



**MINUTES**  
**BOARD OF DIRECTORS MEETING (Virtual via Zoom)**  
**Tuesday, June 23, 2020, 8:30 am**

**Board Members/Alternates Present:**

David Flores	Shasta Union HSD
Meagan Stone	Enterprise ESD
Adam Hillman	Shasta COE
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE
Robert Fellingner	Shasta Union ESD
Cindy Trujillo	Redding/Igo-Ono-Platina ESD
Laura Merrick	Cottonwood ESD
Tina Card	Gateway ESD
Laura Merrick	Cottonwood ESD
Beth Roberts	North Cow Creek ESD
Greg Smith	Shasta College
Gretchen Deichler	Burnt Ranch /Douglas City/Trinity Center
Robin Jackson	Mt. Valley Joint Unified SD
Clay Ross	Columbia SD

**Others Present:**

Brooks Rice, STSIG	Kurt Walling, STSIG
Leah Grant, STSIG	Dave Wiesner, EPIC
Lisa Blaskeslee, STSIG	Eric Leventhal, EPIC
Jodie VanOrnum, SCOE Alternate	

**CALL TO ORDER**

David Flores called the meeting to order at 8:51 am. Quorum confirmed.

**Consent Agenda:**

1. Approve minutes for December 5, 2019 Board of Director's Meeting
2. Designate Official Representatives and Alternates to the Board of Directors
3. Delegation of Authority of STSIG Treasurer to Invest Surplus
4. Workers' Compensation rates\*
5. Expenditures from December 1, 2019, to April 30, 2020\*\*
6. AB-1200 Actuarial Study by Total Compensation Systems\*\*
7. Modifications to 2020 Loss Prevention Incentive Requirements\*
8. Redding School of the Arts Letter of Intent to Join the Health Benefits Programs\*
9. Mountain Valley Special Education Intent to join the Workers' Compensation and Health Benefits programs\*

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

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **10. Board Chair Report**

David Flores shared his thoughts on the process of looking for a replacement executive director.

#### **11. Executive Committee Position**

Nominations were requested to fill the "At Large" vacancy created by Heather Brown due to voluntary termination on 5-22-2020. Jason Rubin (Grant) was nominated.

Cindy Trujillo moved to approve the election of Jason Rubin to the Executive Committee At-Large position effective July 1, 2020. Adam Hillman seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **12. Open Enrollment and Loss Prevention Meetings for 2020-21 Plan Year**

The plan for virtual meetings and trainings were explained due to the circumstances related to COVID-19.

#### **13. 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% ( as of the meeting date the rate is 1.21%) 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 fewer available options for reinvesting that will earn any significant amount. STSIG does not rely on investments to offset rates, so there is no concern about rates related to investments. An awareness that the situation will not improve in the near future and interest rates may remain low for five or more years.

Adam Hillman moved to approve the investment reports, as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **14. Unaudited 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. Laura Merrick seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **15. Revised June 30, 2020 Workers' Compensation Actuarial Report**

The estimates for the workers' compensation excess coverage renewal was double the current amount. An increase to the SIR from 1M to 1.5 M allowed us to keep our WC excess rates as is. The result is more risk for the pool, but a claim exceeding 1M would be rare and has not happened in the past.

Peggy Canale moved to approve the revised actuarial report, as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **16. Stabilization Reserves Review and Update\*\***

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 due to the increased workers' compensation SIR from 1M to 1.5M. Even with the increase in SIR, the WC program still has 10X the SIR.

Robert Fellingner moved to approve maintaining the stabilization goals, as is with the increase WC SIR. Greg Smith Holmes seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

#### **17. Health Benefits Committee Recommendations for the 2020-21 plan year\*\***

Cindy Trujillo, Health Benefits Committee chairperson, explained that the health benefits were reviewed and no changes were recommended. However, due to Covid-19 the committee recommends the following changes to the 2020 wellness incentive.

- Allow a one-time reduction to require one dental cleaning by 10-31-2020 rather than two dental cleanings.
- Include Covid-19 testing and anti-body testing as an approved incentive activity for 2020.
- Include pesticide training as an approved wellness incentive for 2020.

Laura Merrick moved to approve the recommendations, as presented. Greg Smith seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

**18. 2020-21 HSA Contributions and Wellness Program Funding\*\***

Staff is requesting to continue the current HSA contribution for first-time high deductible plan enrollees of \$500/\$1000 (individual/family). The estimated cost for 2020-21 is \$50,000.

Staff is requesting the wellness incentive continue without modification to include a \$100 gift card for members and spouses and to continue the Prestige wellness blood panel. The estimated cost for 2020-21 is \$75,000.

Cindy Trujillo moved to approve the requested HSA and wellness incentive funding for 2020-21, as presented. Greg Smith seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

**19. 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.

**20. Health Plan Rates for 2020-21**

David Wiesner and Eric Leventhal presented claims data history. Due to the 25% increase with Stop-Loss insurance through SISC and the individual amounts of the large claims, they recommend a medical rate increase of 4.96% - 6.96%. An increase to 6.96% would be appropriate, but an increase of 4.96% would be the lowest amount and likely would require a higher increase in the future. No increase in dental or vision is recommended.

Adam Hillman moved to approve the medical rate increase of 5.96% with no increase to dental or vision. Greg Smith seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

**21. Prestige Contract Renewal**

Brooks explained that he would be working with Prestige to provide information to evaluate the clinic's utilization. Prestige is currently providing over 400 visits a month. SIA and Prestige will be working on workers' compensation visits this summer. Brooks is recommending extending their contract without changes through June 30, 2021.

Greg Smith moved to approve extending Prestige's contract another year. Adam Hillman seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

**22. 2020-21 Proposed Budget\*\***

The proposed budget was presented and reviewed. There are no major differences in the upcoming year. The medical program increase is 5.96%. The increase is due to the excess coverage premium increase of 25% and several large claims over the past year. Workers' compensation rates decreased from \$2.40 to \$2.30. The IBNR is expected to change at the end of the year. Savings is expected because rather than filling the Executive Director position, STSIG will contract with SIA and Brooks Rice for part-time management services for the next year.

Adam Hillman moved to approve the proposed budget, as presented. Greg Smith seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

**23. JPA Management Services Contract with SIA / Brooks Rice**

Due to the Covid-19 situation, there were few candidates for the Executive Director's position. Brooks presented the Executive Committee with an option to contract his time 1.5 days a week through SIA for him to manage STSIG for the next year.

Greg Smith moved to approve the contract with SIA for Brooks Rice to provide management services. Adam Hillman seconded.

Approved: David Flores, Adam Hillman, Meagan Stone, Robin Jackson, Beth Roberts, Greg Smith, Robert Fellingner, Cindy Trujillo, Peggy Canale, Laura Merrick, Clay Ross, Tina Card, Melanie Holmes, and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

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

None

*\* Indicates this item was reviewed by the Executive Committee on April 24, 2020*

*\*\* Indicates this item was reviewed by the Finance Committee on April 17, 2020, or June 19, 2020*

**ADJOURN**

The meeting was adjourned at 10.33 am.