

Board of Directors Meeting
June 22, 2017 10:00 am
Shasta Union High School District
MINUTES

Board Members Present:

David Flores	Shasta Union HSD
Adam Hillman	Shasta COE
Cindy Trujillo	Redding/Igo-Ono-Platina/Shasta UESD
Phil Brown	Enterprise ESD
Peggy Canale	So. Trinity Jt. USD
Michelle Glover	Columbia/Black Butte/Junction/North Cow Creek ESD
Bettina Blackwell	Trinity COE / Burnt Ranch ESD
Jason Rubin	Gateway Unified SD
Heather Brown	Grant ESD

Alternates Present:

Melanie Holmes	Lewiston ESD
Gretchen Deichler	Burnt Ranch/Douglas City/Trinity Center/Trinity COE
Robert Fellingner	Redding/Igo-Ono-Platina/Shasta UESD
Mike Freeman	Grant ESD

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Lisa Blakeslee, STSIG
Mari Moore, STSIG (Contracted)
Dave Wiesner, Epic
Andrea Ballard, Epic

David Flores called the meeting to order at 10:13am.

CONSENT AGENDA

1. Approve minutes for the May 4, 2016 Board of Directors Meeting.

Michelle Glover moved to approve the minutes from the May 4, 2016 Board of Directors Meeting.
Bettina Blackwell seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue,
Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover . Opposed: None.
Motion carried. Unanimous.

GENERAL BUSINESS

2. Executive Director's Report

Adam Hillman was presented a plaque for his years of service as STSIG's president. Since the last report, Brooks attended the Northern California Schools JPA Directors meeting and will attend the annual SIA board meeting the end of June. He also participated in a workers' compensation employer coalition legislative day. Martin with SIA and he represented public employers and were able to express the situation facing public agencies today. Topics included: STRS, PERS, minimum wage increases, tort reform and workers' compensation premiums.

He will be attending two conferences in July. The first is the annual California Coalition of Workers' Compensation (CCWC) conference. It is a gathering of all the top employer groups in California. The

second is the bi-annual AON Risk Pooling conference. This conference deals with current trends and innovations affecting the pooling markers.

3. Gateway Unified School District Letter of Intent

Gateway Unified School District submitted a letter of intent to join the STSIG medical, dental, and vision programs effective October 1, 2017 for their Non-Represented Unit.

Cindy Trujillo moved to approve the Gateway NRU members into the STSIG health programs effective October 1, 2017. Michelle seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None. Motion carried. Unanimous.

4. Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through April 30, 2017. All programs are trending well and well-funded. The scorecard reflects claims have been less than expected and all health programs are expected to increase their net positions for the fiscal year.

Bettina Blackwell move to approve the unaudited financial reports as presented. Adam Hillman seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None. Motion carried. Unanimous.

5. Investment Report Review

The investment report is presented as of April 30, 2017. The reports were reviewed two months ago and there are no significant changes since then. All program continues to perform well. Phil Brown signed the Treasurers report for the record.

Michelle Glover moved to approve the investment report as presented. Melanie Holmes seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None. Motion carried. Unanimous.

6. Expenditures

Expenditures from March 1, 2017 through April 30, 2017 were presented. It was suggestion and agreed to place this item in the consent agenda in the future.

Gretchen Deichler moved to approve the expenditures as presented. Peggy Canale seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None. Motion carried. Unanimous.

7. Stabilization Goals Annual Review

The annual review of the stabilization goals was performed. It is suggested that the workers' compensation goals be reviewed by the financial committee in the fall and any suggested changes forward to the board of directors for approval. The Medical, dental, and vision stabilization goals are appropriate.

Cindy Trujillo moved to task the finance committee to re-evaluate the current Stabilization and Reserve Policies for the workers' compensation program and make a recommendation to the Board at their next meeting. Michelle Glover seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None.
Motion carried. Unanimous.

8. Accounting Procedures

There are three items for discussion regarding this topic. One, the current accounting method used to state assets and liabilities for workers' compensation may need adjustment per the financial auditors. Two, the confidence level used on our reporting may be overstated per standards. Three, the financial auditor will not be able to provide us with our audited statements until the above two items are resolved. Therefore, we will miss the deadline for submitting our financial statements to Shasta County and the State Controller by June 30, 2017. It is suggested that STSIG contract with James Marta & Associates to review the situation and recommend the proper accounting method to be used going forward and what confidence should be used for our standard reporting and that STSIG request an extension of filing our statements. It is also suggested to contact with James Marta & Associates to review STSIG's overall financial practices.

Michelle Glover moved to retain the services of James Marta & Associates for the above items. Morris Rodrigue seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None.
Motion carried. Unanimous.

9. Financial Audit

Due to the pending status of the 2015-16 financial audit and the potential adjustment needed based on the items discuss in the Accounting Procedures agenda item, no action was taken.

10. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through April 30, 2017. All programs are performing well. No significant change since the last report two months ago.

11. AB – 1200 Actuarial Study by Total Compensation Systems

David Wiesner explained that per Ed Code 175.66 this study is required every three years for the medical, dental, and vision programs. The study reveals that STSIG is well funded and there are no issues for discussion.

Bettina Blackwell moved to approve the AB – 1200 actuarial study. Phil Brown seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None.
Motion carried. Unanimous.

12. Medical Plan Utilization Review

David Wiesner presented the medical utilization for the prior three years. The findings are in-conclusive because the partnership with Prestige was only eight months old. However, the pattern seems to be moving in a favorable direction indicating that the partnership with Prestige may be positively affecting frequency in use of the outpatient facility charges.

This item changed to an information item with no action taken.

13. 2017-18 Fiscal Impact of Proposed Health Rates

The proposed medical rate increase is 2.3%, dental rate decrease is 2% with an addition of a third cleaning per year, vision rate decrease is 10%.

David Wiesner shared that the current trend for medical rates is 7% and 10% on pharmacy. He is seeing industry increase averaging about 4%-6% and as high as 17%.

Cindy Trujillo moved to approved the 2017-18 medical, dental, and vision rates using fractions of dollars rather than rounding to the nearest dollar. Morris Rodrigue seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None.

Motion carried. Unanimous.

14. Resolution: LAIF Resolution Update

STSIG Resolution 2017-01 was signed and approved to designate the revision of approved signers for investments.

Morris Rodrigue moved to approve the resolution. Phil Brown seconded.

Approved: David Flores, Phil Brown, Adam Hillman, Cindy Trujillo, Gretchen Deichler, Morris Rodrigue, Peggy Canale, Jason Rubin, Heather Brown, Melanie Homes and Michelle Glover. Opposed: None.

Motion carried. Unanimous.

15. Recess to Closed Session

Purpose: Conference with Legal Counsel – Anticipated Litigation

16. Reconvene in Open Session

There is no reportable action from the closed session.

17. Ground Breaking Celebration of 85 Hartnell Ave.

Member met at the project site for ground breaking, pictures, and a tour and update of the project.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN

David Flores adjourned the meeting at 11:48am.