



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, January 31, 2020, 9 am

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
Cindy Trujillo	Redding, Igo Ono Platina

Board Members/Alternates Present:

Linda Barneby	Meagan Stone
Cathleen Serna	Jason Rubin
Jodie VanOrnum	

Others Present:

Brooks Rice, STSIG	Lisa Blakeslee, STSIG
Leah Grant, STSIG	Kurt Walling, STSIG
Mari Moore, STSIG	James Marta, via phone

CALL TO ORDER

David Flores, President, called the meeting to order at 9:30 am. Quorum is confirmed.

- 1. Consent Agenda: Approve minutes for October 4, 2019, Executive Committee Meeting**
- 2. Consent Agenda: Expenditures from July 1, 2019, to November 30, 2019**

Adam Hillman moved to approve the consent agenda as presented. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Cindy Trujillo, Peggy Canale, Melanie Holmes, and Robert Fellingner.

Opposed: None. Motion carried. Unanimous.

3. Executive Director's Report

Brooks announced Kurt Walling, Loss Prevention Director, completed and passed his exams for an Associate in Risk Management (ARM) designation. He plans to work toward his ARM-P(public).

Brooks is working with EPIC on the HIPAA policy and procedure, and also working with APEX on increased cybersecurity. Kannact has begun collecting STSIG medical data for review and Kura MD is now available to all districts. The intake nurse at SIA will offer the option to those that qualified candidates. The CAJPA legislation

committee is expecting over 200 bills to be introduced this year with Assemblywoman Gonzalez introducing a workers' compensation bill.

Brooks included a report in the meeting materials.

4. Mountain Valley Special Education JPA

Clay Ross at Columbia SD is requesting quotes for workers' compensation costs for a special education JPA he is forming. They have already hired a JPA Director and expect payroll to eventual be \$8.5M. Mike Harrington, STSIG's actuary, is reviewing the information for underwriting purposes. The formal request will be presented at the next meeting.

5. Review of Workers' Compensation Program through December 31, 2019

Brooks Rice presented several graphs and spreadsheets as to the success of the program compared to years before our partnership with SIA. The graphs show the decrease in average claims costs as well as less overall claims. STSIG does not see high claims like in the past. This year STSIG has the least number of claims it has ever had in the first six months of any year. It is expected that the year will finish with approximately 150 claims.

6. 2018-19 Financial Audit

James Marta and Associates performed the audit. James Marta was present via phone.

James Marta shared there are no notable errors or concerns, and the STSIG staff was very responsive.

He expressed the workers' compensation program shows success with the liabilities dropping. Increases in revenue and claims in the health programs were moderate. Overall, financials have strengthened. All signs are good in all programs.

The Management Letter presented shows no deficiencies and no management disagreements. He recommended again to consider combining our bank accounts and companies into a single accounting program to streamline administration.

James said the success of the workers' compensation program is not luck and that the success of the program is due to the hard work invested in the program, and the audit shows the results.

This item was reviewed at the Finance Committee Meeting on 1-31-2020.

Adam Hillman moved to approve the 2018-19 financial audit as presented. Robert Fellingner seconded. Approved: David Flores, Adam Hillman, Cindy Trujillo, Peggy Canale, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

7. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through November 30, 2019. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio	
	Fiscal	Plan
Medical	101.87%	107.30%
Dental	88.35%	76.63%
Vision	74.18%	67.35%

Dental claims increase some due to the added benefits in that program.

This item was reviewed at the Finance Committee Meeting on 1-31-2020.

8. Investment Report Review / Treasurer's Report

The investment reports as of November 30, 2019, were presented and reviewed. Robert Fellingner signed the Treasurer's report.

The investment report as of November 30, 2019, states we have \$41.6M in total cash with \$3.2M in LAIF, receiving a rate of return of 2.45% and \$19.7M in CAMP earning 2.39%. The remaining \$18.7M is split between Redding Bank of Commerce and Accounts with Partners.

	Investments	Accrued Interest Receivable	Total
Medical	\$7,241,647	\$36,904	\$7,278,551
Workers'	11,569,336	58,958	11,628,294
Dental	625,999	3,190	629,189
Vision	310,827	1,584	312,411
Total	\$19,747,611	\$100,635	\$19,848,247

This item was reviewed at the Finance Committee Meeting on 1-31-2020.

Melanie Holmes moved to approve the investment reports, as presented. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Cindy Trujillo, Peggy Canale, Melanie Holmes, and Robert Fellingner.

Opposed: None. Motion carried. Unanimous

9. Unaudited Year-to-Date Financial Reports

Brooks Rice presented the unaudited financial reports through November 30, 2019. The scorecard and details were reviewed.

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

This item was reviewed at the Finance Committee Meeting on 1-31-2020.

Melanie Holmes moved to approve the unaudited financial reports as presented. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Cindy Trujillo, Peggy Canale, Melanie Holmes, and Robert Fellingner.

Opposed: None. Motion carried. Unanimous

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

1. Cindy Trujillo shared that she has been notified by employees that Delta Dental providers are denying procedures and not accepting the coverage. There was a discussion about the difference between older premier contracts and the newer PPO contracts. It appears that when the older premier contracts expire, providers are not renewing with the new PPO contracts because the reimbursement amounts are less than the previous premier contracts. This may also be why some procedures are not included in the new contracts. Contracting with Delta Dental is a provider issue and STSIG doesn't have control to negotiate or influence the process.

David Flores adjourned the meeting at 10:15 am.