

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING
May 27, 2020**

MINUTES

- Call to Order** The meeting was called to order at 12:00 p.m. by President Welch.
- Attendance** Those in attendance were:
Tommy Welch, Solano County Office of Education
Attending by videoconference/Zoom:
Matt Best, Davis Joint USD
Michelle Henson, Fairfield-Suisun USD
Josh Schultz, Napa County Office of Education
- Staff and Guests** Janet Selby, NBSIA
Carrie Green, NBSIA
Attending by videoconference/Zoom:
Vahé Hovakimian, NBSIA
Brandon Schlenker, NBSIA
- Approval of Agenda** Motion made by Schultz, seconded by Henson, and carried unanimously to approve the agenda as presented. *(Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none)*
- Public Comments** No public present.
- Member Reports and Collaboration**
Members discussed issues faced in reopening schools, including how to handle decisions related to staff return to work and learning management systems to support learning from home. Question was asked about extension of the Governor’s Executive Order establishing a workers’ comp presumption of injury. Staff had not heard of any extension but also stated that several pieces of legislation establishing similar presumptions are still active in the Legislature.
- Executive Briefing** Selby highlighted the new online child sexual abuse prevention training and that Praesidium will attend the board meeting. Interested folks will be invited to the board meeting to hear the presentation. She also highlighted that a collection of guidance on reopening school facilities has been added to the NBSIA website, and that staff are incorporating public health guidelines into inspections, which are starting to ramp up.
- ACTION ITEMS**
Consent Calendar Motion was made by Best, seconded by Schultz, and carried unanimously to approve all items listed on the Consent Calendar, including the Regular Meeting Minutes April 29, 2020; Expenditure Reports (January-March 2020); Personnel Actions May 2020; Extension of Monthly Retainer Agreement 20/21, Eyres Law Group; Contract for Financial Audit Services FY20 and FY21, Gilbert; and the NBSIA Portfolio Executive Summary at April 30, 2020. *(Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none)*

Finance/Operations

2020/21 Preliminary Annual Budget

Finance Manager Vahé Hovakimian presented the preliminary budget for FY2020-21 to the Executive Committee. The budget is inclusive of all programs and services, as well as operational and administrative expenses. A narrative report detailing assumptions, substantive changes from the prior year, and definitions was also provided.

It was noted that NBSIA continues to focus on controlling the frequency and severity of claims, the largest budgeted cost. NBSIA staff have also worked to hold or reduce administrative expenses as much as possible. The overall budget exclusive of claims and insurance costs is down. The Committee expressed appreciation for NBSIA's efforts to reduce expenses without reducing services in light of the current uncertainty around school budgets.

Motion was made by Schultz, seconded by Best, and carried unanimously to recommend that the Board of Directors approve the 2020/21 Preliminary Annual Budget as presented. (*Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none*)

Property/Liability Program

Fund Strengthening Plan

Selby presented the fund strengthening plan options for the Property/Liability Program. This included the two options carried over from the prior discussion (Options A4 and A5) and a third option (Option B) to fund at the 90% confidence level. This third option collects slightly less than the lowest prior option and would enable members to make contribution payments consistent with our current payment plan options.

The Committee had a prudent discussion about all options and the importance of building the fund in light of current liability exposures including COVID-19 and AB 218, while recognizing that school funding is unknown and will likely be substantially reduced in the coming year.

Motion was made by Welch, seconded by Henson, and carried unanimously to recommend Option B as presented to the Board, contingent on approval of the WC Rebate presented in item D.i. (*Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none*)

Preliminary Property/Liability 2020/21 Rates

Selby reported that, overall, PL contribution rates are up about 15%. Most of this is in liability coverage and differs by member according to loss experience. Property rates are stable within the new property coverage program. Cyber is budgeted at the high-end of the estimated increase and will include an increase in coverage limits, which is positive in the current online working/learning environment. Crime is down slightly.

The Committee then discussed the preliminary rate worksheets, including versions at 85% confidence with no rebate, 85% confidence with workers comp rebate, and 90% confidence with workers' comp rebate. Selby reported that the goal was to keep the overall increase under 10%, to

soften but not completely cover the impact of rising insurance costs, which is likely to continue into the foreseeable future.

Consistent with discussion in the prior item, Members favored funding at the 90% confidence level and applying the workers' comp rebate to mitigate the increase.

Motion was made by Best, seconded by Schultz, and carried unanimously to recommend to the Board rates at the 90% confidence level with the workers' comp rebate as presented. *(Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none)*

Workers' Compensation Program

Workers' Compensation Rebate

Selby presented an option for a one-time rebate from the workers' comp program to be applied toward property/liability premiums for those members in both programs. Members not in the property/liability program will receive a check for their pro rata share of the rebate.

Selby reported the rules for distribution of equity from a program. The workers' compensation program meets all the capital target policy criteria and has sufficient equity above this to declare a one-time distribution. The Executive Committee agreed that this is one of those extraordinary times when funds can be used to help members and Selby reported that this can be done on a one-time basis while still maintaining financial strength.

Motion was made by Schultz, seconded by Best, and carried unanimously to recommend that the Board approve a \$1 million dollar one-time rebate as presented, contingent on the Board approving PL rates at 90% confidence level. *(Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none)*

Dental/Vision

Updated 2021 Rates – Vallejo City USD

Selby reported an error occurred in preparing the 2021 rates for VCUSD which resulted in incorrect final rates. The district was notified, and the proper corrections made, which ultimately reduced their 2021 rates.

Motion was made by Welch, seconded by Henson, and carried unanimously to recommend that the Board of Directors approve the corrected 2021 dental rates for Vallejo City USD. *(Ayes: Best, Henson, Schultz, Welch; Noes: none; Absent: none; Abstain: none)*

DISCUSSION ITEMS

Proposed Meeting Schedule for 2020/21

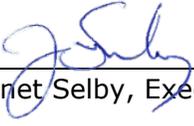
Selby presented the proposed meeting schedule for 2020/21. The Committee voiced no concerns with the schedule as presented.

Election of Officers for 2020/21

Welch reported that he will be stepping down as Board President after three years. A proposed slate of officers and a member-at-large will be presented at the Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:01 p.m.

Respectfully submitted by:  5/27/2020
Janet Selby, Executive Director Date

Approved by Committee: 8/26/2020
Date