

**NORTH BAY SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
June 23, 2021**

**Andaz Hotel  
1450 1<sup>st</sup> Street  
Napa, CA 94559**

**MINUTES**

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

**ATTENDANCE:** Voting Board Members in attendance:  
Michelle Henson, Fairfield-Suisun USD  
Tim Rahill, Benicia USD  
Maureen Hester, Calistoga JUSD  
Matt Best, Davis Joint USD  
Josh Schultz, Napa County Office of Education  
Dana Page, Napa Valley USD  
Mike Minahen, Solano County Office of Education  
Andrea Stubbs, St. Helena USD  
Trudy Barrington, Travis USD  
Rosa Loza, Vallejo City USD  
Board Alternates and District representatives in attendance:  
Khushwinder Gill, Benicia USD  
Amari Watkins, Davis JUSD  
Laneia Grindle, Fairfield-Suisun USD  
Kelly Burks, Vacaville USD  
Absent (voting):  
Dixon USD  
Solano Community College District  
Vacaville USD  
Staff and Guests in attendance  
Janet Selby, NBSIA  
Carrie Green, NBSIA  
Karen Antunes, NBSIA  
Kami Liñan, NBSIA  
Brandon Schlenker, NBSIA  
Vahé Hovakimian, NBSIA  
Kevin Webb, Piper Sandler (presentation under Item 4)  
Dr. Paul Porter (presentation under Item 7(c))

**APPROVAL OF AGENDA**

Motion was made by Rahill, seconded by Page, and carried unanimously to approve the agenda as presented (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

**PUBLIC COMMENTS**

None.

**REPORTS TO BOARD OF DIRECTORS**

Investment Portfolio Report; Kevin Webb, CFA, Piper Sandler

Kevin Webb presented an update on the NBSIA investment portfolio and fixed income market information. 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.

#### NBSIA Program Review

Brandon Schlenker, Property/Liability Manager, presented highlights of services and programs under the Property and Liability program, including the Member forms bank, contract resources and review, child abuse prevention training, concussion testing, and cyber resources.

Kami Linan, Workers' Compensation Claims Manager, presented similar information for the Member Services department on behalf of Suzanne Dillman. Linan reviewed the wide variety of programs and services that are available to each Member of NBSIA at no additional cost.

Finally, Linan presented workers' compensation program highlights, including nurse triage, early return to work, telemedicine, and the NorthBayCares website for wellness and self-care. Lastly, she included information on the pharmacy management program that has helped to reduce use of opioid medications.

#### **MEMBER REPORTS AND COLLABORATION**

None.

#### **ACTION ITEMS**

##### Approval of Consent Calendar

Motion was made by Schultz, seconded by Best, and carried unanimously to approve the Consent Calendar. Consent items: Minutes from regular meeting April 21, 2021; Quarterly Financial Reports at March 31, 2021; Captive Reinsurance Agreement FY2021/22; 2021/22 Memorandum of Liability Coverage (MOLC); 2021/22 Memorandum of Property Coverage (MOPC); and 2021/22 Memorandum of Workers' Compensation Coverage (MWCC). (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

##### Property/Liability Program

###### Property/Liability Rates FY2021/22

Selby reported that renewals were much better than in recent years, and that the BASIC and SPA partnerships were helping with pricing and coverage terms. Overall, program rates went up about 4%, including an increase in liability coverage limits.

The exception this year was cyber coverage. The cyber market deteriorated rapidly over the past year due to increases in ransomware attacks, both frequency and severity. Across the market, cyber rates have increased significantly, and coverage is being reduced or not granted at all. NBSIA ended up with a 250% increase in premium and an increase in our self-insured retention to \$250k. However, coverage limits are largely the same and all NBSIA Members have coverage.

Selby further reported that program funding has been strengthened by the higher confidence level funding approved by the board. Funding now meets two of the three capital targets. The Executive Committee recommended funding at the 90% confidence level for another year to continue positioning the program for long-term success.

An updated PL rate worksheet with the final cyber coverage figures was distributed at the meeting, replacing the worksheet in the agenda packet.

Motion was made by Page, seconded by Best, and carried unanimously to approve the Property/Liability rates at the 90% confidence level as presented in the updated worksheet distributed at the meeting. (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

#### Finance and Administration

##### Preliminary Annual Budget FY2021/22

Selby presented the FY2021/22 budget to the Board, highlighting that the largest budgeted expense is losses. The Board has been proactive, investing in a variety of innovative programs and services to prevent and mitigate claims. There is also a focus to recruit and retain high-quality staff to effectively administer claims and support Members. Operational and administrative expenses are kept to a minimum wherever possible, while continuing to provide needed resources to deliver on strategic initiatives and programs that actively promote safe and healthy schools. A full budget report with narrative on the major changes was distributed with the agenda.

Motion was made by Rahill, seconded by Best, and carried unanimously to approve the FY2021/22 budget as presented. (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

##### Expansion of Captive to Phase II

Selby reported that the captive has now been successfully in place since 2019 for reinsurance of workers' comp losses on/after July 1, 2019. Phase II would be transferring historical losses into the captive by way of a loss portfolio transfer.

Moving assets to the captive portfolio will require an actuarial study to determine adequate funding, an updated business plan to be approved by Utah regulators, and changes to the Investment Policy Statement. This process is expected to take a few months, with an anticipated target effective date of January 1, 2022. The board was asked to approve staff moving forward with the steps necessary to move to phase II.

Motion was made by Schultz, seconded by Henson, and carried unanimously to approve expanding the captive to Phase II, moving all historical workers' comp liabilities into North Bay Insurance Group by way of a loss portfolio transfer. (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

#### Governance

##### Election of Officers for 2021/22

Henson reported the interest of the current Executive Committee to continue in their roles as follows: Michelle Henson, President; Matt Best, Vice President; Josh Schultz, Auditor; and Dana Page, Member at Large.

Motion made by Rahill, seconded by Barrington, and carried unanimously to approve the re-election of the Executive Committee for the coming year. (*Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD*)

##### Schedule of Board and Committee Meetings FY2021/22

Henson presented the proposed meeting dates for the upcoming year. The Board discussed the timing of the annual strategic planning meeting, and most were in favor of continuing to hold the meeting in January.

Motion made by Rahill, seconded by Best, and carried unanimously to approve the FY2021/22 meeting dates as presented. (Ayes: Barrington, Best, Henson, Hester, Loza, Minahen, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Dixon USD, Solano Community College District, Vacaville USD)

**NON-ACTION DISCUSSION ITEMS**

2019-22 Strategic Plan Final Report

Selby provided a final report on the three-year Strategic Plan that was developed in January 2019, set to expire in January 2022. Most of the initiatives in the plan have been accomplished, and future work will involve a few lingering projects and maintenance of the good work accomplished under the plan.

Hybrid Work Program

Selby provided information on the Hybrid Work Program being developed for NBSIA staff that would allow most employees to work remotely on a part-time basis, while maintaining Member service and full business hours. Given the broader trends toward remote work options, this hybrid program is considered critical for recruitment and retention of high-quality staff. The guidelines are designed to balance the flexibility that staff value with the connection and collaboration they need, while ensuring that our service to Members stays at the highest level.

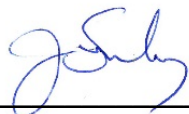
Executive Director's Report

Selby thanked the Members for their support during a difficult and unusual year, and for the Members' attendance at and participation in the Strategic Planning session.

Selby announced her retirement in June 2022, at the end of her current contract. Dr. Paul Porter presented a proposed succession plan and timeline for discussion. As part of that process, the Board would like to review the job descriptions of the Executive Director and Assistant Executive Director, and to see comparable salaries from other risk pools. The Board expressed a willingness for NBSIA staff to be included in the initial interviews. There was consensus amongst the Board that the Executive Committee would oversee the succession process and conduct the initial interviews. The Board would like the interview the top finalist(s). President Henson will be the point person in the contract negotiations with support from NBSIA general counsel, Rob Cutbirth.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:34 a.m.

Respectfully submitted by:  (signature on file) Date: 6/25/2021

Approved by Board of Directors: 9/29/2021