

Executive Committee Meeting
October 15, 2021, 10:30 am
Shasta-Trinity Schools Insurance Group (Zoom)
MINUTES

Executive Committee Members Present:

Robert Fellingner	Shasta Union SD
Jason Rubin	Shasta Union High SD
David Flores	Shasta Union High SD
Robert Fellingner	Redding / Igo-Ono SD
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE

Board Members / Alternates Present:

Megan Stone	Enterprise USD
Sara Long	Trinity TCOE
Jennifer Parra	Redding SD
Amy Westlund	Shasta College

Others Present:

Brooks Rice	STSIG
Leah Grant	STSIG
Kurt Walling	STSIG
Lisa Blakeslee	STSIG
Mari Moore	STSIG
David Wiesner	EPIC

CALL TO ORDER

David Flores called the meeting to order at 10:31am. Confirmation of a quorum. Meeting is conducted Virtual using Zoom.

CONSENT AGENDA

1. Approve minutes for the April 23, 2021, Executive Committee Meeting.

Peggy Canale moved to approve the minutes from the April 23, 2021, Executive Committee Meeting. Jason Rubin seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

2. Brown Act Meeting Update

The purpose of this item is to invoke AB 361 (First Time) to continue having virtual meetings with Brown Act flexibility.

Adam Hillman moved to approve invoking AB 361 for the first time. Robert Fellingner seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

3. STSIG Management Report

David Flores announced that Phil Brown (Former STSIG Finance Committee Chair and Board member) has accepted the CFO position with SIA beginning November 1, 2021. He may be involved with STSIG management and oversight.

4. Kanact Update

Dave Wiesner explained that the Kannact will launch soon. Emails to members and a marketing schedule has been approved.

5. 2021-22 Open Enrollment Report

Leah Grant provided a comparison of last year's enrollment breakdown and the new plan year breakdown for medical enrollment. The report shows a small net increase in medical members.

6. Loss Prevention Update

Kurt Walling reported that he has resumed visits to the districts and is scheduling classes again. He is in the process of recertifying for ProAct training. He also reported that since the Board discontinuance of incentive roll-over, the funds are being spent timely.

7. ProAct Training Funding

Kurt Walling presented information to support his request for \$22K to provide ProAct train-the-trainer opportunities for district employees.

Adam Hillman moved to approve \$22K for ProAct Instructor training. Robert Fellingner seconded. Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

8. Review of Worker's Compensation Program Through June 30, 2021

The program continues to perform well with the partnership and management with SIA. The meeting materials included informative graphs which show that costs per claim and the number of claims continue to decrease. Our program is trending close to the SIA trend which is to be celebrated. There are about 30 less claims during this period. The program is stable.

9. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through June 30, 2021. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan	Fiscal	Plan
Medical	93.19%	93.46%	95.05%	94.12%
Dental	85.09%	81.62%	79.93%	75.20%
Vision	72.54%	70.05%	57.52%	51.05%

No action is needed.

10. Expenditures

Expenditures from May 1, 2021, to June 30, 2021, were presented and reviewed.

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

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

11. Investment Report Review / Treasurer's Report

The investment reports as of June 30, 2021, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

The investment report as of June 30, 2021, states we have \$48.1M in total cash with \$3.2M in LAIF receiving a rate of return of .33% and \$21.0M in CAMP earning .57%. The remaining \$23.8M is split between Merchant Bank of Commerce Bank and Accounts with Partners.

CAMP activity is accounted for by the accrual method of accounting, which is consistent with PFM's best practices during the year with an annual adjustment to fair market value by the Auditors. The difference between the unaudited financials and the CAMP securities statement is the aggregate FMV adjustments made by the Auditors. The total CAMP assets are reported as cash and accrued interest receivable.

	Investments	Accrued Interest Receivable	Total
Medical	\$7,582,562	\$31,744	\$7,614,306
Workers' Comp	\$11,663,428	\$48,828	\$11,712,256
Dental	\$973,279	\$4,075	\$977,354
Vision	\$458,002	\$1,917	\$459,919
Total	\$20,677,270	\$86,564	\$20,763,835

Adam Hillman moved to approve the investment reports as presented. Jason Rubin seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

12. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through June 30, 2020.

The scorecard and details were reviewed. The scorecard amounts were before adjustment for IBNR. The combined health programs reported a surplus of almost \$1.8M. The combined workers' compensation programs report a surplus of \$2.5M. Claims continue to increase each month, so the surplus is expected to adjust downward.

The Workers' Compensation program continues to reduce outstanding liabilities due to claim management by SIA.

Workers' Compensation rates could take another reduction in the future as outstanding liabilities continue to drop; however, we are at or close to the bottom rate when we stop reductions and keep rates stable for the long run.

Adam Hillman moved to approve the unaudited financial reports as presented. Melanie Holmes seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

13. Confirmation of Current STSIG Insurance Coverages

Per the STSIG bylaws and Policies & Procedures, The Finance/Audit Committee will review the Authority's insurance coverage and confirm the Authority has sufficient coverage to protect the Authority. The following is a summary of the Authority insurance coverage. STSIG believes there is adequate coverage.

- Workers' Compensation: Member of STSIG pool
- Property & Liability coverage: NCSIG MOC, 7/1/21 to 7/1/22
- Cyber Liability coverage: EVO 3.0 of Lloyd's, \$10K deductible with \$5M limit, 01/27/21 to 01/27/22
- Directors & Officers (D&O) coverage: Travelers, 5/13/21 to 5/13/22
- Collateral agreement:
 - ◆ Merchant Bank of Commerce, \$10M plus, valid December 31, 2017, to current

Adam Hillman moved to accept the Authority's current insurance coverage outlined in the meeting materials as sufficient to protect the Authority's interests. Melanie Holmes seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

14. Medical Claims Audit

For CAJPA accreditation, we are required to complete medical claims audit every three years. Moss Adams has prepared the audit in the past and has completed it for this term. The audit period is October 1, 2019, to September 30, 2020. The audit report is in the meeting materials and shows that the audit was favorable. The purpose of the audit is to test the overall performance of Anthem claims. The audit sample included 225 claims and \$5M in paid claims. The audit shows that financial, payments, and processing sections and all scored above 97% accuracy, which meets all industry best practices benchmarks.

Moss Adams concluded that Anthem is performing well with only two errors described in the audit report.

Jason Rubin moved to accept the Moss Adams medical claims audit as presented. Robert Fellingner seconded.

Approved: Robert Fellingner, Adam Hillman, Jason Rubin, David Flores, Melanie Holmes, and Peggy Canale. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA: None

ADJOURN – David Flores adjourned the meeting at 11:30am.