



## MINUTES

**NOT APPROVED AS OF 11/30/2022**

### BOARD OF DIRECTORS MEETING (Hybrid)

**Thursday, June 23, 2022, 8:30 am**

#### **Board Members/Alternates Present:**

David Flores	Shasta Union HSD/Grant
Meagan Stone	Enterprise ESD
Adam Hillman	Shasta COE
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE
Robert Fellingner	Shasta Union ESD
Jennifer Parra	Redding/Igo-Ono-Platina ESD
Laura Merrick	Cottonwood ESD
Tina Card	Gateway ESD
Marrienne Williams	Shasta College
Cathleen Serna	Columbia/Black Butte/Junction
Jason Rubin	Shasta Union HS/Grant
June Pellegrino	Fall River ESD
Linda Barneby	Whitmore ESD
Jodie VanOrnum	Shasta COE – Alternate non-voting

#### **Others Present:**

Brooks Rice, STSIG	Lisa Blakeslee, STSIG
Leah Grant, STSIG	Dave Wiesner, EPIC
Eric Leventhal, EPIC	

#### **CALL TO ORDER**

David Flores called the meeting to order at 8:30 am. Quorum confirmed.

#### **Consent Agenda:**

1. Motion: Approve minutes for December 17, 2021, Board of Director's Meeting
2. Motion: Brown Act Meeting Compliance
3. Motion: Designate Official Representatives and Alternates to the Board of Directors
4. Motion: Intent to Withdraw from health and WC pools – Indian Springs and The Great Partnership
5. Motion: Delegation of Authority of STSIG Treasurer to Invest Surplus
6. Motion: Biennial Review of the Conflict-of-Interest Policy
7. Motion: Workers' Compensation rates\*\*
8. Motion: Expenditures\*\* from March 1, 2022, to April 30, 2022, are presented

Robert Fellingner moved to approve the consent agenda as presented. Marrienne Williams seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

**9. Executive Report**

Brooks Rice explained that the workers' compensation legislation is delayed which is upsetting the system resulting in medical rates increase of 15% and higher in the Bay Area. David Flores attended the SIA Board meeting recently and it was a positive experience for him.

**10. 2021- 22 Loss Prevention Incentive Program Design**

Kurt Walling is experiencing an increase in the in-person training. He was not able to attend this meeting due to training, but Brooks explained that districts completing the safety incentive activities are low. So, Kurt will focus more on incentive activity completion next year. Kurt will be doing a ProAct trainer's training this summer. He is still active in Casbo. Brooks showed much gratitude for having Kurt on staff with his high level of skills and what he provides to the districts.

No motion is needed.

**11. Investment Report Review / Treasurer's Report\*\***

The investment reports as of April 30, 2022, were presented and reviewed. Robert Fellingner signed the Treasurer's report.

The investment report as of April 30, 2022, states we have \$48.4M in total cash with \$3.2M in LAIF receiving a rate of return of 0.32%. CAMP funds have been liquidated and \$12.8M is currently at Columbia Bank in a custodial account. Securities of \$7.8M have been purchased and held by BAIRD while we establish the NYC Mellan account. The remaining \$24.5M is split between Columbia Bank, formally Merchants Bank of Commerce, and Accounts with Partners.

We will be working with BAIRD to appropriately account for the investments, consistent with our reporting practices. Investments are adjusted to FMV at year-end. Admin seeded the account and will be refunded the funds.

	<b>BAIRD</b>	<b>Columbia Bank</b>	<b>Total</b>
<b>Medical</b>	\$2,937,446	\$4,825,585	\$7,763,031
<b>Workers' Comp</b>	\$4,115,904	\$6,762,182	\$10,878,086
<b>Dental</b>	\$519,512	\$853,532	\$1,373,044
<b>Vision</b>	\$229,949	\$377,710	\$607,659
<b>Admin</b>	\$1,000	\$1,000	\$1,000
<b>Total</b>	\$7,802,810	\$12,820,009	\$20,623,819

Cathleen Serna moved to approve the investment reports, as presented. Jason Rubin seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## 12. Update to Investment Policy\*\*

Summary of updates:

- Section 4.1.5 delegation of authority for investment transactions is proposed to include, “The Executive Director, in consultation with the Treasurer, and/or Board Chair, and or Vice-Chair, may individually or jointly approve all transactions undertaken...”
- Section 4.1.9 maximum maturity is proposed to be changed to allow for certain investments with a maturity of up to 30 years in compliance with the Government Code.
- Section 4.1.10 reporting requirements are proposed to require the quarterly investment report is delivered to the Treasurer to meet legal timelines and CAJPA requirements.

Robert Fellingner moved to approve the investment policy updates as presented. Meagan Stone seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## 13. Unaudited Financial Reports\*\*

Brooks Rice presented the unaudited financial reports through April 30, 2022. The scorecard and details were reviewed.

The scorecard shows all programs are trending well. The dental and vision programs are starting to trend back with larger surpluses. The workers’ compensation program continues to show great results.

Jason Rubin moved to approve the unaudited financial reports, as presented. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## 14. Loss Ratios \*\*

Brooks Rice reported on the loss ratios for the health programs through April 30, 2022. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan	Fiscal	Plan
Medical	99.11%	107.65%	95.02%	96.09%
Dental	82.58%	80.03%	86.61%	82.78%
Vision	67.67%	66.35%	71.60%	68.01%

No action is needed.

## **15. Health Benefits Committee Recommendations**

Recommendations from the Health Benefits Committee meeting on May 18, 2022.

- No changes to medical or dental plans.
- Wellness Incentive Activities: Eliminate the Covid-19 testing as an approved activity.
- The following recommended changes to all vision plans will have no effect on rates.
  - Include Walmart and Sam's Club in our network
  - Include Retinal Screening
  - Include Progressive Lenses benefit with a \$20 co-pay
  - Include Polycarbonate lenses - impact resistant (adults) with a \$0 co-pay

Robert Fellingner moved to approve the committee's recommendations as presented. Peggy Canale seconded. Jason Rubin moved to approve the unaudited financial reports, as presented. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## **16. 2022-23 HSA Contributions, Wellness Program, and Kannact Incentive Funding\*\***

### **HSA Contribution**

During the current plan year, the JPA contributed \$500 to the employee-only tier and \$1,000 to the remaining tiers for those employees who are new enrollees in either HSA plan and were eligible, per IRS regulations, and it was their first time in one of HSA plans. Members who had participated in the past on one of the HSA plans and received no contribution were also eligible. The total contribution for the 2021-22 fiscal year was \$37,500. Full payment would be made in November for new enrollees followed by mid-year contributions for new hires in April and September.

A determination is needed for how much to give, if any at all, in HSA contributions for the 2022-23 fiscal year. The proposed 2022-23 budget has \$40,000 allocated for HSA incentives as a placeholder.

### **Wellness Incentive Funding**

Staff is suggesting continuing the \$100 gift card to those members and spouses who attain the wellness incentive for the 2022-23 plan year.

Approximately \$58,700 was given in gift cards for the 2021-22 wellness incentive. The proposed 2022-23 budget has \$60,000 allocated for wellness incentives as a placeholder.

### **Kannact Incentive Funding**

To encourage participation in the new program, the staff is suggesting \$40,000 to offer an incentive for Kannact enrollment and continued engagement. We are estimating approximately \$8,000 paid during 21-22 as an incentive. The proposed 2022-23 budget has \$40,000 allocated at this juncture.

Robert Fellingner move to approve the funding as presented. Jason Rubin seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## **17. Health Plan Rates for 2022-23\***

David Wiesner and Eric Leventhal presented claims data history and analysis. Due to the low increase with Stop Loss insurance through SISC and the lower amount of the large claims, they recommend a medical rate increase of 4.94%.

A 3% decrease rate is presented for dental and no rate increase for vision.

Marrienne Williams moved to approve the medical rate increase of 4.94%, the dental rate decrease of 3%, and no rate change for vision. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

#### **18. Prestige Contract Renewal**

Brooks explained that SIA is happy with the local workers' compensation clinic and therefore will not pursue it with Prestige at this time. Brooks is recommending extending their contract without changes through June 30, 2023.

Robert Fellingner moved to approve extending Prestige's contract another year. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

#### **19. 2022-23 Proposed Budget\*\***

The proposed budget was presented and reviewed.

##### **Medical**

- Contributions:

- Projections utilized 22-23 average enrollments from the previous fiscal year.
- Contributions: A recommended rate increase of 5% is included in the projections at this time. A rate decision will be made during the rate set by the Board. This budget is viewed as an operational

- Expenses:

- Claims Expense: Estimated 6.25% increase in medical claims expense; pharmacy a 5.0% increase for a net change in claims of 7.16%
- %. No adjustment has been made to Claims Expense due to the Clinic.
- Claims Administration: Overall medical & Rx admin has a decrease in the rate of 4.31%
- Excess Insurance has a 5.07% increase from the previous plan year.
- JPA Administration: Maintain-based administrative fees plus allocated variable expenses to include technology, legal, and Kannact Services.
- H.S.A Funding/Clinic/Member Incentives:
  - H.S.A. contribution to first-time HDHP participants
  - Wellness incentive of \$100 for member or spouse; blood work at prestige \$50 per participating

##### **Dental**

- Contributions:

- Budgeted for 5.0% contribution decrease.

- Expenses:

- JPA Administration: Maintain-based administrative fees plus allocated variable expenses to include technology, legal, and Kannact Services.
- Other expenses are based on previous years' experience.

##### **Vision**

- Contributions:

- Budgeted for zero contribution increase.

- Expenses:

- JPA Administration: Maintain-based administrative fees plus allocated variable expenses to include technology, legal, and Kannact Services.
- Other expenses are based on previous years' experience.

### **Worker's Compensation**

- Contributions:
  - Budgeted contributions at \$1.95 per \$100 of payroll based on the recommended rate by the combined Finance & Workers' Compensation committee on April 22, 2022.
- Expenses:
  - JPA Administration: Maintain-based administrative fees plus allocated variable expenses to include technology, legal, and Kannact Services.
  - Other expenses are based on previous years' experience and/or provided by the actuarial.

### **Administration**

- Contributions:
  - Program Fees: Maintain-based administrative fees plus allocated variable expenses to include technology, legal, and Kannact Services. Allocations are accumulated here for elimination purposes.
- Expenses:
  - Consult back from SIA Executive Director services
  - Computer Expenses/Furniture: update software and hardware as suggested; IT support
  - Staff/Board Development: PARMA, AGRIP, CCWI conferences; certified EE benefit specialists; software applications; and other professional development. Costs will be allocated to benefiting program when applicable.

### **Building**

- Rental income will only be from Burch; Programs will not contribute
- Expenses Based on previous years' experience.

### **Staff**

- 20K has been reserved for staff increases and promotions.

Robert Fellingner moved to approve the proposed budget as presented. Cathleen Serna seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

## **20. JPA Management Services Contract with SIA / Brooks Rice**

Request extending the STSIG JPA management services agreement to June 30, 2023.

Linda Barneby moved to extend the contract with SIA for Brooks Rice to provide management services. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Robert Fellingner, Meagan Stone, Marrienne Williams, Jennifer Parra, Peggy Canale, Laura Merrick, Tina Card, Melanie Holmes, Linda Barneby, Cathleen Serna, June Pellegrino, and Jason Rubin. Opposed: None. Motion carried. Unanimous.

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

Brook Rice presented Cindy Trujillo with a service plaque as a thank you for the years of services to the STSIG Board of Directors and Committees and everyone wished her well in her move and retirement this fall.

*\*\* Indicates this item was reviewed by the Finance Committee on June 17, 2022*

### **ADJOURN**

The meeting was adjourned at 9:30 a.m.