



MINUTES
EXECUTIVE COMMITTEE MEETING / COMMITTEE OF THE WHOLE
Friday, February 5, 2021, 8:30 am (Zoom)

Executive Committee Members Present:

David Flores, President	Shasta Union HSD
Robert Fellingner, Treasurer	Redding SD
Adam Hillman, Vice President	Shasta County Office of Education
Peggy Canale	So. Trinity Jt. USD
Melanie Holmes	Trinity COE
Robert Fellingner	Shasta Union ESD
Jason Rubin	Shasta Union HSD
Marrienne Williams	Shasta College

Board Members/Alternates Present:

Others Present:

Brooks Rice, STSIG	Lisa Blakeslee, STSIG
Leah Grant, STSIG	Kurt Walling, STSIG
Mari Moore, STSIG	Eric Leventhal, EPIC
Dave Wiesner, EPIC	

CALL TO ORDER

David Flores, the President, called the meeting to order at 8:32 am. Quorum is confirmed.

- 1. Consent Agenda: Approve minutes for October 2, 2020, Executive Committee Meeting**
- 2. Consent Agenda: Expenditures from July 1, 2020, to November 30, 2020**

Peggy Canale moved to approve the consent agenda as presented. Adam Hillman seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marrienne Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

3. Covid-19 Vaccine Update

Brooks explained that SCOE is surveying employees who want the vaccine. Judy Flores with SCOE is working with Shasta County Public Health. When vaccination clinics are scheduled, they will be announced. STSIG is working with Prestige to help with a school employee and member vaccination clinic. STSIG purchased a vaccine refrigerator to use for the initial Prestige vaccinations; however, he learned today that the refrigerator is on backorder, which could delay the Prestige vaccination clinic. Leah Grant explained how the vaccination cost would affect the members and the medical plan.

4. Review of Workers' Compensation Program through December 31, 2020

Brooks Rice presented several graphs and charts as to the success of the program compared to years before our partnership with SIA. The graphs show the decrease in average claims costs as well as fewer overall claims. Average claims cost is down from the high at \$27K to \$7-8K in 2020. Tails claims continue to be closed. It is expected that the year will finish with approximately 150 claims. Our pool size hasn't changed much, and 150 claims per year are expected to be normal. So far, there are no substantial Covid-19 claims.

5. 2018-19 Financial Audit

James Marta and Associates performed the audit. James Marta presented his findings at the Finance Committee meeting on January 29, 2021. The auditors were excited to present the results.

James Marta shared there are no notable errors or concerns.

Overall there is a \$5.1M net gain in financial position. Some of the gains are due to gains from investments; however, with interest rates continuing to drop, the gain looks better than reality. Liabilities are down, and the IBNR is about the same. The medical program had gained due to delayed and canceled services due to Covid-19.

Every year since partnering with SIA, there is a reduction in liabilities, which has been a higher reduction than the actuaries forecast. The WC pool is very strong and as good as any pool in the county. The programs are stable.

Robert Fellingner moved to approve the 2019-20 financial audit as presented. Marianne Williams seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marianne Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

6. Loss Ratios

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

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan	Fiscal	Plan
Medical	94.69%	98.42%	101.95%	107.38%
Dental	83.9%	67.23%	88.35%	79.23%
Vision	76.73%	73.19%	74.18%	67.35%

This item was reviewed at the Finance Committee Meeting on January 29, 2021.

7. Investment Report Review / Treasurer's Report

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

The investment report as of November 30, 2020, states we have \$46.8M in total cash with \$3.2M in LAIF receiving a rate of return of .84% and \$20.8 in CAMP, earning 1.62%. The remaining \$22.8M is split between Redding 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	\$7,607,963	\$32,602	\$7,640,565
Workers' Comp	\$11,702,500	\$50,148	\$11,752,648
Dental	\$976,540	\$4,185	\$980,724
Vision	\$459,536	\$1,969	\$461,505
Total	\$20,746,538	\$88,905	\$20,835,443

This item was reviewed at the Finance Committee Meeting on January 29, 2021.

Melanie Holmes moved to approve the investment reports, as presented. Robert Fellingner seconded. Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marriane Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

8. Unaudited Year-to-Date Financial Reports

Brooks Rice presented the unaudited financial reports through November 30, 2020. The scorecard and details were reviewed.

The scorecard shows all programs are trending well. Outstanding liabilities are going down. The workers' compensation program continues to deliver great results, which the financial auditors also mentioned. All programs are healthy and stable.

This item was reviewed at the Finance Committee Meeting on January 29, 2021.

Marriane Williams moved to approve the unaudited financial reports as presented. Melanie Holmes seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marriane Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

9. 85 Harnell Parking Lot Improvements

When the initial remodel of the building was done only a slurry seal was done to the parking lot. It was known that the paving would need more significant repair at a later date. Currently, there is standing water and puddling with erosion to some of the paving. The cost of the repair is estimated to be \$150K-200K.

Adam Hillman moved to give Brooks Rice authority to receive the bids, accept a bid, and manage and complete the project. Robert Fellingner seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marriane Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

10. Workers' Compensation Ad-Hoc Committee Post-Offer/Pre-Placement Exam

The ad-hoc committee discussed that some districts might not need all the categories currently being tested for, and some may require additional categories. The goal is for STSIG to contact each district and generate a list of categories they feel need to be testing and determine the appropriate test for the positions by July 1, 2021. STSIG will continue to pay for the testing/screening.

Melanie Holmes moved to accept the ad-hoc committee recommendations. Jason Rubin seconded. Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marriane Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

11. Health Benefits Ad-Hoc Committee

The ad-hoc committee discussed the benefits of contracting with Kannact Services, a health conditional management program. The Kannact Services were first introduced in December 2019. The only change to the program since then is the fee structure. Initially, the first year would have cost \$323K and is now \$277K, and year two and beyond would have cost \$500K and is now \$369K. The goal is to return members to a higher state of health. The goal and guarantee of the program are to breakeven. Adam Hillman was on the ad-hoc committee and expressed he was impressed with the program.

Melanie Holmes move to go forward with negotiations and to present a contract to the next Executive Committee meeting. Peggy Canale seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marrienne Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

12. Innovu Data Analytics Ad-Hoc Committee

The ad-hoc committee discussed the benefits and costs of contracting with Innovu. This program is similar to the program Traffic that we began, but the company went of business before we could use the services (no cost). The Innovu program is a data analytics service focusing on up to five chronic conditions. They provide personal coaching with a nurse voluntarily. The cost is \$1/PP or about \$1700/month. It will also help track the Kannact Services' progress. The one issue that needs resolution is how the data will transfer. Currently, SISC can't provide enough data for the appropriate analysis, so EPIC is trying to coordinate that the data transfer directly from the provider, which may be an issue. EPIC involvement and management of the program is at no extra cost. David Flores was on the ad-hoc committee and expressed that he was impressed with the presentation.

Peggy Canale moved to go forward with negotiations and to present a contract to the next Executive Committee meeting. Marrienne Williams seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marrienne Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

13. Medical Claims Audit

The last audit was done three years ago. CAJPA requires a medical claims audit every three years to renew the accreditation. The cost will be \$33K - \$38K.

Peggy Canale moved to approve going forward with the medical claims audit. Marrienne Williams seconded.

Approved: David Flores, Adam Hillman, Jason Rubin, Peggy Canale, Marrienne Williams, Melanie Holmes, and Robert Fellingner. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None

David Flores adjourned the meeting at 9:52 am.