

**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
January 23, 2020 at 3:00 PM**

The meeting was called to order at **3:06** pm on January 23, 2020.

- I. Call to Order – Ms. Erika Coombs, Chairperson called the meeting to order
- II. Roll Call-
Board Trustees in attendance were, Sandy Kravetz, Governing Board Member, Jeff Gadd, Trust Board Administrator, Erika Coombs, Chairperson, Megan Burke, Wally Graham

A. INFORMATION/DISCUSSION AND POSSIBLE ACTION

- III. Approval of SUSD Self-Insurance Trust Minutes from October 31, 2019 meeting.
Minutes were discussed.

Wally Graham Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of October 31, 2019. Megan Burke Seconded the motion. The motion was approved with a vote of 5 – 0.

- IV. Property/Casualty/Workers Comp (Alliance) Claims Report (ARRT) – Ryan Cole presented the trend of Trust claims from 2016-2017 to 2019-2020. Handout was given reflecting the Trust, Alliance (Worker’s Compensation), and Kairos (Medical). Trust claims are down significantly for the 2019-2020 school year. Alliance staff will continue to provide quarterly updates on the Scottsdale’s performance. A final adjustment based on actual losses and payroll will be conducted in July 2020.
 - A. Questions: – Mr. Gadd expressed, Workers Compensation is saving the District money
- V. Medical Claims/Financial Reports Specific to Medical Program – Jeremy Larson presented the Medical Claims report for the first five months of the fiscal year – The average Loss Ratio for the District is: 85.3%.
 - A. PPO Plan is usually a higher percentage due to staff usually have more illnesses on this plan versus the high deductible plans (110%)
 - B. Claims for Districts tend to be low at the beginning of the year and higher during the second half of the year
 - C. Dental claims tend to be high in July with staff off for the summer months
 - i. Number of staff enrolled in the Dental plans for the District? The Core Plan = 742 staff members and Premier Plan = 616 staff members enrolled (1358 Total staff)
 - ii. Estimated premium increase for Medical in 2020-2021 = Estimated 0-3% increase
- VI. Five Year Trust Fund Financial Projections – Tyler Moore presented a five year summary of **Trust Fund Financial Projections** – Handout.
 - Beginning Balance -This is the beginning fund balance of each account as of July 1st, 2019. Each additional year is an estimated beginning balance based on the projected expenditures and revenue from the prior year.
 - **Contingency**-This amount represents the amount projected in reserves to pay unforeseen

or outstanding expenses.

- **Revenue** - Estimated revenue in the account may be either budgeted or employee contributions.
- Interest Earnings - Estimated returns on Trust investments held in the Wells Fargo Investment Portfolio. All earnings are estimated and dependent on the economy.
- **Expenses** - These are either premium costs and or costs not covered by the particular insurance deductible.
- **Projected Ending Balance** - This is the ending balance minus all expenses and plus all revenue.

Conclusion:

1. Different account balances may need to be reassigned to the medical account due the expected annual increase in Health Care costs.
 2. The entire Trust is well funded through fiscal year 2023/20024 with no additional District M&O contributions.
 3. Claims are the largest component affecting annual balances.
- A. Questions – Wally Graham– What equations are you using and why are you compiling the information for the Board? These amounts are used from interest and the money frees up M & O money to give back to the classroom.
- B. Medical is the largest expense to the District

VII. Wells Fargo Investment Earnings Report – Tom Hedges presented –

- A. Handout - Summarized Interest rates, Interest bearing savings accounts, CD's, Obligations, Bonds etc. CD's are very safe and should not pay higher securities
- B. Agency Securities should pay higher than treasuries
- C. Tyler Tayrien presented - Portfolio Analysis for Scottsdale Unified School District
 - i. **Property & Casualty** Money Market fund is kept as low as possible and pays a smaller rate of return
 - ii. **Worker's Compensation** –Over one year of investment, the District has 3.2 million dollars available.
 - iii. **Medical Account** is new and opened in June 2019. Started with only a cash account and now making three times the amount that it was previously. Moved more into investments and is the largest account. 1.6% percent. The window going forward (chance there may be a decrease but Wells Fargo does not believe it will). Positions by Maturity broken down by each account.

VIII. Future Agenda Items –

- A. Deductibles
- B. Estimated Premiums
- C. Program Enhancement - Short Term Disability (2nd 90 days)
- D. Renewal on all coverages for 2020-2021

IX. Adjournment -

At **4:35** PM, Sandy Kravetz moved to adjourn the meeting. Megan Burke seconded the motion. The motion was approved with a vote of 5 – 0.

Dated this 23st day of January 2020.

Approved April 2, 2020