

Finance Committee Meeting
October 31, 2017 1:00 pm
Enterprise Elementary School District
MINUTES

Members Present:

Phil Brown
David Flores
Robert Fellingner
Morris Rodrigue
Mike Freeman

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Micah Brownlee (TCOE)

Phil Brown called the meeting to order at 1:05pm.

GENERAL BUSINESS

1. Approve minutes for the June 22, 2017 Finance Meeting.

Robert Fellingner moved to approve the minutes from the June 22, 2017 Finance Committee Meeting. Morris Rodrigue seconded.

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

2. Re-stated Financial Audits

The 2014-15 and the 2015-16 financial audits were re-stated to reflect the following: Both years total assets were increased due to adjusting the confidence level from 80% level to the "expected" level of 50%. This adjustment increased total assets by \$1,112,071 for 2014-15 and \$3,634,261 for 2015-16. The second adjustment was due to SIA recording STSIG's claims payments as their assets and STSIG recording those claims payments as liabilities. The adjustment decreased STSIG total liabilities by \$2,626,851 for 2014-15 and \$2,181,402 for 2015-16.

A draft of the re-stated audit is expected on November 1, 2017. James Marta and Assoc. reviewed the original audits and found several areas that could be improved. Phil Brown shared that he felt James Marta completed an in-depth review and believes the review was a good value. Kyle from Kcoe Isom requested to be released from his contract to complete the 2017-18 financial audit. Later in the meeting a proposal from James Marta and Assoc. will be presented.

Brooks Rice presented a Net Equity Position report to show the changes in equity from 2008-09 to 2016-17 years. It was clear that net equity significantly increased beginning in year 2014-15. Net equity in year 2008-09 was -\$584,233 and was \$28,047,854 in year 2016-17. That is an overall increase of \$28,632,087.

No Motion

3. Investment Report Review

The investment report is presented as of June 30, 2017. All programs continue to perform well. Phil Brown signed the Treasurers report for the record.

Morris Rodrigue moved to approve the investment report as presented to the board of directors. Robert Fellingner seconded.

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

4. Year to Date Unaudited Financial Reports

Brooks Rice presented the unaudited financial reports through June 30, 2017. All programs are trending well and well-funded. STSIG gave back \$1M in wellness incentives and health savings account contributions.

Morris Rodrigue moved to approve the unaudited financial reports as presented to the board of directors. Robert Fellingner seconded.

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

5. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through June 30, 2017. All programs are performing well.

6. Review of Historical Schedule of Medical and Workers' Compensation Claims Audits

This committee is responsible to review, analyze, and assess the results of the medical and workers' compensation audits every three years.

The last medical claims audit was done on February 11, 2016.

There have been several audits done since 2013 for SIA which included our business in their overall audits.

The Workers' Compensation Committee met on November 30, 2017 and recommend accepting the SIA audit and do not believe a separate STSIG audit is needed.

Robert Fellingner moved to accept audits presented with a recommendation for a separate STSIG worker's compensation audit only if required for CAJPA accreditation. He also moved to approve a medical claims audit. Morris Rodrigue seconded.

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

7. Confirmation of Current STSIG Insurance Coverages

This committee is responsible for the review of all matters affecting the Authority's own insurance coverage program. The following current coverages were acknowledged: workers' compensation, property & liability, cyber liability, collateral agreement with Tri Counties Bank, and builder's insurance.

8. STSIG Banking Services RFP

Brooks Rice explained the history with Tri Counties Bank and issues with customer services and online banking. It is suggested that local RFPs are gathered for review to evaluate if a move is in STSIG's best interest.

8. Proposed Financial Audit Contract

James Marta and Assoc. have provided a proposal for financial audits for 2017-18 and 2018-19. Kcoe Isom has requested to be released from their current contract. James Marta is more expensive but it is felt that they offer a good quality and the extra expense would be worth it. Phil Brown agrees that James Marta is top notch and he would be comfortable using his services in the future.

Morris Rodrigue moved to accept James Marta and Assoc. contract proposal to the board of directors. Robert Fellingner seconded.

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

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN

Phil Brown adjourned the meeting at 2:05pm.