

Finance Committee Meeting  
October 21, 2022, 8:30 am  
Shasta-Trinity Schools Insurance Group  
MINUTES

**Members Present:**

Robert Fellingner  
Adam Hillman  
David Flores

**Others Present:**

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

Robert Fellingner called the meeting to order at 8:32 am. Confirmation of a quorum.

**1. Approve minutes for the June 17, 2022, Finance Meeting.**

David Flores moved to approve the minutes from June 18, 2021, Workers' Compensation and Finance Committee Meeting. Adam Hillman seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried.  
Unanimous.

**2. Invoking AB 361 to continue virtual meetings**

David Flores moved to approve AB 361 to continue virtual meetings. Adam Hillman seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried.  
Unanimous.

**3. Loss Ratios**

Brooks Rice reported on the loss ratios for the health programs through June 30, 2022. All programs are stable. The ratios are as follows:

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan Al;dfj	Fiscal	Plan
Medical	100.30%	107.36%	93.19%	93.46%
Dental	85.31%	84.19%	84.93%	81.42%
Vision	70.02%	69.75%	70.81%	67.76%

No action is needed.

#### 4. Investment Report Review / Treasurer's Report

The investment reports as of June 30, 2022, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

The investment report as of June 30, 2022, states we have \$48.2M in total cash with \$3.2M in LAIF receiving a rate of return of .75%; \$12.5M in BAIRD, and \$7.5M in Columbia Bank pending investment. The remaining \$25.0M is split between Columbia Bank and Accounts with Partners.

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

	<b>Investments</b>	<b>Accrued Interest Receivable</b>	<b>Total</b>
<b>Medical</b>	\$4,708,385	\$19,470	\$4,727,855
<b>Workers' Comp</b>	\$6,597,317	\$27,281	\$6,624,599
<b>Dental</b>	\$832,716	\$3,443	\$836,160
<b>Vision</b>	\$368,581	\$1,524	\$370,105
<b>Total</b>	\$12,507,000	\$51,719	\$12,558,719

Adam Hillman moved to approve the investment reports, as presented. David Flores seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried. Unanimous.

#### 5. Expenditures

Expenditures from May 1, 2022, to June 30, 2022, were presented and reviewed.

David Flores moved to approve the expenditures as presented. Adam Hillman seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried. Unanimous.

#### 6. Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through June 30, 2022.

The scorecard and details were reviewed. The scorecard amounts were before adjustment for IBNR. The combined health programs reported a surplus of almost \$338K. The loss in medical is expected and both dental and vision saw gains. The combined workers' compensation programs report a surplus of \$727K.

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.

Robert Fellingner moved to approve the unaudited financial reports as presented. David Flores seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried. Unanimous.

## **6. 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, 7/1/22 to 7/1/23
- Cyber Liability coverage: EVO 3.0 of Lloyd's, \$10K deductible with \$5M limit, 01/27/22 to 01/27/23
- Directors & Officers (D&O) coverage: Travelers, 5/13/22 to 5/13/23
- Collateral agreement:
  - Merchant Bank of Commerce, \$10M plus, valid December 31, 2017, to current
- In addition to the above policies, the Authority has additional coverage, which includes Lessee Property & Liability. The Authority also has declarations of Workers' Compensation coverage for Burch Physical Therapy and Prestige.

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

Approved: Robert Fellingner, Adam Hillman, David Flores. Opposed: None. Motion carried. Unanimous.

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

None.

**ADJOURN** – Robert Fellingner adjourned the meeting at 9:00 am.