



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, February 11, 2022, 8:30 am (Zoom)

Executive Committee Members Present:

David Flores, President	Shasta Union HSD
Robert Fellingner, Treasurer	Redding SD
Adam Hillman, Vice President	Shasta County Office of Education
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE
Robert Fellingner	Shasta Union ESD
Marrienne Williams	Shasta College
Jason Rubin	Grant ESD
Marrienne Williams	Shasta College

Board Members/Alternates Present:

Others Present:

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

CALL TO ORDER

David Flores, the President, called the meeting to order at 8:31 am. Quorum is confirmed.

- 1. Consent Agenda: Approve minutes for October 15, 2021, Executive Committee Meeting**
- 2. Consent Agenda: Brown Act Meeting Compliance Approval per AB 361**
- 3. Consent Agenda: Expenditures from July 1, 2021, to November 30, 2021**

Robert Fellingner moved to approve the consent agenda as presented. Laura Merrick seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Laura Merrick, Meagan Stone, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

4. Management Report

Kurt shared that he has been to 9 districts providing in-person training. The safety incentive program is moving slowly so far this year. He believes that district staff is overwhelmed with other tasks. David Flores commented that with an influx of new hires this and next year that providing training before the new school year will be important.

Brooks explained that he has Parma and AGRIP conferences coming up as well as CAJPA meetings so he will be traveling in the near future but remains available by phone if needed.

5. Review of Workers' Compensation Program through December 31, 2020

Brooks Rice presented several graphs and charts as to the success of the program. The graphs show the decrease in average claims costs as well as fewer overall claims. The information shows that indemnity claims are higher than we want and to lower those costs the pool will need to increase participation and focus on STSIG return-to-work programs.

The data shows that STSIG is comparable to SIA which should be celebrated. Claims are on track to be another normal year.

The data show that STSIG workers' compensation rates are less than our competitors and \$.50 lower for K-12 schools in our area. STSIG can expect the base rate to be under \$2.00 in the future with the current trend. There is no legislative action that poses an immediate threat.

6. Kannact and Innovu Updates

Eric Leventhal with EPIC gave the committee a second update on the Kannact program at the 4-month mark. There are 151 participants (9%) that are engaged. The data shows that enrollment spikes directly after an email blast to members.

Eric also gave an initial update on the Innovu program. In this early analysis, generic drugs are underutilized. A 1% increase in generic drug spending would save \$128K. Eric will work with Innovu to create a plan to increase generic drug use.

It also showed that ER visits have increased 20% since 2020 which could be due to Covid or delayed treatments and RX costs have also increased. The RX cost increase is in line with the industry trend.

Melaine Homes expressed concern that members at her district are reporting that Presitge is not seeing members with Covid which may reflect on the increased ER visits. Brooks will address the issue with Prestige.

7. 2020-21 Financial Audit

James Marta and Associates performed the audit. James Marta presented his finding at the Finance Committee meeting on February 4, 2022.

The audit reports show there are no notable errors, findings, or concerns. They did recommend again moving away from using QuickBooks to a more consolidated account system.

They continue to be impressed every year since partnering with SIA, there is a reduction in liabilities, which has been a higher reduction than the actuaries forecast. The WC pool is very strong and as good as any pool in the county.

Overall the programs are stable.

Robert Fellingner moved to approve the 2020-21 financial audit as presented. Adam Hillman seconded. Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Laura Merrick, Marrienne Williams, Meagan Stone, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

8. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through November 30, 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	100.57%	132.05%	95.01%	98.72%
Dental	79.07%	64.48%	84.36%	67.68%
Vision	71.14%	69.9%	77.86%	74.32%

This item was reviewed at the Finance Committee Meeting on February 4, 2022.

9. Investment Report Review / Treasurer's Report

The investment reports, as of November 30, 2021, were presented and reviewed. Robert Fellingner signed the Treasurer's report.

The investment report as of November 30, 2021, states we have \$51.2M in total cash with \$3.2M in LAIF receiving a rate of return of .24% and \$20.6 in CAMP earning .05%. The remaining \$27.4M is split between Redding 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.

CAMP investments were sold during November 2021 in preparation for moving our investment management to Brean Capital.

	Investments	Accrued Interest Receivable	Total
Medical	\$7,762,523	\$0	\$7,762,523
Workers' Comp	\$10,876,728	\$0	\$10,876,728
Dental	\$1,372,865	\$0	\$1,372,865
Vision	\$607,665	\$0	\$607,665
Total	\$20,619,781	\$0	\$20,619,781

This item was reviewed at the Finance Committee Meeting on February 4, 2022.

Marrienne Williams moved to approve the investment reports, as presented. Laura Merrick seconded. Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Laura Merrick, Marrienne Williams, Meagan Stone, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

10. Unaudited Year-to-Date Financial Reports

Brooks Rice presented the unaudited financial reports through November 30, 2021. The scorecard and details were reviewed.

The scorecard shows all programs are trending well. Outstanding liabilities are going down. The workers' compensation program continues to deliver great results, which the financial auditors also mentioned. All programs are healthy and stable.

This item was reviewed at the Finance Committee Meeting on February 4, 2022.

Jason Rubin moved to approve the unaudited financial reports as presented. Melanie Holmes seconded. Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Laura Merrick, Marrienne Williams, Meagan Stone, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None

David Flores adjourned the meeting at 9:535 am.