Combined Finance Committee and Workers' Compensation Committee Meeting (Zoom)
April 23, 2021, 8:30 am
Shasta-Trinity Schools Insurance Group
MINUTES

Members Present:
Robert Fellinger
Jason Rubin
David Flores
Micah Brownlee
Melanie Holmes

Others Present:
Brooks Rice, STSIG
Leah Grant, STSIG
Kurt Walling, STSIG
Lisa Blakeslee, STSIG
Peggy Canale

Robert Fellinger called the meeting to order at 8:34 am. Confirmation of a quorum of both committees.

CONSENT AGENDA
1. Approve minutes for January 31, 2021, Finance Committee Meeting.
David Flores moved to approve the minutes from January 31, 2021, Finance Committee Meeting.
Jason Rubin seconded.
Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

2. Approve minutes for the April 17, 2020 Workers' Compensation Committee Meeting.
David Flores moved to approve the minutes from the April 17, 2020 Workers' Compensation Committee Meeting. Jason Rubin seconded.
Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

GENERAL BUSINESS
3. June 30, 2021 Workers' Compensation Actuarial Report
The meeting materials show liabilities are 6.6M which is a 1.1M decrease from last year. Assets are 34.5M which is an increase of 1.5M from last year.   Claims continue to trend down. The program is doing very well.   The proposed rate is 2.19, which is a 5% decrease; however, there is an opportunity to decrease more if part of the STSIG admin costs are paid with reserves.

Jason Rubin moved to accept the Actuarial report as presented. David Flores seconded.
Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

4. Workers' Compensation STSIG Base Rate and Member's Ex-Mod Rates
Based on the June 30, 2021, Bickmore Actuarial report, the proposed base rate is 2.19 with the current 10% cap in place.

David Flores moved to recommend a base rate of 2.09. Jason Rubin seconded.
Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes.
Opposed: None. Motion carried. Unanimous.

5. Workers' Compensation Financial Review

The workers' compensation financials were presented by Brooks Rice and are in the meeting materials. Brooks explained the funding sources, tail claims, funding surplus, and liabilities history. All the findings were outstanding, and workers' compensation continues to be trending in a positive direction, and more rate reductions can be expected in future years.

6. Expenditures

Expenditures from December 1, 2020, to February 28, 2021, were presented and reviewed.

David Flores moved to accept the expenditures as presented. Micah Brownlee seconded. Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

7. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through February 28, 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	96.88%	99.61%	101.71%	103.77%
Dental	82.56%	75.12%	92.10%	90.59%
Vision	72.15%	68.11%	71.12%	66.61%

The SISC stop-loss coverage will have an increase of 20%, which will result in a 3% medical rate increase for 2021-22. Dental and vision are coming up a little, which was expected.

No action is needed.

8. Stabilization Goals Annual Review

The annual stabilization goals were presented. No changes are recommended.

Robert Fellinger moved to accept the Stabilization Goals without changes. David Flores seconded. Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes. Opposed: None. Motion carried. Unanimous.

9.. Investment Report Review / Treasurer's Report

The investment reports, as of February 28, 2021, were presented and reviewed. Robert Fellinger reviewed and signed the Treasurer's report.

The investment report as of February 28, 2021, states we have $45.7M in total cash with $3.2M in LAIF receiving a rate of return of 0.63% and $20.9M in CAMP earning 1.43%. The remaining $21.5M is split between Merchants Bank of Commerce 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	$7,581,147	$30,148	$7,611,295
Workers' Comp	$11,661,252	$46,374	$11,707,626
Dental	$973,098	$3,870	$976,967
Vision	$457,916	$1,821	$459,737
Total	$20,673,412	$82,213	$20,755,626

Robert asks that future meetings include the SIA quarterly investment reports to show our funding.

Micah Brownlee moved to accept the investment reports, as presented. David Flores seconded. Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes. Opposed: None. Motion carried. Unanimous

5. Unaudited Financial Reports
Brooks Rice presented the unaudited financial reports through February 28, 2021.

The scorecard and details were reviewed.   The scorecard amounts were before adjustment for IBNR. The combined health programs reported a surplus of $684K. The combined workers' compensation programs reported a surplus of 721K.

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

All programs are positive and secure.

David Flores moved to accept the unaudited financial reports as presented. Jason Rubin seconded. Approved: Robert Fellinger, David Flores, Micah Brownlee, Jason Rubin, and Melanie Holmes. Opposed: None. Motion carried. Unanimous

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA
None.

ADJOURN – Robert Fellinger adjourned the meeting at 9:17 am.