

Executive Committee Meeting (Zoom)
April 23, 2021, 10:00 am
Shasta-Trinity Schools Insurance Group
MINUTES

Members Present:

Robert Fellingner
Jason Rubin
David Flores
Marrienne Williams
Melanie Holmes
Peggy Canale
Cindy Trujillo
Laura Merrick
Melanie Holmes

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Kurt Walling, STSIG
Lisa Blakeslee, STSIG
Micah Brownlee
Mari Moore, STSIG
Jodie VanOrnum
Eric Leventhal, EPIC
Dave Wiesner, EPIC
Mike Harrington, Bickmore

David Flores called the meeting to order at 10:02 am. Confirmation of a quorum.

CONSENT AGENDA

1. Approve minutes for February 5, 2021, Executive Committee Meeting.

Robert Fellingner moved to approve the minutes from February 5, 2021, Executive Committee Meeting.
Jason Rubin seconded.

Approved: Robert Fellingner, David Flores, Jason Rubin, Marrienne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.

Opposed: None. Motion carried. Unanimous.

2. Expenditures

Expenditures from December 1, 2020, to February 28, 2021, were presented and reviewed.

Robert Fellingner moved to accept the expenditures as presented. Jason Rubin seconded.

Approved: Robert Fellingner, David Flores, Jason Rubin, Marrienne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.

Opposed: None. Motion carried. Unanimous.

GENERAL BUSINESS

3. STSIG Board Chair Report

David Flores thanked the STSIG staff for the operational smoothness of the business during the Covid-19 environment. Brooks Rice updated on the CAJPA re-accreditation that is in progress. It is expected to be complete in the next month as the worker's compensation and medical claims audits conclude.

4. June 30, 2021 Workers' Compensation Actuarial Report

Mike Harrington with Bickmore presented his actuarial findings. Overall there is \$1M less than expected losses. He reports that the positive trend continues since last year and our numbers keep

getting better. Our Assents are up, and surplus continues to grow. Claims are decreasing; however, the average claim cost has increased slightly. The loss rate is falling. The proposed 2.19 base rate is a 4.8 decrease from last year.

Robert Fellingner moved to accept the Actuarial report as presented. Melanie Holmes seconded.
Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

5. Workers' Compensation STSIG Base Rate and Member's Ex-Mod Rates

Based on the June 30, 2021, Bickmore Actuarial report, the proposed base rate is 2.19 with the current 10% cap in place.

Melanie Holmes moved to recommend a base rate of 2.09. Jason Rubin seconded.
Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

6. Workers' Compensation Financial Review

The workers' compensation financials were presented by Brooks Rice and are in the meeting materials. Brooks explained the funding sources, tail claims, funding surplus, and liabilities history. All the findings were outstanding, and workers' compensation continues to be trending in a positive direction, and more rate reductions can be expected in future years.

7. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through February 28, 2021. All programs are stable. Ratios are as follows:

| Program | Current Year YTD Loss Ratio | | Previous Year YTD Loss Ratio | |
|---------|--------------------------------|--------|---------------------------------|---------|
| | Fiscal | Plan | Fiscal | Plan |
| Medical | 96.88% | 99.61% | 101.71% | 103.77% |
| Dental | 82.56% | 75.12% | 92.10% | 90.59% |
| Vision | 72.15% | 68.11% | 71.12% | 66.61% |

The SISC stop-loss coverage will have an increase of 20%, which will result in a 3% medical rate increase for 2021-22. Dental and vision are coming up a little, which was expected.

No action is needed.

8. Stabilization Goals Annual Review

The annual stabilization goals were presented. No changes are recommended.

Jason Rubin moved to accept the Stabilization Goals without changes. Melanie Holmes seconded.
Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

9.. Investment Report Review / Treasurer's Report

The investment reports, as of February 28, 2021, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

The investment report as of February 28, 2021, states we have \$45.7M in total cash with \$3.2M in LAIF, receiving a rate of return of 0.63% and \$20.9M in CAMP earning 1.43%. The remaining \$21.5M is split between Merchants Bank of Commerce and Accounts with Partners.

CAMP activity is accounted for by the accrual method of accounting, which is consistent with PFM's best practices during the year with an annual adjustment to fair market value by the Auditors. The difference between the unaudited financials and the CAMP securities statement is the aggregate FMV adjustments made by the Auditors. The total CAMP assets are reported as cash and accrued interest receivable.

| | Investments | Accrued Interest Receivable | Total |
|---------------|--------------|-----------------------------|--------------|
| Medical | \$7,581,147 | \$30,148 | \$7,611,295 |
| Workers' Comp | \$11,661,252 | \$46,374 | \$11,707,626 |
| Dental | \$973,098 | \$3,870 | \$976,967 |
| Vision | \$457,916 | \$1,821 | \$459,737 |
| Total | \$20,673,412 | \$82,213 | \$20,755,626 |

Robert asks that future meetings include the SIA quarterly investment reports to show our funding.

Jason Rubin moved to accept the investment reports, as presented. Marianne Williams seconded. Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.

Opposed: None. Motion carried. Unanimous.

10. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through February 28, 2021.

The scorecard and details were reviewed. The scorecard amounts were before adjustment for IBNR. The combined health programs reported a surplus of \$684K. The combined workers' compensation programs reported a surplus of 721K.

The Workers' Compensation program continues to reduce outstanding liabilities due to claim management by SIA.

All programs are positive and secure.

Melanie Holmes moved to accept the unaudited financial reports as presented. Cindy Trujillo seconded.

Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.

Opposed: None. Motion carried. Unanimous.

11. Innovu – Analytics Services

This program has been reviewed at prior meetings. The proposal is enclosed. No motion was offered. EPIC will follow up with Innovu to clarify the termination clause and present it at the next meeting.

12. Kannact – Health Conditional Management Program

This program has been reviewed at prior meetings. The proposal is enrolled.

Peggy Canale moved to accept the Kannact proposal as presented. Cindy Trujillo seconded.

Approved: Robert Fellingner, David Flores, Jason Rubin, Marianne Williams, Peggy Canale, Cindy Trujillo, Laura Merrick, and Melanie Holmes.

Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN – David Flores adjourned the meeting at 11:17 am.