



**ST. LOUIS AREA INSURANCE TRUST  
BOARD OF DIRECTORS' MEETING**

**MINUTES**

**June 15, 2023**

- I. A meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, June 15, 2023, at the Brentwood City Hall. The meeting was called to order at 9:08 a.m. by Chairperson Bola Akande.

Attendance was as follows:

<b><u>Board Member</u></b>	<b><u>Attending</u></b>	<b><u>City</u></b>
Eric Sterman	Y	City of Ballwin
Bola Akande	Y	City of Brentwood
Mike Geisel	N	City of Chesterfield
Mark Perkins	Y	City of Creve Coeur
Doug Harms	Y 9:16 AM	City of Des Peres
Robert Shelton	Y	City of Town & Country
Matt Zimmerman	Y	City of Hazelwood
Amy Hamilton	Y	City of Richmond Heights
Matt Conley	Y	City of St. Ann
Gregory Rose	Y	City of University City
Kevin Bookout	Y	City of Bridgeton
Kris Simpson	N	City of Crestwood
Steve Wicker	Y	Steve Wicker, LLC
Becky Redfering	Y	Thomas McGee Group
Mike Hanson	Y 10:20	Daniel and Henry Company
John Charpie	Y	Thomas McGee Group
Jeff Cox	Y	Thomas McGee Group
Ben Fuchs	Y	Thomas McGee Group
Teri Bellamy	Y	Thomas McGee Group
Dan Greco	Y 10:15	Thomas McGee Group
Dan Genovesse	Y	UMB Bank
Gena Mayer	Y	UMB Bank



## II. Investment Objectives

John Charpie introduced Gena Mayer and Dan Genovessse from UMB Bank. He indicated SLAIT had worked with UMB for over 20 years and Gena was the main contact for the investments. John asked Gena and Dan to address the Board regarding investment strategy in particular and also address UMB's solvency as there had been previous questions following several recent bank failures.

Dan responded that all of SLAIT's investments were collateralized, so they were protected in the case of UMB having financial issues. He also stated that UMB was 110 years old and in great financial shape. UMB was one of only 2 banks in Missouri that did not accept any TARP money during the 2008 financial crisis. They currently have approximately \$32 million in deposits versus \$16 million in outstanding loans. If lines of credit were included, the ratio would be approximately 70%, which Dan stated is very conservative in the banking industry. He also indicated UMB had less than 5% of its loans in office space, which they have intentionally been conservative as they believe this segment is now risky due to the work from home trend.

Gena Mayer indicated she had worked with SLAIT for over 20 years. SLAIT's current investments are fully collateralized. They are receiving 100% of the federal funds rate which is currently 5.25% on overnight deposits. Until recently there had not been many options for investments to receive very appealing returns. Gena did indicate that reviewing a laddering approach should be considered as more of a defensive strategy for when rates begin to go down. This could be accomplished by purchasing CD's. Laddering is not as prudent in the rising interest rate environment we are currently in.

Gena further explained that SLAIT has a J account, a joint account of SLAIT, UMB, and the Federal Reserve. This requires that SLAIT approve any collateral changes and notify the Federal Reserve of it's approval. There is currently \$26 million in collateral on SLAIT's \$18 million deposits at UMB.

Bola asked if SLAIT has a current investment committee. Steve Wicker responded that there was a committee formed 20 years ago and they reviewed investment options and chose UMB. Since rates have been near zero for so long, the investment committee has not been active as there were no real investment options.

Mark Perkins asked how far out our investments typically go, and Steve and Gena responded that they are not typically longer than 2 years. Mark asked if we should consider going longer and there was discussion regarding rate changes and the liquidity necessary for SLAIT.



Mark indicated he believed a finance committee would benefit SLAIT and he thought at least one Finance Director should be included on the committee. After discussion regarding who should be on the committee it was decided that Bola Akande would form a “task force” and look for volunteers from the membership that would likely include 2 Board Members and 3 Finance Directors, possibly from entities who are not represented on the Board.

### III. Closed Session

Bob Shelton made a motion to go into closed session for the purpose relating to legal issues and Gregory Rose seconded the motion. A roll call vote was taken: Eric Sterman – Yes, Mark Perkins – Yes, Doug Harms – Yes, Bob Shelton – Yes, Matt Zimmerman – Yes, Amy Hamilton – Yes, Matt Conley, - Yes, Kevin Bookout – Yes, Gregory Rose – Yes, Bola Akande - Yes. The Board proceeded into closed session at 9:38 AM and returned to regular session at 10:08 AM.

### IV. Claims Made vs Occurrence for Liability

John Charpie informed the Board that during the actuary review this year it was determined there were several liability claims in incorrect policy years. These were general liability claims and law enforcement liability claims that were on claims made forms. The claims were incorrectly coded to the date of the incident, but should have been recorded at the time they were reported.

The claims were identified and accounted for in the correct years in the actuary report. The claims would be updated in the June 30 financial statement. John indicated there would be no impact to the overall fund balance, but since claims were changing policy periods there would be impacts to the liability fund balance from several years.

### V. Administrative Partners of Employee Benefits

Mike Hanson stated that the Third Party Administrator, network, Pharmacy Benefits Manager, and stop loss for SLAIT’s employee benefit program are all currently bundled with Anthem. He reminded the group that Anthem charged additional fees if any part of the program were to be unbundled.. He also stated that while member employees have been satisfied by this bundled approach with Anthem he wanted to provide the Board with information should they desire to look at other options.

While the advantages to remaining with the bundled approach include one system for enrollment, a single point of contact for claims issues, and immediate stop loss reimbursements, there are also disadvantages. These include the difficulty of carving out services (an example was the 2023 stop loss renewal) which could result in cost savings. Also the inability to access innovative cost containment solutions that exist in the market but aren’t offered by Anthem and the subpar data reporting capabilities that Anthem provides are issues that could be improved by unbundling.



Hanson went on to outline some advantages to using independent TPA's such as the use of multiple networks, integration with additional vendors who provide specific services, and the ability to partner with independent PBM's or Stop Loss without financial penalties. There were additional advantages including flat fees, alternative pharmacy resources, and the potential for International sourcing of some medications, and the possibility of contract features such as "no new laser" clauses.

Hanson finally indicated that if there was interest in seriously considering changing from Anthem, they would need to begin the evaluation of partners soon and would need to make a decision by January 2024 to be implemented by July 2024. There were too many variables to estimate the cost savings at this point.

Mark Perkins asked Hanson how many viable networks there were who could service SLAIT and Hanson responded by stating there were only 5 networks that could seriously be considered. Gregory Rose asked if employees would have to change physicians and Hanson responded that it was possible, but unlikely as provider access is very similar between the networks. Eric Serman asked how long SLAIT has been with Anthem and Hanson responded that they have partnered since 2017.

Doug Harms stated he was concerned that employee satisfaction could decrease with a change and that would be seen as a failure of SLAIT. Several others spoke up about their employees satisfaction with Anthem and that it was often a question prospective employees asked before agreeing to work for a member City. There was additional discussion and it was determined no action needed to be taken at this time.

## VI. Occupational Physicians

John Charpie introduced Dan Greco of Thomas McGee and stated he was in attendance to discuss occupational physicians. SLAIT had primarily been using Dr Byler and several members had asked for direction on who was the preferred option following Byler's retirement.

Dan Greco reminded the group that occupational physicians were typically the preferred treating doctors for workers compensation. He stated that urgent care is not always a good option because of wait time and lack of experience handling workers compensation injuries.

Eric Serman stated he would like some direction on one to three occupational physicians that had experience. Steve Wicker indicated that's how they had chosen Dr Byler, based on her experience, location, and skill.

The Board asked Dan to do some research and provide a list of up to 3 occupational doctors that were recommended for SLAIT to use.



VII. Strategic Planning Meeting & Annual Meeting

John Charpie indicated there had been several discussions on how often to have Strategic Planning Meetings and for an updated format of the annual meeting.

There was discussion on the recent Planning Meetings and Gregory Rose suggested we schedule one per year in the Spring and have additional meetings on an as needed basis. The Board agreed.

There was discussion on topics for the Annual Meeting in September and topics included an explanation for the increased liability rates and discussion on the long term financing plans. It was suggested that the occupational clinic be discussed and the list that Dan Greco is putting together be shared with the group.

There was additional discussion regarding increasing member involvement and potentially asking the attendees what they would like to get from future meetings. It was agreed that there could be improvements, but also that the Board wasn't getting any negative feedback from members regarding the meetings.

a. Other Business

There being no other business, Matt Zimmerman made a motion to adjourn and Amy Hamilton seconded the motion. The meeting adjourned at 11:33 AM.

Submitted by:            John Charpie

Approved by:            \_\_\_\_\_