

**NORTH BAY SCHOOLS INSURANCE AUTHORITY**  
**QUARTERLY BOARD MEETING**  
**April 11, 2003**

**MINUTES**

**Call To Order**

The meeting was called to order at 9:12 a.m. by Vice President Lettie Allen.

**Roll Call**

Those in attendance were:

Kimberly Dennis, Benicia Unified School District  
Aaron Shonk, Davis Joint Unified School District  
Walter Wallace, Solano County Office of Education  
Bill Taylor, Travis Unified School District  
Lettie Allen, Vacaville Unified School District  
Linda Jordan, Dixon Unified School District  
Darrel Carter, Fairfield-Suisun Unified School District arrived at 9:35.

**Staff:**

Ricki Williams, Executive Director NBSIA  
Jan DeGracia, NBSIA  
Suzanne Dillman, NBSIA  
Peggy Kech, NBSIA  
Gordon Templeton, NBSIA  
Lynn Cavalcanti, NBSIA  
Nicole Torres, NBSIA

**Guests:**

Anna Pimental, Napa County Office of Education  
Cindy Heeney, Dixon Unified School District  
Wally Holbrook, Dixon Unified School District  
Kari Sousa, Fairfield Suisun Unified School District  
Carol Williams, Vacaville Unified School District  
Steve Vaczovsky, Travis Unified School District  
Susan Rinne, Dixon Unified School District

**Absent:**

Willard Wright, Solano Community College  
J.R. Perkiss, Napa County Office of Education

**Approval of Agenda**

**Motion** was made by Lettie Allen, seconded by Bill Taylor, and carried unanimously to approve the agenda.

## Reports to Board

### Presentation:

Post Offer Strength Testing: Wade Gullege, Contra Costa County Schools Insurance Group, presented information on the Post Offer Strength Testing Program (POST) that is currently being used by eight school districts in Contra Costa County. Lynn Cavalcanti informed the Board that should NBSIA begin strength testing the largest expense of the program is the initial validation study, which identifies the physical requirements of specific jobs. The cost of each strength test, which would be made available off-site, is \$15.00 per test. The minimum standards of P.O.S.T. must be incorporated into districts' corresponding job descriptions and job announcements. Lettie Allen asked if P.O.S.T. had incurred any problems with unions and Mr. Gullege replied that they had not since those being tested were not yet considered district employees.

### Presentation:

#### Health Care Options:

Shirley Stewart from Keenan and Associates made a presentation promoting a plan with NBSIA to sponsor a group purchase for medical benefits to its members. Ms. Stewart stated if she is able to obtain necessary program information from the districts she would be able to get a quote for the group rates within 30 days in time for July 1, 2003 deadline. She noted that cash-in-lieu and waivers erode the plan and resulting in higher premiums and would need to be dealt with.

### Presentation:

#### Health Care Options:

Driver Alliant Insurance Services representatives Bordan Harm, Pat Lowery, and Tom Sher made a presentation discussing NBSIA offering a medical benefits program to its members. Their goal is to develop a NBSIA sponsored program rather than a broker sponsored program. They suggested that a Kaiser/Healthnet Partnership is the best proposal for NBSIA. It was also noted that cash-in-lieu and waivers would affect results. They stated that with pharmacy costs going up NBSIA could put in a pharmacy carve out which could make us eligible for drug manufacturer's rebates allowing a reduction in costs. Ricki asked how they would put together a program for July 1, 2003 and Bordan Harm responded that it may not be practical to attempt July 1 implementation but they could be ready for an October 1 implementation with July 1 districts either waiting for the following year or taking an early out.

Darrel Carter stated today was not a decision making meeting and said he would like to call a special meeting to make a decision as to the direction the group wanted to take.

**Public Comments** None

**Reports from Board** None Darrel Carter announced that he is retiring June 30, 2003

**Action Items**

Consent Calendar **Motion** was made by Lettie Allen, seconded by Bill Taylor, and carried unanimously to accept the Consent Calendar as presented which included the following:

1. Minutes of meeting of December 13, 2002

**Action Items**

**Finance:** **Motion** was made by Kimberly Dennis, seconded by Lettie Allen, and carried unanimously to accept the Financial Audit for Year ended June 30, 2002.

Jan DeGracia noted the error on page 27, Section B. Funding Policy of the Financial Audit which states-*The Authority contributes the employees required contribution*-will be corrected to reflect that the Authority does not pays its employees contribution.

**Operations:**

**1. Approval of Appointments to Executive Committee**

**Motion** was made by Walter Wallace, seconded by Lettie Allen, and carried unanimously to accept the proposed appointments to the Executive Committee, making William Taylor and Aaron Shonk the newest members.

**2. Approval of Appointments of Officers**

**Motion** was made by Bill Taylor, seconded by Kimberly Dennis, and carried unanimously to accept the proposed appointments of Officers.

The new slate of offices is as follows:

Darrel Carter-	President
Lettie Allen-	Vice President
William Taylor-	Auditor
Aaron Shonk	Member at Large

With regard to Darrel Carter's retirement in June 2003 there was discussion as to next year's president. It was noted that to be elected as a Board President a member must have 2 years service on the Executive Committee.

## Action Items Continued

### Operations:

#### 3. Resolution #03-02 Establishing Check Signing Authority for Revolving Cash Account

**Motion** was made by Bill Taylor, seconded by Kimberly Dennis, and carried unanimously to approve by roll call Resolution #03-02 authorizing the Operations Manager and Property/Liability Claims Manager to sign the revolving cash account on behalf of NBSIA.

Roll Call Vote: 7 Ayes, 0 no votes. Resolution passed.

#### 4. FSUSD Request for Risk Management Specialist

Darrel Carter asked the Board to establish a new employee position developed by FSUSD in partnership with NBSIA. He stated that FSUSD would pay all costs for the Risk Management Specialist to be hired by NBSIA and located in the HR Department at FSUSD to coordinate FSUSD's workers' compensation and early return to work programs.

**Motion** was made by Bill Taylor, seconded by Kimberly Dennis, and carried unanimously to accept the request for a Risk Management Specialist position to be funded 100% by FSUSD.

#### 5. 2003/2004 COLA Recommendation

A discussion was held regarding the formula used to determine the COLA, and the districts' current financial situation. In following the formula approved by the Board in December 2002, a COLA in the range of 2.84 resulted. The Executive Director recommended the lowest in that range, 2.84%.

After a lengthy discussion a **Motion** was made by Lettie Allen, seconded by Walter Wallace, and carried 6 to 1 to accept the 2003/2004 COLA recommendation, with Kimberly Dennis opposed.

#### 6. Employment Contract for Executive Director

The Committee reviewed the contract. Clarification was requested on Section 2, Compensation, regarding the 5% increase over 5 years. Darrel explained the intent of the language regarding the increase and agreed that the language would be clarified further to include the intent. Kimberly Dennis asked to have the number of work days specified in the final contract.

**Motion** was made by Aaron Shonk, seconded by Bill Taylor, and carried unanimously to accept the Executive Director Employment Contract with clarifying language.

## Action Items Continued

### Operations:

#### Property/Liability

##### 1. Proposed District Deductibles for High Risk Activities

Number 1. c)- waterslide will be added to this sentence.

Number 6.-“ with the district’s permission” will be inserted after the words –athletic activities.

It was agreed that staff would put this in policy format with revisions as agreed upon and bring it back to the Executive Committee in May.

**No Motion** was made.

##### Workers’ Compensation      1. Adoption of NBSIA Historical Loss Rate Formula for Experience Modification Factors

**Motion** was made by Bill Taylor, seconded by Lettie Allen, and carried unanimously to accept the adoption of NBSIA’s historical loss rate rather than the statewide loss rate to be used in the WCIRB’s ex mod formula.

### Discussion:

Lettie Allen recommended that new board members talk with NBSIA staff to discover and learn about the many programs we have available.

Jan DeGracia discussed pool philosophy and financial security focusing on Capitol Target Reserves. She reinforced the need to maintain an 85% confidence level. Darrel Carter supported protecting the reserve. “The Reasoning behind Capitol Target Reserve Funds” hand out was provided to the Board. Jan also mentioned the hazards of not maintaining this level of fiscal responsibility including rate spikes and assessments, which many pools are experiencing this year.

Ricki Williams stated she felt more time is needed to prepare a good, well reasoned, well thought out plan to provide medical benefits to the districts. Darrel Carter stated he wants to be proactive and start working on this program now and Lettie Allen stated she would like to continue on this path and educate employees and unions about the upcoming changes. Darrel Carter stated he would like a pool-wide same day renewal.

**The Board agreed to a special meeting which was set for Monday April 28<sup>th</sup> at 1:30.** Districts were asked to bring H.R. staff and their Superintendents.

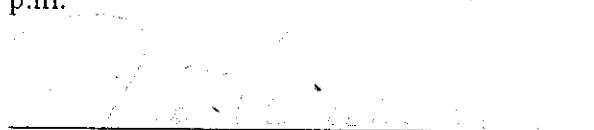
**Executive Directors  
Report**

Ricki reported that NBSIA's claims audits for the workers' compensation and the property/liability departments were at 90% and higher reflecting marked superiority in both departments. She stated that NBSIA is amongst the best and that she is very proud of the staff in both departments.

**Adjournment**

There being no further business, the meeting was adjourned at 2:40 p.m.

Respectfully submitted by:

  
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Ricki C. Williams, Executive Director

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Date