

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
June 15, 2022**

MINUTES

Call to Order The meeting was called to order at 12:11 p.m. by President Henson.

ATTENDANCE: Board Members in attendance:
Michelle Henson, Solano County Office of Education
Josh Schultz, Napa County Office of Education
Dana Page, Napa Valley USD
Maureen Hester, Calistoga JUSD
Trudy Barrington, Dixon USD

Via videoconference/Zoom:
Matt Best, Davis Joint USD
Gabe Moulaison, Travis USD
Andrea Stubbs, St. Helena USD (joined at 12:56 p.m.)

Absent:
Tim Rahill, Benicia USD
Laneia Grindle, Fairfield-Suisun USD
Sal Abbate, Solano Community College
Chris Hulett, Vacaville USD
Rosa Loza, Vallejo City USD

Staff and Guests in attendance
Janet Selby, NBSIA
Kim Santin, NBSIA
Kami Liñan, NBSIA
Karen Antunes, NBSIA
Brandon Schlenker, NBSIA
Carrie Green, NBSIA
Mike Minahen, Solano County Office of Education
Kevin Webb, RW Baird

Via videoconference/Zoom:
Andrew Obando, NBSIA

Approval of Agenda Motion made by Schultz, seconded by Hester, and carried unanimously to approve the agenda as presented. (*Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none*)

Public Comments No public present.

Member Reports and Collaboration
None.

ACTION ITEMS

Consent Calendar Motion was made by Barrington, seconded by Page, and carried unanimously to approve all items listed on the Consent Calendar, including the Regular Meeting Minutes April 20, 2022; NBSIA Personnel Handbook; 2022/23 Memorandum of Liability Coverage (MOLC); 2022/23 Memorandum of Property Coverage (MOPC) (*Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none*)

Finance/Operations

Preliminary Annual Budget FY2022-23

The Preliminary Annual Budget was presented inclusive of all coverages, programs, and services, as well as operational and administrative expenses. A narrative report detailing assumptions, substantive changes from the prior year, capital projects, and definitions was also provided. Overall, NBSIA's largest budgeted expense is losses. Excess markets continue to be challenging in the property/liability/cyber markets. There is also a focused priority on recruiting and retaining high-quality staff to effectively administer claims and support Members.

Motion was made by Schultz, seconded by Hester, and carried unanimously to approve the Preliminary Annual Budget for FY2022-23 as presented. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Captive Reinsurance Agreement FY2022/23

The Board was reminded that in prior years, NBSIA has paid a deposit premium to NBIG equal to the actuary's 75% confidence level (CL) funding amount. NBSIA rates are based on losses at the 85% CL plus operational expenses. However, due to historical capping of the workers' compensation rate, NBSIA was not collecting the full amount. They, therefore, paid NBIG at the 75% CL to avoid shortfall in the amount retained by NBSIA to cover operational expenses.

For FY2022-23, NBSIA has discontinued rate capping because the base loss rate fell below the capped rate. NBSIA is now collecting the full amount for both losses and expenses, and can therefore pay premium to NBIG equal to the 85% CL. A redline version of the proposed Reinsurance Agreement for FY2022-23 was provided. The Agreement was submitted and approved by the NBIG Board at its May 13, 2022 meeting.

Motion was made by Page, seconded by Barrington, and carried unanimously to approve the Captive Reinsurance Agreement FY2022/23 as presented. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Executive Director Contract

The Executive Committee has carried out a selection process and recruited a Deputy Executive Director, Kim Santin, to plan for succession upon Janet Selby's retirement. The Executive Director contract for Kim Santin is presented as a three-year term through June 30, 2025. It has an automatic renewal clause for one-year periods at the same terms.

Motion was made by Hester, seconded by Schultz, and carried unanimously to approve the Executive Director Contract as presented and recommended by the Executive Committee. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Captive and JPA Board Representative Changes

With the approval of the incoming Executive Director, Kim Santin's contract, staff recommends appointing her as the NBIG Captive Representative and Shareholder Designee, and the Board Representative for BASIC, SPA and SIA.

Motion was made by Barrington, seconded by Hester, and carried unanimously to appoint Kim Santin to the Captive and JPA Boards as presented. (*Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none*)

Workers' Compensation Program

2022/23 Memorandum of Workers' Comp Coverage (MWCC)

Staff proposed changing the FY2022/23 MWCC to address California public school employees who occasionally perform duties in states other than California. The proposed change would limit the dollar amount of benefits paid on non-California claims to no greater than the benefits available under California Labor Code. This change was vetted through Rob Cutbirth, general counsel.

Motion was made by Schultz, seconded by Page, and carried unanimously to approve the Memorandum of Workers' Compensation Coverage (MWCC) as presented. (*Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none*)

Property/Liability

Preliminary Property/Liability Rates FY2022-23

The Preliminary Property/Liability Rates for FY2022-23 were presented based on information to-date from our brokers.

As of the meeting date, crime is fully bound. Property and vehicle and liability are very close. Cyber is still uncertain, as the market remains unstable. It was noted that property and liability renewals have been more favorable than recent years, in part due to our loss experience and the impact of the BASIC and SPA partnerships. Overall Property/Liability program contribution rates have increases of about 4.25% at the 85% confidence level and approximately 7.5% at the 90% confidence level. Individual Member changes vary according to liability loss experience and changes in exposures. Funding worksheets at 85% and 90% confidence levels were presented for discussion.

For the 2021-22 year, the Board opted to fund at a higher confidence level to strengthen program funding. The strategy was effective, and the program now fully meets all three components of our Capital Target policy (85% confidence level funding, rate stabilization, and catastrophic loss reserve). Funding at the 85% confidence level going forward should continue to strengthen the program's net position. When presented to the Executive Committee, discussion favored funding at the 90% confidence level in anticipation of potential increase in claims for 2022-23.

Motion was made by Page, seconded by Schultz, and carried unanimously to approve the Property/Liability rates at the 90% confidence level. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Governance

Election of Officers for FY2022-23

Election of Board Officers takes place annually at the June meeting. Nominations were made as follows:

Matt Best, Board President
Dana Page, Vice President
Josh Schultz, Auditor
Michelle Henson, Member at Large

Motion was made by Hester, seconded by Barrington, and carried unanimously to approve the Board Officers as nominated. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Proposed Meeting Schedule for FY2022-23

The tentative Board and Executive Committee meeting dates for FY2022-23 were presented. No changes or other considerations were noted.

Motion was made by Hester, seconded by Page, and carried unanimously to approve the proposed FY2022-23 meeting dates as presented. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Strategic Plan 2022-2027

The Strategic Plan was presented to the Board for final approval. No changes or other considerations were noted.

Motion was made by Page, seconded by Schultz, and carried unanimously to approve the Strategic Plan 2022-2027 as presented. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Resolution No. 22-01 Approving BSSP Membership

Board Resolution 22-01 was presented to the Board for approval as the final document needed to solidify BSSP's membership into NBSIA's workers' compensation program.

Motion was made by Schultz, seconded by Hester, and carried unanimously to approve Resolution No. 22-01 Approving BSSP Membership. *(Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)*

Resolution No. 22-02 Approving Winters JUSD Membership

Board Resolution 22-02 was presented to the Board for approval as the final document needed to solidify Winters JUSD's membership into NBSIA's workers' compensation program.

Motion was made by Page, seconded by Schultz, and carried unanimously to approve Resolution No. 22-02 Approving Winters JUSD Membership. (Ayes: Barrington, Best, Harrington, Henson, Moulaison, Page, Schultz; Noes: none; Absent: Abbate, Grindle, Hulett, Loza, Rahill, Stubbs; Abstain: none)

NON-ACTION DISCUSSION/INFORMATION ITEMS

Teacher Housing Coverage

An article of interest was presented, and discussion followed, regarding district-subsidized housing for teachers and staff. Calistoga, Davis, and Fairfield-Suisun indicated their districts have had preliminary conversations about considering this as an option for employee recruitment. Discussion was had around PL coverage restrictions on district-subsidized properties.

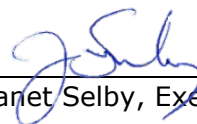
Board Briefing

The Board was provided with an update including legislative updates, and upcoming training and meetings dates.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:04 p.m.

Respectfully submitted by:



Janet Selby, Executive Director

6/15/2022
Date

Approved by the Board:

Date