

Finance Committee Meeting
June 22, 2017 8:00 am
Shasta Union High School District
MINUTES

Members Present:

Phil Brown
David Flores
Robert Fellingner
Gretchen Deichler
Morris Rodrigue
Mike Freeman
Adam Hillman

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Lisa Blakeslee, STSIG
Mari Moore, STSIG (Contracted)
Dave Wiesner, Epic
Andrea Ballard, Epic
Kyle Rusten, K-COE, via phone

Phil Brown called the meeting to order at 8:13am.

GENERAL BUISNESS

1. Approve minutes for the May 4, 2016 Finance Meeting.

Robert Fellingner moved to approve the minutes from the May 4, 2016 Finance Committee Meeting. Morris Rodrigue seconded.
Approved: Phil Brown, Adam Hillman, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

2. Accounting Procedures

There are three items for discussion regarding this topic. One, the current accounting method used to state assets and liabilities for workers' compensation may need adjustment per the financial auditors. Two, the confidence level used on our reporting may be overstated per standards. Three, the financial auditor will not be able to provide us with our audited statements until the above two items are resolved therefore we will miss the deadline for submitting our financial statements to Shasta County and the State Controller by June 30, 2017. It is suggested that STSIG contract with James Marta & Associates to review the situation and recommend the proper accounting method to be used going forward and what confidence should be used for our standard reporting and that STSIG request an extension of filing our statements. It is also suggested to contact with James Marta & Associates to review STSIG's overall financial practices.

Morris Rodrigue moved to retain the services of James Marta & Associates for the above items. Adam Hillman seconded.
Approved: Phil Brown, Adam Hillman, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

3. Financial Audit

Due to the pending status of the 2015-16 financial audit and the potential adjustment needed based on the items discuss in the Accounting Procedures agenda item, no action was taken.

4. Investment Report Review

The investment report is presented as of April 30, 2017. The reports were reviewed two months ago and there are no significant changes since then. All program continues to perform well. Phil Brown signed the Treasurers report for the record.

Gretchen Deichler moved to approve the investment report as presented to the board of directors. Robert Fellingner seconded.

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

5. Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through April 30, 2017. All programs are trending well and well-funded. The scorecard reflects claims have been less than expect and all health programs are expected to increase their net positions for the fiscal year.

Adam Hillman move to approve the unaudited financial reports as presented to the board of directors. Morris Rodrigue seconded.

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

6. Stabilization Goals Annual Review

The annual review of the stabilization goals was performed. It is suggested that the workers' compensation goals be reviewed by the financial committee in the fall and any suggested changes forward to the board of directors for approval. The Medical, dental, and vision stabilization goals are appropriate.

Robert Fellingner moved to task the finance committee to re-evaluate the current Stabilization and Reserve Policies for the workers' compensation program and make a recommendation to the Board at their next meeting. Gretchen Deichler seconded.

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

7. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through April 30, 2017. All programs are performing well. No significant change since the last report two months ago.

8. AB – 1200 Actuarial Study by Total Compensation Systems

David Wiesner explained that per Ed Code 175.66 this study is required every three years for the medical, dental, and vision programs. The study reveals that STSIG is well funded and there are no issues for discussion.

Robert Fellingner moved to approve the AB – 1200 actuarial study to the board of directors. Mike Freeman seconded.

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

9. Medical Plan Utilization Review

David Wiesner presented the medical utilization for the prior three years. The findings are in-conclusive because the partnership with Prestige was only eight months old. However, the pattern seems to be moving in a favorable direction indicating that the partnership with Prestige may be positively affecting frequency in use of the outpatient facility charges.

This item changed to an information item with no action taken.

10. 2017-18 Fiscal Impact of Proposed Health Rates

The proposed medical rate increase is 2.3%, dental rate decrease is 2% with an addition of a third cleaning per year, vision rate decrease is 10%.

Gretchen Deichler moved to approved the 2017-18 medical, dental, and vision rates to the board of directors. Morris Rodrigue seconded.

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

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN

Phil Brown adjourned the meeting at 9:45am.