

Finance Committee Meeting
June 19, 2020, 8:30 am
Shasta-Trinity Schools Insurance Group(via Zoom)
MINUTES

Members Present:

Robert Fellingner
David Flores
Micah Brownlee
Adam Hillman

Others Present:

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

Robert Fellingner called the meeting to order at 8:30 am. Confirmation of a quorum. This meeting is conducted via Zoom.

GENERAL BUSINESS

1. Approve minutes for the April 17, 2020 Finance Meeting.

David Flores moved to approve the minutes from April 17, 2020, Finance Committee Meeting. Adam Hillman seconded.

Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None.
Motion carried. Unanimous.

2. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through April 30, 2020. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio	
	Fiscal	Plan
Medical	98.21%	98.32%
Dental	83.92%	79.08%
Vision	63.12%	56.60%

No action needed.

3. Expenditures

Expenditures from March 1, 2020, to April 30, 2020, were presented and reviewed.

David Flores moved to approve the expenditures as presented. Adam Hillman seconded.

Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None.
Motion carried. Unanimous.

4. Investment Report Review / Treasurer's Report

The investment reports as of April 30, 2020, were presented and reviewed. Robert Fellingner signed the Treasurer's report.

The investment report as of April 30, 2020, states we have \$42.1 in total cash with \$3.2 in LAIF receiving a rate of return of 2.03% and \$19.8M in CAMP earning 2.08%. The remaining \$19.0M is split between Merchants 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.

Earnings on investments are less and continuing to go down due to Covid-19. As Bonds mature, there will be less available options for reinvesting that will earn any significant amount. There is no concern, but an awareness that the situation will not improve in the near future.

Micah Brownlee moved to approve the investment reports, as presented. Adam Hillman seconded. Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None. Motion carried. Unanimous.

5. Unaudited Year-to-Date Financial Reports

Brooks Rice presented the unaudited financial reports through April 30, 2020. The scorecard and details were reviewed.

Medical reserves are increased as a result of Covid-19 delayed services. Those services are expected to show up in the future, but it is too early to determine if the claims will remain lower for a while or increase rapidly as the stay-at-home order is relaxed. Currently, there are no Covid-19 related workers' compensation claims

The scorecard shows all programs are trending well. Workers' Compensation program continues to show great results.

Adam Hillman moved to approve the unaudited financial reports as presented. David Flores seconded. Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None. Motion carried. Unanimous.

6. 2020-21 HSA Contributions & Wellness Program Funding

For discussion for the Finance Committee is whether STSIG has the funding to continue the current health savings account (HSA) contributions and the wellness incentive program. The proposed budget includes \$50,000 for health saving accounts and \$75,000 for the wellness incentive program.

Adam Hillman moved to approve funding for the HSA and the wellness incentive. Micah Brownlee seconded.

Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None. Motion carried. Unanimous.

7. 2020-21 Proposed Budget

The proposed budget was presented and reviewed. There are no major differences in the upcoming year. The medical program is expected to have between a 5% - 7.5% increase. The increase is due to the excess coverage premium increase of 25% and several large claims over the past year. The exact increase will be determined at the Board of Director's meeting next week. Workers' compensation rates decreased from \$2.40 to \$2.30. The IBNR is expected to change at the end of the year. There was a discussion to consider giving Lisa Blakeslee a \$1- \$2 raise at the fall meeting that would retro back to July 1, 2020.

Adam Hillman moved to approve the proposed budget as presented. Micah Brownlee seconded. Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None. Motion carried. Unanimous.

8. Stabilization Goals Annual Review

The annual review of the stabilization goals was performed earlier in the year. The medical, dental, and vision stabilization goals are appropriate. The update is to increase the SIR from 1M to 1.5M as a result of the stop-loss carrier's premium estimates at twice the current WC rate. To lower the increase, the SIR was increased.

Adam Hillman moved to approve maintaining the stabilization goals as is with the increase SIR. David Flores seconded. Approved: David Flores, Micah Brownlee, Robert Fellingner, and Adam Hillman. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN – Robert Fellingner adjourned the meeting at 9:08 am.