

Finance Committee Meeting
June 25, 2018 1:00 pm
Shasta-Trinity Schools Insurance Group
MINUTES

Members Present:

Phil Brown
David Flores
Micah Brownlee
Robert Fellingner
Jill Ault
Mike Freeman

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Mari Moore, STSIG
Lisa Blakeslee, STSIG
James Marta

Phil Brown called the meeting to order at 1:00pm. Confirmation of a quorum.

GENERAL BUSINESS

1. Approve minutes for the May 11, 2018 Finance Meeting.

David Flores moved to approve the minutes from the May 11, 2018 Finance Committee Meeting.

Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

Item 9 is moved to item 2 because James Marta is present.

9. 2016-17 Financial Audit Update

Auditor, James Marta, joined in person. James shared that the audit is complete and explained that all programs revenue had increased. His letter indicates no concerns, but does recommend an accounting software upgrade. His recommendation is the result of the current system accounting for our 7 companies as separate entities and felt combining them would be a beneficial improvement.

He concluded that the improvement in the workers compensation program has significantly improved which he doesn't normally see and was congratulatory of the accomplishment.

He expressed the STSIG assets held by SIA should be recorded on STSIG books as presented in his report. STSIG should have access to use the funds. He confirmed that there is a 90/10 risk sharing split of the pool. Attorney, Doug Alliston is preparing a document outlining the details of the risk sharing arrangement. The rate calculation is 90% STSIG rate and the other 10% is blended with the whole SIA pool. The shared risk for STSIG is 3.2M. The real amount is based off claims.

David Flores moved to approve the audit. Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

2. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through April 30, 2018. All programs are doing well and he expects the medical program will even out by the end of the year and be at 100%. Dental and vision continue to do well and another dental rate decrease and increase in vision benefits may be presented to the board. However, the Dignity Health renewal is still in negotiations and continue to asked for an increase of 10% each year for the next three years which will result in about a 2% - 2.5% increase in our medical rates for the same years.

No action needed.

3. Expenditures

Expenditures from April 1, 2018 to April 30, 2018 were presented and reviewed.

Mike Freeman moved to approve the expenditures as presented. Micah Brownlee seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

4. Stabilization Goals Annual Review

The annual review of the stabilization goals was performed. The Medical, dental, and vision stabilization goals are appropriate. It was suggested that the wording on the document be modified. The following will be added: Descriptions of each program are the minimum reserve levels approved by the Board of Directors.

David Flores moved to approve the stabilization goals with the wording modification above. Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

5. Investment Report Review / Treasurer's Report

The investment report as of April 30, 2018 were presented and reviewed.

David Flores moved to approve the investment reports as presented. Micah Brownlee seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

6. STSIG Wellness Program Funding

It is suggested continuing the wellness program as is (\$100 gift cards) plus add the \$50 lab allowance for members who use Prestige for the wellness exam and wellness lab work. The expected cost of the program for 2018-19 is \$85K

Last year's expense for first-time HSA contribution for enrolling in a high deductible health plan was about \$50K (\$500 individual/\$1000 family).

The proposed budget includes \$85K for the wellness incentive and \$50K for HSA contributions.

Mike Freeman moved to approve the suggested wellness and HAS funding request. Jill Ault seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

7. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through April 30, 2018. The scorecard was reviewed. All programs are doing well and workers' compensation is doing very well.

David Flores moved to approve the unaudited financial reports as presented. Micah Brownlee seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, and Mike Freeman.

Opposed: None. Motion carried. Unanimous.

8. 2017-18 Proposed Budget

The preliminary budgets for each program for 2018-19 were presented. Administration is requesting a 13% increase for recovery of the 85 Hartnell project, a 7.4% increase for approved retirement funding, 5.5% increase for salaries. Phil Brown reiterated that any salary increase approved in the budget can be allocated by the Director at his discretion. At this time, it is expected that the medical rates will increase about 4.2% included in that increase is 1% for the Dignity/Anthem renewal.

It is suggested that an accounting program upgrade be researched.

Robert Fellingner moved to approve the 2018-19 proposed budget as presented. Jill Ault seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Jill Ault, Micah Brownlee, 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 2:39pm.