

Motion was made by Welch, seconded by Henson, and carried unanimously to approve the revised MOPC document, for recommendation to the Board of Directors. (*Ayes: Henson, Schultz, Welch; Noes: none; Absent: Best; Abstain: none*)

Workers' Compensation Program

Preliminary 2019/20 Rates – NBSIA

Rates for NBSIA's Workers' Compensation program are established annually, based upon multiple factors. Rates are ultimately approved by the Board of Directors no later than June, and are effective July 1.

The overall actuarial loss estimate increased slightly due to higher projected payroll and greater than expected development in the most recent years. Since 2011/12, NBSIA has elected to cap the base rate using program equity as backing. With the captive coming into play and given the program's solid financial position, one more year of the cap is reasonable, with a longer-term funding plan next year under the captive.

Motion was made by Schultz, seconded by Henson, and carried unanimously to approve the Preliminary 2019/20 Rates for NBSIA, for recommendation to the Board of Directors. (*Ayes: Henson, Schultz, Welch; Noes: none; Absent: Best; Abstain: none*)

Preliminary 2019/20 Rates – VCUSD

Rates for VCUSD are determined separately from the other NBSIA members, based on the results of an annual actuarial study.

The overall actuarial loss estimate for 2019/20 decreased, due to estimated reduction in payroll. There is a slight increase to the funding rate, based on greater than expected loss development over the past several years. This rate is modified by NBSIA to add administrative costs.

Motion was made by Schultz, seconded by Henson, and carried unanimously to approve the Preliminary 2019/20 Rates for VCUSD, for recommendation to the Board of Directors. (*Ayes: Henson, Schultz, Welch; Noes: none; Absent: Best; Abstain: none*)

Dental/Vision Programs

Dental Actuarial Report

The report affirms adequacy of the funding collected for the current year. It estimates a cost trend factor of less than 1% for the coming year, a combination of decreasing historical claims and upward inflationary trends. Staff are in the process of developing the 2019/20 rates based on this information and enrollment trends.

Motion was made by Henson, seconded by Welch, and carried unanimously to accept and file the 2019 Dental Actuarial Report. (*Ayes: Henson, Schultz, Welch; Noes: none; Absent: Best; Abstain: none*)

Proposed 2019/20 Vision Rates

SIA provided renewal data and information. Overall, rates are flat. Enrollment and utilization affect individual member rates.

Motion was made by Schultz, seconded by Henson, and carried unanimously to approve the Proposed 2019/20 Vision Rates, for

recommendation to the Board of Directors. (Ayes: Henson, Schultz, Welch; Noes: none; Absent: Best; Abstain: none)

NON-ACTION DISCUSSION ITEMS

2019/20 Property/Liability Program Rates

Property/Liability Program contribution rates are set by the Board of Directors no later than June, and are effective July 1. Loss funding is developed for both the property and liability funds based upon the projections provided in the annual actuarial study.

As reported previously, liability claims experience has been high for the past several years. Claim frequency and costs are up, and program equity has been declining. As a result, 2019/20 rates will increase considerably.

Property rates will also increase significantly due to higher losses and deteriorating insurance market conditions following a series of natural disasters in 2017 and 2018, including the California wildfires. Final rates on both are pending BASIC renewals, expected in mid-May.

In January, the Board asked about options to augment the customary funding in order to recapitalize the program. The final rate proposals will include several alternatives for consideration.

2019/20 Dental Rates

Dental rates for 2019/20 will trend up slightly, with individual member adjustments based on loss ratios.

VCUSD Participation in Risk Pool

Vallejo City USD remains interested in joining the NBSIA pool as a full member. Significant progress has been made to bring their rate down, but more is needed to successfully integrate VCUSD into the risk pool. Selby will meet with district staff next week to discuss.

Crisis Communication Services

NBSIA's current contract with Mower Agency expires 6/30/19. Staff will be exploring local options, and would like to involve members in the selection of a new communication services provider. The committee agreed.

EAP Renewal

Rates for NBSIA's Employee Assistance Program (EAP) will remain flat for at least another year. SIA is working to secure a 3-year rate agreement.

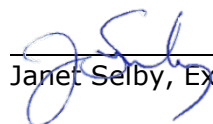
NBSIA Compensation Study

The compensation study is almost complete. Several positions will require adjustment in the salary range, most under 5%. Those adjustments will be reflected in the 2019/2020 budget.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:40 p.m.

Respectfully submitted by:



Janet Selby, Executive Director

3/27/19
Date

Approved by Committee:

5/8/19
Date