

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
June 14, 2023**

MINUTES

- Call to Order** The meeting was called to order at 12:03 p.m. by President Best.
- ATTENDANCE:** Board Members in attendance:
 Tim Rahill, Benicia USD
 Maureen Hester, Calistoga JUSD
 Matt Best, Davis Joint USD
 Trudy Barrington, Dixon USD
 Laneia Grindle, Fairfield-Suisun USD
 Josh Schultz, Napa County Office of Education
 Sal Abbate, Solano Community College
 Michelle Henson, Solano County Office of Education
 Mike Minahen, Solano County Office of Education
- Via videoconference/Zoom:
 Christy Patterson, BSSP (left at 1:29 p.m.)
 Nicole Strauch, BSSP (left at 1:29 p.m.)
 Dana Page, Napa Valley USD (joined at 12:53 p.m.)
 Andrea Stubbs, St. Helena USD (left at 1:41 p.m.)
 Gabe Moulaison, Travis USD (left at 1:41 p.m.)
 Manolo Garcia, Vacaville USD
 Rosa Loza, Vallejo City USD (joined at 12:13 p.m.; left at 12:44 p.m.)
 Lisa Dennis, Winters JUSD (left at 1:42 p.m.)
- Staff and Guests in attendance
 Kim Santin, NBSIA
 Kami Liñan, NBSIA
 Denise Schreiner, NBSIA
 Brandon Schlenker, NBSIA
 Andrew Obando, NBSIA
 Carrie Green, NBSIA
- Via videoconference/Zoom:
 Rob Cutbirth, General Counsel
- Approval of Agenda** Motion made by Rahill, seconded by Grindle, and carried unanimously to approve the agenda as presented. (*Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Loza, Page; Abstain: none*)
- Public Comments** No public present.
- Member Reports and Collaboration**
 None.
- PRESENTATIONS/REPORTS TO THE BOARD**
Retiree recognition
- The NBSIA Board of Directors recognized the retirement of Board Member, Andrea Stubbs (St. Helena), as well as Board Alternate, Mike Minahen (SCOE).

Executive Director Report/Board Briefing

Kim Santin reported on the new EAP provider transition, including upcoming training opportunities for member staff. She also gave an update on the Report Card timeline for FY2022/23 with the goal of having meetings complete by late Fall 2023. In preparation of the new school year, Santin also announced an upcoming training the Member Services Department will be offering in August-September for site administrators on safety, how to report injuries, and when to call NBSIA for assistance.

ACTION ITEMS

Consent Calendar

Motion was made by Schultz, seconded by Barrington, and carried unanimously to approve all items listed on the Consent Calendar, including the Regular Meeting Minutes April 19, 2023; FY2022-23 Q3 Investment Report; Declaration of Surplus Equipment; CPI Training Agreement – Crisis Prevention Institute; NBSIA Crush Event Contract; 2023/24 Memorandum of Workers' Compensation Coverage (MWCC); 2023/24 Memorandum of Liability Coverage (MOLC); 2023/24 Memorandum of Property Coverage (MOPC) (*Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Loza, Page; Abstain: none*)

Finance/Operations

NBSIA Compensation Study

Santin reminded the Board that NBSIA performs a compensation study every four to five years; the last study was completed in 2019.

Ralph Andersen and Associates conducted this year's study, and Consultant, Doug Johnson surveyed peer agencies to compare salaries and benefits for same/similar positions, including those with whom we would compete most often for staff.

Based on the study, about one-third of our positions do not require adjustment. The remaining positions warrant market adjustments, most between +1.8%-5.0%. Three positions were found to be out of alignment with our peers and warrant larger adjustments between +6.4%-12.7%. A proposal to transition the current Administrative Assistant into an Executive Assistant level position was also presented, as the position has transitioned into one of higher-level responsibilities and project management over the past four years. A job description for this position was provided.

Worksheets were presented to show the study findings for each position with the proposed percent change in range. The study will impact individual placement on the salary scale for affected staff members and have been reflected in the proposed FY2023/24 budget.

Motion was made by Hester, seconded by Grindle, and approved to accept and file the Compensation Study as presented and incorporate the findings in the FY2023/24 budget. (*Ayes: Abbate, Barrington, Best, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: Dennis*)

Preliminary Annual Budget FY2023/24

The Preliminary Annual Budget was presented inclusive of all coverages, programs, and services, as well as operational and administrative expenses. A narrative report detailing assumptions, substantive changes from the prior year, capital projects, and definitions was also provided. Overall, NBSIA's largest budgeted expense is losses. Excess markets continue to be challenging in the property/liability/cyber markets. There is also a focused priority on recruiting and retaining high-quality staff to effectively administer claims and support Members.

Motion was made by Rahill, seconded by Henson, and carried unanimously to approve the Preliminary Annual Budget for FY2023/24 as presented. (*Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: none*)

Captive Reinsurance Agreement FY2023/24

The Board was reminded that in prior years, NBSIA has paid a deposit premium to NBIG equal to the actuary's 75% confidence level (CL) funding amount. NBSIA rates are based on losses at the 85% CL plus operational expenses. However, due to historical capping of the workers' compensation rate, NBSIA was not collecting the full amount, and instead paid NBIG at the 75% CL to avoid shortfall in the amount retained by NBSIA to cover operational expenses.

In FY2022/23, NBSIA discontinued rate capping because the base loss rate fell below the capped rate; thus, NBSIA collected the full amount for both losses and expenses and paid premium to NBIG equal to the 85% CL.

For FY2023/24, Staff is proposing to return to funding at the 75% confidence level as NBSIA has returned to capping the workers' compensation rate. A redline version of the proposed Reinsurance Agreement for FY2023/24 reflecting this change was presented. The Agreement was submitted and approved by the NBIG Board at its May 5, 2023 meeting.

Motion was made by Schultz, seconded by Rahill, and carried unanimously to approve the Captive Reinsurance Agreement FY2023/24 as presented. (*Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: none*)

Property/Liability

Preliminary Property/Liability Rates FY2023/24

The Preliminary Property/Liability Rates for FY2023/24 were presented based on information to-date from our brokers. It was noted that property and liability renewals have been more favorable than recent years, in part due to our loss experience and the impact of the BASIC and SPA partnerships. Individual Member changes vary according to liability loss experience and changes in exposures. Funding worksheets at 85% and 90% confidence levels were presented for discussion.

In FY2021/22, the Board opted to fund at a higher confidence level to strengthen program funding. The strategy was effective, and the program now fully meets all three components of our Capital Target policy (85% confidence level funding, rate stabilization, and catastrophic loss reserve). Funding at the 85% confidence level going forward should continue to strengthen the program's net position. When presented to the Executive Committee, discussion favored funding at the 85% confidence level for FY2023/24.

Motion was made by Grindle, seconded by Barrington, and carried unanimously to approve the Property/Liability rates at the 85% confidence level. *(Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: none)*

Governance

Election of Officers for FY2023/24

Election of Board Officers takes place annually at the June meeting. Nominations were made as follows:

Dana Page, Board President
Michelle Henson, Vice President
Maureen Hester, Auditor
Matt Best, Member at Large

Motion was made by Rahill, seconded by Schultz, and carried unanimously to approve the Board Officers as nominated. *(Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: none)*

Proposed Meeting Schedule for FY2023/24

The tentative Board and Executive Committee meeting dates for FY2023/24 were presented. No changes or other considerations were noted.

Motion was made by Barrington, seconded by Grindle, and carried unanimously to approve the proposed FY2023/24 meeting dates as presented. *(Ayes: Abbate, Barrington, Best, Dennis, Garcia, Grindle, Henson, Hester, Loza, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Page; Abstain: none)*

NON-ACTION DISCUSSION/INFORMATION ITEMS

Strategic Plan Update

The Strategic Plan Update was presented to the Board for review and information. No changes or other considerations were noted.

BASIC Administrative Oversight

Santin reported that in May 2023, the BASIC Board acted not to renew the contract with Sedgwick for administrative and claims oversight. Instead, the Board began discussing transitioning claims management to a consultant with administrative support provided by members. This would result in better professional and administrative services, as well as

cost savings, for BASIC and its underlying members. This arrangement has been done in the past, and NBSIA provided the financial oversight portion to BASIC. This included monitoring monthly transactions, budget and rate development, annual invoicing to members, quarterly and annual financial reporting and coordination with the financial auditors. A similar plan will be discussed at a meeting amongst the BASIC board members. With the proposed oversight, it is anticipated that the NBSIA Executive Director and Finance Manager would contribute an estimated 5-8 hours per month. BASIC and NBSIA general counsel are aware of this transition and will be drafting an agreement for these services to be presented to the NBSIA Board at a future meeting.

CLOSED SESSION

The Board entered Closed Session at 12:40 p.m. for discussion and possible action on the following matters (Attorney, Rob Cutbirth, in attendance):

- A. Blair v. Fairfield-Suisun Unified School District pursuant to Government Code Section 54956.95(a)
- B. Pursuant to Government Code Section § 54956.9(d)(1):
 - a. John Doe v. North Bay Schools Insurance Authority (Name Disclosure withheld due to Potential Impairment of Discussions)
 - b. Jane Doe v. North Bay Schools Insurance Authority (Name Disclosure withheld due to Potential Impairment of Discussions)
- C. Conference with Legal Counsel regarding Anticipated Initiation of Litigation Based on Presently Understood Facts and Circumstances pursuant to Government Code Section 54956.9(d)(4)

REPORT FROM CLOSED SESSION

The Board returned from Closed Session at 1:46 p.m. and reported as follows:

- A. Settlement authority was approved by the Board in the matter of Blair v. Fairfield-Suisun Unified School District. (*Ayes: Abbate, Best, Dennis, Garcia, Grindle, Henson, Hester, Moulaison, Patterson, Rahill, Schultz, Stubbs; Noes: none; Absent: Loza, Page; Abstain: Barrington*)
- B. No action was taken
- C. No action was taken

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:46 p.m.

Respectfully submitted by: Kim Santin
Kim Santin, Executive Director

6/14/2023
Date

Approved by the Board: 9/27/2023
Date