



MINUTES
BOARD OF DIRECTORS MEETING
Tuesday June 25, 2019 9:00am

Board Members/Alternates Present:

David Flores	Shasta Union HSD
Phil Brown	Enterprise ESD
Cathleen Serna	Columbia/Junction
Patricia Betz	Fall River Joint USD
Adam Hillman	Shasta COE
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE / Lewiston ESD
Robert Fellingner	Redding/Igo-Ono-Platina/ Shasta Union ESD
Laura Merrick	Cottonwood ESD
Heather Brown	Grant ESD
Tina Card	Gateway ESD

Others Present:

Brooks Rice, STSIG	Kurt Walling, STSIG
Leah Grant, STSIG	Dave Wiesner, EPIC
Lisa Blaskeslee, STSIG	
Cindy Gonzalez, Whitmore Alternate	
Jodie VanOrnum, SCOE Alternate	

CALL TO ORDER

David Flores called the meeting to order at 9:03am. There is a quorum.

Consent Agenda:

1. Motion: Approve minutes for February 21, 2019 Board of Director's Meeting
2. Motion: Approve minutes for November 9, 2018 Board of Director's Meeting
3. Motion: Designate Official Representatives and Alternates to the Board of Directors
4. Motion: CAJPA Accreditation Report and Certificate*
5. Motion: NCSIG Resolution
6. Motion: Delegation of Authority of STSIG Treasurer to Invest Surplus
7. Motion: Workers' Compensation rates*
8. Motion: Expenditures** March 1, 2019 to April 30, 2019

Phil Brown moved to approve the consent agenda as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

9. Executive Director Report

The report contained information regarding the director's activities over the last couple of months. He is actively involved in monitoring 40 legislative bills and spoke specially about AB218 and the financial concerns of its passage on schools and SB863 and how its passage saved money for schools and helped our workers' compensation rates. Brooks also gave a brief update on the Suite 300 build out. It is expected for the project to be complete in October 2019 and generating revenue by January .

He also recognized and thanked Phil Brown and Michele Glover for their service to STSIG as Treasurer and Vice President. Both are leaving STSIG and the area for new opportunities elsewhere.

10. Executive Committee Positions

Heather Brown (Grant) and Robert Fellingner (SUED) were nominated for the Executive Committee. Michelle Glover and Phil Brown have given notice they are leaving their executive committee positions with STSIG effective 6/30/2019.

To follow is the proposed 2019-20 and 2020-21 Executive Committee:

SCOE- Adam Hillman

TCOE- Melanie Holmes

Shasta College- Greg Smith

High School District- David Flores (SUHD)

Unified School District- Peggy Canale (STJUSD)

Elementary Under 300 ADA- Robert Fellingner (SUED)

Elementary 301-900 ADA- Laura Merrick (Cottonwood)

Elementary Above 900 ADA- Cindy Trujillo (Redding)

At Large- Heather Brown (Grant)

Adam Hillman moved to approve the 2019-20 and 2020-21 Executive Committee as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

11. Nominations and Elections of Board of Director's Officers

Adam Hillman nominated David Flores for President and Robert Fellingner for Treasurer. David Flores nominated Adam Hillman for Vice President. All nominees accepted.

Melanie Holmes moved to elect David Flores (President), Adam Hillman (Vice President), and Robert Fellingner (Treasurer) for the Board of Director's officer positions for 2019-20 and 2020-21 effective July 1, 2019. Heather Brown seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

12. Open Enrollment Meeting

Open enrollment meetings begin the first week of August. District were invited to request meetings if more are needed.

13. STOP !T

SIA is offering the STOP !T app to all STSIG districts at no cost. This app is specifically for bullying and incident management. Reinsurance carriers are encouraging districts to use this app. More information is included in the meeting materials.

14. NASDTEC Clearinghouse

National Association of State Directors of Teacher Educational and Certification (NASDTEC). The clearinghouse is a searchable database that provides information regarding individuals who have had their professional educator certificates/licenses annulled, denied, suspended, revoked, or otherwise invalidated. This service is offered by SIA to all STSIG districts at no cost. More information is included in the meeting materials.

15. Eyres Employment and Education Law Hotline Program

An employment and education law hotline program is being released for the 2019-2020 fiscal year. An introductory training webinar is scheduled for June 27th at 11am. The training will be recorded, and you will have access if you are not able to make the initial webinar. The hotline combines legal advice and process guidance with hands-on assistance for developing documentation, writing appropriate letters, managing required processes (interactive process, leave of absence, investigations and discipline) and related personnel decisions.

16. Loss Prevention Program Design for 2020-21

As requested, Kurt Walling presented a modified loss prevention program using a point system and designed to be similar to our wellness incentive program structure. The new program will give districts more options. The program outline is in the meeting materials.

Robert Fellingner moved to approve the new loss prevention program as presented. Phil Brown seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

17. Apex Technology Amendment

The current Apex contract expired April 1, 2019. Apex has been great to work with and it is suggested extending the contract another two years to June 30, 2021. The amendment was vetted by Hanson Bridgett.

Melanie Holmes moved to approve extending the Apex contract through June 30, 2021. Laura Merrick seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

18. Investment Report Review / Treasurer's Report **

The investment and Treasurers report as of April 30, 2019 were presented. Phil Brown explained that the finance committee has reviewed the reports and Phil signed the treasurers report.

Robert Fellingner moved to approve the Investment and Treasurers reports as presented. Laura Merrick seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

19. Unaudited Financial Reports**

Unaudited financial reports as of April 30, 2019 were presented. The reports were reviewed by the finance committee on June 18, 2019. Brooks did point out that the audited change in medical from 2017 to 2018 was a result of the IBNR adjustment. The \$300K loss equals a 1.5% in rates. Overall the health program broke.

Adam Hillman moved to approve the unaudited financial reports as presented. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

20. Stabilization Reserves Review and Update**

The stabilization goals were reviewed by the finance committee on June 18, 2019. It was recommended that the workers' compensation goal be increased from 2x the SIR to 10x the SIR, which is insurance industry gold standard. The increase creates no cost impact. There is more than enough in reserves to increase to the gold standard.

Adam Hillman moved to change the WC stabilization reserve for workers' compensation to 10x the Sir of \$1M and leave the other programs as is. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

21. Health Benefits Committee Recommendations for the 2019-20 Plan Year

The following recommendation were presented.

- It is recommended the vision frame and lens allowances be increased from \$175 to \$200.
- No changes to medical, dental, or the wellness incentive programs.

Melanie Holmes moved to accept the recommendation as presented. Laura Merrick seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

22. 2018-19 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 2019-20 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 2019-20 is \$75,000.

Robert Fellingner moved to approve the requested HSA and wellness incentive funding for 2019-20 with more analysis regarding future HSA funding viability. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

23. Domestic Partner Health Benefits Coverage

The discussion involved three options including AB205, non-AB205 coverage, and no domestic partner coverage. The board felt that more information on the options were needed before a decision could be made. Dave Wiesner will provide that information for the next meeting.

A motion on this item is delayed until next meeting.

24. Loss Ratios**

The program loss ratios through April 30, 2019 were presented. The fiscal year loss ratios for medical: 99.18%, dental 87.24%, and vision 70.94%.

25. Health Plan Rates for 2019-20

EPIC reviewed and suggested a 6.2% medical rate increase for the 2019-20 plan year. Brooks Rice suggested a lower increase of 5% which he believes is a better reflection of the situation. A 5% medical increase was included in the proposed budget. No dental or vision rate changes were suggested.

Adam Hillman moved to accept the 2019-20 medical rates increase of 5% with no rate change for dental or vision. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

26. 2019-20 Proposed Budget**

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the proposed budget on June 18, 2019. Budget assumption were reviewed and found reasonable. Suite 300 rental income is scheduled to begin January 2020. The budget includes a 5% medical rate increase.

Peggy Canale moved to approve the proposed budget as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

27. Adjourn to Closed Sessions

Phil Brown moved to adjourn to closed sessions at 10:37am for the following item. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. Opposed: None. Motion carried. Unanimous.

1. Closed Session Public Employee Performance Evaluation Pursuant to Government Code Section 54957(b)(1): Executive Director

2. Closed Session Conference with Labor Negotiator Pursuant to Government Code Section 54957.6:

- a. Agency designated representative: Board President
- b. Unrepresented Employee: Executive Director

28. Reconvene and Reportable Actions

Reconvene and call to order at 10:58am.

- Effective July 1, 2019 the Executive Director's salary is increased 3.0%.

Phil Brown moved to approve the action from the closed session and adjourn the meeting. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Phil Brown, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Tina Card, Melanie Holmes and Cathleen Serna, and Patricia Betz. 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 February 1, 2019 or April 26, 2019*

*** Indicates this item was reviewed by the Finance Committee on June 18, 2019*

ADJOURN

The meeting was adjourned at 11.57am.