

**North Bay Schools Insurance Authority  
Board of Directors Meeting  
September 25, 2019**

**MINUTES**

**CALL TO ORDER** The meeting was called to order at 12:05 p.m. by Auditor Schultz.

**ATTENDANCE** Those in attendance  
Josh Schultz, Napa County Office of Education  
Matt Best, Davis-Joint Unified School District (by teleconference)  
Trudy Barrington, Travis Unified School District  
Chris Hulett, Vacaville Unified School District  
Victoria Lamica, Solano Community College  
Mike Minahen, Solano County Office of Education  
Dana Page, Napa Valley Unified School District  
Tim Rahill, Benicia Unified School District  
Adrian Vargas, Vallejo City Unified School District

Staff and Guests  
Robert Cutbirth, Freeman, Mathis and Gary, NBSIA General Counsel  
Gigi Patrick, Ed.D., Vallejo City Unified School District (arrived 12:15pm)  
Jennifer Taylor, Fairfield-Suisun Unified School District  
Janet Selby, NBSIA  
Karen Antunes, NBSIA  
Suzanne Dillman, NBSIA  
Kami Liñan, NBSIA  
James Marta, James Marta & Co (interim CFO)  
Maria Cantera, NBSIA

Absent  
Dixon Unified School District  
Fairfield-Suisun Unified School District

**APPROVAL OF AGENDA**

Motion was made by Vargas, seconded by Hulett, and carried unanimously to approve as presented.  
*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

**PUBLIC COMMENTS**

None.

**MEMBER REPORTS AND COLLABORATION**

Director Vargas shared feedback from the recent CAJPA Conference. He noted that SAM cases and coverage were the dominant topic for schools, particularly with AB 218 looming. Director Page also shared feedback that the sessions were good. Selby reminded Board Members that NBSIA pays for attendance at the CAJPA Conference each year.

Director Rahill shared that Benicia has decided to hold trustee elections by area. Many other districts, as well as cities and counties, are going this direction.

**ACTION ITEMS**

Approval of Consent Calendar

Motion was made by Hulett, seconded by Rahill, and carried unanimously to approve the Consent Calendar. Consent items: Minutes from regular meeting June 12, 2019; AGRiP Recognition Application; and Renewal of Delegation of Authority for Investments.

*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

**Finance/Operations**

Financial Statements at June 30, 2019 (unaudited)

Interim CFO Marta reported that overall financial status is healthy. The net position of most programs, and the overall pool, improved over last year. The exception is Property/Liability, which lost net position due to increases in claims expenses. This was not unexpected, and Marta stated that most school pools he works with are facing the same trend due to the current litigation environment.

Marta also highlighted significant increases in investment income over last year.

Following review, motion was made by Rahill, seconded by Page, and carried unanimously to receive and file the unaudited financial statements at June 30, 2019.

*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

Board Policy and Procedure Revisions

Selby presented minor changes to two sections of the Board Procedures, to match current practice and to secure detailed information regarding investment fund transfers.

Motion was made by Hulett, seconded by Lamica, and carried unanimously to approve updates to the Board Procedures as presented.

*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

Transfer of Funds to Captive

Selby reported that the workers' comp program is currently funded at the 99.5% confidence level. In order to begin capitalizing the NBIG captive in anticipation of future expansion of the captive at a future point, it is prudent to begin transferring funds to the captive periodically. Funds would be subject to transfer back to NBSIA at the discretion of the Board/parent as long as the captive complies with Utah funding rules, per captive legal counsel. Marta confirmed that the requested figure could be moved to the captive while maintaining funding at a 99% confidence level.

Following discussion about the impact on pool funds and potential future opportunities with the captive, motion was made by Rahill, seconded by Lamica, and carried unanimously to approve the transfer of \$5 million in workers' compensation funds to the NBIG captive.

*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

2019/20 Final Annual Budget

Selby presented the final budget document and Marta discussed reductions in claim liabilities to match actuarial expected numbers. There were also two minor increases in the workers' comp budget. Otherwise, no changes from preliminary.

Following a review of the budget, motion was made by Rahill, seconded by Hulett, and carried unanimously to approve the 2019/20 Final Annual Budget as presented.

*(Ayes: Best, Barrington, Hulett, Lamica, Minahen, Page, Rahill, Schultz, Vargas; Noes: none; Abstained: none; Absent: Henson, Stovall.)*

**Dental/Vision**

Vallejo City USD Optional Dental Rates

Selby explained that Vallejo has moved to a mandatory enrollment plan for all groups except one. That group is still negotiating. If they remain on voluntary enrollment, their rates will be 10% higher consistent with the additional cost of a voluntary, open enrollment plan. The Board was asked to approve these optional rates, which will be applied to the group only if they remain voluntary for 2020.

Following discussion about application of the rates, motion was made by Vargas, seconded by Schultz, and carried unanimously to approve optional VCUSD dental rates for voluntary subgroups as presented. *(Ayes: Best, Henson, Hulett, Lamica, Lasyone, Page, Schultz, Stovall, Vargas, Welch; Noes: none; Abstained: none; Absent: Rahill.)*

**NON-ACTION DISCUSSION ITEMS**

CSBA Board Policy 4119.24/4219.24/4319.24

Selby started by giving a brief history on this policy, issued by CSBA following many requests from its members.

Counsel Cutbirth reviewed his issues with the CSBA sample policy, relating to enforceability and consistency with other policies. He then reviewed his draft proposed version, focusing on what districts are able to control and, therefore, enforce. It also adds a point person at the district for questions.

Good discussion followed about how Members are responding to the CSBA policy and broader implications, including initiatives that relate to healthy teacher-student connections. On the proposed policy, concern was expressed about vague language in one paragraph. Cutbirth explained his rationale and agreed to look at alternative language to make the policy clearer.

The Board agreed to continue reviewing the proposed alternative policy, send feedback and suggestions to Selby, and discuss again at its next meeting.

Executive Director's Report

Selby reported that following the difficult property renewal last cycle, she is already working on a variety of options for next year. The goal is to improve coverage and rates. She will report back at the Strategic Planning meeting in January, when the picture for 2020-21 renewals should be clearer.

Selby also shared the Strategic Planning theme – "20/20 Vision: Long-term Strength" – and an outline of topics to be covered.

Staff Reports

Cantera provided a brief demonstration on the new Member Portal. Features include a Board meeting calendar, full agendas, Board policies and procedures, coverage documents, and a document sharing area. We are also finalizing a data dashboard, containing high-level information on claims and links to the regular reports that are currently sent by secure email. Each Board Member will receive an email with log in credentials. Staff invited feedback.

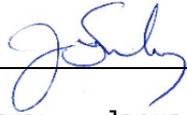
Liñan reported the results from a recent audit by our excess carrier, Safety National. Results were exceptional, and the Board congratulated Liñan and her team.

**NON-ACTION INFORMATION ITEMS**

No discussion on these items. Information only.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:23 p.m.

Respectfully submitted by:  (signature on file) Date: 9/25/19

Approved by Board of Directors: January 31, 2020