



**MINUTES**  
**EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE**  
**Friday, April 24, 2015, 9am**  
**Best Western Hilltop Inn**

**Executive Committee Members Present:**

Adam Hillman	Shasta COE
Phil Brown	Enterprise ESD
Laura Cyphers Benson	Shasta-Tehama-Trinity Jt. Community College
Bettina Blackwell	Trinity COE/Burnt Ranch ESD
Cindy Trujillo	Redding/Igo-Ono-Platina/Shasta UESD
Peggy Canale	Southern Trinity Jt. Unified
Donna Heller	Columbia/Black Butte

**Board Members/Alternates Present:**

Robert Fellingner	Redding SD	Linda Drenon	Fall River Joint USD
Bobbie Wion	Redding SD	Ken Hood	Mt. Union ESD
David Flores	Shasta Union HSD	Mike Freeman	Grant ESD
Brenda Palmer	Shasta COE	Linda Barneby	Whitmore Union ESD
Laura Merrick	Cottonwood Union ESD		
Gretchen Deichler	Burnt Ranch ESD, Trinity Center ESD, and Trinity COE		

**Others Present:**

Brooks Rice, STSIG	Mari Moore, STSIG
Leah Grant, STSIG	Kurt Walling, STSIG
Mike Harrington, Bickmore	
Dave Wiesner, Epic	
Andy Zappettini, Junction ESD	
Chris Carmona, Anderson HSD	

**CALL TO ORDER**

Adam Hillman called the meeting to order at 9:08 am.

**There is a quorum of the Board of Directors.**

**GENERAL BUSINESS**

**1. Approve minutes for January 30, 2015 Executive Committee Meeting.**

Cindy Trujillo moved to approve the minutes for the January 30, 2015 Executive Committee Meeting with the following correction. Item 14, replace the words "retirement plan" with "alternate social security plan" in the motion section. Donna Heller Seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

2. **Student Teacher Workers' Compensation Coverage**

There continues to be a push to get a standard contract for workers' compensation and liability coverage in all contracts. The goal is that the CSU will adopt the standard and take liability for the student workers at school sites.

3. **2014-15 Workers' Compensation and Loss Prevention Update**

An overview of the program was presented. Since January there are 40% fewer claims being filed than the prior year. We can see that claims are being closed sooner with the help of the Early Intervention Nurse and unnecessary doctor visits are being reduced as the claims are being handled better.

Kurt Walling, Loss Prevention Manager, presented an overview of his program which included reducing the number of large safety trainings and replacing them with many smaller site specific safety trainings. The committee acknowledged the value that Kurt has brought to the program and said they are glad for his attention to the districts and hiring him was a good decision.

4. **Health Benefits Committee Meeting Schedule**

The Health Benefits Committee meetings are at Redding School District from 10:00am to 2:00pm on June 10, June 25, July 16, and July 30.

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Phil Brown moved to approve the order of the agenda to have item 17 and 18 presented after item 4. Donna Heller seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**17. Workers' Compensation Actuarial Report – Bickmore**

Mike Harrington with Bickmore presented the workers' compensation actuarial report. Overall the study showed very favorable development including fewer claims, and decreased reserves. Claims have improved based on the new management by SIA. The findings included: lower reserves STSIG is \$3M, losses were lower than expected due to the change in claims handling, liabilities were reduced by \$2.8M from last year, and assets have increased by \$2M. There is a 4.9% decrease in proposed rate this year.

The old workers' compensation program is in run-off mode with reserves down \$74,000.

Phil Brown moved to approve the workers' compensation actuarial report. Donna Heller seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**18. Workers' Compensation Rate and Ex-Mod**

Based on the Bickmore actuarial report, the 2015-16 workers' compensation rates and ex-mods were presented. The rate is \$3.09.

Phil Brown moved to approve the 2015-16 workers' compensation rates and ex-mods. Donna Heller seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.  
Motion carried. Unanimous.

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**5. CalPERS/PARS Update**

Hanson Bridgett (legal firm) helped complete the application for CalPERS and it was submitted for review. Shayna Van Hoften (attorney) has also confirmed that our alternate social security program (PARS) is not in compliance and will be working with STSIG for a resolution.

**6. CAJPA Re-accreditation Update**

STSIG has submitted documents for the CAJPA re-accreditation with excellence. In response, there are several additional items that will need to be submitted within the next 6-months.

**7. Delegation of Authority of STSIG Treasurer to Invest**

CAJPA best practices require that STSIG delegate authority to invest to the Treasurer.

Laura Benson moved to approve STSIG Treasurer the authority to invest for STSIG. Bettina Blackwell seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**8. Treasurer's Report of Investments**

CAJPA best practices require that STSIG change the investment format to their standard which includes the STSIG Treasurer's signature.

Bettina Blackwell moved to approve new format and the investment report. Laura Benson seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**9. Year-to-Date Financial Reports**

The 2014-15 financial reports through February 28, 2015 were included in the meeting materials for the committee's review.

Donna Heller moved to approve 2014-15 financial reports. Bettina Blackwell seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**10. Expenditures**

Expenditures from January 1, 2015 to February 28, 2015 were presented. Clarifications: admin fees include JPA salaries, rent, and other office overhead. A request was made for a policy of acceptable expenditures to be presented in the future.

Donna Heller moved to approve expenditures. Bettina Blackwell seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **11. 2015-16 Proposed Budget**

The 2015-16 proposed budget was presented. Clarification: The admin budget is increasing due to actual expenditures not reflected in past budgets and for increased legal fees.

Bettina Blackwell moved to approve the proposed budget as presented. Peggy Canale seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **12. Loss Ratios**

Loss ratios through February 28, 2015 were presented. Typically, January and February are higher months due to end of year tailing claims. All programs are doing well.

### **13. Bylaw Amendments**

An ad-hoc committee was formed to review and update any needed bylaw amendments. The volunteers were: Donna Heller, Adam Hillman, Mike Freeman, Cindy Trujillo, and Phil Brown. Phil Brown moved to form an ad-hoc committee to review and approve the bylaw amendments. Bettina Blackwell seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **14. Medical Claims Audit**

The Policy & Procedures require a medical claims audit every 3 years. Aon Hewitt was suggested by staff.

Cindy Trujillo moved to hire Aon Hewitt to perform the medical claims audit. Peggy Canale seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **15. STSIG Employee Handbook**

STSIG employee handbook was presented for consideration and acceptance.

Laura Benson moved to approve the STSIG employee handbook. Peggy Canale seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **16. Policy & Procedure Update – Conflict of Interest Code**

The current conflict of interest code is outdated. An updated code has been submitted to the FPCC and we are awaiting approval from them.

Cindy Trujillo moved to approve the submitted updated conflict of interest code. Laura Benson seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**17. Workers' Compensation Actuarial Report – Bickmore (see after item 4)**

**18. Workers' Compensation Rate and Ex-Mod (see after item 4)**

**19. Health Benefits Consultant Services**

Dave Weisner has moved from Mercer and is now working for Epic Consulting.

Cindy Trujillo moved to approve the Epic consulting contract and to discontinue consulting services with Mercer. Phil Brown seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**20. STSIG On-site Health Clinic and Building**

Brooks Rice presented a plan to start a STSIG health clinic. The goal is to bend the medical trend line by improving the quality of care the membership receives. Savings will come from motivating members to get free or low cost services at the clinic rather than through the ER and specialists. The financial goal is to at least break even and to include services for our workers' compensation patients. Clinic proposals vary from \$700K to 1.3M. The purchase of a building was discussed.

Phil Brown moved to approve the continued research of an on-site clinic and the purchase of a building with the expectation that a formal recommendation for each will be presented at the next meeting. Donna Heller seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**21. Lease renewal**

Due to the possibility of an on-site clinic and the lack of space at the Hartnell Ave. office, the current office lease needs to be negotiated to accommodate a possible move.

Phil Brown moved to approve Adam Hillman and Brooks Rice the authority to negotiate and sign a renewal lease. Donna Heller seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

**22. Resolution: Authorization to join Self-Insured Schools of California and execute Joint Powers Agreement**

It was presented that an option to join Self-Insured Schools of California (SISC) would save between \$500K and \$1M in administration costs. This move would allow us to remain a separate risk pool from SISC, but we would attach to them and use their medical plans, stop loss, medical management, and EAP. The move would lower our ASO fees with Anthem to the lowest possible rate. This arrangement would be similar to the relationship we currently have with Schools Insurance Authority (workers' compensation) and Alameda County Schools Insurance Group (dental). This move would also mean that our current wellness program would be eliminated and a new program would need to be created. The health benefits committee was tasked with deciding which of the 85 possible SISC medical plans. The SISC plan year begins October 1<sup>st</sup>. A new plan year will be created with new dates for our open enrollment. Joining SISC will require each member district to approve and sign a Joint Powers Agreement for the Operation of a Common Risk Management and Insurance Program which is included in the meeting materials. If we join SISC we expect to join them January 1<sup>st</sup> for a short 9 month plan. Then STSIG would begin a new plan year October 1, 2016.

Cindy Trujillo moved to approve joining SISC and executing the Joint Powers Agreement with SISC. Laura Benson seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **23. Stop Loss Renewal**

Due to the option of joining SISC, which includes stop loss coverage, STSIG is requesting authorization to negotiate and finalize the current renewal which is not yet available. The renewal is expected to include a 15%-20% increase. There may be a need to overlap coverage for tail claims incurred prior to joining SISC.

Phil Brown moved to approve authorization for Adam Hillman and Brooks Rice to negotiate and finalize the stop loss renewal. Laura Benson seconded.

Approved: Adam Hillman, Bettina Blackwell, Cindy Trujillo, Phil Brown, Laura Benson, Peggy Canale, and Donna Heller. Opposed: None.

Motion carried. Unanimous.

### **24. Adjourn to Closed Session**

Closed session was not needed, nothing to report.

### **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

None

### **ADJOURN**

The meeting was adjourned at 12:25 pm.