



**MINUTES**  
**BOARD OF DIRECTORS MEETING / COMMITTEE OF THE WHOLE**  
**Thursday June 28, 2018 8:30am**

**Board Members/Alternates Present:**

David Flores	Shasta Union HSD
Phil Brown	Enterprise ESD
Michelle Glover	Columbia/Black Butte/Junction/North Cow Creek ESD
Adam Hillman	Shasta COE
Greg Smith	Shasta College
Peggy Canale	So. Trinity Jt. USD
Bettina Blackwell	Trinity COE / Burnt Ranch ESD
Cindy Trujillo	Redding/Igo-Ono-Platina
Robert Fellingner	Shasta Union ESD
Laura Merrick	Cottonwood ESD
Heather Brown	Grant ESD
Malinda Martin	Mountain Union ESD
Melanie Holmes	Lewiston ESD
Gretchen Deichler	Burnt Ranch/Douglas City/Trinity Center/Trinity COE
Linda Barneby	Whitmore Union ESD
Jennifer Kiff	Gateway ESD
Jodie VanOrnum	Shasta COE

**Others Present:**

Brooks Rice, STSIG	Kurt Walling, STSIG
Leah Grant, STSIG	Dave Wiesner, EPIC
Mari Moore, STSIG	

**CALL TO ORDER**

David Flores called the meeting to order at 8:32am. There is a quorum.

Consent Agenda:

1. **Motion: Approve minutes for November 2, 2017 Board of Director's Meeting**
2. **Motion: Designate Official Representatives and Alternates to the Board of Directors**
3. **Motion: Designate Official Correspondence Address and Phone Number for STSIG**
4. **Motion: Authorization to Close Bank of America Medical Accounts**
5. **Motion: Workers' Compensation rate and Ex-Mod Calculation\***

Based on the June 30, 2018 Bickmore actuarial report, ex-mods and rates are presented

6. **Motion: Investment Report Review / Treasurer's Report\*\***  
Investment report as of April 30, 2018 is presented
7. **Motion: Dental and Vision Administrative Proposed Change\***  
Changing from AGSIG/VSP to SISC for claims administration
8. **Motion: Year to Date Unaudited Financial Reports\*\***  
2017-18 financial reports through April 30, 2018 are presented
9. **Motion: Expenditures\*\***  
Expenditures from April 1, 2018 to April 30, 2018 are presented
10. **Motion: Delegation of Authority of STSIG Treasurer to Invest Surplus**  
Delegation authority to invest surplus is requested for approval
11. **Motion: Stabilization Goals Annual Review\*\***  
The Stabilization goals are presented for annual review

*\* Indicates this item was reviewed by the Executive Committee on May 11, 2018*

*\*\* Indicates this item was reviewed by the Finance Committee on June 25, 2018*

Robert Fellingner moved to approve the consent agenda without item # 7 to be removed and discussed after General Business item #12. Cindy Trujillo seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **12. Executive Director Report**

The report contained information regarding the director's investment seminar series he will be attending to better understand the agencies investment partner's strategies. Brooks was also a main committee member of the SIA budget committee this year and can report SIA is ran well with no issues or concerns. Brooks met with the CAJPA accreditation committee regarding the STSIG accreditation and other than the request for a claims audit STSIG will be accredited with excellence again for this renewal. The accreditation committee was amazed with the improved finances. Brooks shared his upcoming road trip with his family and concluded the report.

### **Consent Agenda Item #7: Dental and Vision Administrative Proposed Change**

Robert Fellingner wanted to clarify that this item was the same as General Business item #24.

Robert Fellingner moved to approve consent agenda item #7 as presented in the consent agenda. Michelle Glover seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **13. Loss Ratios**

The program loss ratios through April 30, 2018 were presented. The fiscal year loss ratios for medical was 97.49%, dental was 89.17%, and vision was 71.62%. The medical loss ratio is expected to finish the year at 99% due to two of the highest claim months in our history. Last year's dental change to add a third cleaning is not yet reflected in the loss ratios. Dental and vision are doing well and recommendations for increased benefits and lower rates will be presented later at this meeting.

## **14. Online Open Enrollment Dates for 2018-19 Plan Year**

Due to the SISC administrative transition effective October 1, 2018, it is necessary to end the online open enrollment on September 4, 2018. Paper changes will be accepted until September 14, 2018 as stated in our bylaws.

### **15. 2018-19 Loss Prevention Program Design\***

At the recommendation of the Workers' Compensation committee, no change to the current requirements or rewards are suggested. The CAJPA accreditation committee suggests that incentive funds not spent have an expiration date to avoid potential liability.

Michelle Glover moved to approve no changes to the current incentive requirements and rewards. Also, that any current unused earned incentive reward will expire at the end of fiscal year 2018-19 and that all future earned incentives will expire at the end of the following fiscal year that it was earned. Cindy Trujillo seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **16. Prestige Contract Renewal**

Dr. John Osborn was present for discussion. The discussion focused on the original assumption that Prestige would be handling more of our workers' compensation cases than has happened since the partnership began. Dr. Osborn explained that in the beginning the volume was too heavy and there wasn't enough staff experienced with WC cases to allow them to properly handle more cases. That situation will change with the opening of the new space at 85 Hartnell and himself and Trish Patterson are diverting some of their patients to allow them to handle more WC cases. Dr. Osborn shared that it is hard to find medical staff willing and experienced enough to do WC cases, so he and Trish will be the only doctors providing this service. Dr. Osborn expects they will be able to increase the WC case load beginning this August. They will use an outside billing service for the WC cases so is not a concern. Dr. Osborn agreed to adding specific language to the renewal contract reflecting the increase in WC cases Prestige will manage.

Phil Brown moved to approve the 2-year contract renewal subject to identifying a target goal for workers' compensation to be included in the agreement. Brooks Rice and David Flores' (or one member of the board of directors) is authorized to establishment the definition of the workers' compensation goals and renew the contract. Cindy Trujillo seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **17. 85 Hartnell Property Fence**

Security is a staff concern resulting from a recent fire on the hill behind the buildings and the use of the property behind our building by transients. Staff is suggesting an iron fence be installed around the back of the building up to the U-Haul business and across to the Show Boat building to prevent access to the hill behind of building. It was suggested that the fire department be contacted for required access and a possible contractor is Strange & Sons Fencing which has been used by other district having similar issues.

Phil Brown moved to authorized Brooks Rice to hire a contractor to provide and install an iron fence with an allowance of \$55,000. Jennifer Kiff seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **18. Health Benefits Committee Recommendations for the 2018-19 Plan Year**

The following recommendation were presented.

- It is recommended the SISC Minimum Value plan replace the Two-Tier Anchor Bronze plan and the new plan be offered to all employees (Modification: The MVP will be added as the 7<sup>th</sup> plan and the Two-Tier Anchor Bronze plan will remain in place for employees that do not qualify for benefits.

- It is recommended the current wellness incentive program requirements be continued without change for 2019. The ColaGard process for colonoscopies will be accepted as one of the acceptable activities.
- It is recommended the vision frame and lens allowances be increased to \$175. No changes to dental.
- It is recommended STSIG use the SISC guidelines for all future dependent enrollments requiring proof of dependency.
- It is recommended after the regular November HSA contribution has been paid that two mid-year HSA contributions be made to new hires in April and September.

Cindy Trujillo moved to accept the recommendation presented above with the Two-Tier Anchor Bronze modification and that in a future year the board will consider a full dependent audit. Melanie Holmes seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **19. 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. The estimated cost for 2018-19 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 2018-19 is \$85,000.

Melanie Holmes motion to approve the requested HSA and wellness incentive funding for 2018-19. Cindy Trujillo seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **20. Health Plan Rates for 2018-19**

EPIC reviewed and generated our medical rate increase for the 2018-19 plan year. The result suggests a 4.2% increase for all medical plans. As the dental and vision plans continue to do well, it is suggested to take a 2% decrease on all dental plans and to increase the vision frame and contact lens allowance to \$175 without a change to the vision rates. David Wiesner with EPIC explained that the industry trend for medical rates increase are between 6.5% - 7.5% and increase up to 12.5% for pharmacy.

Michelle Glover moved to accept the 2018-19 medical rates, the dental rate decrease, and the vision plan benefit increase as presented. Peggy Canale seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

### **21. Change to the Salary Schedule**

A modified Salary Schedule was presented that included two new positions: Finance Director and Benefits Manager. The Finance Director position is necessary as the guidelines for independent contractors has changed resulting in our need to make our current STSIG accountant an employee. This move will be cost neutral. SCOE wants to consider this situation further to confirm no employment conflict with their employment agreement.

The addition of the Benefits Manager reflects the current Benefits Administrator's change in job duties over her 6.5 years of employment. Compared to similar situated staff at other JPAs, the current Benefits Administrator's job duties are not reflected in her current salary so it is suggested the new position will better reflect her education and experience. The current Benefits Administrator will be promoted to Benefits Manager.

Robert Fellingner commented that it is the responsibility of the board to be fiscally responsible and to keep in mind that we are made up of schools. Cindy Trujillo was concerned that the Benefits Administrator would receive a substantial

increase upon the transition to Benefits Manager and confirmed that the Benefits Manager's wage would start at the lowest range and would increase annually within the budget approval.

Brooks Rice explained that he had meet with the board officers and discussed the two new positions. He shared that through his salary and job duty comparison with other JPAs he felt the Benefits Manager's position and salary range was appropriate. In his comparison, he discounted other similar positions by 17% to reflect the lower Shasta County reality. His companion showed that our Loss Prevention Manager is the least paid of all California JPAs and that his suggestion for additional positions and salary ranges are to better aline our JPA with others. It was reiterated to the board that Brooks Rice has the authority to make salary increases within the budget, but chose to bring these matters to the board as a courtesy. STSIG can sustain the increases requested and has one of the lowest administrative costs of any other JPA. Phil Brown confirmed there are sufficient resources to make the salary changes.

Phil Brown moved to accept the new salary schedule as presented. Michelle Glover seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **22. 2018-19 Proposed Budget\*\***

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the proposed budget on June 25, 2018. Budget assumption were reviewed and found reasonable. It was reiterated that STSIG's Executive Director has the authority to make staff salary increases within the approved budget. This proposed budget allows for 5.5% salary increase to be distributed among the staff by the Executive Director. This budget reflects an increase in excess coverage which is still less than commercial markets. The building budget is currently carrying all costs until there is a contract with a renter. The projection is the rental income will cover all operating costs of the building. There are deficit amounts reflected on the budget that are not expected to be realized. The administrative cost is 4.3%. For clarification, Kurt Wallings' wages are 100% allocated to workers' compensation.

Adam Hillman moved to approve the proposed budget as presented. Robert Fellingner seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **23. 2016-17 Financial Audit\*\***

Phil Brown confirmed the Financial Audit performed by James Marta & Associates were reviewed and approved by the finance committee on June 25, 2018. The audit points out the positive growth over the last year and noted no issues. The definition of the hybrid workers' compensation arrangement with SIA will be forthcoming when they get the details from SIA. They did recommend that our accounting system be updates to eliminate the need for seven separate business accounts and to more to a more formal system.

Cindy Trujillo moved to approve the 2016-17 financial audit as presented. Michelle Glover seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **24. Authorization to Participate with Self-Insured Schools of California (SISC)**

A Resolution is required to transition our dental and vision programs to be administered by SISC effective October 1, 2018.

Adam Hillman moved to authorize participation with SISC for dental and vision program participation effective October 1, 2018. Agreements will be signed by the President, David Flores. Cindy Trujillo seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

## **25. Adjourn to Closed Sessions**

Michelle Glover moved to adjourn to closed sessions for the following items. Adam Hillman seconded. Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

1. Closed Session Pursuant to Government Code Section 549.56.95:

Workers' Compensation claims closed in excess of \$25,000:

a. Connie Burgess v. Gateway Unified School District

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

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

a. Agency designated representative: Board President

b. Unrepresented Employee: Executive Director

## **26. Reconvene and Reportable Actions**

Reconvene and call to order at 11:54am.

- Authority is given to settle the workers' compensation claim of Connie Burgess for \$170,000.
- Effective July 1, 2018 the Executive Director's salary is increased 6.5% and five additional days of vacation is awarded. An annual health saving contribution equal to half the IRS annual limit for enrollment tier is awarded to all staff enrolled in a high deductible health plan each plan year.

Peggy Canale moved to approve the actions from the closed sessions and adjourn the meeting. Melanie Holmes seconded.

Approved: David Flores, Michelle Glover, Phil Brown, Adam Hillman, Greg Smith, Cindy Trujillo, Robert Fellingner, Peggy Canale, Laura Merrick, Heather Brown, Jennifer Kiff, Malinda Martin, Linda Barneby, Melanie Holmes and Gretchen Deichler. Opposed: None. Motion carried. Unanimous.

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

None

## **ADJOURN**

The meeting was adjourned at 11.59am.