

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, January 31, 2020**

Vintage House, Barrel Room
6541 Washington Street
Yountville, CA

MINUTES

CALL TO ORDER: The meeting was called to order at 9:00 a.m. by President Welch.

ATTENDANCE: Those in attendance:
Tommy Welch, Solano County Office of Education
Michelle Henson, Fairfield-Suisun Unified School District
Josh Schultz, Napa County Office of Education
Matt Best, Davis Joint Unified School District
Trudy Barrington, Travis Unified School District
Chris Hulett, Vacaville Unified School District
Victoria Lamica, Solano Community College
Dana Page, Napa Valley Unified School District
Tim Rahill, Benicia Unified School District (arrived at 9:12; left at 9:47)

Staff and Guests

Janet Selby, NBSIA
Karen Antunes, NBSIA
Suzanne Dillman, NBSIA
Kami Liñan, NBSIA
Colleen Abney, NBSIA
Vahé Hovakimian, NBSIA
Carrie Green, NBSIA
Dan Howell, Alliant Insurance Services (presentation under Item 4)
Kevin Webb, Piper Sandler (presentation under Item 4)

Absent

Dixon Unified School District
Vallejo City Unified School District

APPROVAL OF AGENDA

Motion was made by Schultz, seconded by Best, and carried unanimously to approve as presented. (*Ayes: Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page; Noes: none; Abstained: none; Absent: Rahill, Stovall, Vargas.*)

PUBLIC COMMENTS

None.

REPORTS TO BOARD OF DIRECTORS

Property Coverage Options, Dan Howell, Alliant Insurance Services

Mr. Howell reported on some of the property options being considered for the coming fiscal year. These include APIP, a national public entity property program, and SPA (Schools Property Alliance), a purchasing group involving six school risk pools in the Bay Area and Sacramento areas. Both APIP and SPA are expected to offer better coverage at lower rates than our current coverage. Mr. Howell answered several questions from Board Members.

NBSIA Investment Portfolio Review, Kevin Webb, CFA Piper Sandler

Mr. Webb presented the Investment Plan Report at December 31, 2019. He reported that all portfolio benchmarks for liquidity, safety and return on investment are being managed according to NBSIA investment policy. Specifically, the rate of return is very good as compared to other portfolios he works with, particularly given that duration risk is lower than the plan benchmark. In short, the portfolio is in good shape.

MEMBER REPORTS AND COLLABORATION

Director Page reported that Napa Valley Education Foundation is hosting a mindfulness/self-care conference for teachers and classroom staff in conjunction with their wellness program. She invited others and will send information for distribution. Director Barrington mentioned that Travis USD records incoming calls, which has been useful with claims and verifying information given at the time of incident. Auditor Schultz conveyed that NCOE is interested in hiring a consultant for a short-term assignment to review their emergency plans and procedures manuals.

ACTION ITEMS

Approval of Consent Calendar

Motion was made by Henson, seconded by Hulett, and carried unanimously to approve the Consent Calendar. Consent items: Minutes from regular meeting September 25, 2019; Quarterly Financial Statements at September 30, 2019 (unaudited); Revision to BASIC JPA Agreement; Withdrawal from BASIC Property Program; Investment Plan Report at December 31, 2019. (Ayes: *Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page*; Noes: *none*; Abstained: *none*; Absent: *Rahill, Stovall, Vargas*.)

Property/Liability Program

Status of Property/Liability Capital Target Funding at 6/30/19

Ms. Selby reported that the P/L claim environment for public schools has gotten more challenging and costly, and P/L trends are negatively impacting our funding reserves. Options to build capital and strengthen program funding will be presented at the April meeting.

Motion was made by Best, seconded by Barrington, and carried unanimously to accept and file the report as presented. (Ayes: *Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page*; Noes: *none*; Abstained: *none*; Absent: *Rahill, Stovall, Vargas*.)

Revision to Memorandum of Liability Coverage (MOLC)

Selby provided information regarding an increasing number of student work experience programs that require students to have liability insurance in order to participate. In response and in order to remove one hurdle to student participation in these valuable programs, staff recommended revising the Memorandum of Liability Coverage (MOLC) to include students as covered parties when participating in unpaid, district-sponsored work experience programs.

Motion was made by Schultz, seconded by Hulett, and carried unanimously to approve the revisions to the Memorandum of Liability Coverage as presented. (Ayes: *Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page*; Noes: *none*; Abstained: *none*; Absent: *Rahill, Stovall, Vargas*.)

Workers' Compensation Program

Status of Workers' Comp Capital Target Funding at 6/30/19

Selby highlighted the components of the workers' compensation capital target policy. The analysis shows program funding fully satisfies the confidence level, catastrophic loss reserve and rate stabilization components of the policy. The program is financially strong and stable. Equity presents opportunities to retain more risk, fund new programs and maintain stable rates.

Motion was made by Best, seconded by Henson, and carried unanimously to accept and file the report as presented. (*Ayes: Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page; Noes: none; Abstained: none; Absent: Rahill, Stovall, Vargas.*)

Dental/Vision Programs

Status of Dental Capital Target Funding at 6/30/19

Selby reported that funding for the dental program satisfies both the confidence level and rate stabilization components of the policy. The program is financially strong.

Motion was made by Lamica, seconded by Henson, and carried unanimously to accept and file the report as presented. (*Ayes: Welch, Henson, Schultz, Best, Barrington, Hulett, Lamica, Page; Noes: none; Abstained: none; Absent: Rahill, Stovall, Vargas.*)

NON-ACTION DISCUSSION ITEMS

Board Policy Revisions: Policy 2.3, Policy 3.9, and Policy and Procedure 4.14

Selby presented a first read of specific proposals to revise these three Board Policies and Procedures.

Policy 2.3, Underwriting: Revision would eliminate individual member experience rating from the dental and vision programs, since members have little to no control over costs in these programs. This change would create greater rate stabilization for each member.

Policy 3.9, Borrowing Between Programs: Revision would allow borrowing between funds subject to certain terms and conditions. Borrowing would be a short-term option to help a program in financial distress and is commonly used amongst pools. Terms would include definition of distress, repayment interest and timeframe, and requirement that a long-term plan also be in place to address funding. Discussion included concerns about future generations abusing the borrowing power. Directors made suggestions to the proposed language to address these concerns, and these suggestions will be incorporated into amended language to be brought back for Board review in April. President Welch expressed his support for this proactive proposal to ensure adequate funding for program obligations before a crisis occurs.

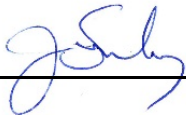
Policy and Procedure 4.14, Coverage for Loss of Personal Property: Proposal is to eliminate this policy, which is out of date and no longer necessary. Current property policies now provide coverage for loss of, or damage to, personal property that is used in the course and scope of employment. Such coverage is not limited to damage by fire and has higher limits than those provided in this policy.

Strategic Plan Progress Report

Selby reviewed the Strategic Planning matrix and highlighted the progress of outlined goals. Ms. Dillman presented the plan for an EAP campaign, including new marketing strategies to promote certain services related to mental health and employee wellness. NBSIA's current EAP utilization rate is 3.7%. The goal is to increase it to 7%. Ms. Liñan complimented SCOE for its current wellness initiatives, including the opening of student wellness centers and training for staff and students. NBSIA will continue evaluating what we may do to support member mental health efforts, particularly in areas associated with risk exposures covered by the pool. Lastly, Selby reported that staff are planning for the first annual Member Workshop to be held this Summer. This Lunch & Learn style workshop will provide NBSIA members an opportunity to come and learn more about pooling and what NBSIA has to offer.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:58 a.m.

Respectfully submitted by:  (signature on file) Date: 1/31/2020

Approved by Board of Directors: 4/22/2020