



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, May 11, 2018 1pm

Executive Committee Members Present:

Adam Hillman	Shasta COE
Morris Rodrigue	Shasta College
Cindy Trujillo	Redding/Igo-Ono-Platina
Phil Brown	Enterprise ESD
Michelle Glover	Columbia/Black Butte/Junction/North Cow Creek ESD
Laura Merrick	Cottonwood Union ESD
Peggy Canale	So. Trinity Jt. USD

Board Members/Alternates Present:

Heather Brown	Grant ESD
Jason Rubin	Gateway Unified SD
Gretchen Deichler	Trinity COE
Robert Fellingner	Shasta Union ESD
Jodie VanOrnum	Shasta COE
Dana Reginato	Shasta Union High SD
Malinda Martin	Mt. Union ESD

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Mari Moore, STSIG

CALL TO ORDER

Michelle Glover called the meeting to order at 1pm. Announced there is a quorum for a meeting of the Whole.

- 1. Consent Agenda: Approve minutes for November 2, 2017 Executive Committee Meeting**
- 2. Consent Agenda: Expenditures from July 1, 2017 to March 31, 2018**

Peggy Canale moved to approve the consent agenda as presented. Dana Reginato seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

3. Executive Director's Report

See Director's report in meeting materials

4. 2018-19 Loss Prevention Program Design

The Workers' Compensation committee has evaluated the program and want to stay committed to reviewing the top 10 districts. SIA is having trouble providing the information needed to do more reviews do to their current work load so the program will be expanded next year to the other districts. The program will remain with no changes for the next year. Phil Brown commented that he participated in the review for Enterprise District and was impressed and felt the review was excellent. Phil expressed a special thanks to Kurt for his great work. Phil Brown moved to accept the current program with no changes. Cindy Trujillo seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

5. 2016-17 Financial Audit Update

Auditor, Jim Marta, joined by phone earlier at the morning Financial Committee meeting. They recommend that both STSIG and SIA carry liabilities on both their books. The restatement has already been approved by STSIG board of directors in December 2017.

Jim shared that the audit should be completed within 30 days. There are some outstanding questions that will be sent to STSIG shortly. It was explained that STSIG has a hybrid program with SIA where there is a 10% pooling of claims. SIA will provide clarification on the agreement so all parties are clear on the calculation and that there is documentation as to the agreement for reference. This clarity will not change any financials but it will provide a better understanding of how the amounts were reached and the restrictions of the use of funds. The agreement is 90% claims administration by SIA and 10% risk sharing with the whole SIA group. Jim Marta said the program is doing very, very well. The program is good and has resulted in good savings.

6. Review of 2016-17 Workers' Compensation Program

The meeting material show an incredible transformation of the program in the last 4 years. The program has gone from having 238 open claims to now having 94 open claims, the cost per individual claim is also much lower than before and the reserves continue to increase. The actuaries have said this kind of change is not typical and although they are normally very conservative after another year trending the way we are that they will accept the trend as normal and have a less conservative stance. We are currently beating the average for schools in California. You will see we have higher costs at the front end of claims as members are being treated sooner and released back to work sooner so the overall costs have dramatically gone down.

The long-term goal is to continue with program and reduce rates for a few years then to halt the average rates between \$1.90 and \$2.00 and remain at that level for the future without the need to any change in rates. The goal is to provide stability to the program and give the districts a predictable rate for their budgets.

7. Review 6-30-2018 Workers' Compensation Actuarial Report

The report shows the when we started our partnership with SIA our outstanding claims were 17M and now they are 10M. An incredible turn around. This year the recommendation from STSIG is to reduce rates by 3.8% from last year. The rate needs to be \$2.59 (80+% confidence level) which includes the STSIG administrative costs. The trend suggested that a continued decrease over the next 2-4 years is possible.

As a result of the program doing so well we continue to build the reserve. We don't have the lowest rates compared to other schools, but we are reserved better than other schools. If done properly, after hitting the bottom rate no rate increase should be needed for a number of years.

The rate recommendation is \$2.59 which includes STSIG administration costs. This rate is above the 80% confidence level with long term stability.

8. Workers' Compensation Rate and Ex-Mod Calculation

See calculation chart in meeting materials. Last year the overall rates were reduced by 5% because we still had a tail year of claims from LWP and that year is not reflected on our calculation any longer. We now have four good years to review and propose a new calculation method. The past method allowed a variance of .5 in either direction. There are several methods presented in the meeting materials. The Workers' Compensation has reviewed all methods and is recommending the method that allows a 10+/-% cap variance.

Cindy Trujillo moved to approve the \$2.59 rates with the 10+/-% cap calculation method. Peggy Canale seconded. Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

9. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through March 31, 2018. The medical program has returned to a good ratio after having the highest month in its history. He explained that October, November, and December will typically be our highest months for medical claims. Dental and vision continue to do well and another rate decrease or increase in benefits may be possible for the next plan year. However, Dignity Health will be increasing their costs by 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.

10. Investment Report Review

The investment reports as of December 31, 2017 and March 31, 2018 were presented and reviewed. Phil Brown moved to approve both investment reports as presented. Adam Hillman seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through March 31, 2018. The medical program is showing a negative amount due to the wellness incentive, blood work, and health savings account contributions. All programs are doing well and workers' compensation is doing very well.

Gretchen Deichler moved to approve the unaudited financial reports as presented. Adam Hillman seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

11. Prestige Contract Renewal and Lease Addendum

A 2-year extended contract with a lease addendum is presented. There were discussions regarding Prestige handling part of the workers' compensation claims.

Phil Brown moved to approve extending the current contract and approving the lease addendum to June 30, 2018 with the request the John Osborn will attend the June 28th meeting to discuss including workers' compensation claims into the future one-year contract. Dana Reginato seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

12. Dental and Vision Administrative Proposed Change

STSIG is proposing to move the administration of the dental and vision programs to SISC. There would be a small savings to the plan and SISC would replace IGOE for cobra administration services. The move would be effective October 1, 2018.

Cindy move to approve the moving our dental and vision programs to SISC effective October 1, 2018. Peggy Canale seconded.

Approved: Adam Hillman, Phil Brown, Morris Rodrigue, Cindy Trujillo, Michelle Glover, Peggy Canale, Heather Brown, Laura Merrick, Jason Rubin, Gretchen Deichler, Malinda Martin, Dana Reginato, Jodie VanOrnum, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None public comments.

ADJOURN

The meeting was adjourned at 3:07pm.