



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, April 26, 2019 9am

Executive Committee Members Present:

David Flores	Shasta Union HSD
Adam Hillman	Shasta COE
Greg Smith	Shasta College
Cindy Trujillo	Redding/Igo-Ono-Platina
Phil Brown	Enterprise ESD
Michelle Glover	Columbia/Black Butte/Junction/North Cow Creek ESD
Melanie Holmes	Trinity COE
Peggy Canale	So. Trinity Jt. USD

Board Members/Alternates Present:

Heather Brown	Grant ESD
Tina Card	Gateway Unified SD
Robert Fellingner	Shasta Union ESD
Jodie VanOrnum	Shasta COE
Linda Barneby	Whitmore Union ESD

Others Present:

Brooks Rice, STSIG	Kurt Walling, STSIG
Leah Grant, STSIG	Lisa Blakeslee, STSIG
Mari Moore, STSIG	

CALL TO ORDER

David Flores called the meeting to order at 9am. Announced there is a quorum for a meeting of the Whole.

- 1. Consent Agenda: Approve minutes for February 1, 2019 Executive Committee Meeting**
- 2. Consent Agenda: Expenditures from December 1, 2018 to February 28, 2019**

Michelle Glover moved to approve the consent agenda as presented. Cindy Trujillo seconded.

Approved: David Flores, Adam Hillman, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

3. Executive Director's Report

See Director's report in meeting materials

4. Workers' Compensation Actuarial Report

The meeting material included Bickmore's Actuarial Review Summary. The recommended rate is \$2.46 which includes STSIG and SIA administration costs and represents a 5% decrease.

The reports show that the excess over the 90% confidence level is \$22.7M which has increased from \$500K in 2003-04. The difference in the program claims and reserves over the last 5-6 years is very significant.

Prior to SIA management the program rate was \$3.25. The decrease in rates and claim reserves resulting from the new management has been significant and the proposed rate decrease should be celebrated.

Different options regarding the rate reduction were discussed, including spreading the expected reduction for the next two years at 7.5% each year to spread it out more evenly.

Another option is to pay the STSIG admin fee from reserves.

Michelle Glover moved to decrease the overall rate by 7.5% for 2019-20 with the rate per hundred of \$2.40. Cindy Trujillo seconded.

Approved: David Flores, Adam Hillman, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

5. Workers' Compensation Financial Review

Meeting materials included information explaining the program and its history. Brooks Rice explained that the program is doing well, and that SIA has been successful in reducing the open claims and continues to manage claims efficiently resulting in increased program reserves.

The materials show that the program is well funded at \$22.7M above the 90% confidence level. The number of claims, claim's average costs, and required claim reserves all continue to decline. The program is expected to provide financial stability long into the future and the ability to absorb a crisis should one occur without a significant effect on rates.

As evidence of the significant changes, the material shows that in 2013-14 the liabilities were over \$14M and now they are \$3M. The reserve above the confidence level in 2013-14 was \$500K and now it is over \$22M. This is a result of SIA's closing many of the tail claims so the funds that were reserved for those claims have been captured in the current reserve. The higher reserve and the decrease in costs per claim and claims frequency combined with increased safety efforts at the district level have produced this favorable situation.

The minimum target continues to be a 90% confidence level. The long-term plan is to continue to build the reserve while maintaining the 90% confidence level for the next several years, then stop future rate adjustments while maintaining the reserve at a level that will absorb any claim excesses.

The program is doing better than expected and the overall rate this year can be reduced 5%.

6. Stabilization Goals Annual Review

The annual review of the stabilization goals was performed. The medical, dental, and vision stabilization goals are appropriate.

Phil Brown moved to approve the stabilization goals as presented. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

7. Workers' Compensation Rate and Ex-Mod Calculation

The experience modification factors are shown in the meeting materials. As a reminder, last year the Board approved a new methodology using a 10+/-% cap calculation. Any rate reduction or increase this year based on the mod-rate will be affected by any overall program reduction.

Adam Hillman moved to approve the 2019-20 ex-mods as presented. Cindy Trujillo seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

8. 2019-20 Loss Prevention Program Design

The Workers' Compensation committee has evaluated the program and accepted that in the future they will only be able to review the top 5 districts rather than 10 districts as in past years. SIA is having trouble providing the information needed to do more reviews due to their current work load. Kurt Walling explained that most districts are completing the requirements needed to earn the incentive and suggests modifying the requirements to encourage participation in a variety of activities. Because of the workers' compensation committees' recommendations Kurt proposed an outline for a new incentive program which would include several mandatory activities and a list of activities that the districts can choose as their optional activities that might better suit the individual district's needs better. From that starting point, this committee asked members in attendance to submit suggestions for the new program that would be recommended to the Board at the June meeting.

Phil expressed a special thanks to Kurt for his great work and the value he has brought to the district's safety initiatives.

No motion

9. Kura MD

Kura MD is a Telemedicine option for Workers' Compensation claims. STSIG and SIA want to run a pilot program beginning in the next few months. If the program is successful, this will be recommended for our pool. Redding SD has volunteered for the pilot program and another couple larger districts are needed. SIA is in the process of completing a written process to begin the pilot. A beta test will begin in Sacramento very soon, so we can learn from their results also.

No action

10. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through February 28, 2019. The medical program just had its worst month in many years, however stop loss returned a significant portion of the costs. Dental and vision continue to do well. It appears that a medical increase of 4%-5% would be appropriate for the new plan year.

11. Investment Report Review / Treasurer's Report

The investment reports as of February 28, 2019 are presented and reviewed. The Treasurer's report is signed by Phil Brown.

Cindy Trujillo moved to approve the investment reports as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

12. 2016-17 Financial Audit Update

Brooks Rice presented the unaudited financial reports through February 28, 2019. The scorecard and details were reviewed. The scorecard shows all programs are trending well. Workers' Compensation program continues to show great results.

Michelle Glover moved to approve the unaudited financial reports as presented. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

13. Redding Bank of Commerce Account Closure

This account was created for the sole purpose of reinsurance fees being pulled by the IRS from our account. There is no reason to keep the account active.

Adam Hillman moved to approve the closure of this account. Phil Brown seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Cindy Trujillo, Michelle Glover, Greg Smith, Melanie Holmes, Peggy Canale, Heather Brown, Tina Card, Linda Barneby, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

14. Motion: Adjourn to Closed Sessions

Closed Session Public Employee Performance Evaluation Pursuant to Government
Code Section 54957(b)(1): Executive Director

15. Motion: Reconvene in Open Session/ Call to Order

No reportable actions

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None public comments.

ADJOURN

The meeting was adjourned at 11:32am.