

**MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251
August 20, 2020 at 3:00 PM**

The meeting was called to order at **3:01** pm on August 20, 2020.

- I. Call to Order – Ms. Erika Coombs, Chairperson called the meeting to order

Due to the COVID-19 (aka Coronavirus) emergency, Centers for Disease Control and Prevention guidelines, and pursuant to guidelines from the Arizona Attorney General regarding compliance with the Open Meeting Law during this national emergency, this meeting was conducted online only

- II. Roll Call-

Board Trustees in attendance were telephonically and via Teams video, Sandy Kravetz, Governing Board Member, Shannon Crosier, Trust Board Administrator, Erika Coombs, Chairperson, Megan Burke (Absent), Wally Graham

- III. Introduction of Trustees, Staff, and Visitors – All were introduced for the first meeting of 2020 - 2021 school year. Visitors: Chris Marler (Kairos), Jeremy Larson (Kairos), Tanya Edwards (Kairos), Denise Walsh (Kairos), Ryan Cole (Trust), Tyler Tayrien (Wells Fargo), Tom Hedges (Wells Fargo). Jen Gabriel (Kairos)

A. INFORMATION/DISCUSSION AND POSSIBLE ACTION

- IV. Selection of Chairperson (Trust Document 3.4) - Action

The Board has chosen Erika Coombs to serve as the Chairperson for the 2020-2021 school year.

Sandy Kravetz Moved to Approve Erika Coombs Chairperson for the Self-Insurance Trust 2020-2021. Wally Graham Seconded the motion. The motion was approved with a vote of 4 – 0.

- V. Approval of SUSD Self-Insurance Trust Minutes from May 14, 2020 meeting. - Action
No discussion of the Minutes.

Sandy Kravetz Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of May 14, 2020. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

- VI. COVID-19 Liability Coverage Update – Action

On August 4, 2020, the Arizona Risk Retention Trust Board approved a COVID-19 Liability Coverage Endorsement. If purchased, this endorsement will provide liability insurance in the case of a COVID19 claim. If agreed upon prior to Sept. 15, 2020, the coverage will be retroactive to July 1, 2020. The coverage includes up to \$1 million per each occurrence, including defense costs and indemnity payment, with a limit of \$2 million per annual aggregate per District. The maximum annual aggregate for all District, including defense costs and indemnity is \$25 million. The District will have waivers for camps and athletes and Acknowledgements for students and visitors (third parties) on campus.

The Board would like regular updates on claims for districts in Arizona.

The deductibles are as follows per occurrence.

- \$0 if the District has a signed Waiver, Release, and Assumption of Risk Form
- \$10,000 if the District has a signed Acknowledgment and Disclosure Form

- \$20,000 if there is no Waiver or Acknowledgement form.

Sandy Kravetz Moved to Approve the COVID-19 Liability Coverage Update. Wally Graham Seconded the motion. The motion was approved with a vote of 4 – 0.

VII. Update Coverage Acceptance Form (CAF) July - Information

Presentation given on the updated Coverage Acceptance Form (CAF) completed in July of 2020. The update was due to budget adjustments in the Alliance rates with a decrease to the District by about \$6000.

VIII. Property/Casualty/Workers Comp Claims Report (ARRT) – Information

Ryan Cole, from the Trust, presented Financial reports concerning Property/Casualty and Worker's Compensation. In 2019-2020 the District contributed much more than total incurred so we have a surplus. The District incurred low losses resulting in a contribution adjustment of \$411,595 which will be returned to the District in about a month.

Prepaid Account/TIP Balances for the District:

- Trust Prepaid Account Balance as of 7/31/20 = \$277,337.63
- Trust Investment Pool Balance as of 7/31/20 = \$40,609.82

- Total number of claims processed as of 06/30/2020 = 73.
- Total incurred as of 06/30/2020 = \$254,161
- Estimated 2019/2020 Contribution \$839,972 (Actual \$428,378)
- Contribution adjustment of \$411,595 to be returned as of 06/30/2020
- Trust Prepaid Account Balance 7/31/20 = \$277,337.63
- Trust Investment Pool Balance 7/31/2020 = \$40,609.82

IX. Approval of Amendment of Kairos Plan 2020-2021 – Action

Under the current Kairos agreement, if employees were to be furloughed due to COVID-19, the employee would have to be termed and sent to COBRA to continue medical coverage. This amendment would allow the District to continue medical coverage for furloughed employees. The employee would still be required to pay any premiums while furloughed, to continue coverage.

Shannon Crosier Moved to Approve the Amendment of Kairos Plan 2020-2021. Sandy Kravetz Seconded the motion. The motion was approved with a vote of 4 – 0.

X. Medical Claims/Financial Reports - Information

Jeremy Larson presented financial and health reports from Kairos Health Arizona – Scottsdale is performing well for the year. We are collecting more premiums than paying expenses on claims.

- High Cost Claims Total \$1-50K = \$1,942.70
- High Cost Claims Total \$50K – 100K = \$68,534.18
- High cost Claims Total 100K – 150K = \$ 114,292.15
- High Cost Claims Total ≥ 150K = 249,711.23

Plan Participation:

- PPO = 549 participants
- HDHP 1500 = 520
- HDHP 2700 = 763
- HDHP 5000 = 88

COVID-19 Virus Testing and Confirmed Diagnoses

- Total Members tested = 373
- Total Claims Tested = 441

- Total Allowed/Paid = \$30,996
- Total Members Confirmed = 40
- Total Claims Confirmed = 57
- Confirmed Allowed/Paid = \$2,541

Some claimants test more than once, page 40 figures reflect these tests

XI. Trust Financial Update – Information

Tyler Moore, Acting Director of Finance presented a review of the investment accounts for Fiscal Year 2020 (July 2019 – June 2020). Wells Fargo followed up with a financial market forecast.

- Comparison:
 - Fiscal Year 2019 Ending Balance = \$41,638,217
 - Fiscal Year 2020 Ending Balance = \$44,959,149
- Account Earnings by percentage:
 - Medical Account 62%
 - Property Account 19%
 - Worker's Comp Account 19%
- Wells Fargo Update from Tyler Tayrien and Tom Hedges -They are working on putting funds to work to earn interest earnings within three District accounts. US Government Money Market funds, US Government Bonds, Government Treasuries, Certificates of Deposits. Yields have substantially come down in recent times due to large amount of money injected into the banking system. Supply and demand. The rates will not be raised for some time in the future. (2024)

XII. Future Agenda Items – No agenda items added

XIII. Adjournment

At **4:09** PM, Sandy Kravetz moved to adjourn the meeting. Wally Graham seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 20th day of August 2020.

Approved October 29, 2020.