

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING MINUTES**

January 22, 2010

Hilltop Inn, 2300 Hilltop Drive, Redding

ATTENDANCE

Members Present: President, Adam Hillman, Shasta County Office of Education
Vice President, Donna Heller, Columbia ESD & Black Butte ESD
Treasurer, Phillip Brown, Enterprise Elementary School District
Patricia Demo, Shasta College
RoseAnn Adams, Redding Elementary School District
Cathy Campbell, Gateway Unified School District
Tom Mancuso, North Cow Creek Elementary School District
Jim French, Trinity County Office of Education
Dana Reginato, Shasta Union High School District

Ex-Officio: Michael Strech, Executive Director, Secretary to the Board

Staff: Nancy Panks, Benefits Administrator
DeDe Davis, Benefits Administrator
Mari Moore, Accountant (Contracted)

Others Present: Melanie Cich, Shasta County Office of Education
Bordan Darm, Mercer
Paul Ford, Mercer
Jeanette Price, Anthem Blue Cross
Lorie McElligott, Anthem Blue Cross
David Flores, Grant Elementary School District
Donna Paxson, Fall River Jt. Unified School District
Shelly Glover, Shasta Union High School District
Mary Nunes, Redding Elementary School District
Cindy Trujillo, Redding Elementary School District
Debbie Goodman, Shasta College

- 1.0 **CALL TO ORDER** – The meeting was called to order at 1:00 p.m. by President, Adam Hillman.
- 2.0 **APPROVAL OF AGENDA** – A motion was made by Jim French, seconded by RoseAnn Adams and unanimously approved to accept the agenda as presented.
- 3.0 **APPROVAL OF MINUTES** – Minutes of the November 6, 2009 Executive Committee meeting was presented for approval. It was moved by Patricia Demo, seconded by Tom Mancuso; the motion was approved unanimously.
- 4.0 **PUBLIC COMMENTS** – None
- 5.0 **GENERAL BUSINESS**
 - 5.1 Appoint Representative to Executive Committee – Dana Reginato of the Shasta Union High School District was appointed as the Board Representative replacing retiring Art Schmitt. Because a High School District must be represented on the Executive Committee, and the Shasta Union High School District is the only High School District in the membership, Dana Reginato was appointed to the Executive Committee. Adam Hillman invited her to the Table and welcomed her to the Committee. Moved by RoseAnn Adams, seconded by Patricia Demo, unanimous.
 - 5.2 2009/10 Financial Reports – Michael Strech directed the Committee’s attention to a new report that he and Mari Moore formulated entitled the “Scoreboard.” This report gives the Committee a “snapshot” of the JPA’s financial health at previous year end, year-to-date, and year-end projected totals, including the Combined Health Care Programs totals. Additionally, both Workers’ Comp programs were presented in the same format. He referred the Committee to the growth of the Medical program citing a \$1.671 Million net gain from 2008/09; Vision shows a slight negative change, but that is not concerning; Dental made a \$558,823 positive change and it’s only half way through the year; overall, there was a \$2,195,095 net positive change in the

Health Care Programs. Mr. Strech asked if the Committee liked the presentation of the information in that manner; Phil Brown stated that he liked it and the Committee concurred. Mr. Strech reported that his goal was to update it and send it out monthly. Phil Brown thought that might be too ambitious and suggested quarterly. He believed budget changes that had to go before the Board should be reflected in the Scoreboard and that only happens twice a year. Mari pointed out that the financial information was received by January 20th and the goal would be to get the information through the end of the month. She also pointed out that the Financial Reports were for Actual through November, not December, so it won't match up with the Scoreboard. Donna Heller asked if budget revisions were to go to the Executive Committee or the Board and it was stated that ultimately the Board would have Budget Revision authority. Donna suggested that the Budget should be looked at in the Finance Committee. Ultimately, projections are not effective with obsolete budget information. It was decided that Budget Revisions should be done in December and March and all reports should show the changes. Phil Brown wanted to reiterate the positive changes that have been made in the finances of the JPA.

- 5.3 List of Expenditures through December 31, 2009 – The List of Expenditures through December 31, 2009 was presented to the Committee for approval. RoseAnn Adams asked about the JPA office rent and if it was a lease; answered that it was a month-to-month. Moved by Donna Heller, seconded by RoseAnn Adams, unanimous.
- 5.4 2008/09 Year End Audit – The 2008/09 Financial Audit performed by Matson & Isom was presented to the Executive Committee for review and recommendation to the Board. There were no control findings. It was moved by Jim French, seconded by Phil Brown, and approved unanimously to recommend acceptance of the Audit to the Board of Directors.
- 5.5 Modification of PARS Alternative Retirement System Plan Agreement & Terms – The IRS has made some revisions that had to be addressed in the Plan Agreement and this included an additional \$3,000 to \$4,000 of contributions. Plan Agreement will be signed and submitted to PARS. Moved by Phil Brown, seconded by Tom Mancuso, unanimous.
- 5.6 Bylaw Changes – Reviewing the Bylaw language while in the Finance Committee and contemplating the goals and objectives of the JPA to build a stabilization fund, it became apparent that the Bylaws were not clear enough to state that the stabilization fund is not to be considered as money to go to districts upon withdrawal. When asked why, Phil said it was philosophical in nature and that the Stabilization Fund belongs to the JPA, not the districts. If a district comes in and contributes to the Fund, and they remain, those funds are not dispersed as a dividend. Only monies in excess of the Fund. Therefore, exiting districts are being treated the same as those districts that stay, in that no district receives the Stabilization funds. RoseAnn Adams expressed her disagreement with the philosophy saying that if a district puts money into the Fund upon entry, they should get it back as they leave. Phil reiterated the Philosophy as stated previously. In addition, it was stated by Mercer that this is a common practice among JPAs. It is the goal of the JPA to have a Stabilization Fund, along with Reserves, and once achieved and exceeded, the excess would be dispersed as a Dividend; but never the Stabilization Fund or Reserves, only the excess. Proposed changes to Article XII, Voluntary Withdrawal, include:
- Striking A.3.b. where it refers to Property & Liability which the JPA does not provide.
 - Changing “Fringe Benefit Insurance Program” to “Health & Welfare Programs” in A.3.c., striking the word “life” within the parentheses).
 - Changing 90 days to 150 days in B.1.
 - Adding “and a dividend is declared,” after “agreement period” in B.2.
 - Adding B.3.5. The above stated methodology does not apply to any form of stabilizations funding or any monies not directly allocated to claims and administration for a plan year. The plan does not contemplate reimbursement of stabilization funds for voluntary withdrawal from the program.

These changes would be effective 7/1/10 per the Bylaws.

RoseAnn Adams said she had to put on her “other hat” and say that, while she understands why, she still doesn’t agree with paying to get into the JPA and not being able to take it with you on the way out. Mike Strech asked the Committee to consider ownership, “who does the Stabilization Fund belong to?” The Stabilization Fund is the JPA’s asset, not a District asset. Districts buy their share of equity. The program is in a negative position that should have been taken care of with proper rate setting. The JPA is in a building phase and the Stabilization Fund is a large part of that building process. Moved by Phil Brown, seconded by Patricia Demo to adopt Bylaw changes to Article XII, Voluntary Withdrawal as presented above. The motion was passed with a vote of 8 Ayes, and 1 No (RoseAnn Adams).

5.7 Workers’ Compensation Replenishment Account – Mike Strech reported that the program is growing and more claims are developing. Also, the Vendor, LWP Claims Solutions, has changed their operations recently consolidated offices and there have been some reconciliation issues which has caused mismanagement of Replenishment Requests. Phil Brown echoed the issue stating that he has had to deal with too many incorrect and inconsistent Replenishment Requests that were poorly reconciled and reported. LWP is requesting that two replenishments a month in the amount of \$140,000 be transferred to keep the funds flowing so claims can be paid in an efficient and timely manner. Phil Brown was opposed to releasing more money to LWP as he believes it only gives them more money to mismanage, but Donna Heller believed it was necessary to give Mike Strech the responsibility and discretion to make sure the issues were resolved and the money was better managed. Therefore, it was moved by Phil Brown, seconded by Donna Heller, and approved unanimously to give Michael Strech the authority up to \$140,000 at such time the issues are resolved.

6.0 **ADJOURNMENT** – There being no further business to come before the Executive Committee, it was moved by Phil Brown, seconded by Patricia Demo, and unanimously approved to adjourn at 2:10 p.m.

Respectfully Submitted,

Nancy Panks
Benefits Administrator

Adam Hillman, President