



**MINUTES** -approved by Brooks 5-17-17

**BOARD OF DIRECTORS**

**Thursday May 4, 2017 10am**

**Board Members Present:**

Adam Hillman	Shasta COE
Laura Cyphers Benson	Shasta College
David Flores	Shasta Union HSD
Cindy Trujillo	Redding/Igo-Ono-Platina/Shasta UESD
Phil Brown	Enterprise ESD
Peggy Canale	So. Trinity Jt. USD
Michelle Glover	Columbia/Black Butte/Junction/North Cow Creek ESD
Bettina Blackwell	Trinity COE / Burnt Ranch ESD
Laura Merrick	Cottonwood ESD
Jason Rubin	Gateway Unified SD
Charlie Hoffman	Bella Vista ESD/Shasta-Trinity ROP

**Alternates Present:**

Malinda Martin	Mountain Union ES
Melanie Holmes	Lewiston ESD
Gretchen Deichier	Burnt Ranch/Douglas City/Trinity Center/Trinity COE
Robert Fellingner	Redding/Igo-Ono-Platina/Shasta UESD
Jodie VanOrnum	Shasta COE

**Others Present:**

Brooks Rice, STSIG	Lisa Blakeslee, STSIG
Leah Grant, STSIG	Kurt Walling, STSIG
Mari Moore, STSIG	
Mike Harrington, Bickmore	

**CALL TO ORDER**

Adam Hillman called the meeting to order at 10:07am. There is a quorum of the board.

1. **Consent Agenda- Board of Director Meeting Minutes** for December 16, 2017 and February 2, 2017.  
David Flores moved to approve the December 16, 2017 with the correction to add Bruce DeMallie's last name in the minutes and to approve the February minutes as presented. Michelle Glover seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **2. Executive Director Report**

Brooks Rice shared information regarding the hiring of Lisa Blakeslee this week as Program Assistant, the health presentation he has given at the districts, several meetings and conference attended (CHSWC, CWCI, SASH, CAJPA and SIA), and shared that several districts are showing interest in joining the pool.

### **Agenda items 4 and 5 are moved to the number 3 and 4 spot.**

## **3. Workers' Compensation Actuarial Report**

Mike Harrington with Bickmore presented the workers' compensation actuarial report. The last several years the trend is looking better. This trend is coinciding with the switch from LWP to SIA for claims management. Incurred losses and payments are better than expected. The ultimate loss amount has also come down.

The new program under SIA's management has resulted in a decrease in severity and frequency of claims. A 5.3% reduction is suggested for the 2017-18 fiscal year.

Cost per claim average has decreased significantly and are plateauing at 18 months rather than 4 years as under LWP. Medical only claims cost averaged \$2K and indemnity claims averaged \$18K.

Michelle Glover moved to approve the actuarial report presented. Phil Brown seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **4. Workers' Compensation Rate and ExMod**

In addition to our current methodology to determine rates and ex-mods two alternate methods were presented.

The first alternative would:

- Keep the 0.80 floor, but make the ceiling 1.50
- Use only the most recent three years (the SIA years)
- Cap losses at \$50K
- Cap percent change in x-mod to +/-15%

The second alternative would:

- Give each member a 5.3% reduction off their last year's rate.

The recommendation from the WC committee was to use the method that gives each member a 5.3% from their last year's rate.

Cindy Trujillo moved to approve the rates and ex-modes using the second alternative giving each member a 5.3% reduction from the current rates. Melanie Holmes seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **5. Loss Prevention Program Design for 2017-18**

The workers' compensation committee reviewed the current loss prevention program at their meeting on 5-2-2017. That committee is recommending the following: One contact hour of training will count as one credit for the

safety incentive. Credit hours will be given in 30 minute increments. STSIG will provide a one page overview of each member's claims and safety incentive program progress.

Melanie Holmes moved to approve the clarifications to the loss prevention program. Cindy Trujillo seconded. Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **6. Expenditures**

Expenditures from December 1, 2016 through February 28, 2017 were presented.

Michelle Glover moved to approve the expenditures as presented. Laura Merrick seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **7. Delegation of Authority of STSIG Treasurer to Invest Surplus**

The delegation to the treasurer is reaffirmed annually.

Peggy Canale moved to approve the delegation of authority for the treasurer to invest STSIG surplus. Laura Merrick seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Charlie Hoffman, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **8. Health Plan Changes for 2017-18**

The health benefits committee is recommending no changes to the health plans except those mandatory changes made by SISC.

## **9. Investment Report Review / Treasurer's Report**

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the investment report at its May 4, 2017 meeting earlier this morning. Earnings are above expected at about 2% last quarter. Phil Brown signed the Treasurer's report.

Michelle Glover moved to approve the Investment and treasurer's report as presented. David Flores seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

## **10. Year to Date Unaudited Financial Reports**

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the unaudited financial reports at its May 4, 2017 meeting earlier this morning. The scorecard reflects all programs are doing well with the medical program up by \$300K. The overall surplus for the health program is \$11M and \$8M in workers' compensation.

David Flores moved to approve the unaudited financial reports. Melanie Holmes seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **11. 2017-18 Proposed Budget**

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the 2017-18 proposed budget at its May 4, 2017 meeting earlier this morning. The medical program budget is showing a \$400K loss due to the HSA contributions and wellness incentive payments which are not included in the rates. The dental program has a \$300K surplus and the vision program has a \$100K surplus. The workers' compensation program is expected to add \$1M in surplus. Research is in progress currently to suggest adding benefits to the dental and vision programs.

Bettina Blackwell moved to approve the proposed budget as presented. Laura Merrick seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **12. Loss Ratios**

The program loss ratios through February 28, 2017 were presented. Year to date loss ratios for medical was 94.91%, dental was 84.3%, and vision was 60.99%.

#### **13. 2017-18 HSA Contributions & Wellness Program Funding**

Phil Brown, chair of the Finance Committee, confirmed that the Finance Committee reviewed and accepted the HSA and wellness incentive funding at its May 4, 2017 meeting earlier this morning. Staff is suggesting to continue the \$100 gift card for subscribers and enrolled spouses who attain the wellness incentive for the 2018. Staff also suggested continuing the one-time HSA funding of \$500/\$1000 (individual/family) for first time enrollees into one of the HSA plans. Total estimated cost is \$250K.

Melanie Holmes moved to approve the proposed HSA funding and wellness incentive budget of \$250K. Cindy Trujillo seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **14. Health Benefits Committee Recommendations**

The Health Benefits Committee is recommending no changes to the medical (other than the SISC changes outlined in the meeting materials) and the wellness incentive requirements for the 2017-18 plan year. Enhancements to the dental and vision programs are still being explored and will be presented in June.

#### **15. 85 Hartnell Ave. Lease Agreement Update**

Brooks Rice explained he learned through an email the potential leasee has decided not to sign the proposed lease or the personal guarantee. At this time, there are no other interested parties.

#### **16. 85 Hartnell Ave. Construction Contract**

Brooks Rice explained there were three construction bids accepted and the winning bid was from JH Max Construction at \$2.66M. After the bids were opened, Brooks learned through an email the potential leasee had decided to not sign the proposed lease or the personal guarantee. Hanson & Bridgett, has advised STSIG to accept the bid and give a limited notice to proceed. It is suggested the board of directors give the building ad-hoc committee the authority to proceed with modifying the construction details.

Laura Cyphers Benson moved to give the building committee authority to move forward with the construction contract. Michelle Glover seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **17. Traffk**

Traffk is the underwriting & risk management data tool presented by Dave Wiesner at the fall strategic planning meeting. The tool would allow us to mine our own health data, but ultimately it may incorporate workers' compensation data as well.

The implementation cost for Traffk would be \$12K and the ongoing monthly fee would be approximately \$1,785 monthly or \$21K annually.

Phil Brown moved to approve cost and implementation of the Traffk program as presented. Laurie Merrick seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **18. Election of Executive Committee and Officers for 2017-18 and 2018-19**

Elections for the Executive Committee are required in the Bylaw every other year. There was one nomination for a committee member who is already serving on the committee so no action is needed. There are two members leaving the committee with guaranteed positions (Shasta College and Trinity County Office of Education) and their districts will appoint their replacements and no election is needed. Morris Rodrique will replace Laura Cyphers Benson at Shasta College and Sara Supahan will replace Bettina Blackwell at TCOE.

Cindy Trujillo moved to accept and approved the Executive Committee members for 2017-18 and 2018-19. Melanie Holmes seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **Officer Election**

Adam Hillman announced that he would not seek the President position. Laura Cyphers Benson will be leaving the Shasta College and will not be Vice President. Phil Brown is the current Treasurer.

#### **Phil Brown moved to nominated David Flores for President. Cindy Trujillo seconded.**

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **Laura Cyphers Benson moved to nominate Michelle Glover for Vice President. Melanie Holmes seconded.**

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

#### **Michelle Glover moved to nominate Phil Brown for Treasurer. Laurie Merrick seconded.**

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.

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

None

**ADJOURN**

David Flores moved to adjourn the meeting at 12:55pm. Phil Brown seconded.

Approved: Adam Hillman, Phil Brown, David Flores, Cindy Trujillo, Peggy Canale, Bettina Blackwell, Michelle Glover, Laura Cyphers Benson, Laura Merrick, Heather Brown, Malinda Martin, Jason Rubin, Melanie Holmes and Gretchen Deichier. Opposed: None. Motion carried. Unanimous.