

Finance Committee Meeting  
September 24, 2020 8:30 am  
Shasta-Trinity Schools Insurance Group  
MINUTES

**Members Present:**

Robert Fellingner  
Adam Hillman  
David Flores  
Micah Brownlee

**Others Present:**

Brooks Rice, STSIG  
Leah Grant, STSIG  
Kurt Walling, STSIG  
Lisa Blakeslee, STSIG

Robert Fellingner called the meeting to order at 8:30 am. Confirmation of a quorum.

GENERAL BUSINESS

**1. Approve minutes for the June 19, 2020 Finance Meeting.**

David Flores moved to approve the minutes from the June 19, 2020, Finance Committee Meeting. Adam Hillman seconded.  
Approved: Robert Fellingner, Adam Hillman, David Flores, and Micah Brownlee. Opposed: None.  
Motion carried. Unanimous.

**2. 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	757.38%	50.46%

All programs are below normal due to the Covid-19 effects. Ratios for July and August 2020 are expected to be closer to normal as claims increase each month.

No action is needed.

**3. Investment Report Review / Treasurer's Report**

The investment reports as of June 30, 2020, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

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.

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.

	<b>Investments</b>	<b>Accrued Interest Receivable</b>	<b>Total</b>
<b>Medical</b>	\$7,551,198	\$39,099	\$7,590,297
<b>Workers' Comp</b>	\$11,615,185	\$60,142	\$11,675,327
<b>Dental</b>	\$969,253	\$5,019	\$974,272
<b>Vision</b>	\$456,107	\$2,362	\$458,469
<b>Total</b>	\$20,591,743	\$106,622	\$20,698,365

Adam Hillman moved to approve the investment reports, as presented. Micah Brownlee seconded. Approved: Robert Fellingner, Adam Hillman, David Flores, and Micah Brownlee. Opposed: None. Motion carried. Unanimous.

#### **4. Expenditures**

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

In answer to a question, the item "reverse admin overpayment" was because payroll was processed twice and then corrected.

Robert Fellingner moved to approve the expenditures as presented. David Flores seconded. Approved: Robert Fellingner, Adam Hillman, David Flores, and Micah Brownlee. Opposed: None. Motion carried. Unanimous.

#### **5. 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 gain of \$1.5M, which Covid-19 effected. Claims continue to increase each month, so the gain is expected to adjust downward.

The Workers' Compensation program continues to reduce outstanding liabilities due to claim management by SIA. Remote learning and reduced staff at facilities are also lowering claims. Claims are expected to rise as schools reopen for in-person learning.

Workers' Compensation rates could take another reduction in the future as outstanding liabilities continue to drop.

Adam Hillman moved to approve the unaudited financial reports as presented. David Flores seconded. Approved: Robert Fellingner, Adam Hillman, David Flores, and Micah Brownlee. 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, 7/1/20 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
- Collateral agreement:
  - ◆ Merchant Bank of Commerce, \$10M plus, valid December 31, 2017, to current

Robert Fellingner moved to accept the Authority's current insurance coverage outlined in the meeting materials as sufficient to protect the Authority's interests. Micah Brownlee seconded.

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

## **7. STSIG Admin Budget Revision**

Brooks presented the adjusted admin budget for discussion to see if there were funds to give staff raises. Brooks is asking for \$15K for staff raises, which include merit and inflation adjustments.

David Flores moved to approve informing the Executive Committee that there are funds for staff raises. Adam Hillman seconded.

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

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

None.

**ADJOURN** – Robert Fellingner adjourned the meeting at 9:11 am.