

NORTH BAY SCHOOLS INSURANCE AUTHORITY
QUARTERLY BOARD MEETING
September 24, 2004
MINUTES

Call To Order: The meeting was called to order at 9:03 a.m. by President Lettie Allen.

Roll Call: Board members and all guests performed introductions in-lieu of roll call.

Those in attendance were:

Kimberly Dennis, Benicia Unified School District
Solvieg Monson, Davis Joint Unified School District
Susan Rinne, Dixon Unified School District
Bill Taylor, Travis Unified School District
Lettie Allen, Solano County Office of Education
Kari Sousa, Fairfield-Suisun Unified School District
J.R. Perkiss, Napa County office of Education

Staff and Guests:

Jan DeGracia, Executive Director NBSIA
Suzanne Dillman, NBSIA
Michele Sibilla, NBSIA
Ron Cohea, NBSIA
Dee Alarcon, SCOE
Sharon Tucker, FSUSD
Gary Falati, President - FSUSD School Board
Steve Vaczovsky, TUSD
Jill Cadloni, NCOE
Burton Crinklaw, VSUSD
Wally Holbrook, DUSD

Absent:

Willard Wright, Solano Community College

Approval of Agenda: **Motion** was made by Kimberly Dennis, seconded by Bill Taylor, and carried unanimously to approve the September 24, 2004 agenda as presented.

Reports to Board:

Public Comments

Gary Falati addressed the Board to express his displeasure regarding NBSIA's handling of the Laurel Creek Library fire.

Presentations:

Presentations were made by the NBSIA staff.
Following the presentations the Board took a break at 11:00.
The Board resumed at 11:10.

Action Items:

Consent Calendar:

Susan Rinne noted an error in the minutes on page 1.03. To correct the error the newly elected Auditor needs to be changed from Aaron Shonk to Kari Sousa.

Motion was made by Kimberly Dennis, seconded by J.R. Perkiss, and carried unanimously to accept the Consent Calendar which included the following:

- o Minutes of Board Meeting, on June 18, 2004 (as amended)
- o Revisions to Policy 3.2: Investment of Funds and Policy 3.11 Reward for Information: Matching Dollars as proposed.

Operations:

2004/2005 Final Budget

DeGracia noted the workers' compensation program conversion to IVOS had costs higher than estimated and that \$2500 was moved from Property Valuation to VOS Software conversion. She also noted that the workers' compensation scanner software upgrade required moving \$9681 from contingency funds. DeGracia stated these changes did not affect the total expenditures on any programs.

Motion was made by Kimberly Dennis, seconded by Bill Taylor and carried unanimously to approve the 2004/2005 Final Budget as presented.

NBSIA Lease Expiration
And Future Housing

DeGracia noted that NBSIA's current 10 year lease will expire in spring 2006 and suggested that faced with the increased costs of a new lease the Board could purchase a 10,000 square foot building and after 10 years would have the building to show for our investment. She also noted that our investment program is not performing as well as it has in the past. Should the Board wish to build, a decision to do so should be made by December 2004.

Quotes of \$150/sq.ft had been projected by Grubb & Ellis however, Sousa requested an alternative broker (other than Grubb and Ellis) be asked to quote.

DeGracia suggested moving up the November Executive Committee meeting to November 2, 2004 in order to address this issue in a timely manner in preparation for the December meeting.

Motion was made by Kari Sousa, seconded by Susan Rinne and carried unanimously to have the NBSIA investment portfolio by Stanford to determine the potential effect of such an investment.

Operations Continued:
NBSIA Policy 3.3
Delinquent Contributions

A discussion took place at the request of Davis JUSD regarding late payment penalties. Monson stated NBSIA sent a property/liability invoice later than usual and DJUSD was unable to meet the deadline. DJUSD requested the NBSIA Executive Director have authority to extend the deadline dates on invoices.

A lengthy discussion ensued resulting in a decision to leave the policy as it stands, that is, not to allow the Executive Director discretion to waive fees. Allen and DeGracia explained the procedure for a district to request a waiver on late fees. It was noted that DJUSD was able to make this particular payment on time and that no late fee had been assessed.

Motion was made by Kimberly Dennis, seconded by Kari Sousa and carried unanimously to make no change to Policy 3.3 Delinquent Contributions/Late Penalties.

Property/Liability:
Analysis of Annual

Financial Position @6/30/04 DeGracia noted that the analysis for years through June 30, 2003 reflected an equity position in excess of the capital target and at 85% confidence. In accordance with the JPA policy, this amount of \$676,000 would be recommended for return to members.

Return of Surplus Funds

Motion was made by J.R. Perkiss, seconded by Kari Sousa and carried unanimously to approve the return of \$676,000 in surplus funds. Kimberly Dennis abstained. DeGracia added that the payment would be made in December 2004.

Report from P/L
Sub-Committee

This ad hoc Committee was created by the Board to review claims and coverage information and to report its findings at the September 2004 meeting. Sousa described changes to the monthly reports that the Board members will be receiving

DeGracia thanked the committee members, J.R. Perkiss, Kimberly Dennis and Kari Sousa for participating and for sharing their input. The Board agreed that they found the report informative and they approve of its format.

Workers' Compensation:

Analysis of Annual Financial
Position @6/30/04

It was noted that the report format is the same as the P/L report seen previously with one exception. There is an additional line to reflect NBSIA's liability for assessment to SELF. With funding at the 85% confidence level and after the \$4M capital target, NBSIA has no money to release at this time.

Dental:

Analysis of Annual Financial
Position @6/30/04

The report indicated there is no surplus equity in the dental program at this time. No action is required.

Non-Action Items:

Information

Allen announced that John Niederkorn is VUSD's new Assistant Superintendent, Business and Administrative Services, effective Monday September 27, 2004

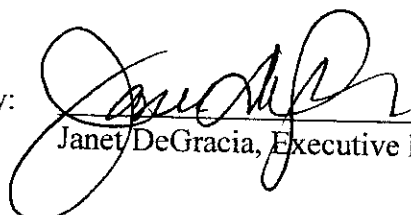
**Executive Director's
Report:**

None

Adjournment:

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

Respectfully submitted by:


Janet DeGracia, Executive Director

11-17-04
Date

Approved by Board:

Date