

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING MINUTES
December 10, 2004
Best Western Hilltop Inn**

ATTENDANCE

Members Present: President, Jim French, Trinity County Office of Education
Vice President, Donna Heller, Black Butte & Columbia Elementary School District
RoseAnne Adams, French Gulch, Igo Ono, Shasta Union & Redding Elementary SDs
Treasurer, Karen Kratzer, Shasta County Office of Education
Cindy Plank, Cascade Union Elementary School District
Art Schmitt, Shasta Union High School District
Patricia Demo, Shasta College
Marla Kraft, Gateway Unified School District
Harley North, Evergreen Union School District

Ex-Officio: Patrick Casey, Executive Consultant

Staff: DeDe Davis, Benefits Administrator

Others Present: See Attendance Sheet

0.0

1.0 **CALL TO ORDER** – The meeting was called to order at 9:00 a.m. by President, Jim French

2.0 **APPROVAL OF AGENDA** – It was moved by Donna Heller, seconded by Marla Kraft, and unanimously approved to accept the agenda.

3.0 **APPROVAL OF MINUTES** – The minutes of the March 26, 2004 Executive Committee meeting were presented for approval. It was moved by Cindy Plank, seconded by Art Schmitt, and unanimously approved to accept the minutes as presented.

4.0 **PUBLIC COMMENTS** – There were no comments at this time.

5.0 **CORRESPONDENCE/EXECUTIVE COMMITTEE/EXECUTIVE CONSULTANT COMMENTS**

–
Pat Casey reviewed a letter from Karen Kratzer requesting clarification regarding the Domestic Partner Law as well as the Workers' Compensation Network status. Pat noted that the JPA would begin enrolling Certified Domestic Partners at the July 1, 2005 Open Enrollment as required by law. Anne Cook, LWP, explained the benefits of using a Provider Network for Workers' Compensation Claims. The Network would apply Utilization Review by doctors in the Network. Melanie Cich asked for further clarification regarding the pre-designation of physicians by employees and whether or not our JPA is exempt.

5.1 Report on Health Benefits Committee re: Union Participation – Pat Casey reported that since meeting both CTA and CSEA Regional Representatives at the Sept. 12th Health Benefits Committee, there has been little Interest generated by union members regarding union participation at the meetings. Although trend was not

available at the time, Pat asked the Health Committee to think about ways to defer possible increased costs. Karen Kratzer asked about possibly looking into Health Reimbursement Accounts.

6.0 **GENERAL BUSINESS**

6.1 2003/04 Audit by Matson and Isom – Marilyn Everett, Matson and Isom, reviewed the annual audit. She noted that there were no fraudulent or misreported financials and felt that the audit went well. Pat Casey commented on the Actuary numbers versus the real numbers. We hope to have better numbers for

Actuarial

Report to be done in March 2006. Pat Casey will bring a new Actuarial Report to the April Board of Directors Meeting.

6.2 Approve List of Expenditures through November 2004 – A list of checks and wires were presented for review and approval. It was moved by Art Schmitt, seconded by Karen Kratzer, and unanimously approved

the list of checks and wires as presented.

6.3

6.3.1 Preliminary Year-End Financial Reports (2003/2004) – A preliminary year-end financial report for the 2003/2004 plan year was distributed for the Committee's information. Pat Casey reviewed the financials commenting that the JPA Admin. Account would transfer \$125,000 to the Workers' Compensation program. Pat will be bringing a Budget Revision to the next meeting to increase the postage account. Dental continues to look good with the reserves being more than adequate. Vision is also doing well with the rates set correctly. The Medical account has been closed. Pat commented that we will be discussing investment options for the Self-Insured Workers' Compensation funds.

6.3.2 November 2004 Financial Report – Financial reports for November 2004 were distributed for the

Committee's information. Pat Casey reviewed the financials with the Committee. Dental and Vision continue to have a positive net income. As noted in the review of the year-end financials, the Medical Account has been closed. Pat will provide a supplemental report in the future for the Self-Insured Workers' Compensation Account. Pat discussed the possibility of taking over the old SAWCXII claims in hopes of reducing the deficit in the Workers' Compensation Account.

- 6.3.3 Quarterly Investment Report – A Quarterly Investment Report was included in the packets as an information

Item along with a memo to the Investment Committee regarding investing surplus funds from the new self-insured W/C program. After discussing investment options with other JPA's Pat has recommended the investment of funds with California Asset Management Program (CAMP) through PFM Asset Management as a way to increase the interest on the accumulated cash in the Self-Insured Workers' Compensation Account.

- 6.3.4 Annual COLA for Benefits Administrator- An annual COLA based on the State Revenue Limit in an amount to be determined by the Board and retroactive to July 1, 2004 for the Benefits Administrator, DeDe Davis was requested. After discussions regarding the calculation and amount, Art Schmitt recommended a 2.4% COLA without a reduction due a COLA not having been awarded for 2003-04. A motion was made by Harley North and seconded by Karen Kratzer to recommend a 2.4% COLA retroactive to July 1, 2004. The motion was unanimously approved and will be placed on the January Board of Directors Meeting Agenda as a recommendation for approval. Jim French commented that DeDe has been doing a good job and Karen Kratzer noted that DeDe has been providing good customer service as well.

7.0 WORKERS' COMPENSATION PROGRAM

7.1 Self-Insured Program-Claims Prior to July 1, 1995

- 7.1.1 Review of Claims through November 2004 – LWP – A summary of LWP claims through November 2004 was presented for the Committee's information.
- 7.1.2 Review of SAWCXII Deficit – Pat Casey discussed the twelve claims that are exceeding the excess of SAWCXII. Pat proposed having LWP take over these claims if possible and try to settle them.
- 7.1.3 Claims Reserves-Review on November 22, 2004 – Pat Casey commented that he would like to pursue a number for buying out the SAWCXII claims.

Self-Insured Program – Claims After July 1, 2003

- 7.1.4 Review of Claims through November 2004 – LWP – Pat Casey noted that there is a good closure rate on the 2003-04 claims.
- 7.1.5 Review Actuarial Report – Pat Casey reviewed and discussed the Actuarial Report.
- 7.1.6 Review New Claims Procedure – Pat Casey reviewed the new claims procedure. The JPA will now be looking at the claims prior to them being forwarded to LWP. This will reduce the claims cost by not opening files on the first aid claims. This procedure will also give Risk Management an opportunity to provide Risk Management services quickly when an area of concern is seen.
- 7.1.7 Report From Ex-Mod Committee – Pat Casey will bring a preliminary report to the January Board of Directors Meeting.

7.2 Risk Management Program – Pat Casey reviewed Risk Management and Loss Control services provided. Karen Kratzer commended the services being provided to date.

- 7.2.1 Safety Program Budget – Pat Casey discussed the purchase of the annual OSHA Posters for all of the school districts as well as supplies for Risk Management Workshops. Karen Kratzer suggested that teleconference for workshops may be a consideration the JPA should pursue.

8.0 Health Benefits Programs

- 8.1.1 Medical Cost Trend – Pat Casey reviewed the current trend which is between 15-20%. He noted that it is too early to tell and will have more information to present at the March Executive Committee Meeting. Dard Hunter, MARSH, commented that the elimination of another plan would not affect the rate. Pat

Casey

also discussed the implementation of the new Domestic Partner Law. The JPA is required to implement

the

changes at its next open enrollment which is July 1, 2005. The enrollee will have to be registered and have approval from the state to qualify. Dard Hunter also discussed HRA's as well as HSA's as other possible for districts to consider. Blue Cross will look into a \$1000. deductible plan as a cost reducing option for the new Plan Year.

- 8.2 Dental Program – Pat Casey noted that the dental claims are down and the program is holding its own.
- 8.3 Vision Program – Pat Casey noted that the vision program is stable as well.

9.0 ADJOURNMENT – There being no further business to come before the Executive Committee, a motion was made by Harley North and seconded by Marla Kraft to adjourn the meeting. The meeting was adjourned at 11:15 a.m.

Respectfully submitted,

DeDe Davis
Benefits Administrator

Patrick H. Casey, Executive Consultant
Shasta-Trinity Schools Insurance Group

James B. French, President
Shasta-Trinity Schools Insurance Group