

Finance Committee Meeting  
January 25, 2017 1:00 pm  
Enterprise School District Meeting Room

MINUTES

**Members Present:**

Adam Hillman  
Phil Brown  
Robert Fellingner  
Morris Rodrigues  
Mike Freeman  
David Flores

**Others Present:**

Brooks Rice, STSIG  
Leah Grant, STSIG  
Mari Moore, STSIG (Contracted)  
Kyle Rustin, K-COE Isom

Phil Brown called the meeting to order at 1:01pm.

GENERAL BUISNESS

**1. Approve minutes for the September 29, 2016 Finance Meeting.**

Morris Rodrigues moved to approve the minutes from the September 29, 2016 Finance Committee Meeting. Robert Fellingner seconded.

Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

**2. Finance Audit**

Kyle Rustin with K-Coe Isom presented the results of the finance audit for the 2015-2016 fiscal year. The report presented is a draft copy with the final report to follow once additional information is included (those additional items notes will include the STSIG staff's enrollment in CALPERS and the change in SISC payments which are different than how Anthem was paid in the past). His audit does not include medical claims review.

He reported that there are no internal control issues. He points out that a significant improvement to the New Workers' Compensation and IBNR as a result of the switch to SIA. Investment returns have increased due to moving funds to CAMP from LAIF.

Robert Fellingner moved to approve the finance audit David Flores seconded.

Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

**3. Year to Date Unaudited Financial Reports**

Brooks Rice presented the unaudited financial reports through November 30, 2016. All programs are trending well and well-funded. Brooks noted the medical revenue estimates were very conservative in terms of estimated stop loss recoveries and the adjustment for the additional contributions resulting from the rate change in October. An additional \$700K is expected during the plan year that is not

currently reflected on the statements presented. An adjustment will be made and the change will be reflected on the statement presented to the Board.

David Flores motioned to approve the year to date unaudited financial reports with the revenue adjustments to be presented to the Executive Committee and Board. Robert Fellingner seconded. Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

#### **4. Loss Ratios**

Brooks Rice reported on the loss ratios for the health programs through June 30, 2016. Medical YTD is 99.28%, dental is 79.20%, and vision is 68.72%. The medical ratio has increased due to large claims however; this is not seen as a trend.

#### **5. Investment Report Review**

The investment report as of June 30, 2016 states we have \$39M in total cash with \$5.9M in LAIF receiving a rate of return of .60% and 18.4M in CAMP. There are funds in Bank of America and Tri Counties Bank and other partners totaling \$14.6M.

Mike Freeman moved to approve the investment report. Morris Rodrigues seconded. Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

#### **6. Budget Discussion and Possible Budget Revision**

Brooks directed the committee to page 50 which outlines the JPA's needs. Much of the needs are administrative in nature such as cyber security insurance, new hardware and software to replace old equipment, and hiring a full-time position to help with accounting and administrative needs.

Morris Rodrigues moved to approve the budget revision as presented along with a regular replacement schedule of old equipment and software. David Flores seconded. Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

#### **6. New TriCounties Bank Account**

Brooks suggested that a new account at TriCounties be set up for the purpose of separating the accounting for the workers' compensation tail claims and the going forward claims which are currently combined into one account.

Robert Fellingner moved to approve the new bank account. Morris Rodrigues seconded. Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

### **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

None.

### **ADJOURN**

Adam moved to adjourn the meeting at 2:23pm. Robert Fellingner seconded.

Approved: Adam Hillman, Phil Brown, Robert Fellingner, Morris Rodrigues, David Flores, and Mike Freeman. Opposed: None. Motion carried. Unanimous.