

**NORTH BAY SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
January 29, 2021**

**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 9:01 a.m. by President Henson.

**ATTENDANCE: Board Members (voting)**

In person:

Michelle Henson, Fairfield-Suisun USD

Via videoconference/Zoom:

Matt Best, Davis Joint USD

Josh Schultz, Napa County Office of Education

Dana Page, Napa Valley USD

Tim Rahill, Benicia USD

Monique Stovall, Dixon USD

Sal Abbate, Solano Community College

Tommy Welch, Solano County Office of Education

Trudy Barrington, Travis USD

Chris Hulett, Vacaville USD

**Board Alternates and Member Guests**

Via videoconference/Zoom:

Amari Watkins, Davis Joint USD

Leneia Grindle, Fairfield-Suisun USD

Karen Mitchell, Solano Community College

Rob Diamond, Solano Community College

Mike Minahen, Solano County Office of Education

Andrea Stubbs, St. Helena USD

Gabe Moulaison, Travis USD

Rosa Loza, Vallejo City USD (joined at 9:20 a.m.)

**Staff and Guests**

In person:

Janet Selby, NBSIA

Carrie Green, NBSIA

Via videoconference/Zoom:

Karen Antunes, NBSIA

Suzanne Dillman, NBSIA

Kami Liñan, NBSIA

Brandon Schlenker, NBSIA

Vahé Hovakimian, NBSIA

Felecia Lawson, NBSIA (joined at 10:26 a.m. for presentation under Item 7.D.)

Kevin Webb, Piper Sandler (presentation under Item 4)

Mark Stokes, ABD (presentation under Item 4)

Kevin Wong, Gilbert CPA (presentation under Item 6.B.)

Jessica Agee, Gilbert CPA (presentation under Item 6.B.)

Rob Cutbirth, NBSIA Counsel (presentation under Item 7.A.)

**APPROVAL OF AGENDA**

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

**PUBLIC COMMENTS**

None.

## **REPORTS TO BOARD OF DIRECTORS**

### NBSIA Investment Portfolio Review (Kevin Webb, Piper Sandler)

Mr. Webb presented the Investment Plan Report at December 31, 2020. He provided some data and commentary on the current economic environment, including the federal governments continued yield curve control strategy and its effect of increasing prices and decreasing available fixed income offerings. He reported that all portfolio benchmarks for liquidity, safety and return on investment are being managed according to NBSIA investment policy. The rate of return is 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. We continue looking for investment opportunities, including in the longer duration areas where yield is expected to increase relative to the short end.

### Workers' Compensation Excess Renewal Preview (Mark Stokes, ABD)

Mr. Stokes reported on the current excess workers' compensation market, including the effects of COVID on claims and renewals. He said the biggest challenge for carriers is reduced investment earnings. Capacity and competition are still there, and school exposures are not as worrisome as other types of entities. He expects our renewal for the coming fiscal year to go well.

## **MEMBER REPORTS AND COLLABORATION**

None.

## **ACTION ITEMS**

### Approval of Consent Calendar

Motion was made by Best, seconded by Welch, and carried unanimously to approve the Consent Calendar. Consent items: Minutes of Regular Meeting of September 30, 2020; Quarterly Financial Statements at September 30, 2020 (unaudited); Investment Plan Report at December 31, 2020. *(Ayes: Henson, Best, Schultz, Page, Rahill, Stovall, Abbate, Welch, Barrington, Hulett; Noes: none; Abstained: none; Absent: Vallejo City USD)*

### Finance/Administration

Financial Audit for FY end June 30, 2020 (Kevin Wong and Jessica Agee, Gilbert CPA)  
Kevin Wong, CPA, of Gilbert, presented the Financial Audit Report and recommendations for fiscal year end June 30, 2020. Mr. Wong reported that all aspects of the audit process went well, and that they issued an unmodified opinion, the best possible. There was one finding related to the financial closure process, and management has issued a response addressing this finding. There were no material weaknesses or issues of noncompliance.

Motion made by Schultz, seconded by Rahill, and carried unanimously to accept and file the Financial Audit as presented *(Ayes: Henson, Best, Schultz, Page, Rahill, Stovall, Abbate, Welch, Barrington, Hulett; Noes: none; Abstained: none; Absent: Vallejo City USD)*

### Property/Liability Program

Status of Property/Liability Capital Target Funding at 6/30/2020

Selby reported that the Property/Liability Program net position increased around \$900k over the prior year. The program now meets the 85% confidence level funding but does not meet the full catastrophic loss or rate stabilization funds. The Board approved higher confidence level funding for the current 2020-21 year with the goal of strengthening program funding. Overall, the program is well-funded for losses, and we continue to employ strategies to restore a healthy catastrophic loss reserve.

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

#### Workers' Compensation Program

##### Status of Workers' Compensation Capital Target Funding at 6/30/2020

Selby reported that net position increased \$3.6m over the prior year. Program funding fully satisfies the confidence level, catastrophic loss reserve and rate stabilization components of the capital target policy. The program continues to be financially strong and stable.

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

##### Reallocation of Site Security Grant Funds

Selby reported that grant funds from the previously approved three-year site security assessment program are not being utilized as expected, and that staff would like to direct some of those funds to resources that support current Member needs.

Staff recently learned that SCOE is working on a new program for training and staff resources around trauma, illness, and grief in schools (TIG). Student and staff mental health is a significant issue for schools right now and building resources in this area is part of the current NBSIA strategic plan. Accordingly, Selby proposed repurposing up to \$100,000 of the site security assessment grant money to instead fund grants for mental health threat assessment and intervention training and support. Board Member Page suggested including mental health first aid programs within the grant, and staff agreed. Discussion was supportive of the requested reallocation of funds and of having staff develop guidelines for use of the new grant funds.

Motion made by Hulett, seconded by Page, and carried unanimously to reallocate up to \$100,000 of site security grant funds to instead fund grants for mental health first aid and threat assessments programs, as discussed. *(Ayes: Henson, Best, Schultz, Page, Rahill, Stovall, Abbate, Welch, Barrington, Hulett; Noes: none; Abstained: none; Absent: Vallejo City USD)*

#### Dental/Vision Programs

##### Status of Dental Capital Target Funding at 6/30/2020

Selby reported that net position increased about \$1.9m over the prior year, and fully satisfies the capital target policy. The program is financially strong. Equity presents opportunities to keep rates stable in the current up-and-down environment.

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

#### Governance

##### Executive Committee Vacancy

President Henson reported that Adrian Vargas, who was serving on the Executive Committee as member-at-large, is no longer with Vallejo City USD. The Board was asked to nominate and elect a member-at-large to serve on the Executive Committee through the current fiscal year.

Nomination was made by Schultz, seconded by Best, and carried unanimously to elect Dana Page from Napa Valley Unified School District to the Executive Committee as member-at-large. (*Ayes: Henson, Best, Schultz, Page, Rahill, Stovall, Abbate, Welch, Barrington, Hulett; Noes: none; Abstained: none; Absent: Vallejo City USD*)

### **NON-ACTION ITEMS: DISCUSSION**

#### SELF AB 218 Funding Plan (Rob Cutbirth, NBSIA Counsel)

General Counsel Rob Cutbirth presented outstanding issues regarding the AB 218 funding plan assessments from Schools Excess Liability Fund (SELF). The first round of invoices has been sent out and received by most of NBSIA's Members. Mr. Cutbirth and NBSIA staff are continuing to work with SELF on getting responses to questions and issues around the funding plan. In the meantime, Mr. Cutbirth offered a suggestion to assist NBSIA Members in reserving their rights to raise issues in the future, while still paying their assessment timely, and authorizing NBSIA and Mr. Cutbirth to continue seeking information on their behalf.

#### Expanding the Board of Directors

Selby presented a proposal to expand the Board of Directors, in order to ensure our ability to fill critical board leadership positions, including Officers and Executive Committee members. The expansion would come from the smaller Napa County districts that are currently being represented by NCOE. While NCOE is willing and able to continue representing the smaller Napa districts, the Board was asked to consider expanding the Board to include some of those districts, to increase capacity for leadership and add diversity of perspective. After discussion, the Board was supportive of the idea. Staff will explore interest with the Napa districts.

#### Strategic Plan Update

Due to time constraints, President Henson suggested postponing the Strategic Plan Update until the April or June meeting. Board Members agreed. A copy of the current 3-year plan was included in the agenda for the Board's review.

#### COVID Updates and Information

Workers' Comp Claims Supervisor and NBSIA COVID Coordinator, Felecia Lawson, provided the Board with an update on COVID positive test reports. Lawson stated that the reports are those required by SB 1159, and that NBSIA is working closely with designated Member staff and tracking outbreaks, as required. The NBSIA risk management information system, Origami, is being used to track reports and display data on a dashboard that Members will be able to use to review their own reported cases and claims. The dashboard will be available in late February.

#### Executive Director's Report

Selby provided updates on resources and support available for COVID testing and vaccination questions. She also reported that we are now in actuarial and renewal season, and that the goal is to have not-to-exceed rates available at the April meeting.

#### Department Reports

Property/Liability Manager Schlenker provided a report from the recent webinar on COVID-related hot topics in liability, indicating feedback has been positive. He also reported that we are working with Members to gather information for renewals, and that property appraisals with Duff & Phelps will be done sometime in the coming year. Lastly, he reiterated that we are working with Rob Cutbirth and Patti Eyres to develop training around COVID testing and vaccination issues.

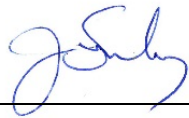
**NON-ACTION ITEMS: INFORMATION ONLY**

Board Briefing

President Henson stated that various articles and information are included for Members to read at their convenience. No discussion.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:01 a.m.

Respectfully submitted by:  (signature on file) Date: 1/29/2021

Approved by Board of Directors: 4/21/2021