

MINUTES
SHASTA-TRINITY SCHOOLS INSURANCE GROUP
BOARD OF DIRECTOR'S MEETING
REDDING SCHOOL DISTRICT BOARD ROOM
January 15, 2014, 2:30 pm to 4:00 p.m.

Members/Alternates Present:

Adam Hillman	Robin Jackson
Debbie Kogel	Rick Ranquist
Donna Heller	Gretchen Deichler
Laura Cyphers Benson	Nancy Funk
Phil Brown	Jimm Cross
Cindy Trujillo	David Flores
Dana Reginato	Jeff Harris
Bettina Blackwell	Melanie Cich

Others Present:

Brooks Rice (STSIG)
Leah Grant, STSIG
Mari Moore, STSIG (Contracted)
Catharine Mauldin, Mercer

1. CALL TO ORDER

Adam Hillman called the meeting to order at 3:48 p.m.

2. APPROVAL OF MINUTES

Debbie Kogel moved to approve the October 11, 2013 Executive Committee Meeting minutes.
Donna Heller seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Opposed: none. Motion carried. Unanimous.

3. PUBLIC COMMENTS

None

4. CONSENT AGENDA

4.1.1 FINANCIAL AUDIT

The financial audit was presented. Adam Hillman recapped the findings. There were no significant items to report.

Donna Heller moved to receive, file and recommend the 2012-13 financial audit to the Board of Directors. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Opposed: none. Motion carried. Unanimous.

4.1.2 YEAR-TO-DATE FINANCIAL REPORTS

The year-to-date financial report was presented. Medical loss ratio is good, vision is expected to improve this year, and dental is doing very well. It is expected that the medical program will

remain good. It was pointed out that the loss in Administration was due to attorney fees and Hippa compliance.

Donna Heller moved to receive, file and recommend the year-to-date financial reports to the Board of Directors. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Apposed: none. Motion carried. Unanimous.

4.1.3 INVESTMENT REPORT

The investment report was presented. LAIF's balance is 21M with interest at .26%. Other funds are in Bank of America earning .40%. Over the last 5 years the earning rate has been .67%. It is time to look at a new investment strategy.

Donna Heller moved to receive, file and recommend the investment report to the Board of Directors. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Apposed: none. Motion carried. Unanimous.

4.1.4 EXPENDITURES

The expenditures from September 2013 to November 2013 were presented. It was pointed out that the dental equity check listed was an old uncashed check being recorded in this period.

Donna Heller moved to receive, file and recommend the expenditures to the Board of Directors. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Apposed: none. Motion carried. Unanimous.

5. GENERAL BUSINESS

5.1 WORKERS' COMPENSATION AUDIT

The November 2013 workers' compensation audit of LWP Claims Solutions performed by Susan M. Wright & Associates was presented. The finance/workers' compensation committee has previously reviewed and forwarded the audit to this committee. Phil Brown directed attention to pages 14 and 15 of the executive summary to review the findings which included:

- Service agreement is based on life of claim rather than life of contract.
- Higher cost for ancillary fee because of long-term open claims
- Reserving practices
- Reserves and benefits went up while claims were steady
- Personnel changes in last three years – declining quality of duties
- Overall audit score of average
- Low level of claims handling
- Documentation needs improvement

Options are to move to a different TPA or remain with LWP with modifications.

It was discussed that when reserves are revised it may affect the mod rate for the districts. The reserves must be revised. If the pool changed investment to PFM the additional interest earned could off-set the effects of raising the reserves.

Cindy Trujillo moved to receive, file and recommend the workers' compensation audit to the Board of Directors. Debbie Kogel seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Apposed: none. Motion carried. Unanimous.

5.2.1 EXECUTIVE DIRECTOR'S REPORT

STSIG presented a presentation with the following recommendations:

- Consider moving to School Insurance Authority (SIA) for TPA and Broker services beginning 7-1-2014.
- Hire a full-time Loss Control person beginning March 1, 2014.
- Revise budget to reflect new Loss Control position

5.2.2 LOSS CONTROL POSITION

A sample job description was presented. Duties include:

- Provide training and support to member districts to minimize injuries, provide annual safety training, establish regional vendor medical network, design and implement return-to-work programs, claims liaison, coordinate with TPA, member of claims review committee, on-site resource for open enrollment meetings and wellness activities.

5.3 BUDGET REVISION

The budget revisions presented were as follows:

Worker's Compensation:

- Funding for a full time loss control position with hiring date of approximately April 1, 2014.

JPA Administration:

- Admin is the employer of record for the loss control position. Expenses will be offset by monthly reimbursement from W/C.
- Budget for legal fees incurred for Bylaws, HIPPA, and other legal compliance

Laura Cyphers Benson moved to make a motion on item 5.2.1, 5.2.2 and 5.3 to approve submitting a letter of interest to SIA for TPA and broker services, to hire a full-time Loss Control person and to revise the budget as recommended by the Executive Director. Jeff Harris seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Jeff Harris, and Jimm Cross. Apposed: none. Motion carried. Unanimous.

ADJOURN TO CLOSED SESSION

No closed session

Adjourn at 3:50 p.m.