

MINUTES

**SANTA BARBARA COUNTY SCHOOLS
SELF-INSURANCE PROGRAM FOR EMPLOYEES**

**March 18, 2019
Santa Ynez Valley Union High School District
Board Room
2975 E. Highway 246
Santa Ynez, CA 93460
(805) 686-8457**

I. Call to Order

The meeting was called to order by President, Elysia Lewis, at 9:30 a.m.

The following members were present:

<u>Name</u>	<u>District</u>	<u>Member or Alternate</u>
Eric Smith	Allan Hancock Joint CC District	M
Randy Haggard	Buellton Union School District	M
Debbie Breck	County Education Office	M
Araceli Vasquez	County Education Office (arrived at 10:00 a.m.)	A
Gloria Grijalva	Guadalupe Union School District	M
Doug Sorum	Lompoc Unified School District	A
Walter Con	Orcutt Union School District	M
Scott Roy	Santa Maria-Bonita School District	A
Reese Thompson	Santa Maria Joint Union High SD	M
Elysia Lewis	Santa Ynez Valley Union SD	M

Others Present:

Sean Chenowith	Santa Maria-Bonita School District
Keith Cox	County Education Office
Bruce White	WCA
Angela Hatley	Alliant Insurance Services
Hans J. Helling	Consultant
Debbie Helling	Consultant

II. Items to be Deleted or Added According to Government Code 54954.2

There were no items added or deleted from the agenda.

III. Comments from the Public

None

IV. Correspondence

The Authority did not receive any correspondence since the last meeting. Debbie Breck announced that this would be the last year that the Hellings would be working with the JPA as they have decided to retire. She also announced that Walter Con would also be retiring at the end of this fiscal year.

V. Approval of the Minutes of the January 28, 2019 Meeting

A motion was made by Reese Thompson and seconded by Eric Smith to approve the January 28, 2019 minutes and carried with one abstention.

Vote:

Mr. Smith-Aye

Dr Haggard – Aye

Ms. Breck – Aye

Ms. Grijalva – Aye

Mr. Sorum – Aye

Mr. Con - Aye

Mr. Roy – Aye

Mr. Thompson – Aye

Ms. Lewis – Abstain

VII. Rate Committee e for 2018-2019

Since Araceli Vasquez had not yet arrived, the following two items were taken out of sequence.

The Rate Committee, was comprised of Debbie Breck, Walter Con, Eric Smith, Reese Thompson and Gloria Grijalva though Mr. Thompson and Ms. Grijalva could not make the meeting. Bruce White also attended and provided the Committee with information which was utilized to determine the rates. Also in attendance were Debbie and Hans Helling. In making a recommendation for fiscal year 2019/20, the Committee realized that they

need to meet the cash flow needs of SIPE for claims that are paid in 2019/2020 as well as actively managing the reserves to attain a target of \$12 million.

The Rate Committee recommended that the base premium rate remain at \$1.01 per \$100 of payroll through fiscal years 2021-2022. The Committee will review the rate each year to make sure that nothing has changed.

Since the ending fund balance has actually increased, an \$8 million rebate was proposed. Eric Smith suggested that there be no limit on how the Districts spend their rebate. Walter Con mentioned that the communication is critical. Debbie Breck stated that an e-mail would go to the Superintendents with a copy to the Business Manager outlining how the rebate was calculated.

A motion was made by Dr. Randy Haggard and seconded by Reese Thompson to accept the Committee's recommendation of a base premium rate of \$1.01 and an \$8 million rebate with no limit on how the Districts utilized their rebate and unanimously carried.

Vote:

Mr. Smith-Aye

Dr Haggard – Aye

Ms. Breck – Aye

Ms. Grijalva – Aye

Mr. Sorum – Aye

Mr. Con - Aye

Mr. Roy – Aye

Mr. Thompson – Aye

Ms. Lewis – Aye

VIII. Budget for 2019-2020

Debbie Breck presented the SIPE budget for 2019-2020 Elysia Lewis suggested that the \$5.250,000 for claim payments be reduced by a small percentage since only \$4 million will be spent this year. A conversation took place on increasing the safety budget.

The budget will be voted on at the next meeting.

VI. Approval of Warrants

Araceli Vasquez presented the Commercial Warrant Report for the period January 31, 2019 to March 18, 2019 totaling \$517,317.96. A motion was made by Eric Smith and seconded by Dr. Randy Haggard to approve the fund warrants in the amount of \$517,317.96 and unanimously carried.

Vote:

Mr. Smith-Aye
Dr Haggard – Aye
Ms. Breck – Aye
Ms. Grijalva – Aye
Mr. Sorum – Aye
Mr. Con - Aye
Mr. Roy – Aye
Mr. Thompson – Aye
Ms. Lewis – Aye

IX. 2019-2020 Workers' Compensation Market Update

Angela Hatley of presented an overview of the workers' compensation marketplace for 2019-2020. On the positive side there was an overall reduction in workers' compensation costs and better than originally expected savings. Safety National's profit is stable. On the negative side there is potential pressure from the reinsurance markets to raise rates due to the 2017 hurricane season and the 2018 fires.

X. 2019-2020 Excess Workers Compensation Renewal

Angela Hatley advised that the excess workers' compensation policy was currently out to bid and that they would have the renewal at the next meeting.

XI. Funding for NFPA 70E

Keith Cox went to PARMA and was disappointed in that no one was doing anything about 70E. Eric Smith mentioned that he thought this was a liability issue more than a workers' comp issue. Reese Thompson stated that he was going to ask his Superintendent if some of the rebate could be used for 70E.

XII. Report by Claims Administrator

Bruce White presented his report to the Board. There are currently 436 open claims of which 44 are litigated claims. Bruce mentioned that SIPE has 42 more claims this fiscal year to date, then at the same point in time last fiscal year. The reserves have remained fairly flat since the start of this fiscal year.

The most frequently injured employees are those working in Special Education. They represent 22.86% of the total claims and 24.18% of the total incurred claims that have been filed in this fiscal year.

XIII **Report by Loss Control Manager**

Keith Cox presented his report outlining his activities over the last two months. In addition to his usual activities, he met with Sonim Technologies and AT&T, which is the sole provider of FirstNet (a nationwide public safety broadband network to provide prioritized broadband network connectivity to public first responders). Schools may also get this network, which includes Sonim ruggedized phones that are smart phones and can be used as walkie-talkies. The pricing is extremely competitive.

XIV. **Report by Consultant**

Hans Helling reported that Helling & Associates was involved with the workers' compensation excess renewal, attended the Rate Committee meeting, preparation of the minutes and agendas as well as handling the miscellaneous items that routinely arise.

XV. **Items for the Next Agenda**

The next meeting is scheduled for Monday, May 13, 2019. In addition to the usual items, the agenda will include the revised budget, the actuarial proposal, the excess workers' compensation renewal, as well as location and dates for next years' meeting.

XVI. **Adjournment**

There being no further business to discuss, the meeting was adjourned at 11:57 a.m.

Respectfully Submitted,
