

**North Bay Schools Insurance Authority
Quarterly Board Meeting
January 30, 2015**

MINUTES

CALL TO ORDER The meeting was called to order at 9:02 a.m. by President Rahill.

ATTENDANCE Those in attendance were:
Bruce Colby, Davis Jt. Unified School District
Randy Henry, Vacaville Unified School District (Alternate) (left at 11:20 a.m.)
Kelly Bartel, Fairfield-Suisun Unified School District
Cecile Nunley, Vallejo City Unified School District
Tim Rahill, Benicia Unified School District
Wade Roach, Napa Valley Unified School District
Joshua Schultz, Napa County Office of Education
Jane Shamieh, Vacaville Unified School District
Tommy Welch, Solano County Office of Education

Staff and Guests:
Jan DeGracia, NBSIA
Suzanne Dillman, NBSIA
Kami Linan, NBSIA
Colleen Abney, NBSIA
Ken Hearnberger, NBSIA

Absent:
Yulian Ligioso, Solano Community College

APPROVAL OF AGENDA
DeGracia requested that item 7B be pulled from the Agenda. Motion was made by Colby, seconded by Schultz, and approved as amended as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

REPORTS TO BOARD
Public Comments: None.

Presentation: Kevin Webb, CFA; Director, Cantor Fitzgerald presented the NBSIA Investment Portfolio Review. Webb began his report with a review of market predictions about increases in the Fed rate, all of which were offered by “experts” in the field. He remarked that it is this type of outcome that makes the NBSIA Investment Plan so valuable because it does not rely on market projections, rather it focuses on key benchmarks of suitable investments, appropriate liquidity, and diversification to produce stable results over time.

REPORTS FROM BOARD MEMBERS
None

ACTION ITEMS
Approval of Consent Calendar:
Motion was made to accept the minutes of the September 24, 2014 Board Meeting as presented by Welch, seconded by Colby, and approved as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

Operations/Finance:

Financial Audit for FYE June 30, 2014

Jennifer Hill, CPA of Crowe Horwath presented the audited financial statements for NBSIA at June 30, 2014. Ms. Hill noted that the Auditors Report includes an unmodified opinion and no findings related to internal controls or failure to comply with Government Auditing Standards. Ms. Hill commented the audit has no findings. The Board acknowledged the efforts of Ken Hearnberger, Finance in the audit results.

Motion to accept the audit report was made by Colby, seconded by Bartel, and approved as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

Capital Target Fund Status Reports

DeGracia reviewed the Capital Target Fund status reports at June 30, 2014, including a brief explanation of calculations for the reports.

Hearnberger reviewed the Capital Target Fund status reports in more detail, including policy year accounting, for the workers' compensation, property/liability and dental programs. Each report noted the amount required to meet the current Capital Target Fund per NBSIA Policy 3.1. No declaration of equity was recommended at this time.

Motion to accept the three Capital Target Fund Status Reports as presented was made by Welch, seconded by Roach, and approved as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

CalPERS Side Fund Liability Payoff

Hearnberger explained that NBSIA is a participant in the Small Group Pool for PERS retirement benefits. As a member of that program, NBSIA is responsible for a "side fund" of \$315,027 as determined by their actuary. This liability is being charge interest at 7.5%, much higher than any investment program earnings and so staff is recommending an early payoff.

There are two early payoff options: 1) pay \$315,027 by 7/1/2015 or 2) pay \$326,834 by 3/1/2015 and reduce the FY15 PERS rate by 3.974% in addition to avoiding interest cost on the 7 year amortization of the side fund balance of \$315,027.

Motion to accept the CalPERS Side Fund Liability Payoff option 2 was made by Shultz, seconded by Welch, and approved as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

NBSIA Policy/Procedure 1.11: Minimum Risk Management Standards Revision

DeGracia proposed the revision to Policy 1.11: Minimum Risk Management Standards to eliminate unnecessary restatement of law/regulation. She did add Legal References following the policy to note the relevant Code Sections.

Motion to accept the revisions of NBSIA Policy 1.11 was made by Roach, seconded by Nunley, and approved as follows: Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: none.

NBSIA Policy 4.17: Automated External Defibrillators (AED) (New)

DeGracia introduced the proposed policy that would allow the NBSIA office to install an AED in the large conference room. NBSIA frequency hosts large groups of people for training purposes and staff has requested having an AED available should an attendee (or staff person) experience a cardiac event. She noted that staff were eager to get training in CPR and how to use the AED.

NBSIA Policy 4.17: Automated External Defibrillators (AED) (New), cont'd

Nunley questioned the recommendation, noting that an AED unit is usually made available for a much larger group than the classes held at the NBSIA facility and whether it is necessary. The Board discussed the appropriateness of an AED and the risks involved if not installed. Welch questioned possible AED training for all members, and Dillman offered to facilitate that.

Motion to approve the AED Policy/Program was made by Roach, seconded by Colby, and approved as follows: Ayes: Bartel, Colby, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none; Abstained: Nunley.

INFORMATION/DISCUSSION

Program / Department Updates

Program Managers Dillman (Member Services), Linan (Workers' Compensation) and Abney (Property/Liability) each provided an update and related discussion regarding their respective departments reflecting on events of the past year as well as challenges and opportunities ahead.

Status Report on 2013 Goals:

DeGracia updated the Board as to the status of 2013 goals with emphasis on the Vision Statement language of Educate, Empower and Engage. All goals are ongoing or complete with exception of Communication Plan which is the focus for the coming year.

CLOSED SESSION:

The Board entered into closed session at 11:25 a.m. to discuss matters in accordance with Government Code Section 54956.95(a) in the case of Franklin v. SCOE.

REPORT OF CLOSED SESSION ACTION:

The Board returned to open session at 11:47 a.m. and President Rahill reported that direction was given to staff regarding further claims management and resolution. Ayes: Bartel, Colby, Nunley, Rahill, Roach, Schultz, Shamieh, Welch; Noes: none.

EXECUTIVE DIRECTORS REPORT:

DeGracia reported the Executive Committee Meeting for February 4, 2015 cancelled, next meeting of the Committee is March 4, 2015 and the next Board Meeting is April 22.

DeGracia added that she would likely have the dental, vision and workers' compensation rates available for approval at the April meeting and noted that early indications are favorable for limited increases. She also noted that the property rates will remain flat, but would be impacted by an inflation factor between 3 and 4%, so members could expect an increase in total cost in spite of the flat rate. Liability coverage renewals are difficult to determine at this time, but DeGracia suggested budgeting for a 5% increase in property/liability renewals was reasonable.

ADJOURNMENT: There being no further business, the meeting was adjourned at 11:55 a.m.

Respectfully submitted: Janet DeGracia (signature on file)
Janet DeGracia, Executive Director

April 22, 2015
Date

Approved: NBSIA Board of Directors