

**North Bay Schools Insurance Authority
Board of Directors Meeting
April 19, 2017**

MINUTES

CALL TO ORDER The meeting was called to order at 12:01 p.m. by President Rahill.

ATTENDANCE Those in attendance were:
Tim Rahill, Benicia Unified School District
Michelle Henson, Fairfield-Suisun Unified School District
Cecile Nunley, Vallejo City Unified School District (left 1:47 pm)
Matt Best, Davis Joint Unified School District
Adrian Vargas, Dixon Unified School District (arrived 12:03 pm)
Wade Roach, Napa Valley Unified School District
Josh Schultz, Napa County Office of Education (left 1:46 pm)
Anna Pimentel, Travis Unified School District

Staff and Guests:

Janet Selby, NBSIA
Ken Hearnberger, NBSIA
Suzanne Dillman, NBSIA
Kami Liñan, NBSIA
Jo Ann Nelson, NBSIA
Shelby Van Orsow, NBSIA
Pamela Conklin, Travis Unified School District
Mike Harrington, Bickmore Risk Services

Absent:

Yulian Ligioso, Solano Community College
Tommy Welch, Solano County Office of Education
Deo Persaud, Vacaville Unified School District

APPROVAL OF AGENDA

Motion was made by Schultz, seconded by Nunley, and carried unanimously to approve as presented: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

REPORTS TO BOARD

Public Comments: None.

2017 Actuarial Reports

Mike Harrington, President of Actuarial Services at Bickmore reviewed the 2017 actuarial studies for the Workers' Compensation and Property/Liability programs.

ACTION ITEMS

Approval of Consent Calendar:

Motion to approve the minutes of the January 27, 2017 Board Meeting; the minutes of the January 26, 2017 Strategic Planning Session; 2017 Actuarial

Studies by Bickmore; Quarterly Financial Statements at December 31, 2016; and the 2017 Strategic Planning Session Report was made by Nunley, seconded by Best, and carried unanimously as follows: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

Workers' Compensation

Proposed 2017/18 – NBSIA Pool

Selby reported that the manual rate for 2017/18 is estimated at \$1.96, the same as last year. Since 2011/12, NBSIA has elected to suppress the manual rate to draw on program equity, and the suppression rate was lowered last year to \$1.80. Program equity continues to grow despite the rate suppression, and while suppression continues to be appropriate, it may not be sustainable long term.

The Workers' Compensation Insurance Rating Bureau (WCIRB) has revised its formula for calculating experience modification factors. The new formula puts more weight on claim frequency, with significant impact to some NBSIA member ex-mods. Board policy states that NBSIA must use the current WCIRB formula for calculating experience modifiers.

In addition, Selby reported that while the program could absorb an increase in self-insured retention, it did not make financial sense at this point.

A motion to approve the 2017/18 Workers' Compensation Rates for the NBSIA Pool as presented was made by Vargas, seconded by Best, and carried unanimously as follows: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

Proposed 2017/18 Rates – Vallejo City USD

Selby presented the proposed renewal rate for VCUSD, which is based on actuarial recommendations.

VCUSD losses are funded separately from the risk pool, with VCUSD access to all budget-funded workers' comp claims management, loss prevention, and cost containment services. Combined efforts on the part of NBSIA and VCUSD have resulted in a 43% drop in their rate since inception.

A motion to approve the 2017/18 Workers' Compensation Rate for Vallejo City USD as presented was made by Best, seconded by Schultz, and approved as follows: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

Dental Program

Proposed 2017/18 Rates

Selby presented the proposed rates for the dental program, with overall costs projected to decrease 4.8%.

NBSIA recently commissioned a dental rate study, to evaluate the integrity of rates within the specific plans and classifications. The study revealed that

some rates are not accurately reflecting actual costs. As a result, certain classifications are subsidizing others.

The actuary recommended adjustments to better align each plan and classification with utilization, while maintaining the bottom line. Most members will see rate decreases ranging from 3% to 7%. Three members require more significant adjustments, and NBSIA will work directly with those members to phase in changes in the next 2-3 years.

Selby further reported that there is enough money left in the dividend declared in 2014 to continue funding a 3% discount in rates for another year. The program has developed further equity, which may be used to fund enhanced program benefits.

Multiple members expressed interest on behalf of their employees in expanding dental plan coverage to include implants. Selby will follow up with Delta Dental for more information.

A motion to approve the 2017/18 Dental Rates as proposed was made by Roach, seconded by Nunley, and carried unanimously as follows: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

Finance/Operations

Board Member Roles and Responsibilities

Selby presented a matrix of Board Member Roles & Responsibilities for review by the board. This document will help NBSIA to improve orientation for new board members, create professional development plans for existing board members, and guide current Board and Executive Committee members in understanding their important role in governance.

A motion to approve the Board – Executive Committee Responsibility Matrix document as presented was made by Best, seconded by Schultz, and carried unanimously as follows: Ayes: Best, Henson, Nunley, Pimentel, Rahill, Roach, Schultz, Vargas; Noes: none; Abstained: none.

NON-ACTION DISCUSSION ITEMS

Annual Liability Deductible Options for 2017/18

Selby reported that the annual letter regarding liability deductible options would be sent soon. Members are presented with their options for applying a liability deductible, along with a claims analysis to support decision-making.

VCUSD-NBSIA Memorandum of Understanding

The Memorandum of Understanding was signed by NBSIA and Vallejo City USD in 2014. VCUSD pays a portion of NBSIA administrative costs and has access to all programs and services available to NBSIA members. Through joint efforts, VCUSD has seen a 43% drop in their rate since inception. While the district has made substantial progress, it is not yet in a good position to join the risk pool.

NBSIA and VCUSD have agreed to continue operating under the current MOU for at least three more years, with the understanding that progress will be evaluated annually and the District may be invited to join the risk pool at a time when its loss rate is more in line with other members.

A comprehensive report on the agreement and progress to date will be reviewed with the new VCUSD superintendent when that person is on board.

Amendments to JPA Agreement and Bylaws – first reading

Selby reviewed drafts of the updated JPA Agreement and Bylaws. The documents have not been comprehensively reviewed in more than 20 years, and NBSIA has been working closely with legal counsel to update them to better reflect their purpose and intent.

Selby briefly touched on a few major changes to each document. A final draft will be included for approval by the board at the next meeting, with more in-depth review at the May Executive Committee meeting.

Executive Director's Report

NBSIA currently performs an annual salary review for employees, based on a board-approved process. Adjustments are recommended based on a survey of fellow JPA salary adjustments and using local Consumer Price Index as a benchmark. Selby reported the results of this year's review, which will be included in the preliminary budget.

Member Services Program Report

Member Services Manager Suzanne Dillman reported new developments in the training schedule for next school.

Workers' Compensation Program Report

Workers' Compensation Manager Kami Linan reported that the telemedicine program is still in development, and that she plans to engage a few members as beta testers soon.

Property/Liability Program Report

Property/Liability Manager Colleen Abney stated that she and NBSIA legal counsel plan to present an Inter-agency Agreement to members for review. The goal is to have one uniform document that everyone can utilize. There are also plans to do the same for Inter-member Agreements and Student Internship Agreements.

ADJOURNMENT: There being no further business, the meeting was adjourned at 1:53 p.m.

Respectfully submitted: Janet Selby (signature on file) Date: 4/19/17

Approved: 6/7/17