

**North Bay Schools Insurance Authority
Board of Directors Meeting
April 18, 2018**

MINUTES

CALL TO ORDER The meeting was called to order at 12:02 pm by Director Schultz.

ATTENDANCE Those in attendance
Josh Schultz, Napa County Office of Education
Matt Best, Davis Joint Unified School District
Tim Rahill, Benicia Unified School District
John Calise, Dixon Unified School District
Wade Roach, Napa Valley Unified School District
Hitesh Haria, Vallejo City Unified School District
Robert Diamond, Solano College (arrived 12:05 pm)
Gigi Patrick, Vallejo City Unified School District (arrived 12:18 pm)

Staff and Guests
Janet Selby, NBSIA
Suzanne Dillman, NBSIA
Ken Hearnberger, NBSIA
Kami Liñan, NBSIA
Colleen Abney, NBSIA
Karen Antunes, NBSIA
Shelby Van Orsow, NBSIA
Mike Harrington, Bickmore

Absent
Tommy Welch, Solano County Office of Education
Michelle Henson, Fairfield-Suisun Unified School District
Janet Dietrich, Vacaville Unified School District
Sonia Lasyone, Travis Unified School District

APPROVAL OF AGENDA
Motion was made by Best, seconded by Rahill, and carried unanimously to approve as presented. (*Ayes: Best, Calise, Haria, Rahill, Roach, Schultz*); (*Noes: none; Abstained: none.*)

PUBLIC COMMENTS
None.

REPORTS TO BOARD
2018 Actuarial Reports
Mike Harrington, President of Actuarial Consulting at Bickmore, reviewed the 2018 Actuarial Reports. Mr. Harrington reported that the workers' compensation and Vallejo City USD programs are well-funded with positive overall development and lower loss rates. The property/liability program has sustained higher losses in the last few years, resulting in erosion of funding and increase in rates. Mr. Harrington reported this trend is prevalent in other CA risk pools, related to higher frequency and settlement of liability claims.

MEMBER REPORTS AND COLLABORATION
No reports.

COMMUNICATIONS

Selby highlighted several articles on current legislation impacting school liability and a multi-million dollar settlement in a concussion claim, and noted a number of upcoming trainings hosted by NBSIA.

ACTION ITEMS

Approval of Consent Calendar

Motion was made by Best, seconded by Haria, and carried unanimously to approve the Consent Calendar. Consent items included: minutes of the January 26, 2018 Regular Board Meeting, minutes of the January 25, 2018 Strategic Planning Session, Quarterly Financial Statements at December 31, 2017 (unaudited), and the 2018 Actuarial Studies by Bickmore. *(Ayes: Best, Calise, Diamond, Haria, Rahill, Roach, Schultz); Noes: none; Abstained: none.)*

Workers' Compensation Program

2018/19 Preliminary Workers' Comp Rate - NBSIA

Selby reported that based on prior Board action, the rate is currently capped at \$1.80, and this remains appropriate in light of current program funding and loss trends. She further reported that our broker was able to negotiate a 31% decrease in the excess insurance rate, in large part due to good loss experience.

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 2018/19 Workers' Compensation Rates for the NBSIA Pool as presented was made by Rahill, seconded by Roach, and carried unanimously. *(Ayes: Best, Calise, Diamond, Patrick, Rahill, Roach, Schultz); Noes: none; Abstained: none.)*

2018/19 Preliminary Workers' Comp Rate – Vallejo City Unified School District

Selby presented the proposed renewal rate for VCUSD, which is based on actuarial recommendations. The preliminary funding rate for 2018/19 is \$3.52, down from \$3.72 last year and from \$6.51 when VCUSD first joined NBSIA.

Selby further reported that she met with the District Superintendent, HR Director and CBO to review progress and claims, and present a proposed Risk Management Plan of Action for the coming year. The District is reviewing the plan and will respond by 4/30/18. The District has expressed its desire to join the pool and commitment to taking steps necessary to make that happen.

A motion to approve the 2018/19 Workers' Compensation Rates for Vallejo City Unified School District as presented was made by Rahill, seconded by Haria, and carried unanimously. *(Ayes: Best, Calise, Diamond, Haria, Rahill, Roach, Schultz); Noes: none; Abstained: none.)*

Property/Liability Program

2018/19 Property and Liability Rates

Selby reported that increased losses in liability are driving up costs and rates. This trend is happening statewide, and as a result excess carriers are tightening their capacity and increasing rates for school customers.

For the NBSIA pool layer, the actuarial estimate for 2018/19 funding is up 22% from last year. Excess liability is up 11% over last year, including a 3% increase in payroll and additional funding to build capital and better position us for the excess market going forward. Based on erosion in program funding over the last few years due to higher than expected losses, Selby recommended the Board consider increasing contributions above the normal amount. Several funding options were presented and discussed in depth.

A motion was made by Roach, seconded by Patrick, and carried unanimously to select Option 4, funding at the usual 85% confidence level and collecting \$500,000 additional funding split proportionally between members, with rates and the additional funding to be invoiced separately. (*Ayes: Best, Calise, Diamond, Patrick, Rahill, Roach, Schultz*); *Noes: none; Abstained: none.*)

Dental/Vision Programs

Proposed 2018/19 Dental Rates

NBSIA sets dental rates using plan enrollment, claim and contribution data, and a blended experience modification formula that factors in the individual member loss ratio (55%) and the pool loss ratio (45%), to smooth individual member rate changes. Rates have been discounted 3% per year for the past four years, using a dividend declared in 2014 from program equity. That dividend has been exhausted. Selby reported that the program is well-positioned to meet the expected costs and expenses. There is sufficient equity to continue discounting rates, which requires new allocation.

A motion was made by Best, seconded by Calise, and carried unanimously to approve the discounted dental rates as presented, and allocate program equity to fund the discount. (*Ayes: Best, Calise, Diamond, Patrick, Rahill, Roach, Schultz*); *Noes: none; Abstained: none.*)

Proposed 2018/19 Vision Rates

Overall, rates are down approximately 2.4%. Enrollment and utilization affect individual member rates, with decreases ranging from 1.4% to 2.5%.

A motion was made by Rahill, seconded by Best, and carried unanimously to approve the proposed vision rates as presented. (*Ayes: Best, Calise, Diamond, Patrick, Rahill, Roach, Schultz*); *Noes: none; Abstained: none.*)

Finance/Operations

2018 Strategic Planning Report

NBSIA board and staff members met for a strategic planning retreat in January and engaged in discussion around organizational vision and purpose, as well as future trends in public education. NBSIA staff developed a report on

takeaways from the retreat, including future trends and impact; essential NBSIA programs and services; and new program and service ideas.

Many of the thoughts expressed by members were utilized by staff to develop new proposed vision, mission, and values statements to help NBSIA communicate to and inspire members, employees, prospective employees, and the public about the important work that NBSIA does in support of safe and healthy public schools. Board members complimented the report as well as the vision, mission and values statements.

A motion was made by Patrick, seconded by Roach, and carried unanimously to review and accept the 2018 Strategic Planning report, including approval of the proposed vision, mission, and values statements as presented. (*Ayes: Best, Calise, Diamond, Patrick, Rahill, Roach, Schultz*); *Noes: none*; *Abstained: none.*)

NON-ACTION ITEMS

Executive Director's Report

Selby reported that after some delays, NBSIA expects to launch our redesigned website in the next couple of weeks. She further reported that legal counsel Rob Cutbirth is moving to a new firm as of 4/20/18, and she is working with Mr. Cutbirth on transferring the current contract to his new firm. There will be no change in terms or services, but the new firm provides opportunity for more legal support for NBSIA. She also reviewed a workshop outline proposed by Eric Mower + Associates titled "Marketing Your School, Engaging Your Community." Selby asked the group if there was interest in hosting the workshop and having member employees attend, and received positive feedback from the group. She will follow up with EMA.

Program Manager Reports

Member Services Manager Suzanne Dillman shared that Secure Education Consultants are scheduled to begin site safety assessments the last week of April. Napa County Office of Education, Benicia USD, and Travis USD are all in the pilot of this program.

Property & Liability Risk Manager Colleen Abney shared that she is collaborating with NBSIA counsel Rob Cutbirth on a "boot camp" workshop to help mitigate liability claims at the site level. The workshop will be held on two dates in early May, once at NBSIA and once at Napa Valley USD.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:44 pm

Respectfully submitted by: Janet Selby (signature on file) Date: 4/18/18

Approved by Board of Directors: 6/6/18