

Finance Committee Meeting
May 4, 2017 8:00 am
Shasta County Office of Education
MINUTES

Members Present:

Phil Brown
David Flores
Robert Fellingner
Gretchen Deichler
Morris Rodrigue
Mike Freeman

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Lisa Blakeslee, STSIG
Mari Moore, STSIG (Contracted)

Phil Brown called the meeting to order at 8:13am.

GENERAL BUISNESS

1. Approve minutes for the January 25, 2016 Finance Meeting.

David Flores moved to approve the minutes from the January 25, 2016 Finance Committee Meeting. Morris Rodrigue seconded.
Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

2. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through February 28, 2017. Medical Fiscal YTD is 94.91%, dental is 84.3%, and vision is 60.99%. The pattern shows that the summer months have higher utilization. Dental and vision are similar to past years, however due to the loss ratio for vision there may be a possibility for added benefits or a rate decrease later this year.

3. Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through February 28, 2017. All programs are trending well and well-funded. Old workers' compensation is still running out the older claims. It is projected that there will be 11M reserved by the end of the year. However, there are several districts indicating they may want to join the pool so the reserves will be needed.

Robert Fellingner moved to approve the year to date unaudited financial reports as presented to the Board of Directors. David Flores seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

34 Investment Report Review

Sarah Meacham presented the Investment report via phone to the committee. The investment report as of March 31, 2017 states we have \$38M in total cash with \$5.98M in LAIF receiving a rate of return of .78% and 18.55M in CAMP. The remaining \$13.47M is split between Bank of America and Tri Counties Bank and accounts with Partners. She explained the there was some volatility in market last

year, but because our investments were diversified we were able to beat the benchmark at over 2% earnings.

David Flores moved to approve the investment report as presented to the Board of Directors. Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

5. STSIG Wellness Program Funding

Brooks Rice 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 is \$200K which is a 1% give back to the membership which is not factored into the rates. This amount may increase if new districts enter the pool.

Morris Rodrigue moved to approve the \$200K for the 2018 wellness program to the Board of Directors. Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, Morris Rodrigue, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

6. 2017-18 HSA Contribution

Last year there were about 65 members who received the first-time contribution for enrolling in a high deductible health plan which cost about \$50K (\$500 individual/\$1000 family). The same amount is expected for 2018, however that amount may increase if new districts enter the pool.

Robert Fellingner moved to approve \$50K for the HSA contributions for 2018 for first-time enrollees. Gretchen Deichler seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

7. 2017-18 Proposed Budget

The preliminary budgets for each program for 2017-18 are presented. It is noted that the assumptions verbiage in the meeting materials page 71 are incorrect. Please disregard assumptions. At this time it is expected that the medical rates will increase about 5% and could be lower once the rate setting process is complete. The projected loss of almost \$400K is a result of the wellness incentive and the new Traffk program. Dental and vision programs will show an excess and workers' compensation will always show a loss due to the nature of that program.

David Flores moved to approve the 2017-18 proposed budget as presented without assumption verbiage. Mike Freeman seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, and Mike Freeman. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN

David Flores moved to adjourn the meeting at 9:25am. Robert Fellingner seconded.

Approved: Phil Brown, Robert Fellingner, David Flores, Gretchen Deichler, and Mike Freeman. Opposed: None. Motion carried. Unanimous.