

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
January 26, 2024**

**Napa River Inn; Hatt Hall
500 Main Street, Napa, CA 94559**

MINUTES

CALL TO ORDER The meeting was called to order at 9:00 a.m. by President Page.

ATTENDANCE Voting Board Members in attendance:
Christy Patterson, BSSP
Tim Rahill, Benicia USD (absent 9:20-9:50 a.m. and 10:50-11:32 a.m.)
Maureen Hester, Calistoga JUSD
Matt Best, Davis Joint USD
Laneia Grindle, Fairfield-Suisun USD (left at 11:33 a.m.)
Josh Schultz, Napa County Office of Education (left at 10:57 a.m.)
Dana Page, Napa Valley USD
Michelle Henson, Solano County Office of Education
Sal Abbate, Solano Community College
Kay Vang, St. Helena USD (arrived at 9:45 a.m.)
David Robertson, Vacaville USD
Rody Boonchouy, Winters JUSD (left at 11:06 a.m.)
Board Alternates and District representatives in attendance:
Nicole Strauch, BSSP
Abigail Hilliard, Solano County Office of Education
Absent (voting):
Trudy Barrington, Dixon USD
Gabe Moulaison, Travis USD
Rosa Loza, Vallejo City USD
Staff and Guests in attendance
Kim Santin, NBSIA
Carrie Green, NBSIA
Karen Antunes, NBSIA
Kami Liñan, NBSIA
Brandon Schlenker, NBSIA
Denise Schreiner, NBSIA
Andrew Obando, NBSIA
James Wilkey, Newfront
Mark Stokes, Newfront
Jennet Horder, Newfront
Dan Madej, Alliant
Kevin Webb, RW Baird
James Marta, James Marta & Associates
Rob Cutbirth, General Counsel

APPROVAL OF AGENDA Motion made by Hester, seconded by Rahill, and carried unanimously to approve the agenda as presented. (*Ayes: Abbate, Best, Boonchouy, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Schultz; Noes: none; Abstained: none; Absent: Dixon USD, St. Helena USD, Travis USD, Vallejo City USD*)

PUBLIC COMMENTS None.

MEMBER REPORTS AND COLLABORATION

None.

REPORTS TO THE BOARD OF DIRECTORS

Workers' Compensation Excess

Mark Stokes and Jennet Horder, from Newfront, presented the current and projected trends for the workers' compensation excess coverage. Average severity in California is at its highest level in over 10 years, but medical costs have been relatively flat for carriers. We are seeing a decrease in drug costs due to reduction in opioid use and formularies applications. Capacity and competition are still there, and school exposures are not as worrisome as other types of entities. They expect the renewal for the coming fiscal year to go well.

Property Excess

Dan Madej, from Alliant and Schools Program Alliance (SPA) presented the status of property excess renewals and the excess marketplace. Underwriting capacity has stabilized, but the markets continue to be challenged by low interest rates and increased catastrophes over the past few years. Carriers are reducing coverage in some areas to limit exposure. Rate increases are expected but less than in prior years. Madej highlighted the importance of relationship building, especially in the London market. The formation of the Schools Program Alliance (SPA) JPA, of which NBSIA is a founding member, has helped with renewal terms and spread of costs for shared services.

General Liability Excess

Jim Wilkey, from Newfront, presented information on general liability excess renewals and the state of the market. Markets continue to be hard for California public entities, including schools. Many long-term carriers have left California and capacity is limited. The SPA excess liability program is helping to stabilize rates. Wilkey also stressed the importance of building new relationships in the market and reported approaching new companies in Bermuda.

NBSIA Investment Portfolio Review

Kevin Webb, from RW Baird, presented the Investment Plan Report at December 2023. He provided data and commentary on the current economic environment, including the federal government's continued yield curve control strategy and its effects of increasing prices and decreasing available fixed income offerings. He reported that all portfolio benchmarks for liquidity, safety and return on investment are being managed according to NBSIA investment policy. The rate of return is good as compared to other portfolios he works with, particularly given that duration risk is lower than the plan benchmark. Current monthly investment income is reportable at \$173k/month. In short, the portfolio is in good shape. We continue to look for investment opportunities, while maintaining our strategy of dollar cost averaging. Mr. Webb's championship predications are the Baltimore Ravens over the KC Chiefs, and the San Francisco 49ers over the Detroit Lions. His 2024 Super Bowl prediction ends with a Baltimore Ravens win.

Executive Director's Report / Board Briefing

The Board was provided with an update including meetings and trainings attended from September 2023-present, as well as upcoming training and meetings dates. Internally, there will be an NBSIA team-building Day in February.

ACTION ITEMS

Consent Calendar

Motion was made by Schultz, seconded by Best, and carried unanimously to approve all items listed on the Consent Calendar, including the Minutes: Regular Meeting of September 27, 2023; Investment Plan Report, January 2024; Quarterly Investment Report at December 31, 2023; Quarterly Financial Statements at December 31, 2023 (unaudited); Quarterly Expenditure Report at December 31, 2023 (unaudited); Personnel Report at January 1, 2024; contract for legal services with Law Office of Robert A. Cutbirth. *(Ayes: Abbate, Best, Boonchouy, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Schultz, Vang; Noes: none; Abstained: none; Absent: Dixon USD, Travis USD, Vallejo City USD)*

FINANCE/OPERATIONS

Financial Audit for Fiscal Year End June 30, 2023

James Marta, from James Marta & Associates, presented findings from the FY2022-23 audit. Mr. Marta reported that all aspects of the audit process went well, and that they issued an unmodified opinion, the best possible. There were no material weaknesses, significant findings, or issues of noncompliance.

Motion was made by Best, seconded by Hester, and carried unanimously to accept and file the Financial Audit for FY2022-23 as presented. *(Ayes: Abbate, Best, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Vang; Noes: none; Abstained: none; Absent: Dixon USD, NCOE, Travis USD, Vallejo City USD, Winters JUSD)*

PROPERTY/LIABILITY PROGRAM

Status of Property/Liability Capital Target Funding at 6/30/23

Santin presented the Property/Liability Capital Target Funding report as of June 30, 2023. The program experienced a healthy increase in net position over the prior year because of lower claims and conservative funding practices. The program meets all three funding benchmarks. Continued strengthening is expected over the current year at the 85% funding level, which will further provide stability and help us to deal with the uncertainty of current excess markets.

Motion was made by Best, seconded by Grindle, and carried unanimously to accept and file the Property/Liability Capital Target Funding report as presented. *(Ayes: Abbate, Best, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Vang; Noes: none; Abstained: none; Absent: Dixon USD, NCOE, Travis USD, Vallejo City USD, Winters JUSD)*

WORKERS' COMPENSATION PROGRAM

Status of Workers' Comp Capital Target Funding at 6/30/23

Santin presented the Workers' Comp Capital Target Funding report as of June 30, 2023. The program gained net position over last year, meets

all capital target goals, and is financially strong and stable. Equity provides opportunities to support WC rate stability and fund risk management programs.

Motion was made by Best, seconded by Grindle, and carried unanimously to accept and file the Workers' Compensation Capital Target Funding report as presented. (*Ayes: Abbate, Best, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Vang; Noes: none; Abstained: none; Absent: Dixon USD, NCOE, Travis USD, Vallejo City USD, Winters JUSD*)

DENTAL/VISION PROGRAMS

Status of Dental Capital Target Funding at 6/30/23

Santin presented the Dental Program Capital Target Funding report as of June 30, 2023. Overall, the program remains financially strong and meets all targets. This will enable us to moderate rate changes and absorb short-term cost increases. Current 12-month rolling loss ratio is 89.65%; this means we have received slightly more premium than we are paying out in claims and expenses. Overall, the program remains financially strong and meets all capital targets. Equity presents opportunities to moderate rate changes and absorb short-term cost increases.

Motion was made by Hester, seconded by Best, and carried unanimously to accept and file the Dental and Vision Capital Target Funding reports as presented. (*Ayes: Abbate, Best, Grindle, Henson, Hester, Page, Patterson, Rahill, Robertson, Vang; Noes: none; Abstained: none; Absent: Dixon USD, NCOE, Travis USD, Vallejo City USD, Winters JUSD*)

NON-ACTION/DISCUSSION ITEMS

NBIG Update

Santin reported an update on the captive investment portfolio, and specifically, PFM's management services. Our account manager, Ellen Clark, announced her retirement without advance notice. The portfolio's performance has not been as high as anticipated and there has been a significant increase in management fees. Because of these reasons, Santin reported that she will be looking into the process of obtaining a new investment management firm for the captive.

Program / Manager Reports

Workers' Compensation Claims Manager, Kami Liñan, provided an update to the Board on her department. Highlights included program updates, a broad claims overview, and how NBSIA loss data compares to other JPAs in the state.

Property & Liability Claims Manager, Brandon Schlenker, provided an update to the Board on the P&L Department. Schlenker provided an overview on the frequency and severity of the property and liability claims over the past five fiscal years. Schlenker also highlighted the risk management support and resources NBSIA can provide our P&L members.

Member Services Manager, Denise Schreiner, provided an update to the Board regarding the programs and services available through the Member Services Department. Schreiner highlighted the number of training courses and services the department provided. Schreiner also provided a brief update on additional wellness-related initiatives NBSIA will be offering to our members. Schreiner continued to encourage our members to take advantage of our programs, which are—most often—free of charge.

CLOSED SESSION

The Board of Directors entered into Closed Session at 11:38 a.m. for discussion and possible action on the following items:

- A. Pursuant to Government Code Section 54956.95(a)
 - i. *Alexander v. Napa Valley Unified School District*
 - ii. *Choy v. Fairfield-Suisun Unified School District*
 - iii. *Torres v. Fairfield-Suisun Unified School District*
- B. Pursuant to Government Code Section 54956.9(d)(2) and (4) – three matters not designated by name in keeping with Section 54956.9(g).

REPORT FROM CLOSED SESSION

The Board returned to Open Session at 12:17 p.m. and reported no action taken.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:17 p.m.

Respectfully submitted by: Kim Santin
Kim Santin, Executive Director

1/27/2024
Date

Approved by the Board: 4/17/2024
Date