

SHASTA-TRINITY SCHOOLS INSURANCE GROUP
BOARD OF DIRECTORS
APRIL 22, 2005
Best Western Hilltop Inn

ATTENDANCE,

Treasurer, Karen Kratzer, Shasta County Office of Education
Patricia Demo, Shasta College
Marla Kraft, Gateway Unified School District
Art Schmitt, Shasta Union High School District
Jackie Titus, Anderson Union High School District
Sue Wallick (Ramsay), Bella Vista Elementary School District
Laura Merrick, Cottonwood Union Elementary School District
Kelly Price, Grant Elementary School District
Adam Hillman, Enterprise Elementary School District
Sandra Taylor, Happy Valley Union Elementary School District
Donna Hlavac, Mt. Valley Unified School District
Wesley Schrader, Douglas City Elementary School District
Linda Kinsinger, Shasta-Trinity Regional Occupational Program
John Almond, Cascade Union Elementary School District
Patrick Casey, Executive Consultant
DeDe Davis, Benefits Administrator
See Attendance Sheet

Ex-Officio:

Staff:

Others Present:

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1.0 **CALL TO ORDER** – The meeting was called to order at 9:03 a.m. by President, Jim French followed by the Flag Salute.

2.0 **APPROVAL OF AGENDA** – A motion was made by Patricia Demo, Shasta College and seconded by Marla Kraft, Gateway to approve the addenda with the following changes: Move Item 8.1 under 5.0 and Move Item 6.4 under 8.1. The motion was approved unanimously.

3.0 **APPROVAL OF MINUTES** – The minutes of the January 21, 2005 meeting were presented for approval. It was moved by Marla Kraft, Gateway, seconded by Linda Kinsinger, ROP and unanimously approved to accept the minutes as presented.

4.0 **PUBLIC COMMENTS**-None

5.0 **CORRESPONDENCE/EXECUTIVE COMMITTEE/EXECUTIVE CONSULTANT COMMENTS**
None

5.1 Report on Health Benefits Committee Meeting - Pat Casey commented that there was a good turnout at the last meeting and discussed options to reduce rates.

Pat also noted that Pacheco has expressed interest in joining the JPA. Karen Kratzer questioned the procedural requirements. Pat Casey stated that a vote by the Board would be required. The new Superintendent for Pacheco is currently in the JPA and would like to continue his coverage through the JPA.

Pat also updated the Board on the JPA Web Site Development that Shasta Union High School District is developing. It should be up and running by July 1, 2005.

8.0 HEALTH BENEFITS PROGRAMS

8.1 Blue Cross of California

8.1.1 Cost Trend for Medical & Prescription – Pat Casey reviewed trend (Book of Business Trend). The trend was based on February data and running it out seventeen or eighteen months. Trend is reflected at a higher rate because of eighteen month trend.

8.1.2 Blue Cross Renewal Calculation – The proposed renewal calculation would be 16.5% without taking steps to reduce the increase.

8.1.3 Plan Options to Reduce Rates – After much discussion regarding different options to reduce the rate, the recommendation to the Board for approval was to eliminate Plan A which would decrease the rate by 5.5% and to increase the Prescription copays by \$10 which would decrease the rate by an additional 3%, Dard Hunter, MARSH commented that an overall rate increase of 8% is exceptional compared to other JPA's and the public sector. Karen Kratzer, SCOE asked about the average premium compared to other groups. Dard Hunter stated that our premiums are comparative to other groups similar to our JPA. Pat Casey also reviewed an option to create a high deductible plan for use with an HRA or HSA. A motion was made by Adam Hillman, Cascade and seconded by Jackie Titus to add an HRA Plan as an option to be available for bargaining units who may be interested in pursuing it. The motion was carried unanimously. A motion

- was made by Patricia Demo, Shasta College and seconded by Marla Kraft, Gateway to eliminate Plan A and increase prescription copays by \$10. The motion was carried.
- 8.1.4 Retiree Plan Options – There was some discussion regarding ways to reduce rate increases. This was not pursued due to lack of a motion.
- 8.1.5 Rate Increase Recommendation – A motion was made by Marla Kraft, Gateway and seconded by Linda Kinsinger, ROP to accept the 8% rate increase. The motion was unanimously approved by the Board.
- 8.2 Dental Program** – Pat Casey stated that no increase would be required in Dental for the 2005-06 Plan Year. A motion was made by Linda Kinsinger, ROP and seconded by John Almond, Cascade to approve no increase in dental premiums for 2005-06.
- 8.3 Vision Program** – Pat Casey stated that no increase would be required in the Vision program for 2005-06. A motion was made by Linda Kinsinger, ROP and seconded by John Almond, Cascade to approve no increase in vision premiums for 2005-06.
- 6.0 **GENERAL BUSINESS**
- 6.1 Financial Reports through March 2005 – Pat Casey reviewed the March Financial Reports and stated that everything is looking good. Dental and Vision Programs are increasing their reserves.
- 6.0 Quarterly Investment Reports – Pat Casey reviewed the 2nd Quarter Investment Report.
- 6.1 Approve Financial Audit Contract recommendation – Pat Casey reviewed a letter of proposal from Matson and Isom to conduct the annual audit at a rate not to exceed \$7,500. A motion to approve the audit proposal was made by Wes Schrader, Douglas City, seconded by Jackie Titus, Anderson and approved unanimously by the Board.
- 6.2 Approve Appointment of Replacement for vacancy on Executive Committee – Art Schmitt, SUHSD moved to approve appointment of Adam Hillman to fill vacancy on Executive Committee. The motion was seconded by Patricia Demo, Shasta College and approved unanimously by the Board.
- 6.3 JPA Web Site – Pat Casey and Danté Bellino gave a Power Point presentation of the new JPA Web Site. Tracey Michaud, Blue Cross recommended putting links to the Blue Cross Wellness information. There is a link to the Blue Cross home page. It was also suggested that a link to the JPA Web Site be added to the District Web Sites as well. Art Schmitt, SUHSD commented on how nice the Web Site looks.
- 6.6 JPA Logo – Pat Casey noted that the JPA now has a new logo.
- 6.7 Casey Consulting Contract – A motion was made by Donna Hlavac, Mt. Valley to table this item until the September Executive Committee meeting. John Almond, Cascade amended the motion to give the Executive Committee authority to grant a compensation increase up to 4% at the September meeting, retroactive to July 1, 2005. Jackie Titus, Anderson seconded the motion and it was approved unanimously.
- 6.8 2004-05 Revised Budget – Pat Casey reviewed the JPA budget increases. Dental and Vision contributions to JPA Admin have been increased. Overall, Dental and Vision are building net income. LWP has appropriately estimated what Workers' Compensation claims will cost. The JPA will have to go ahead with the billing to districts in 2006-07. It was moved by Linda Kinsinger, ROP, seconded by Wes Schrader, Douglas City and unanimously approved.
- 6.9 2005-06 Preliminary Budget – Pat presented the Preliminary Budget for 2005-06. A motion was made by Linda Kinsinger, ROP, seconded by Wes Schrader, Douglas City and unanimously approved.
- 7.0 **WORKERS' COMPENSATION PROGRAM**
- 7.1 **Self-Insured Program-Claims Prior to July 1, 1995**
- 7.1.1 Review Claims through March 2005 – Pat Casey reviewed the status of claims prior to July 1, 1995 and noted that it is difficult to close claims. Mr. Casey discussed the option that the JPA has of pulling out of SAWCX II and manage the claims ourselves. The JPA needs to weigh staying with the group or trying to settle the claims ourselves. We should wait for the language to make a decision.
- Self-Insured Program-Claims after July 1, 2003**
- 7.1.2 Review Claims through March 2005-LWP – Pat Casey commented that the 2004-05 cash out lay is 16% of projected incurred. Efforts to reduce the number and cost of claims continue to work. Workers' Compensation Reform has also worked. RIOH is concerned about their ability to pay bills due to Reform allowing only limited visits to the doctor. The JPA will continue to look at other options in case this becomes an issue. Other options may be Sunset Urgent Care or Mercy Outpatient Clinic. For 2003-04 the JPA paid 34% of total incurred. Mr. Casey stated that we look adequately funded for the 2003-04 years. We had three hundred seventeen claims and fifty-seven first aid.

- 7.1.3 New Ex-Mods for 2005-06 – Mr. Casey reviewed the proposed ex-mod calculations for 2005-06. The rate recommended by the Executive Committee is 2.70%. The new Ex-Mod method is working. Some members under the old method were costing more than the premium being paid. The new method lessens the chance of that from occurring. Mr. Casey noted that the French Gulch rate is higher than reflected in attachment. A motion was made by Donna Heller, Columbia, seconded by Sandra Taylor, Happy Valley and approved unanimously by the Board.
- 7.1.4 Rate for 2005-06 – Pat Casey noted that based on the current premium level working, he feels that a .05 increase is adequate bringing the total rate to 2.70%. Jackie Titus, AUHSD moved to approve a rate of 2.70%. The motion was seconded by Laura Merrick, Cottonwood and approved unanimously.
- 7.1.5 Approve Excess Carrier/Stop Loss/Rate – Keith Schuler, InterWest reviewed the proposed rate options. A motion was made by Marla Kraft, Gateway and seconded by Wes Schrader, Douglas City to approve a Stop Loss Level of \$1,000,000 at the current rate for 2005-06. The motion was approved unanimously.
- 7.1.6 Actuarial Report – Pat Casey discussed the ongoing cost for claims administration. In the first Actuarial report, it was not realized that LWP only charges once at the claims inception resulting in a decreasing of the claims admin numbers by \$500,000 in reserve requirements. The audit will still show \$1,000,000 deficit based on the Actuarial Report requirement. 2006-07 should look much better because we are not reflecting the claims loss as projected by the Actuarial Report. It was moved by John Almond, Cascade, seconded by Donna Heller and approved unanimously.
- 7.2 Risk Management Program – Pat Casey discussed ongoing efforts to improve upon the type of claims happening most often. In setting up the new JPA office, we are trying out ergonomic chairs and keyboard shelves to recommend to the districts. Feel free to come by the office and view what we have. Pat also those districts obtain a Hold Harmless Agreement from outside contractors and will be emphasizing this to the districts. Danté Bellino reviewed food service lifting requirements. He noted that the weight of items delivered to the food service departments is usually much heavier than the job description allows. These items will require a two person lift.
- 7.2.1 POPP Update – Pat Casey reviewed the POPPS recommendations. The JPA has job descriptions for teachers for districts who do not have them. Jackie Titus, AUHSD inquired about changing job descriptions and coaches. Light duty and heavy duty job descriptions were discussed.

9.0 Consent Agenda

9.1 Designate Official Address for Shasta-Trinity Schools Insurance Group

9.0 Next Meeting – The next Board of Directors Meeting on June 16, 2005 at 9:00 A.M. at the Shasta County Office of Education Board Room. Adam Hillman moved to adjourn the meeting. It was seconded by Marla Kraft, Gateway and unanimously approved. There being no further business, the meeting was adjourned at approximately 11:00 A.M.

Respectfully submitted,

DeDe Davis
Benefits Administrator

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

James French, President
Shasta-Trinity Schools Insurance Group