ATTENDANCE
Members Present: President, Jim French, Trinity County Office of Education
Vice-President, Donna Heller, Columbia Elementary School District,
Black Butte Elementary School District
RoseAnn Adams, French Gulch-Whiskeytown Elementary School District, Igo Ono-
Platina Union Elementary School District, Shasta Union Elementary School District &
Redding Elementary School District
Art Schmitt, Shasta Union High School District
Adam Hillman, Shasta County Office of Education
Patricia Demo, Shasta College
Harley North, Evergreen Union School District
Philip Brown, Enterprise Elementary School District
Ex-Officio: Patrick Casey, Executive Consultant
Staff: DeDe Davis, Benefits Administrator
Others Present: See Attendance Sheet

1.0 CALL TO ORDER – The meeting was called to order at 9:30 a.m. by President, Jim French followed by
the Flag Salute.

2.0 APPROVAL OF AGENDA – RoseAnn Adams, Redding commented on the good Board Packet. A
motion was made by Harley North, Evergreen and seconded by Art Schmitt, SUHSD to approve the
Agenda. The motion was approved unanimously.

3.0 APPROVAL OF MINUTES – The minutes of the January 25, 2008 Board of Directors Meeting were
presented for approval. It was moved by Donna Heller, Columbia seconded by Patricia Demo, Shasta
College and unanimously approved to accept the minutes.

5.0 CORRESPONDENCE/EXECUTIVE COMMITTEE/EXECUTIVE CONSULTANT COMMENTS
Pat Casey reviewed a request from ROP to consolidate their bargaining units into our JPA.

6.0 GENERAL BUSINESS
6.1 Financial Reports through March 2008 - Pat Casey reviewed the Financial Reports. Pat commented that
the only area of concern is the Dental Program. We are continuing to see an increase in claims cost.
Usage
in the plan is up. At the end of the year we will see a report detailing how many people reached their
annual
maximums. Adam Hillman, SCOE asked if the increased usage was due to employee’s fear of being laid
off or dropping the dental program. It appears that usage is just up overall. Pat Casey noted that the
program still nets out to approximately $83,000. Donna Heller, Columbia asked if there would be a
revision of current year interest in the budget. Pat Casey commented that the current year interest is o.k. It
is the long term interest that is barely above 2%. Phil Brown, Enterprise asked if the Balance Sheets
reflected actual or budgeted. Pat Casey confirmed that the Balance Sheets are based on actual.

6.2 Approve Final Revised Budget for 2007-08 and Preliminary for 2008-09 – Pat Casey reviewed the budgets
and noted that it is basically the same budget. In the Self-Insured Workers’ Compensation Program,
MSDS
should have $7,000. In 2007-08 and budget $2,000. for 2008-09 to allow for adding
chemicals at $4.50 each. Jim French, President asked if the reason for dental claims increase apply
to the vision claims as well. Pat stated that vision claims are holding steady. Pat also commented that
there is a negative Net Income in Dental but we do have reserves to cover it. Phil Brown, Enterprise
commented about the approximately $66,000 net income balance in dental with $99,700 in the dental
budget. Pat Casey said it won’t change it until he finds out what is causing the claims increase. A motion
was made by Harley North, Evergreen and seconded by Adam Hillman, SCOE to approve the budgets.
The
motion was carried unanimously by the Board.

6.3 Approve Financial Audit Contract – Matson and Isom’s proposal for the 2007-08 Financial Audit
was included in the Packet for the Board’s review. The proposed fee for the audit will not exceed
$13,700 plus travel costs. This fee does not include the implementation of Statement on Auditing
Standards
109 (SAS 109). The estimate for those fees will range from $1,000 to $1,500. Pat Casey explained
the reason for the increase in audit fees from the previous year is due to the new regulations of SAS-109. Pat commented that the JPA recently purchased a safe to secure passwords. Jim French, President asked if this was our third year with Matson and Isom. Pat Casey confirmed that it is our third year however it is only required that a different partner from the auditing firm is used for the audit every five years. It was moved by Phil Brown, Enterprise and seconded by Adam Hillman, SCOE to approve the 2007-08 Financial Audit contract with Matson and Isom as presented. The motion was approved unanimously by the Board.

6.4 InterWest Services and Loss Control Services - Pat Casey reviewed the proposal for Loss Control services and commented that the Broker fees will remain the same as current year. The Loss Control proposal is for 60 days billable with no more than 75 days. The rate for the first 60 days would be $800 per day with any days utilized beyond the initial 60 days would be billed at a rate of $900 per day. Adam Hillman, SCOE commented that his understanding was the increase is due to travel costs and training aids necessary for the training workshops. Jim French, President asked if the Executive Committee was comfortable with the costs. Harley North, Evergreen asked why the increase in cost per day? Phil Brown, Enterprise noted that the increase represents a 14% increase in cost. RoseAnn Adams, Redding commented that the JPA’s cost for services is reduced because Danté Bellino is housed locally. Harley North, Evergreen moved to approve InterWest’s proposal for Loss Control Services as presented. Art Schmitt, SUSD recommended the Board postpone the vote on this item until after Item 6.5 due to the possible overlap in the contract. Jim French, President asked Harley North if he was willing to defer his motion. Harley agreed.

6.5 Casey Consulting, Inc. Increase for 2008-09 – Jim French, President updated the Board on the Sub-Committee that was appointed to review the Risk Management contract and how it is done and utilized. RoseAnn Adams, Redding, Dona Heller, Columbia, Art Schmitt, SUHSD and Jim French have done an extremely thorough review of the Risk Management contract to insure what we have is what we need. In the Packet is a recommendation from Pat Casey for consideration. Another option to consider would be to have Danté Bellino do Risk Management along with Loss Control. RoseAnn Adams, Redding stated that it has been quite a challenge. The Sub-Committee has met and invited Pat Casey to join one of the meetings. Pat Casey feels he is providing the Risk Management portion of the services at approximately $62,000 per year. RoseAnn commented that the Sub-Committee felt the need to look at alternatives. Phil Brown, Enterprise felt that his district needed help. RoseAnn noted that one of the questions the Sub-Committee addressed were what the JPA is looking for as a plan for Risk Management. The Sub-Committee went back and looked at the program and asked who could provide the services for a decreased cost. Could Melanie Cich’s time from SCOE be applied to other districts? RoseAnn noted that a meeting was held with SCOE and they reluctantly considered doing it at the actual cost of Melanie’s time.

RoseAnn presented a proposal from the Sub-Committee of Goals and Action Plan which was handed out to the Board which also included the following:
1. The Committee feels there needs to be a change at how Risk Management is handled.
2. Establish a Risk Management Sub-Committee to represent the Board.
3. Implement Plan.

RoseAnn Adams, Redding made a motion to:
- Offer a one year contract for 2008-09 for two days per week in the amount of $44,000 to Casey Consulting first if he accepts.
- Next work with Melanie Cich, SCOE.

Donna Heller, Columbia seconded the motion.

Art Schmitt, SUHSD commented to RoseAnn that she had mentioned the Committee wanted something different and asked her to clarify. RoseAnn responded that a hands on approach working directly with schools. Working on the IIPP (Injury & Illness Protection Plan), etc. Art Schmitt commented that SUHSD is getting hands on now. Art asked what does hands on mean that is different from services currently received. RoseAnn responded that if a school is in trouble, to meet with them and do something about it. The next step would be to meet with them on a regular basis to find out what will work. Work with the district to come up with an incentive or whatever it takes to help the district reduce their ex-mod and claims experience. Donna Heller, Columbia commented that one thing from personal experience is if there is not a fire lit under their feet, it gets avoided. Smaller districts need more one on one consistent contact to empower the district in a fashion they are use to. Larger districts may or may not have the staff to do that.
If not, they could be part of that group and feel comfortable. Smaller districts will not fall through the cracks. Sue Wallick, Bella Vista noted that it is hard to keep a safety program going. Their Safety Manual hasn’t been updated since 1999. RoseAnn Adams, Redding emphasized that this plan is not being critical of Pat Casey. This is just a different plan and a different look. Harley North, Evergreen asked how districts outside of Shasta County would receive services. RoseAnn assured Harley that whatever it takes to accommodate those districts would be done. Debbie Copelli, Happy Valley inquired as to whether or not Melanie Cich, SCOE would have the time in her schedule to accomplish this. Adam Hillman, SCOE noted that it is up to the individual. SCOE would switch things around to free up her time. Debbie asked what the plan would be if there was a change in status of Melanie. What would the fall back plan be? RoseAnn Adams, Redding assured the Board that we would fall back the same way we would if something happened to Pat Casey. Adam Hillman, SCOE noted that Melanie already works with many districts because they call her. Donna Heller, Columbia noted we would have a Sub-Committee available to make sure we meet the goals. It may be that the Sub-Committee takes some responsibility to see that goals are met. Adam Hillman, SCOE commented that the districts would have to buy into the plan. Phil Brown, Enterprise commented that his district is one of the ones on the problem list and feels extra help would be positive.

Pat Casey – Thanks for the opportunity to respond to the Goals and Action Plan. Pat agrees with the Plan and the goals look doable. Melanie has been great to work with. Her success has come because she works face to face with the employees. Pat does not feel that she could do that with other districts. Pat commented that Risk Management is really about analysis of work hazards and implementing corrections i.e., acorns, ice, ladders etc. Pat states he is now working with new people. The ones that he worked with in the past aren’t here anymore. Pat feels he can do one on one with many districts. Pat noted that there are several things on the list the Sub-Committee provided that are the same as what Pat provided in the packet. Pat noted that the JPA rates are down and claims are down and will only stay down if you have someone experienced. Pat stated that he has the knowledge and experience. Pat commented that 2 days per week at 100 days is only $440 per day. Danté Bellino, InterWest makes $800 per day. Pat noted that if he was paid the same as Danté that would be $78,000 vs. $62,000. Pat also stated that a contract with a County office for any service has always broken down in the past. Pat feels he can do everything in the Plan along with services he has proposed that are not in the Plan. The new rate for stop-loss coverage has come down. Pat commented that he makes sure Risk Management, the Broker and Claims Admin are administered in the best interest of the JPA. There is a lot about Risk Management including placing stop-loss insurance. looking ahead, the Sub-Committee would be very good and a good plan for the future. Debbie Copelli, Happy Valley pointed out that one option to consider is to have this Plan be incorporated into the Casey Consulting contract. RoseAnn Adams, Redding noted that stop loss insurance is part of the Consulting Contract. Sue Wallick, Bella Vista asked who Danté Bellino works for. Danté is an employee of InterWest and is contracted with the JPA for Loss Control services. Phil Brown, Enterprise asked if the Casey Consulting services could be combined with the Action Plan recommended by the Sub-Committee. Pat Casey responded that the Action Plan fits into what he is currently doing. Jim French, President clarified that the motion would be to approve the Risk Management Proposal regardless of who does it. David Flores, Grant commented that he use to work for SCOE and split time out to different districts. It usually becomes almost another fulltime job. David would be concerned with SCOE splitting time with other districts. Debbie Capelli, Happy Valley added that when she shared services, you get to the point where you are not serving either district adequately while trying to serve two masters. Donna Heller, Columbia reviewed the list of services Pat Casey had provided with this proposal. Donna commented that there were items on the list that are also part of the Consulting Contract. RoseAnn Adams, Redding commented that it needs to be clear on what we are compensating for. After much discussion, Jim French, President called for the previous motion to be read by DeDe Davis, JPA. Phil Brown, Enterprise wanted to clarify that the Board would be adopting the proposal presented by the Sub-Committee. Jim French, President called for the vote by hand count. The motion was approved by the Board with a hand count as follows:

11 Yes
7 No
2 Abstain
Jim French asked Pat Casey to let Jim know by April 27th if he accepts the proposal for services.

7.0 WORKERS’ COMPENSATION PROGRAM

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

7.1.1 Review Claims through March 2008 – Pat Casey reviewed claims as presented in the Packet. There is a claim from prior to July 1, 1995 that Keenan and Associates had closed. The claim has reopened and moved to LWP. The individual now needs back surgery with an estimated cost of $50,000 to $75,000. Once we know for sure, the report will be modified. Donna Heller, Columbia asked if the districts can require a new physical if there is need for future medical after a claim’s closure to validate the claim. Pat Casey responded by saying we cannot require one.

7.1.2 Review Self-Insured Program Claims through March 2008 - Pat Casey reviewed the Self-Insured Worker’s Compensation claims. Pat commented that that the worse year is 2004-05, however still way under the Keenan years. Jim French, President commented that TCOE is climbing due to combative students and will be utilizing Risk Management Services.

7.1.3 New Ex-mods for 2008-09 – Pat Casey reviewed the Ex-mods for 2008-09 and noted that the largest ones have achieved .80 and did not move up. Harley North, Evergreen moved to approve the Ex-mod as presented. Phil Brown, Enterprise seconded the motion and it was unanimously approved by the Board.

7.1.4 Rate for 2008-09 – Pat Casey presented a 2.17% rate which is recommended by the actuary. Art Schmitt, SUHSD moved to approve the Workers’ Compensation rate as presented. Jackie Titus, AUHSD seconded the motion and it was unanimously approved by the Board.

7.1.5 2003-04 and 2005-06 Equity Balance – Pat Casey reviewed the Equity Balance and mentioned that Shasta College is a large member in the Medical Program that is not in our Workers’ Compensation Program. The College will have to contribute a large sum to help fund the Equity Balance. Pat Demo, Shasta College noted that she understood the calculations and it looks fine to her. Art Schmitt, SUHSD commented that the districts not part of the Medical Program would like a share of the Equity Balance that is not used to fund the Equity Balance. Jim French, President commented that Fall River is with the Medical Program. They would like their share of the equity applied to reduce their rate. Pat Casey explained that he had a discussion with Larry Snelling and Donna Paxson both of Fall River and let them know that their Ex-Mod will not be coming down any time soon. Jackie Titus, AUHSD asked if we are trying to reduce the medical premium by using the money from Workers’ Compensation. Pat Casey explained that this money is being used to fund the margin reserve. Phil Brown, Enterprise remembers some discussion regarding leaving some of those funds at the JPA to help fund safety issues. Pat Casey agreed that we will want to set up safety credits for districts. Harley North, Evergreen moved to refund the equity to members that are not in the Medical Program and deny Fall River’s request. Art Schmitt, SUHSD seconded the motion. The motion was approved by the Board. Donna Paxson, Fall River voted No.

7.2 Risk Management Program – Pat Casey reviewed the report of services provided by Danté Bellino included in the Board Packet. Donna Heller, Columbia asked about the status of each training and how many hours they take. She would also like to know which trainings go together.

8.0 Health Benefits Programs

8.1 Self-Insured Medical

8.1.1 Retiree Benefits and less than fulltime employees – Pat Casey reviewed a breakdown of retirees and less than fulltime employees. Jim French, President asked if past school Board members could be PERS annuitants and asked if Shasta College has some. Pat Demo, Shasta College explained that they did have some in the past but it is no longer allowed. Pat Casey reviewed JPA Policy which states that retired Board members have to be PERS/STRS annuitants to qualify for retiree benefits. Jim French asked who has the final authority. Pat Casey explained that the JPA has final authority and the JPA Policy and Procedure covers it. Jim French, President directed Pat Casey to send a letter to the districts reminding them that in order for their Board members to qualify for retiree benefits, they must be a PERS/STRS annuitant.

8.1.2 Propose changes to By Laws re: New Member or Group – Pat Casey reviewed the need for a change in the JPA Agreement By-Laws covering the need for a new group to apply. Jim French, President asked if Weaverville would need to apply with a health questionnaire now that they are unified. Dale Hansen, Cottonwood inquired if the new groups may or will be subject to the buy in. Pat Casey responded with yes.
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if a margin is there. Art Schmitt, SUHSD asked what would happen with a Charter School governed by a current member’s board and then changed to their own board. Pat Casey responded that current Charter Schools would be grandfathered in. Harley North, Evergreen moved to accept the By Law changes as presented in the Packet. Art Schmitt, SUHSD seconded the motion and it was unanimously accepted by the Board.

8.1.3 Update on New Member Request – Buy In & Approve New Member/Group  
Pat Casey reviewed current margin in the Medical program. Pat noted that it looks by 6-3-08 we will accumulate approximately $500 per employee for margin. Any new members should pay $500 per employee as a buy in. Colleen McLean, ROP asked if they only opt for dental and vision will they still have to buy in to medical. Pat Casey responded by saying no. Donna Heller, Columbia confirmed that this would be a onetime buy in for new members. Jim French, President asked if this amount would remain static in future years. Pat Casey stated no it would depend on the margin. Harley North, Evergreen moved to approve the $500 buy in for new members in the medical program. RoseAnn Adams, Redding seconded the motion and it was unanimously approved by the Board.

8.1.4 Cost Trend for Medical & Prescription  
Bordan Darm, Mercer reviewed a preliminary report last month. Since then we have added one more month of experience to the report. Bordan explained that paid claims have been added and loss ratios did not change much. The JPA is sitting at 96.6% loss ratio overall.

8.1.5 HMC Options  
Pat Casey recommended the approval of the 24/Hr Nurseline with promotion as an a la carte item for the 2008-09 Plan Year at a cost of $.72 per person. Bordan Darm, Mercer commented that the cost of adding 24/Hr Nurseline is offset by claims reduction in the projected year. He also noted that it is more successful with promotion. Pat Demo, Shasta College moved to accept the recommendation. Phil Brown, Enterprise seconded the motion. The motion was carried unanimously by the Board.

8.1.6 Self-Insured Renewal Calculation  
Bordan Darm, Mercer commented that claims experience is down from the preliminary report. The big jump is relative to reinsurance. Originally there was a 20% increase. The offer binding today is a 71% increase. The previous year was very good for reinsurance. This year we had more claims. The reinsurance would be at a $200,000 level. Bordan noted that he will try to reduce that rate. This is worse case scenario. Pat Casey commented that he was sorry to hear that the stop loss was going up to $200,000. It would take eight or more claims to wipe out the savings. The market is hard on groups with a history of very large claims.

8.1.7 Rate Increase Recommendation  
Bordan Darm, Mercer recommended a rate increase of 7% with 2% funded by equity balance. A motion was made by Adam Hillman, SCOE to approve the rate increase as presented. The motion was seconded by Pat Demo, Shasta College and unanimously approved by the Board.

8.2 Dental Program  
Pat Casey noted that right now there is no need for a rate increase with the existing reserves. Pat recommended no change in the benefit level. Harley North, Evergreen moved to approve no rate increase for the 2008-09 Plan Year with no increase in benefit level. Pat Demo, Shasta College seconded the motion and it was unanimously approved by the Board.

8.3 Vision Program  
Pat Casey noted that we have more than enough available in reserve to fund an increase in the benefit level. Pat Demo, Shasta College commented that maybe it is better not to increase the benefit level in case we need to use vision reserves to help the dental program in the future. Harley North, Evergreen moved and Adam Hillman, SCOE seconded to approve an increase in the benefit level and no increase in the vision rates. By show of hands there were 9 yes and 6 no. The motion did not pass as 11 yes votes would be required for the motion to pass. Harley North, Evergreen moved to approve no rate increase for the 2008-09 Plan Year. Adam Hillman, SCOE seconded the motion and it was unanimously approved by the Board.

9.0 CONSENT AGENDA  
Harley North, Evergreen moved to approve the Consent Agenda as presented with Corrections to the Designated Official Representatives and Alternates to the Board of Directors. Phil Brown, Enterprise seconded the motion which was unanimously approved by the Board.

10.0 Adjournment  
Jim French, President announced that he will resign the position of President of the Board effective 7-1-08 and called for the election of a new President. Jim will remain an Executive Committee Member. The meeting was adjourned at 11:30 a.m. The next meeting will be an Executive Committee Meeting on September 26, 2008 beginning at 9:00 a.m. held at the Hilltop Inn on Hilltop Drive in Redding, CA.
Respectfully submitted,

DeDe Davis
Benefits Administrator

James French, President
Shasta-Trinity Schools Insurance Group