

Executive Committee Meeting
October 2, 2020 8:30 am
Shasta-Trinity Schools Insurance Group
MINUTES

Executive Committee Members Present:

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

Board Members / Alternates Present:

Megan Stone	Enterprise USD
Jodie Van Ornum	Shasta COE
Beth Roberts	Happy Valley USD
Tina Card	Gateway USD

Others Present:

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

CALL TO ORDER

David Flores called the meeting to order at 8:30am. Confirmation of a quorum. Meeting is conducted Virtual using Zoom.

CONSENT AGENDA

1. Approve minutes for the April 24, 2020 Executive Committee Meeting.

2. Approve minutes for June 3, 2020 Special Executive Committee Meeting

Greg Smith moved to approve the minutes from the April 24, 2020 and June 3, 2020 Executive Committee Meetings. Jason Rubin seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, and Peggy Canale.

Opposed: None. Motion carried. Unanimous.

3. STSIG Management Report

Brooks Rice reported that the staff has done well with remote meetings and trainings. Staff is currently working one day a week each in the office with the phone messages being forwarded to Leah's email which are responded to quickly. A committee member expressed concern that the phone were not being answered. Brooks prepared a summary report included in the meeting materials.

4. Legislative Update

Brooks Rice provided a summary of SB 1159 and AB 685 in the meeting materials. He shared that two member alerts have been sent our members and Patricia Evers has done a couple of trainings on the bills. Patricia Evers will do another in depth training on both bills on October 15, 2020. Patricia Evers is always available for human resources and legal advice through her HotLine. It was clarified that if a superintendent closes a site due to Covid-19 that that site will be assumed to have an outbreak by definition in SB 1159.

5. 2020-21 Open Enrollment Report

Leah Grant provide a comparison of last year's enrollment breakdown and the new plan year breakdown for medical enrollment. The report shows little change from last year but did include the new members from the new district – Redding School of the Arts. Although the total enrollment increased the percentages of enrollments in each plan showed very little change.

6. Loss Prevention Update

Kurt Walling reported that due to Covid-19, he is not doing in-person trainings. He continues to provide virtual trainings as requested and has created a STSIG YouTube channel available to members with recorded trainings and an open enrollment meeting for the districts to use for new hires. Kurt is also providing district with resources to get district employees trained for them to do their own trainings and he is providing coaching. The meeting materials includes a description of available support and resources.

Kurt reported the 11 districts have completed their incentive requirements and 12 more are in progress. The districts have earned \$66,225 in incentives that are unspent. The deadline for spending those funds was moved to June 30, 2021.

7. Review of Worker's Compensation Program Through June 30, 2019

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 which could lead to another rate reduction. Brooks Rice reported that there are no Covid-19 claims and overall claims are down due to the school closures. The program is stable.

2019-20 had a total of 112 claims and the average incurred per claim is at \$5,597.

8. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through June 30, 2020. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio	
	Fiscal	Plan
Medical	95.05%	94.12%
Dental	79.28%	73.40%
Vision	57.38%	50.46%

The loss ratios above reflect several months affected by Covid-19. Claims are beginning to trend back toward normal but there will be dental and vision treatment and services that will not be made-up so those ratios will continue to be under normal levels for a while. It is expected that medical claims will return to normal much sooner than dental and vision.

No action needed.

9. Expenditures

Expenditures from May 1, 2020 to June 30, 2020 were presented and reviewed.

Greg Smith moved to approve the expenditures as presented. Robert Fellingner seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

10. Investment Report Review / Treasurer's Report

The investment reports as of June 30, 2020 were presented and reviewed. The signed Treasurer's report is included in the meeting materials.

The investment report as of June 30, 2020 states we have \$44.1M in total cash with \$3.2M in LAIF receiving a rate of return of 1.36% and \$20.6M in CAMP earning 1.91%. The remaining \$20.3M is split between Merchant Bank of Commerce Bank and Accounts with Partners.

Greg Smith moved to approve the investment reports as presented. Peggy Canale seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

11. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through June 30, 2020. In addition, only Workers Compensation has been adjusted for the IBNR. Health plans IBNR is received in November following the close of the fiscal year.

The scorecard and details were reviewed. The scorecard shows the medical program with a gain of \$866,783. The combined health programs reported a gain of \$1,525,646. The increase gains are affected by delayed treatments due to Covid-19 and expected to trend back toward normal in the next year.

Brooks pointed out that a significant factor in the program gains were because we paid about 2.5M in stop loss to SISC and recovered over 5M in return on high claims. This is a critical factor in rates and our partnership with SISC.

Brooks also stated that if districts run surveillance Covid-19 testing through SISC then medical rates can be expected to increase several percentages.

Robert Fellingner moved to approve the unaudited financial reports as presented. Melanie Holmes seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

12. 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 coverages and it is believed there is adequate coverage.

- Workers' Compensation: Member of STSIG pool
- Property & Liability coverage: NCSIG MOC, 7/1/20 to 7/1/21
- Cyber Liability coverage: EVO 3.0 of Lloyd's, \$10K deductible with \$5M limit, 01/27/20 to 01/27/21
- Directors & Officers (D&O) coverage: Travelers, 5/13/20 to 5/13/21
 - Added this year to D&O coverage: Fiduciary coverage
- Lessee Property, Liability, WC coverage: Burch Physical Therapy and Prestige
- Collateral agreement:
 - Merchant Bank of Commerce, \$10M plus, valid December 31, 2017 to current

Greg Smith moved to accept the Authority's current insurance coverage and expresses that the coverages outlined in the meeting materials as sufficient to protect the Authority's interests. Peggy Canale seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

13. Closed Session

Greg Smith moved to adjourn to Closed Session. Peggy Canale seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

14. Reconvene in Open Session/ Report any actions taken in closed session.

Reportable Actions:

The STSIG staff will receive increases not to exceed \$15K effective for fiscal year 2020-21.

Cindy moved to accept the reportable action taken in closed session and adjourn meeting. Robert Fellingner seconded.

Approved: Robert Fellingner, Jason Rubin, David Flores, Cindy Trujillo, Greg Smith, Peggy Canale, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

1. Cindy Trujillo wants to review the requirements and process for the Post Offer Physicals. The review could include necessity and value of results. To be discussed at the next strategic planning meeting.
2. Greg Smith announced his last day of work with Shasta College is October 14, 2020. He will be taking a position in San Diego. Maryann Williams will replace him on the STSIG board of directors.

ADJOURN – David Flores adjourned the meeting at 10:11am.