

**MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main St., Scottsdale, AZ 85251
May 29, 2025, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:02** pm on May 29, 2025.

I. Call to Order – Shannon Crosier, Trust Board Administrator called the meeting to order.

II. Roll Call–

The Board Trustees in attendance were, Shannon Crosier, Trust Board Administrator, Mike Sharkey Trustee and Governing Board Vice President, & Craig Hazeltine, Trustee, Tony Elder (Online @ 4:08), Trustee, Kathy Steadman, Trustee (Online @ 4:08). A quorum was present.

Absent: All in attendance

Approval of Agenda– Mike Sharkey moved to approve the agenda as presented, Craig Hazeltine seconded the motion. The motion was approved with a vote of 3– 0.

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Open Meeting Law Overview – Information

Nick Buzan, General Counsel, was unavailable to present Open Meeting Law and how it pertains to the board, so Shannon Crosier briefly went over the presentation and answered questions.

B. Approval of SUSD Self-Insurance Trust Minutes from March 27, 2025 Meeting. - Action

No discussion, Minutes stand as submitted.

Mike Sharkey Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of March 27, 2025. Shannon Crosier Seconded the motion. Kathy Steadman abstained. The motion was approved with a vote of 4 -1.

C. Approval of Proposed Self-Insurance Trust Board Meeting Dates for 2025-2026 – Action

Craig Hazeltine Moved to Approve the Proposed Self-Insurance Trust Board Meeting Dates for 2025-2026. Mike Sharkey Seconded the motion. Tony Elder abstained. The motion was approved with a vote of 4 - 1.

D. Approval of Worker's Compensation Premium FY25/26 – Action

Jessica Schuler presented the information for the Worker's Compensation Premium.

Mike Sharkey Moved to Approve Worker's Compensation Premium FY25/26. Kathy Steadman Seconded the motion. The motion was approved with a vote of 5-0.

E. Approval of Property and Casualty Premium FY25/26 – Action

Jessica Schuler presented the information for the Property and Casualty Premium.

Mike Sharkey Moved to Approve Property and Casualty Premium FY25/26. Kathy Steadman Seconded the motion. The motion was approved with a vote of 5-0.

F. Approval of Investments – Action

Shannon Crosier and Tyler Tayrien (Wells Fargo) presented information on the investment account for Scottsdale Unified School District – Medical. Recommendation to keep \$5 million dollars liquid and reinvest the maturities that expire in May, July, & November.

Shannon Crosier Moved to Approve the Investments for the Medical, Property, and Worker's Compensation accounts for Scottsdale USD. Kathy Steadman Seconded the motion. The motion was approved with a vote of 5-0.

G. Approve the Recommended Minimum and Maximum of the Trust Accounts – Action

Discussion took place on what the proper minimums and maximums should be going forward.

Recommended Minimum of \$12 million dollars for the Medical account and \$1 million dollars for the Property account.

Mike Sharkey Moved to Approve the Recommended Minimum of \$12 million dollars for the Medical account and \$1 million dollars for the Property account. Craig Hazeltine Seconded the motion. The motion was approved with a vote of 5-0.

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

Jessica Schuler from the Trust presented financial reports concerning Property/Casualty and Worker's Compensation.

24/25 Property and Liability Premium: \$ 2,744,960

24/25 Workers' Compensation Premium: \$ 969,937 (Est)

24/25 Health Benefits Premium: \$21,099,818 (Est)

- Total number of claims processed as of 4/30/2025: 74
- Total incurred as of 4/30/2025: \$1,442,806

2025/2026 Trust Renewal Updates

Coverage	2025/2026 Trust Rates	2025/2026 Commercial Market*
General/Professional Liability	~8%	Flat to 30% increase
Auto Liability	~2%	Flat to 30% increase
Property	~3%	5% to 20% increase
Cyber Liability	~5%	1% decrease to 1% increase

2024/2025 Trust Renewal Updates

- 2025/2026 Contribution Estimate \$2,877,769
- 2024/2025 Contribution: \$2,774,960
- 4.84% Increase
- Trust Loyalty Credit (3%)
 - District is on track to receive approximately \$82,349

2024/2025 Alliance Rating Retrospective Plan

	Estimate	Actual (as of 2/28/25)
○ Incurred Losses*	\$685,825	636,551
○ Unallocated Loss Adjustment Expense*	\$139,420	129,403
○ Administrative Expense	\$ 74,213	74,213
○ Excess Insurance and Tax Expense	\$ 50,704	50,704
○ Contribution to Net Position*	<u>\$ 19,775</u>	<u>19,775</u>
○ Total	\$969,937	\$910,646

*Based on actual payroll, to be reported in July 2025 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 4/30/2024, the district is trending at 94% of estimates.
- Alliance staff will continue to provide quarterly updates on Scottsdale's performance.
- A final adjustment based on actual losses and payroll will be conducted in July 2025.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 5/31/2024	Retro Contribution: Original Estimate
2024/2025	Retrospectively Rated	*910,646	969,937
2023/2024	Retrospectively Rated	*805,071	913,306
2022/2023	Retrospectively Rated	*785,352	914,446
2021/2022	Retrospectively Rated	*884,769	927,440
2020/2021	Retrospectively Rated	*643,014	860,358
2019/2020	Guaranteed Cost	433,325	839,973
2018/2019	Guaranteed Cost	958,573	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

5:35 pm Kathy Steadman left the meeting.

PPA/TIP Balance

- Trust Prepaid Account Balance as of 4/30/2025 - \$ (23,000)
- Trust Investment Pool Balance as of 4/30/2025 - \$ 46,027

2025/2026 Renewal Dates

- November: Trust Values Collection released
- December: Cyber Values Collection released
- February: Alliance Values Collection released Estimates
- March-April: 25/26 contribution estimates sent to members
- June 30: 25/26 renewal forms due to the Trust

I. Medical Claims/Financial Reports – Information

Jeremy Larson and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,814 Employees
- 2,411 Participants
- 42 Average Age
- Medical Plan Spend 22% decrease over 23/24 (YTD through March 31, 2025)
- Pharmacy Spend 2% increase over 24/25 (YTD through March 31, 2025)
 - Top 5 Providers: Mayo Clinic Hospital, Scottsdale Healthcare Shea, Honor Health Osborn, Phoenix Children's Hospital, Honor Health J.C. Lincoln
 - #1 Condition – Cancer 23/24 \$2,024,489 and 24/25 at \$941,848
 - Top 5 Conditions
 - Cancer, Health Status/Encounters, Musculoskeletal disorders, Gastrointestinal disorders, Cardiac Disorders

Plan Cost & Network Utilization

- 2024-2025: \$520 PMPM
- 2023-2024 \$551/ Benchmark: \$515
- Prescription Spend
 - Top 5 Traditional: Diabetes, Pain/Spasms, Allergy/Asthma/Cold, Mental Health, Immunizing Agents
 - Top 5 Specialty: Chronic Inflammatory Disease, Oncology, Orphan Drugs, Multiple Sclerosis, HIV/AIDS (61% of the spend)

- Preventive Screenings
 - Colorectal Cancer Screen 45+ 6 Point Increase
 - Cervical Cancer Screen 21+ 3 Point Increase
 - Flu Vaccine No Change
 - Mammography Screen 40+ No Change
- EAP utilization – ComPsych Service – 88 total member engagement (7/1/24-4/30/25)
 - Counseling/Behavioral Health: 71
 - Family source: 2
 - Financial connect: 0
 - Health and Well-Being: 2
 - Health Care Navigation: 0
 - Legal Connect: 13
- Kairos Pro Navigators – Engaged participant count 2024-2025 YTD – 160/192 (Successful/Overall), 2023/2024 – 129/172 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - 2024/2025 83%
 - 2023/2024 75%
 - Industry standard 13%
- Customer Service – 48 Total Participants Assisted
 - Benefits 20
 - Nurse Navigator 14
 - ID Card 8
 - Claims 4
 - Cobra 2
- Executive Summary
 - Highlights
 - Pharmacy claims have remained consistent compared to last year, only slight increase.
 - Medical claims are trending downward.
 - Large claims over \$50K represent 47% of spend, down from 53% from 2023-2024.
 - Updates
 - Aware Health virtual physical therapy has been very successful to date, with 335 visits completed, including 2 on-site campus dates.
- Recommendations
 - Engagement with nurse navigator and participant advocate teams
 - Preventive health screenings for early detection and avoidance of high-cost claims
 - Promotion of EAP services
 - Promotion of Aware Health virtual physical therapy

J. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2024-2025 as of April 30, 2025.

- Total Ending Balance in each of the three Checking accounts as of April 30, 2025:
 - Medical \$ 2,533,161.16
 - Property/Casualty \$ 76,075.34
 - Workman's Comp \$ 221,512.76
 - **TOTAL** **\$ 2,830,749.26**
- Total in each of the three Investment accounts as of April 30, 2025:
 - Medical \$ 17,748,131.71
 - Property/Casualty \$ 2,837,526.80
 - Workman's Comp \$ 7,316,624.56
 - **TOTAL** **\$ 27,632,283.07**

- **Total All Accounts:**
 - Medical \$ 20,011,292.87
 - Property/Casualty \$ 2,913,602.14
 - Worker's Comp. \$ 7,538,137.32
 - **TOTAL \$ 30,463,032.33**

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.

Three investment accounts as of 04/30/2025:

- Medical - 24 Securities/Accounts – 17,560 million (3.36% Book Yield & Market Yield 4.20%)
 - Unrealized Loss (\$82) without accrued Interest.
 - Cash Flow 14,460,000
- Worker's Compensation - 9 Securities/Accounts - 7.338 million (3.20% Book Yield & Market Yield 4.28%)
 - Unrealized Loss (\$22) without accrued Interest.
 - Cash Flow \$7,342,000
- Property and Casualty – 2 Securities/Accounts – 2.857 million Portfolio Size (3.02% Book Yield & Market Yield 4.25%)
 - Unrealized Loss (\$20) without accrued Interest.
 - Cash Flow \$2,867,000

K. Future Agenda Items – No items added

L. Dates of Upcoming Meetings – September 18, 2025, December 11, 2025, March 12, 2026, & May 28, 2026.

M. Adjournment –

At **6:08** pm, Shannon Crosier Moved to adjourn the meeting. Mike Sharkey Seconded the motion.
The motion was approved with a vote of 4 – 0.

Dated this 29th day of May 2025.

Board approved September 18, 2025.