



**SHASTA-TRINITY SCHOOLS**  
INSURANCE GROUP

**BOARD OF DIRECTORS MEETING**

Hilltop Inn Board Room, 2300 Hilltop Drive, Redding, CA 96002  
FRIDAY, October 11, 2013 9:00 A.M. to NOON

**MINUTES**

**Members and Alternates Present**

Bettina Blackwell  
Bob Anderson  
Bob Lowden  
Adam Hillman (phone)  
Larry Robins  
Diane Haynes  
Debbie Kogel  
Donna Heller  
Laura Cyphers-Benson  
Laura Merrick  
Melanie Cich  
Peggy Canale  
Phil Brown  
Robert Fellingner  
Robin Jackson

**Others Present**

Brooks Rice, STSIG  
Leah Grant, STSIG  
Mari Moore, STSIG (contracted)  
Dave Wiesner, Mercer  
Shayna M. Van Hoften (phone)

**1.0 CALL TO ORDER, PLEDGE OF ALLEGIANCE**

Donna called the meeting to order at 9:15am.

**2.0 APPROVAL OF MINUTES**

Peggy Canale moved to approve the minutes of the April 19, 2013 Board Meeting. Phil Brown seconded. Motion carried. Unanimous.

**3.0 PUBLIC COMMENTS**

None

**4.0 CORRESPONDENCE**

4.1.1 Letters and resolutions of Intent to Withdraw from the JPA health and welfare program were received from North Cow Creek Elementary's certificated, classified, unrepresented and administrative employees and from Gateway Unified School District's non-represented unit members. A total of 53 members are exiting for the 2014 plan year.

## 5.0 CONSENT AGENDA

5.1.1 Designate Official Correspondence Address and Phone Number for the Shasta-Trinity Schools Insurance Group. Acceptance of the official address and phone number of the Shasta-Trinity Schools Insurance Group is: 350 Hartnell Ave., Suite D, Redding CA 96002. Phone 530- 221-6444

530- 221-6225 (fax)

5.1.2 Designate Official Representatives and Alternates to the Board of Directors. Acceptance of the current list of representatives and their alternates to the Shasta-Trinity Schools Insurance Group Board of Directors is included in the Board packet.

5.1.3 Open Enrollment Schedule.  
Acceptance of the Open Enrollment meeting schedule.

5.1.4 Exiting Districts:  
Acceptance of exiting districts referred to in Correspondence: North Cow Creek Elementary and Gateway Unified School District.

5.1.5 PARS Administrators  
Acceptance of appointing Adam Hillman and Brooks Rice as Plan Administrators on behalf of the JPA.

5.2.1 PayFlex  
Moved from consent agenda to section 7.0 on the agenda.

5.2.2 EGWP Program  
Moved from consent agenda to section 7.0 on the agenda.

Phil Brown moved to approve the consent agenda. Debbie Crowl (Kogel) seconded. Motion carried. Unanimous.

### 5.3 Meeting Dates

Executive Committee Meetings:

January 17, 2014 -9:00 a.m. to noon at SCOE downstairs conference room

March 20, 2014 -9:00 a.m. to noon at SCOE downstairs conference room

August 22, 2014 -9:00 a.m. to noon at SCOE upstairs conference room

September 26, 2014 – 1:00 p.m. to 3:00 p.m. at McConnell Foundation

Board of Directors Meetings:

April 8, 2014 – 9:00 a.m. to noon at McConnell Foundation

September 26, 2014 - 9:00 a.m. to noon at McConnell Foundation (BOARD RETREAT)

October 10, 2014 - 9:00 a.m. to noon at McConnell Foundation

Acceptance of 2014 Executive Committee and Board of Director's meeting schedule. Bettina Blackwell moved to approve the 2014 meeting schedule as presented. Debbie Crowl (Kogel) seconded. Motion carried. Unanimous.

## **6.0 GENERAL BUSINESS**

### **6.1. Bylaws Review Committee**

Shayna M. Van Hoften is an attorney with the Hanson Bridgett Law Firm. Shayna explained that the process of updating the bylaws and policies and procedures is a work in progress. Included in the board packet are recommended changes and a summary for quick reference. Shayna also recommends the following changes that are not included in the board packet.

- Policies and Procedures: Anywhere that a spouse or surviving spouse is mentioned, domestic partners and a surviving domestic partner must also be mentioned. This is required by law. This will apply to sections 1.1, 1.3, and 1.5.
- Bylaws: Change to allow that motion can be passed by voice, but ordinances or resolutions must be adopted by a roll-call vote. This change applies to section 3.3g.

Laura Cyphers Benson moved to approve the bylaws and policies and procedures recommended by Hanson Bridgett which includes the two additional changes above not in the board packet. Peggy Canale seconded. Motion carried. Unanimous.

### **6.2 PlanSource Eligibility System**

Leah Grant updated the board on the progress of PlanSource. The system is live and will be available for members to use at open enrollment should they desire. PlanSource is also being used to track 2014 wellness incentives.

## **7.0 HEALTH BENEFITS PROGRAMS (OUT OF SEQUENCE PER MEETING)**

### **7.1.1.a EGWP Program** (moved from consent agenda)

Dave Wiesner from Mercer reviewed the basic EGWP for the benefits of the board. There is an increase of 28% for the Employer Group Waiver Program (EGWP) renewal. The increase is a result of STSIG retirees being healthier and therefore the amount of reimbursement received by Envision from the federal government was reduced. That reduction in reimbursement causes an increase on our renewal. Dave Wiesner from Mercer pointed out the EGWP program saved approximately \$300,000 last year which makes the renewal still a good option.

Peggy Canale moved to approve the EGWP renewal. Debbie Crowl (Kogel) seconded. Motion carried. Unanimous.

### **7.1.2.b PayFlex**(moved from consent agenda)

PayFlex has presented a proposal, which is included in the board packet, for managing the HSA funding for 2014.

Phil Brown moved to approve the PayFlex proposal. Bettina Blackwell seconded. Motion carried.

Unanimous.

#### 7.1.1 Health Benefits Recommendations

The Executive Committee recommends the following for 2014.

1. Add two new health plans: Coinsurance Only and Bronze Plans
2. Eliminate the Standard Plan
3. Add a fourth tier rate structure: Employee + child(ren)
4. Contract with PayFlex to manage the HSA funding
5. HSA Contribution amounts:
  - a. Pre-fund \$750 to Employee only and \$1,500 to remaining tiers.
  - b. Funding to districts will be 60% in January with the remaining 40% in September for members enrolled 1/1/2014 and 9/1/2014, respectively.
  - c. New hires would be pro-rated on a monthly basis.

Melanie Cich moved to approve the Executive Committee recommendations. Laura Cyphers Benson seconded. Motion carried. Unanimous.

#### 7.1.2 Prescription Drug Plan Changes

The pharmacy benefits for all HDHP will move from Anthem to Envision beginning January 1, 2014. This completes the shift of administration over the last three years.

#### 7.1.3 2014 Medical Rates

A 2014 rate matrix is including in the meeting packet. There will be a net flat rate increase which means that the same amount of money will be collected by the JPA, but it will be distributed differently because of the added tier of Employee + Child(ren) and changes in the plan offerings. Brooks shared his apprehension of continuing a net flat rate increase for an additional twelve months. He would prefer to make small incremental increases approximately 4% to ward off large fluctuations in rates.

Laura Cyphers Benson moved to approve a net flat medical rate increase for 2014. Robert Fellingner seconded. Motion carried. Unanimous.

#### 7.2.1 Dental Plan Enhancement

The dental program is well funded and experienced a 92% loss ratio last fiscal year (2012/13). The Executive Committee recommended increasing the calendar year maximum on all dental plans by \$100.

Debbie Crowl (Kogel) moved to approve increasing the calendar year maximum by \$100 on each dental plan. Phil Brown seconded. Motion carried. Unanimous.

#### 7.2.2 Dental Rates

The Executive Committee recommended a net flat rate increase for 2014 dental plans.

Phil Brown moved to approve a net flat rate increase for 2014 dental plans. Laura Cyphers Benson seconded. Motion carried. Unanimous.

#### 7.3.1 Vision Plan Enhancement

VSP is offering the Choice plan at a lower cost.

Debbie Crowl (Kogel) moved to approve moving to the VSP Choice Plan. Phil Brown seconded. Motion carried. Unanimous.

### 7.3.2 Vision Rates

The Executive Committee recommended a net flat rate increase for 2014 vision plans.

Phil Brown moved to approve a net flat rate increase to all vision plans for 2014. Bettina Blackwell seconded. Motion carried. Unanimous.

## 8.0 WORKERS' COMPENSATION

### 8.1.1 Workers' Compensation

A worker's compensation audit is recommended because the last forensic claims audit was performed in 1993. There was a compliance based audit performed by Bickmore during the 2010-11 plan year. Susan M. Wright & Associates has been highly recommended to us and has prepared a proposal, which is included in the packet, for Board review and approval.

The audit will be performed in LWP's office in Sacramento and will not require district involvement.

Audit findings, as well as program improvement suggestions, will be presented to the Executive Committee in January 2014. Involvement by the Worker's Compensation committee as well as the Finance Committee is anticipated; their scope will be determined based on the outcome of the audit. Melanie Cich has requested to be included in the Worker's Compensation committee.

Phil Brown moved to approve funding the workers' compensation audit performed by Susan M. Wright & Associates. Laura Cyphers Benson seconded. Motion carried. Unanimous.

### 8.1.2 Safety Incentive Program

Five districts received the incentive award. Award amount was based on annual payroll, as outlined in the program description.

- |                     |        |
|---------------------|--------|
| 1. Enterprise       | \$5000 |
| 2. Gateway          | \$5000 |
| 3. SCOE             | \$5000 |
| 4. Southern Trinity | \$500  |
| 5. Redding          | \$5000 |

Eleven districts completed some of the incentive activities, with twenty-two districts choosing not to participate in any part of the program.

Group discussion brought to light that the program was difficult for the smaller districts to participate due to their workloads. In addition, while they recognize the positive impact of a modified work duty program, the current lack of reimbursement for the modified duty portion is an additional financial burden that they cannot afford. Brooks believes a new incentive program will result from the WC audit. He announced that he intends to restructure the WC program.

## 9.0 FINANCE (FOLLOWING MEETING ORDER SEQUENCE)

### 9.1.1 Financial Reports 2012/13

Unaudited 2012/13 Financial Reports were presented by Phil Brown. The "Scoreboard" on pg. 153 of the meeting packet indicates a projected year-end excess over expenses of \$3.6 million for the medical

program. All programs are in a positive position and trending as expected. The medical excess is a direct result of having 50 large claims in past years to only having 28 large claims in 2012/13. We will continue watching this program to evaluate if this is an anomaly or the beginning of a new trend.

#### 9.1.2 Investment Report

The investment report was presented for review. Current rate of return is .24% with LAIF and .4% with Bank of America.

#### 9.1.3 Stabilization Policy

The stabilization goals are reviewed annually by the Finance Committee and reaffirmed by the board of directors. JPA was asked to provide a workers' compensation summary sheet similar to the schedules provided for the health plans for future meetings.

Phil Brown made a motion to reaffirm the current stabilization goals. Robert Fellingner seconded. Motion carried. Unanimous.

#### 9.1.4 2013/14 Medical Budget Revisions

Revision presented were a consolidation of the benefits consultants line item and the transfer of money from LAIF to Bank of America, and renewal of EGWP contract.

Peggy Canale moved to approve the revised medical budget. Debbie Crowl (Kogel) seconded. Motion carried. Unanimous.

### 11.0 ADJOURNMENT

The meeting was adjourned at 10:15pm.

NEXT MEETING: The next Board of Director's meeting will be October 11, 2014.