



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, February 1, 2019 9am

Executive Committee Members Present:

David Flores, President	Shasta Union HSD
Phil Brown, Treasurer	Enterprise ESD
Michelle Glover, Vice President	Columbia/Black Butte/Junction/North Cow Creek ESD
Laura Merrick	Cottonwood Union ESD
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE
Cindy Trujillo	Redding, Igo Ono Platina
Greg Smith	Shasta College

Board Members/Alternates Present:

Gretchen Deichler	Trinity COE
Robert Fellingner	Shasta Union ESD
Heather Brown	Grant ESD

Others Present:

Brooks Rice, STSIG	Lisa Blakeslee, STSIG
Leah Grant, STSIG	

CALL TO ORDER

David Flores, President, called the meeting to order at 9:03am. Announced there is a quorum of the full Board of Directors.

- 1. Consent Agenda: Approve minutes for September 28, 2018 Executive Committee Meeting**
- 2. Consent Agenda: Expenditures from July 1, 2018 to November 30, 2018**

Phil Brown moved to approve the consent agenda as presented. Greg Smith seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried.

Unanimous.

3. CAJPA Accreditation Renewal and Certificate

Certificate of Accreditation with Excellence plaque was presented. Brooks explained that the accreditation process lasted over one year. The CAJPA reviewer was the same as last year and he did request of couple of new items. He requested a MOU between SIA and STSIG and a claims audit that included STSIG claims be done by SIA. Both items were completed and the accreditation renewal with Excellence was received. No action needed.

4. Executive Director Evaluation and Survey Templates

An ad-hoc committee was formed and tasked with creating a method of evaluation of the STSIG Executive Director. The committee included David Flores, Melanie Holmes, Greg Smith and Jodie VanOrnum. Brooks Rice and Leah Grant were attending for the JPA staff.

The committee developed a survey meant for the Board members to evaluation the JPA as well as the Executive Director and an evaluation meant for the Executive Committee to use as an Executive Director evaluation. The format used was originally form the Shasta College evaluation forms and Greg Smith allowed their use if needed. The survey and evaluation templates were included in the meeting materials. David Flores explained that the that the survey and evaluation should be completed in April or May and presented at the next Board of Director meeting. David said it is the responsibility of the Executive Committee to make sure the process is done annually, and the ultimate responsibility falls to the JPA President.

Cindy suggested that the word "his" be replaced with something gender natural (page 57 under contractual responsibility). She also suggested replacing the word "Authority" with "JPA or STSIG" through out the documents. No action needed.

Bruce DeMallie arrived and Agenda item 11 and 12 will be next. Minutes will be in original agenda order.

Phil Brown moved to discuss agenda item 11 and 12 after item 4. Michelle Glover seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

5. SIA/STSIG updated MOU

The CAJPA accreditation reviewer requested an updated MOU between SIA and STSIG. The MOU was included in the meeting materials. Brooks will review the following items with SIA for clarity or possible revision.

1. Page 68 – is mirroring language needed here? Under #6, why does the Executive Committee approval needed why doesn't it happen automatically?
2. Page 68 – Regarding #5, The wording is vague. It is not specific as to who determines the funding level if an assessment is determined and the time frame the assessment is allowed.
3. Page 69 – Dates are crossed out. Do the dates in the document need to revise to reflect the date we partnered with SIA. Do the dates need to match throughout the document?

No action needed.

6. Review of Workers' Compensation Program through December 31, 2018

Brooks Rice presented several graphs as to the success of the program compared to years prior to our partnership with SIA. Prior to partnering with SIA, we had 234 open claims and only 73 of those claims are still open. That is 8 claims lower than the last update. The older claims that still remain open are difficult to close, but SIA continues to work to get them closed.

The graphs clearly reflect that there are much fewer claims over \$100K and much fewer claims overall. Prior to our partnership with SIA our annual claims totaled over \$2M and since partnering with SIA our annual claims have not exceeded \$2M.

Average cost per claims have changed dramatically. Average cost of claims was about \$16K and now they are between \$6,500 - \$7,000. Our claims average put us with the top 2-3 agencies in the state with the best average claim's costs. The statewide average claims cost is around \$10,000 reflecting that SIA continues to bet the state average year after year. SIA is the premier workers' compensation managers in the state.

The graph also outlines, and Brooks explained there is more cost in the beginning of a claim due to quick and intentional management to mitigate overall cost and get injured workers back on the job and close claims. This is increasing cost at the start of a claim but reducing the amount of indemnity claims in the long run.

Phil Brown suggested that the district's and the JPA's increase involvement and efforts in Safety may also be affecting this positive trend.

Brooks shared that it is possible the workers' compensation rates will get another 5% decrease this year if the positive trend continues.

No action needed.

7. Workers' Compensation Claims Audit of SIA

The audit was reviewed by the Finance Committee on 1-25-2019.

Because of the CAJPA accreditation request, SIA/STSIG claims were audited. The audit was performed by USI. USI reports that they normally see performance ratings in the 80s and SIA performs at 97% which is the higher they have seen. Confirming that SIA is the premier workers' compensation managers in the state. There were no negative findings in the audit and SIA is doing well. Sixteen of the Seventy-four claims reviewed were STSIG claims with no negative findings.

No action needed.

8. Medical Claims Audit

This audit was reviewed by the Finance Committee on 1-25-2019. The audit is included in the meeting materials.

A medical claims audit was performed by Moss Adams of the Anthem claims since STSIG joined SISC. Overall, the audit results were much better than previous audits of Anthem. There was one claim with a recovery of approximately \$75K that resulted from a retro termination that Anthem failed to correct claims after the termination date. Those funds will be returned to SISC and credited to STSIG soon. It was suggested that STSIG research the cobra election for that employee and notify the district of the issue.

Michelle Glover moved to approve the Moss Adams audit as presented. Melanie Holmes seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried.

Unanimous.

9. 2017-18 Annual Financial Audit

The audit was performed by James Marta and Associates. This audit was presented by James Marta via phone to the Finance Committee on 1-25-2019. There were no negative finding in the audit. One suggestion that has been presented before is that STSIG consolidate its accounting into one system rather than having 7 different companies. Brooks will talk to Mari about the suggestion. Page 148 has a typo with the word "Total".

Phil Brown moved to approve the Financial Audit as presented. Laura Merrick seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried.

Unanimous.

10. Burch Physical Therapy Lease, Suite 300

The procurement of the lease with Burch has been problematic due to Burch's attorney being nick-picky and non-responsive. As a result, Burch has fired his attorney. Brooks met with Burch last night and the process is back on track. Brooks will update the STSIG attorney of the new development. It is expected the lease will be signed next week. The estimated buildout is \$850K. The buildout cost will be at breakeven after 7 years of the lease. There will be a quick Board of Directors meeting on or around February 15, 2019 to approve the Burch lease. No action needed.

11. Suite 300 Tennent Improvement Buildout Update

Bruce DeMallie was present to answer questions. There are 9 plan holders and a possible two more that are looking at the project. Only four to six of them are expected to submit a bid. The bids are due February 11, 2019. There will be a quick Board of Directors meeting on or around February 15, 2019 to approve the construction bid. Bruce reports that Trilogy has been good to work with. No action needed.

12. Bids for Property Fence

Bruce DeMallie was present to answer questions. Four fence bids were presented. The original bid didn't include prevailing wage so the current bids are much higher. The discussion was focused on whether a rod iron fence would have the desired result of keeping the homeless off the back hill. Some members shared that rod iron fences could be dismantled, and it could also be climbed. Options were discussed regarding reducing the amount of area fenced to reduce the cost and Bruce explained that due to the slope it was most cost effective to continue the fence all the way up the hill. A concern is whether the JPA would be liable if someone started a fire on that hill or got hurt due to the area not being cleaned or maintained. Brooks said that he will be hiring a crew to trim the trees and keep the area clean for that reason.

Phil Brown moved to approve the security galvanized fence with expanded metal from B&P Fencing, Inc. for \$95,481.80. Peggy Canale seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellinger. Opposed: None. Motion carried. Unanimous.

13. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through November 30, 2018. The medical program has a ratio of over 100% which is not concerning since stop loss recoveries are not yet realized. The ratio is expected to even out over the next few months. Brooks expects that there will be a medical rate increase for the next plan year.

The dental ratio is higher than last year which is not concerning as there is room for increase ratio if need. The financial effects of adding a third cleaning and reducing the rate is not reflected as of this report.

The vision ratio is good. There is still a surplus in vision. The financial effects of the reduced rate and the frame allowance increased is not reflected as of this report.

It is expected that a better financial understanding of the dental and vision changes will be reflected better in future reports. Dental and vision program changes will be discussed at the next health benefits committee meeting.

No action needed.

14. Investment Report Review / Treasurer's Report

The investment reports as of November 30, 2018 was presented and reviewed. The reports were reviewed by the Finance Committee 1-25-2019.

Phil Brown moved to approve the investment reports as presented. Michelle Glover seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

15. Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through June 30, 2018. The reports were reviewed by the Finance committee 1-25-2019.

The medical program is showing a \$600K negative amount due to the wellness incentive, blood work, and health savings account contributions. This is not concerning at this time of year and is expected to even out in the next few months. The dental and vision programs are doing well. Worker's compensation continues to be an exciting success with an expected surplus of \$2.5M. Phil Brown pointed out that the 85 Hartnell building is being tracker separately.

Michelle Glover moved to approve the unaudited financial reports as presented. Melanie Holmes seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

1. Phil Brown would like to show SIA our appreciation for all their efforts in the workers' compensation program and ask for suggestion on what can be done. Brooks shared that SIA doesn't know the JPA board members except for him and that a presence at their offices or at their meetings would help bridge the relationship gap. David offered that he would go to the next SIA board meeting and opened an invitation to all the boards members that could go to join him. Phil and Michelle said they would also go.
2. Cindy Trujillo shared that she has learned that the Hartnell Prestige clinic is not open after 5pm or on weekends. She thought our members could go to either clinic during their normal hours. Brooks will speak with Dr. John to see what his plan is for expanding hours at the Hartnell location and will ask of the phones roll over to the Eureka Way location when Hartnell is closed.

Michelle Glover moved to adjourn the meeting at 10:40am. Phil Brown seconded.

Approved: David Flores, Phil Brown, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Gretchen Deichler, Melanie Holmes, Greg Smith and Robert Fellingner. Opposed: None. Motion carried. Unanimous.