



Santa Barbara SIPE

Joint Powers Self Insurance

MINUTES OF THE BOARD OF DIRECTORS

May 10, 2021

9:30 A.M.

A meeting of the Board of Directors was held via Zoom webinar on May 10, 2021.

VOTING MEMBERS PRESENT:

Allan Hancock Joint Community College District	Eric Smith	Member
Buellton Union School District	Randy Haggard	Member
Cuyama Joint Unified School District	Alfonso Gamino	Member
Hope School District	Anne Hubbard	Member
Lompoc Unified School District	Teresa Acosta	Alternate
Los Olivos School District	Nydia Bernal	Alternate (<i>arrived: 10:00 a.m.</i>)
Montecito Union School District	Anthony Ranii	Member
Santa Maria Joint Union School District	Reese Thompson	Member
Santa Barbara County Education Office (SBCEO)	Debbie Breck	Vice President/Member
Santa Ynez High School District	Elysia Lewis	Member
Special Education Local Plan Area (SELPA)	Kim Hernandez	Alternate
Vista Del Mar Union School District	Lois Peterson	Member (<i>left: 9:50 a.m.; Re-joined: 10:03 a.m.</i>)

MEMBERS ABSENT:

Ballard School District
Blochman Union School District
Carpinteria Unified School District
Cold Spring School District
College School District
Goleta Union School District
Guadalupe Union School District
Orcutt Union School District
Santa Maria-Bonita School District
Solvang School District

OTHERS PRESENT:

Risk Program Administrators	Jennifer Achterberg, Administration J.T. Babish, Administration
Workers' Compensation Administrators	Bruce White, Claims Administrator
Alliant Insurance	Angela Hatley, Broker
SBCEO	Keith Cox, Risk Control Araceli Vasquez, Treasurer/Alternate

1. CALL TO ORDER

President Elysia Lewis called the meeting to order at 9:30 a.m.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF THE AGENDA AS POSTED OR AMENDED

Motion made by Eric Smith, Allan Hancock Joint Community College District, seconded by Randy Haggard, Buellton Union School District, to approve the agenda as posted. Motion passed unanimously via roll call.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Lois Peterson - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

4. APPROVAL OF THE CONSENT CALENDAR

A motion was made by Anthony Ranii, Montecito Union School District, seconded by Reese Thompson, Santa Maria Joint Union School District, to approve items A) Minutes of the March 15, 2021 Board Meeting, B) Warrants for March and April 2021 and receive and file item C) Safety Program Funds Usage 2020-21, and D) Education & Training Opportunities. Motion passed unanimously via roll call.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Lois Peterson - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

5. OPEN SESSION

A. Proposed Board Meeting Dates for 2021-22

Jennifer Achterberg, RPA, presented the proposed meeting dates for the 2021-2022 program year. The Board discussed options regarding the platform in which meetings would be held. Many members indicated a preference to continue with virtual, hybrid, or a combination of different style of meetings throughout the year. More members have been able to participate during the 2019-2020 program year as the meetings have been held in an online platform. Some members indicated a preference to return to in-person when safety and health advisories by the State and County confirm a reduced risk.

The Board indicated the first meeting of the program year, to be held in September, would be held via an online platform, and requested this item be placed on the same meeting for discussion regarding the remainder of the program year.

A motion was made by Anthony Ranii, Montecito Union School District, seconded by Reese Thompson, Santa Maria Joint Union School District, to approve the 2021-22 SIPE Board meeting schedule. Motion passed unanimously via roll call with representatives from Allan Hancock, Buellton, Cuyama, Hope, Lompoc, Montecito, Santa Maria, SBCEO, Santa Ynez, SELPA, and Vista Del Mar voting “aye”.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Lois Peterson - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

B. Excess Workers’ Compensation Coverage Renewal for 2021-2022

Angela Hatley, Alliant Insurance Services, presented the excess workers’ compensation renewal. The Board directed the broker to obtain quotes for coverage with two different pool self-insured retention (SIR) levels: \$750,000 (\$750k) and \$1,000,000 (\$1M). The premium to the JPA for a \$750k retention was \$173,672 higher than a continued retention of \$1M.

Ms. Hatley informed the Board, with confirmation by Bruce White, WCA, the JPA has had six (6) claims exceed \$750k and only one (1) claim exceed \$1M since 1981. The Board discussed the cost benefit of reducing the SIR, and decided to continue with a \$1M SIR for the 2021-2022 program year.

A motion was made by Reese Thompson, Santa Maria Joint Union School District, seconded by Alfonso Gamino, Cuyama Joint Unified School District, to direct the broker to place Excess Workers’ Compensation coverage with incumbent carrier Safety national at a \$1M SIR to Statutory limits at a premium not to exceed \$261,260. Motion passed unanimously via roll call vote of all voting members present, with representatives from Allan Hancock, Buellton, Cuyama, Hope, Lompoc, Los Olivos, Montecito, Santa Maria, SBCEO, Santa Ynez, and SELPA voting “aye”; Vista Del Mar was absent.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Nydia Bernal - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

C. Workers' Compensation TPA Contract Extension with WCA

Ms. Achterberg reminded the Board that the Administration team has been reviewing all SIPE contracts and coordinated discussion with SIPE's Fiscal Agent (Debbie Breck) and Bruce White of WCA regarding a contract extension for worker's compensation TPA services. The Board reviewed a proposed three-year term contract for continued services. The shortened term, down to three from a historical five, provides both SIPE and WCA an opportunity to review the entirety of the contract at an earlier date. Best practices would be for a review and revision of contract language, scope of services, and other current industry parameters regarding Third Party Administrator services. Additionally, either a "request for qualifications" or a "request for proposal" may be desired.

During the contract discussion Mr. White proposed a reduction in the annual cost of living increase to 2% from 3.5%. The proposed fees for the contract term would be: Year 1 - \$666,837; Year 2 - \$680,174; and Year 3 - \$693,777.

The Board expressed their appreciation for WCA and continued partnership with SIPE, and the proactive nature of decreasing the annual cost of living increase.

A motion was made by Eric Smith, Allan Hancock Joint Community College District, seconded by Reese Thompson, Santa Maria Joint Union School District, to approve a three-year contract extension with WCA, through June 30, 2023, for primary Workers' Compensation TPA Services. Motion passed unanimously via roll call vote of all voting members present, with representatives from Allan Hancock, Buellton, Cuyama, Hope, Lompoc, Los Olivos, Montecito, Santa Maria, SBCEO, Santa Ynez, and SELPA voting "aye"; Vista Del Mar was absent.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Nydia Bernal - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

D. 2021-22 Budget

Debbie Breck, SBCEO, reviewed the 2021-22 Budget, confirming the changes made based on the decisions of the Board at its March meeting. Ms. Breck reminded the Board the three items that were updated were: the corrected appropriation of monies for services performed by the Loss Control Manager and the Administrative Assistant to the section for contracted service providers; the increase to the Safety Incentive funds from \$75,000 to \$100,000, and an increase of Trainings and Services from \$152,300 to \$170,000 for the 2021-22 program year.

Ms. Breck indicated a revised budget would be presented to the Board at its September 2021 meeting to include the information approved by the Board earlier in the meeting: the WCA fees and the Excess Workers' Compensation premium related to the continued \$1M SIR.

A motion was made by Eric Smith, Allan Hancock Joint Community College District, seconded by Kim Hernandez, Special Education Local Plan Area, to approve the 2021-2022 SIPE Budget, inclusive of the actions approved by the Board earlier in the meeting regarding the WCA contract and Excess Workers' Compensation coverage premium. Motion passed unanimously via roll call vote of all voting members present, with representatives from Allan Hancock, Buellton, Cuyama, Hope, Lompoc, Los Olivos, Montecito, Santa Maria, SBCEO, Santa Ynez, and SELPA voting "aye"; Vista Del Mar was absent.

Vote:

Eric Smith – *Aye*

Randy Haggard - *Aye*

Alfonso Gamino - *Aye*

Anne Hubbard - *Aye*

Teresa Acosta - *Aye*

Nydia Bernal - *Aye*

Anthony Ranii - *Aye*

Reese Thompson - *Aye*

Elysia Lewis - *Aye*

Debbie Breck - *Aye*

Kim Hernandez- *Aye*

E. Vendor Partner Contracts Status

Ms. Achterberg presented information regarding all SIPE vendor partners and when their current contracts expire. Three contracts will expire during the next program year. The Administration team will present information to the Board at the most appropriate Board meeting to consider action regarding contract extensions or potential RFP's as required.

Informational only, No action required.

F. Risk Control Update

Keith Cox, SBCEO, provided an update on trainings and services provided to members since the March Board meeting. Mr. Cox provided an update regarding a change in date for the Accredited 8-hour EPA Training. The Board discussed postponing this training until June at the earliest.

Mr. Cox reminded the Board of the importance to update and revise their District's listings within the Verisk 3E for MSDS inventory. The current subscription is close to capacity limits, and if necessary and needed the subscription can be increased. Mr. Cox will reevaluate the program limits after the members complete a thorough review of their individual listings, archiving any items that are no longer used or stored.

Informational only, No action required.

G. Claims Administration Update

Mr. White provided an update on the status of claims for the current fiscal year as compared to the same time last year, reflecting an overall reduction in the number of claims at 40%. Review of the reserves and incurred but not reported (IBNR's) from June 30, 2020 to May 10, 2021 show a total net increase of 3.94%.

Specific to COVID claims, six claims have been filed of which all have been denied and two of those are now closed. The Non-Industrial COVID reported claims are currently: 345 employees tested positive, representing an average of 59 employees potentially exposed, per any location. The rate of reporting for non-industrial has dropped since January 2021, and Mr. White reminded the Board that the reporting requirement is in effect until January 2023.

Informational Only. No action required.

H. Program Administration Services Update

Ms. Achterberg, RPA, provided an update on the many projects the Administration team will be preparing to bring to the Board during the 2021-2022 program year. Ms. Achterberg reminded the Board of an item which was discussed in 2019, which was the interest in obtaining General Council for SIPE, and was ultimately postponed until a future date.

Ms. Achterberg, reminded the Board of the various documents and processes currently being reviewed and developed for consideration at future meetings. Included was a partial listing of these ongoing projects, identifying priority and potential timelines.

Informational only, No action required.

I. Draft Board Agenda for September 20, 2021

Ms. Achterberg reviewed the items scheduled to be presented and discussed at the September 20th Board Meeting. In addition to the draft agenda presented, the Board will also discuss the 2021-2022 Board meeting location, and may receive the Actuarial Report as of June 30, 2021.

Informational Only. No action required.

6. **CLOSING COMMENTS**

None.

7. **ADJOURNMENT**

President Elysia Lewis adjourned the meeting at 10:45 a.m.

8. **FUTURE MEETING**

September 20, 2021 Board Meeting to be held via Zoom