

Combined Finance Committee and Workers' Compensation Committee Meeting (Zoom)
June 17, 2022, 8:30 am
Shasta-Trinity Schools Insurance Group
MINUTES

Members Present:

Robert Fellingner
Cathleen Serna
David Flores
Adam Hillman

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Kurt Walling, STSIG
Mari Moore, STSIG

Robert Fellingner called the meeting to order at 8:30 am. Confirmation of a quorum.

CONSENT AGENDA

- 1. Minutes for April 22, 2022, Combined Workers' Comp and Finance Committee Meeting**
- 2. Brown Act Meeting Compliance**

David Flores moved to approve the consent agenda as presented. Adam Hillman seconded.
Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None.
Motion carried. Unanimous.

GENERAL BUSINESS

3. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through April 30, 2022. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan	Fiscal	Plan
Medical	99.11%	107.65%	95.02%	96.09%
Dental	82.58%	80.03%	86.61%	82.78%
Vision	67.67%	66.35%	71.60%	68.01%

No action is needed.

4. Expenditures

Expenditures from March 1, 2022, to April 30, 2022, were presented and reviewed.

Adam Hillman moved to accept the expenditures as presented. Cathleen Serna seconded.
Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None.
Motion carried. Unanimous.

No action is needed.

5. Investment Report Review / Treasurer's Report

The investment reports, as of April 30, 2022, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

The investment report as April 30, 2022, states we have \$48.4M in total cash with \$3.2M in LAIF receiving a rate of return of 0.32%. CAMP funds have been liquidated and \$12.8M is currently at Columbia Bank in a custodial account. Securities of \$7.8M have been purchased and held by BAIRD while we establish the NYC Mellan account. The remaining \$24.5M is split between Columbia Bank, formally Merchants Bank of Commerce, and Accounts with Partners.

We will be working with BAIRD to appropriately account for the investments, consistent with our reporting practices. Investments are adjusted to FMV at year-end. Admin seeded the account and will be refunded the funds.

	BAIRD	Columbia Bank	Total
Medical	\$2,937,446	\$4,825,585	\$7,763,031
Workers' Comp	\$4,115,904	\$6,762,182	\$10,878,086
Dental	\$519,512	\$853,532	\$1,373,044
Vision	\$229,949	\$377,710	\$607,659
Admin	\$1,000	\$1,000	\$1,000
Total	\$7,802,810	\$12,820,009	\$20,623,819

Adam Hillman moved to accept the investment reports as presented. David Flores seconded. Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None. Motion carried. Unanimous.

6. Investment Policy Update

Updates are proposed to the Investment Policy to align with the Authority's decision to self-manage investments and meet CAJPA accreditation requirements.

Summary of changes:

- Section 4.1.5 delegation of authority for investment transactions is proposed to include, "The Executive Director, in consultation with the Treasurer, and/or Board Chair, and or Vice-Chair, may individually or jointly approve all transactions undertaken..."
- Section 4.1.9 maximum maturity is proposed to be changed to allow for certain investments with a maturity of up to 30 years in compliance with the Government Code.
- Section 4.1.10 reporting requirements are proposed to require the quarterly investment report is delivered to the Treasurer to meet legal timelines and CAJPA requirements.

Cathleen Serna moved to accept the investment policy updates as presented. Adam Hillman seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None. Motion carried. Unanimous.

7. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through April 30, 2022.

The scorecard and details were reviewed. The scorecard amounts were before adjustment for IBNR. The Health Benefits Committee will be recommending enhancements to all vision plans to reduce the surplus. STSIG is recommending a 3% decrease in all dental rates to reduce the surplus. Medical is performing as expected.

The Workers' Compensation program continues to reduce outstanding liabilities due to claim management by SIA allowing the base rate to be reduced for 2022-23.

The Building has a positive cash flow but the depreciation expense shows it as negative.

All programs are positive and secure.

David Flores moved to accept the unaudited financial reports as presented. Adam Hillman seconded. Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None. Motion carried. Unanimous.

8. 2022-23 HSA Contributions, Wellness Program, and Kannact Incentive Funding

Brooks Rice shared projected funding needs of \$60K and \$40K to continue the HSA and Wellness incentives. The total expected cost for the Kannact incentive is \$10K, but that needs to be increased to 40K.

Adam Hillman moved to approve funding for the HSA, Wellness program as presented, and Kannact incentives increased to 40K. Cathleen Serna seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None. Motion carried. Unanimous.

9. 2022-23 Proposed Budget

The proposed budget was presented. Brooks pointed out the following highlights.

- The budget includes a 5% increase in medical rates. However, the recent data support the increase will be 4.94%. The budget will be adjusted for the Board of Directors' meeting.
- The budget includes a 5% decrease to dental rates. However, the recent data support the decrease will be 3%.
- The Kannact incentive was listed at \$10K and that needs to be increased to \$40K. The budget will be adjusted to include the Kannact incentive increase for the Board of Directors' meeting.

Adam Hillman moved to approve the 2022-23 proposed budget with the correction to the medial rate increase, dental rate decrease, and the Kannact incentive increase.

Approved: Robert Fellingner, Adam Hillman, David Flores, and Cathleen Serna. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN – Robert Fellingner adjourned the meeting at 8:50 am.