya gets some more questions answered)

**ACTION ITEM REVIEW**

- \*Chris will scan the new Resolution and give copy to Corporate Secretary (Irene Thomas) to go with tonight's minutes
- \* Chris will revise budget numbers in the employee benefits section of the proposed budget and MYP

**Meeting adjourned at 9:35 PM.**

## **PRT Accomplishments 2010-2011**

The year is zooming by and we thought the half year point would be a good time to recognize all of the hard work your PRT does as well as update you on what we have been up to.

The PRT focus this year has been **community recognition**. We have instituted a few rituals in our monthly meetings to thank and appreciate all the people that work hard for our group and community. We have also begun a monthly highlight of volunteer teams in our community.

The **Social committee** has been formed and is lead by **Amy Walsh** and **Lucy Buchan**. They oversee class and grade level socials as well as expanding our all school social calendar.

**Walk and Talk Wednesdays** have become a fun regular time to socialize. The group varies each week. We meet at 8:30 AM on Wednesdays. Next year we hope to try a variety of times to include those who cannot make Wednesdays.

A group of parents along with our own **Stacy Emory** are hard at work evaluating **volunteerism**. We are reaching out to educators, staff and parents through questionnaires, discussions and evaluation of data. Thank you to **Stacy Emory, Cheryl Dutton, Jason Gische, Hemant More, and Danielle de Brier**. This an ongoing process. **Update:** We are trialing a volunteer coordinator position next year. We hope to have one per grade level, possibly per class depending on interest level. These people will have a broader view of school wide volunteer opportunities and help match with individual volunteer interests/availability. We are also hosting a **Volunteer Job Placement Fair at the All School Clean-up Day** on August 20. We will have volunteers on hand to help new and existing families better understand our available class and team-based volunteer opportunities.

**Stacey Holmes** and **Amy Truel** are hard at work on the Parent Education Website and Stacy has developed a fabulous E-newsletter that we saw

a preview of last week. it will keep us informed on parent education as well as opportunities in the community. **Update: The Parenting Post** launched as a biweekly publication. We've received positive feedback re: content and Stacy will continue to publish next year. Laura Majerus is in the process of cataloging the Parent Education section in the library and we will send out a list of titles to the community next Fall.

# Benefit Administration Proposal

For



San Carlos, CA

Presented By:

Troy Reichert

  
Summit Consolidated Group

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## **The Summit Story**

Summit Financial Group, Inc. is a **privately held National Employee Benefits and Wealth Management Planning firm**. Established in 1987, Summit has offices in Texas, Oklahoma, Arkansas, Connecticut, Georgia, Louisiana, New Jersey, and other affiliate offices. Summit Consolidated Group is the Holding Company for Summit Financial Group and several other sister companies.

Since 1987, Summit has grown from a start up Employee Benefits and Executive Consulting firm to **now serving over 600 clients ranging from small and medium size** closely held companies **to larger private and public companies**. Additionally, we provide financial services and wealth management strategies for individuals working for our corporate clients.

Summit operates as an **Independent Brokerage firm**. We have **no contractual obligations nor do we have any production requirements** with any insurance company or service provider. Summit is a Benefits Advisor utilizing a consultative planning approach. Our "Integrated Approach" to planning positions our firm uniquely in this industry.

The Summit team **partners with clients** in an effort to differentiate itself from the competition. Summit is committed to inventing, developing, and supporting new technologies and processes that benefit our clients.

**Service and communication are cornerstones** of the Summit culture. Summit is a highly diversified, yet integrated organization that affords corporate America the opportunity to enjoy "one stop shopping".

### **Mission**

To be the premier financial services organization providing product and service solutions to individuals, emerging businesses, corporate markets and advisor partners who support these markets.

### **Vision**

To enhance and add value to our clients by providing unbiased, professional guidance in the areas of employee benefits, risk management and insurance in order to protect, preserve and further their financial future. We will engage the most talented people and support them with an environment that promotes trust, integrity and a commitment to the development of our associates.



## Value Proposition

Summit provides all of the standard brokerage services you expect from a full service firm. Those services include group insurance, retirement plans, individual insurance and individual investment brokerage firm— each of these are offered to our clients with no ties to any carrier. A creative advocacy plan is developed for each client after gaining a full historical perspective. We evaluate the entire marketplace for solutions and then we provide superior advice, service and support of the products you buy.

While many of our clients take advantage of a variety of these services, we also have clients that only utilize one service. We are interested in solving our client's problems, taking on those issues that are most important in their world.

When appropriate, Summit also offers legislative updates, newsletters and clear concise communications. We provide a regular, formal renewal process, and we strive to increase employee and client satisfaction with benefit tri-folds, Total Benefit Reports ([www.yourtbr.com](http://www.yourtbr.com)), Employee Benefit Survey tools, Cobra-FSA-FMLA Administration, Wellness-Behavior Modification Programs and Client Progress Reports.

# Scope of Services Requested

By



## **Section 125 (Cafeteria Plan)**

*Set-up and administer Cafeteria Plan for San Carlos Charter Learning Center.*

### **Premium Only Plan: Employee-paid insurance premiums**

Payroll-deducted health insurance plan premiums and other employer sponsored insurance coverage's, including dental, disability, accident and group-term life insurance premiums.

### **FSA Medical Reimbursement Plan: Medical expenses not covered by insurance.**

Typical expenses include eye exams, eyeglasses, eye surgery, contact lenses and solutions, dental visits, orthodontic care, medical examinations, mental healthcare, chiropractic services, prescription drugs, insurance co-pays and deductibles, and expenses that are not reimbursed by health insurance.

## **Benefit Call Center**

*Provide HR support in the area of benefits, enrollment, coverage questions and general issues that employees have on a regular basis.*

## **Consolidated Billing**

*Provide benefit administration support for ancillary and voluntary benefits. Reduce administration time on the part of CLC staff.*

# Executive Summary of Proposal

## Section 125 (Cafeteria Plan)

Summit (through our sister company Resource One Administrators) will set-up and administer the Section 125 plan. This includes two key areas.

### Premium Only Plan:

Summit will write the summary plan document, administer discrimination testing, set-up the plan and load initial eligibility information into the system.

**Fees:** no charge for plan documents, implementation fees and renewal fees with FSA plan for CLC.

### FSA (Flexible Spending Account) Medical Reimbursement Plan:

Service will include summary plan document, discrimination testing, plan set-up, eligibility information, enrollment packets, debit cards and toll-free phone access.

<b>Fees:</b> Implementation Fee	\$450
Monthly Fees	\$5 per participant account (minimum \$100 per month)
Debit Cards	\$2 per participant account per month

## Consolidated Billing

Summit will review each bill and evaluate the enrollment based on additions and deletions. We then send one bill and pay the individual carriers.

**Fees:** Monthly PEPM \$6

## Benefit Call Center

Summit will provide a benefit call center assisting the HR department of CLC with employee questions, including enrollment, eligibility, claims & Explanation of Benefits, FSA, COBRA, 401(k) & 403(b) and voluntary benefits.

**Fees:** Monthly PEPM \$8

## COBRA Administration

Summit, through a sister company CobraOne will provide all notifications, billings and customer service support for medical, dental, vision, EAP and flexible spending account plans related to COBRA. This service fully documents that all qualified beneficiaries and former employees have been properly notified.

<b>Fees:</b> Per qualifying event notification	\$27
Monthly Service Fee	\$15

# Proposal Detail

## Section 125 (Cafeteria Plan)

*Set-up and administer Cafeteria Plan for San Carlos Charter Learning Center.*

### **Premium Only Plan: Employee-paid insurance premiums**

Payroll-deducted health insurance plan premiums and other employer sponsored insurance coverage's, including dental, disability, accident and group-term life insurance premiums.

### **FSA Medical Reimbursement Plan: Medical expenses not covered by insurance.**

Set up plan & write legal plan document for CLC

Provide

- Enrollment & communication packets
- Online Account access
- Direct deposit for reimbursements
- Reports (electronic or paper)
- Account Statements

### **Premium Only Plans**

Implementation Fee \$150.00

Renewal Fee \$ 75.00

(Fees waived if implemented with FSA Plans)

### **FSA Medical & Dependent Care Reimbursement Accounts**

Implementation Fee \$450.00

Renewal Fees \$225.00

Monthly Fees \$ 5.00 per participant account or

Minimum \$100 per month

### **Debit Cards**

Standard Card charge \$ 2.00 per participant account per month

Additional Cards (lost, stolen or additional dependents) \$ 7.00 per additional card

Implementation Fee Includes:

Initial set up of plan and loading of eligibility information

Discrimination testing

Initial Plan Document

## **Consolidated Billing**

*Provide benefit administration support for ancillary and voluntary benefits.*

Summit's consolidated billing service is handled in our Monroe, LA office. Consolidated billing is the process of reconciling the bills of each carrier and the employees who are enrolled for that coverage. Summit will receive the individual bills from each carrier. We reconcile each statement checking for accuracy and evaluating the enrollment based on additions and deletions. It is up to CLC to communicate monthly changes (additions and deletions normally from their payroll and deductions platform) to Summit. After reconciliation Summit will send CLC one bill and then pay the individual carriers. This saves you time and expense while ensuring the accuracy of your monthly carrier bills. There are many times a company can pay more than they should because coverages have not been updated when an employee changes or leaves the company.

There is a monthly service fee for Consolidated Billing. This fee may be offset if/when CLC makes Summit the broker of record on the various ancillary and voluntary product offerings. The commissions inherent in these products will offset most if not all the monthly service fee.

Monthly Service Fee            \$6 PEPM (per employee per month)

## **Benefit Call Center**

SumCo Benefit Services (a division of Summit Consolidated Group) provides organizations of various sizes with a concierge service model using highly trained benefit professionals and a customizable technology platform. A unique ala carte menu of services offered through a sophisticated "call center" allows **SumCo** to provide unparalleled service at a very competitive price. We are able to provide a highly flexible service environment with dedicated client teams, and our service model is based on exceeding the clients expectations.

Specializing in Benefits Outsourcing, **SumCo** is an "Employee Service Center/Call Center" designed to enhance a company's HR department. We strive to increase employee satisfaction by increasing the employees' knowledge and understanding of how their benefits work. While our services are tailored to cover everything related to the benefits side of HR, we do not replace the other core responsibilities of HR (i.e. the hiring, firing, recruiting, training and payroll). Therefore, a close relationship with the HR department is crucial.

**SumCo** provides two ways for your employees to access the "Employee Service Center/Call Center". The employees are given an employer specific email address where all of their questions and inquiries can be emailed as well as an employer specific (800) number to call. All emails and phone calls will be received by a team of experienced benefit professionals with access to the employer's specific plans and benefit summaries. All correspondence with employees will be noted and recorded for quality control and reporting.

**SumCo** becomes your outsourced HR Benefit Department providing assistance with all benefit questions, including:

- Medical plans
- Enrollment
- Eligibility
- Claims & Explanation of Benefits
- FSA, FMLA, COBRA related issues
- 401(k) & 403(b) retirement plans
- Voluntary Benefits

Why should an employer outsource the administration of their benefits?

- Reduces cost to the employer by outsourcing redundant questions to a professionally trained SumCo staff
- Reduces administrative burdens, increasing the efficiency of the current HR department by allowing them to focus more on their core responsibilities (i.e. employee management)
- Employees appreciate the fact that their employer has set up an "Employee Service Center/Call Center" for them to access with any questions they may have concerning benefits
- Reduces risk to the employer by ensuring compliance, consistency, confidentiality, and privacy

Monthly Fee                      \$8 PEPM (per employee per month)

## **COBRA Administration**

**CobraOne** (a subsidiary of **ResourceOne**) is a company dedicated solely to comprehensive COBRA administration. As a Federal regulation COBRA administration is crucial to an organization's compliance. From the initial new hire service notification to the final notification of the end of benefit coverage for qualified participants, we are able to fully satisfy the requirements and servicing issues related to this contract. Our state of the art compliance system manages the COBRA process while simplifying the procedure for the employer and former employee. **CobraOne** provides all notifications, billings and customer service support for medical, dental, vision, EAP and flexible spending account plans. This service fully documents that all qualified beneficiaries and former employees have been properly notified. Our clients range in size from 20 to more than 20,000 lives. **CobraOne** also serves as a "back-room" for TPAs, associations and affinity groups, guaranteeing compliance to their clients.

### **General**

- Complete system: Total Compliance from start to finish
- Cost Effective: Save time and money while avoiding Cobra hassles
- Mitigate risk and liability of Cobra administration: Transfer of legal liability regarding compliance issues related to Cobra
- Accurate, automated administration
- State Continuation capabilities
- Up time Service Level of 99%

### **Web Based**

- System accessible 24/7
- Digital document storage
- Complete Archiving of all QB's

### **User Friendly**

- State of the Art technology that is easy to use: data entry tasks are Wizard Based
- Flexible: QB's can make premium payments online (Credit Card, eCheck)
- English or Spanish correspondence sent to QB's

### **Reporting**

- Audit trail: QB History lists all changes made
- Global Search capability for QB's, Plans, Carriers
- Data Back up every 15 minutes
- Comprehensive reports and access to information including
  - Employee & Dependent Lists
  - QB and Participant Reports
  - Premium Receipt Reports

**Fees:** Per qualifying event notification      \$27  
(fee only applies when notification must be sent to a terminated employee)  
Monthly Service Fee                              \$15

**RESOLUTION ELECTING TO BE SUBJECT TO  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT  
ONLY WITH RESPECT TO MEMBERS OF A SPECIFIC EMPLOYEE ORGANIZATION  
AND  
FIXING THE EMPLOYER'S CONTRIBUTION FOR EMPLOYEES AND THE  
EMPLOYER CONTRIBUTION FOR ANNUITANTS AT DIFFERENT AMOUNTS**

- WHEREAS, (1) Government Code Section 22922(b) provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act with respect to a non-recognized employee organization only; and
- WHEREAS, (2) Government Code Section 22920(a) defines a school employer as a contracting agency, and
- WHEREAS, (3) Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly contribution for employees, until such time as the amounts are equal; and
- WHEREAS, (4) **San Carlos Charter Learning Center**, hereinafter referred to as School Employer is an entity meeting the above definition; and
- WHEREAS, (5) The School Employer desires to obtain for the members of **General Employees**, who are employees and annuitants of the agency, the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now, therefore, be it
- RESOLVED, (a) That the School Employer elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer's contribution for each employee shall be the amount necessary to pay the full cost of his enrollment, including the enrollment of his family members in a health benefits plan up to a maximum of **\$108.00** per month plus administrative fees and Contingency Reserve Fund assessments; and be it further;
- RESOLVED, (c) That the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan up to a maximum of **\$1.00** per month; and be it further
- RESOLVED, (d) That the employer's contribution for each annuitant shall be increased annually by **5%** percent of the monthly contribution for employees, multiplied by number of years of employer's participation in PEMHCA, until such time as the contributions are equal;



And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the School Employer for administrative fees and to the Contingency Reserve Fund; and be it further

RESOLVED, (e) That **San Carlos Charter Learning Center** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (f) That the executive body appoint and direct, and it does hereby appoint and direct, **Christopher Mahoney (School Director)** to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said School Employer all functions required of it under the Act and Regulations of the Board of Administration; and be it further

RESOLVED, (g) That coverage under the Act be effective on **July 1, 2011.**

Adopted at a regular/special meeting of the **San Carlos Charter Learning Center GC Board Meeting** at **San Carlos Charter Learning Center** this **8<sup>th</sup>** day of **June 2011.**

Signed: \_\_\_\_\_  
(President, Chairman, etc.)

Attest: \_\_\_\_\_  
(Secretary or appropriate officer)