



# Santa Barbara SIPE

## Joint Powers Self Insurance

**MINUTES OF THE  
BOARD OF DIRECTORS  
September 19, 2022  
9:30 A.M.**

A meeting of the Board of Directors was held on September 19, 2022 in Santa Maria, CA and via webinar.

**VOTING MEMBERS PRESENT:**

Allan Hancock Joint Community College District	Laura Becker	Alternate
Buellton Union School District	Randy Haggard	Member
Cuyama Joint Unified School District	Alfonso Gamino	Member
Goleta Union School District	Conrad Tedeschi	Alternate ( <i>arrived at 9:44 a.m.</i> )
Hope School District	Mike Thomson	Alternate
Lompoc Unified School District	Doug Sorum	Member
Los Olivos School District	Nydia Bernal	Member ( <i>arrived at 9:33 a.m.</i> )
Montecito Union School District	Anthony Ranii	Member
Orcutt Union School District	Brad Gitchell	Alternate
Santa Barbara County Education Office (SBCEO)	Nicole Evenson	Member*
	Araceli Vasquez	Treasurer/Alternate
Santa Maria-Bonita School District	Javier Cavazos	Alternate
Santa Maria Joint Union School District	Reese Thompson	Member
Santa Ynez Valley Union High School District	Elysia Lewis	President/Member
Solvang School District	Dawn Stewart	Alternate
Special Education Local Plan Area (SELPA)	Rachel Wigle	Alternate

*\*indicates the representative voting*

**MEMBERS ABSENT:**

- Ballard School District
- Blochman Union School District
- Carpinteria Unified School District
- Cold Spring School District
- College School District
- Guadalupe Union School District
- Vista Del Mar Union School District

**OTHERS PRESENT:**

Risk Program Administrators	Jennifer Achterberg
Johnson Schachter & Lewis	Kellie Murphy
Alliant Insurance Services	Angela Hatley
Perr & Knight	Mitchel Paden ( <i>left at 10:04 a.m.</i> )
SBCEO	Keith Cox
Workers' Compensation Administrators	Bruce White
Solvang School District	Sierra Loughridge

**1. CALL TO ORDER**

Board President Elysia Lewis called the meeting to order at 9:31 a.m.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. APPROVAL OF THE AGENDA AS POSTED OR AMENDED**

*Motion made by Reese Thompson, Santa Maria Joint Union High School District, seconded by Randy Haggard, Buellton Union School District, to approve the agenda as posted. Motion passed unanimously via roll call vote of all voting members present, with representatives from: Allan Hancock Joint Community College District, Buellton Union School District, Cuyama Joint Unified School District, Hope School District, Lompoc Unified School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria-Bonita School District, Santa Maria Joint Union School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting "aye". Goleta Union School District and Los Olivos School District were not present.*

**4. APPROVAL OF THE CONSENT CALENDAR**

*A motion was made by Doug Sorum, Lompoc Unified School District, seconded by Alfonso Gamino, Cuyama Joint Unified School District, to approve and direct staff to finalize items: A) Minutes of the May 9, 2022 Board Meeting, B) Revised FY 2022-2023 Budget, and C) Warrants for May-August 2022, and to receive and file items: D) Excess Workers' Compensation 2021-2022 Premium Audit Update, E) Minutes of the April 21, 2022 Safety & Health Management Committee Meeting, F) Annual Safety Awards for 2021-2022, G) Safety Funds Usage Report as of June 30, 2022, H) Education & Training Opportunities, I) Future Meeting Agenda Items, and J) RPA Email Address Update. Motion passed unanimously via roll call vote of all voting members present, with representatives from: Allan Hancock Joint Community College District, Buellton Union School District, Cuyama Joint Unified School District, Hope School District, Lompoc Unified School District, Los Olivos School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria-Bonita School District, Santa Maria Joint Union School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting "aye". Goleta Union School District was not present.*

**5. OPEN SESSION**

**A. Election of Officers**

Jennifer Achterberg, Program Administrator, reminded the Board of the election process as indicated in the governing documents, and outlined the duties and expectations of the officers' roles and involvement outside of meetings. The current President and Treasurer/Secretary confirmed they would be willing to continue their service. The floor was opened for discussion and nomination for the position of Vice President. Nicole Evenson, SBCEO, was nominated and indicated she would be willing to serve in the position.

*A motion was made by Randy Haggard, Buellton Union School District, seconded by Reese Thompson, Santa Maria Joint Union High School District, to elect the following officers for one two-*

*year term expiring June 30, 2024: Elysia Lewis for President, Nicole Evenson for Vice President, and Araceli Vasquez for Secretary/Treasurer. Motion passed unanimously via roll call vote of all voting members present, with representatives from: Allan Hancock Joint Community College District, Buellton Union School District, Cuyama Joint Unified School District, Goleta Union School District, Hope School District, Lompoc Unified School District, Los Olivos School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria-Bonita School District, Santa Maria Joint Union School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting “aye”.*

**B. Draft Actuarial Report as of June 30, 2022**

Mitchell Paden, Senior Consulting Actuary of Perr & Knight, presented the draft Actuarial Report as of June 30, 2022 to the Board. SBSIPE’s total outstanding liabilities, \$18.5 million which is an increase from last year by about \$0.4 million on a discounted basis. This amount includes \$13.1 million in case reserves, \$4.6 million in IBNR reserves, and \$0.8 million in unallocated loss adjustment expense (“ULAE”) reserves. The present value of the SIPE’s outstanding liabilities is \$16.8 million as of June 30, 2022. This amount consists of \$11.9 million in case reserves, \$4.1 million in IBNR reserves, and \$0.8 million in ULAE reserves.

Mr. Paden noted Table 1 of the report would be revised prior to finalizing the document to ensure the correct numbers were displayed in the chart.

Mr. Paden reviewed projected outstanding losses at various confidence levels, and projected funding amounts at different retentions for the Board’s review and use at a future meeting for the 2023-2024 program year.

*Information only, no action required.*

**C. Workers’ Compensation Coverage for Out of State Employees**

Angela Hatley, Broker, provided a presentation regarding “Out of State Employees”, and the parameters around related workers’ compensation coverage— specifically, how coverage is or is not afforded based on the four following categories: temporary work out of state; foreign travel; sabbatical leave, employees domiciled out of state. A brief review of the first three categories was provided, with the focus of the presentation being about personnel who may have moved in some capacity out of California.

The definition for “domiciled” presented was: “that place where a human has their true, fixed, and permanent home and principal establishment and to which whenever they are absent have the intention of returning. A human may have many residences but only one domicile. The domicile controls the jurisdiction of the taxing authorities, determine voting and other legal rights/privileges. Black’s Law Dictionary, 5<sup>th</sup> Ed. and Smith v. Smith.” SIPE JPA’s excess workers’ compensation insurance is specifically for employees working in California who are domiciled in California.

Board members discussed concerns, alternate solutions, and any next steps to be taken with potential employees in the future. Ms. Hatley indicated Alliant is working closely with Safety National regarding alternatives, and will provide an update to the Board as able. Board members

were encouraged to contact Ms. Hatley with any specific questions or situations should they become aware of changes for current employees.

*Information only, no action taken.*

**D. Loss Control Update**

Keith Cox, SBCEO, presented an update to the Board about trainings already provided and scheduled trainings in the near future. A specific note about access and permissions was discussed regarding the Getsafetytrained.com resource. Mr. Cox no longer has access to all SB SIPE members, as some members access to the resource is through their membership in SISC. Any change in access will be shared with the Board.

*Information only, no action required.*

**E. Claims Administration Update**

Bruce White, Workers' Compensation Administrator, presented a claims update. While too early in the program year to confirm trends, as compared to last year at this time there is a decrease in new claims activity. Mr. White confirmed that total count of claims as of the close of the 2021-22 program year were aligned with the 2018-19 program year. Additionally, there wasn't much change in the Industrial Covid claims.

Mr. White indicated that, based on current reserves and adjustments to open claims at this point in the year, the Board may want to consider an increase to the 2022-23 budget to ensure there are enough monies to cover claims payments during the program year. This is largely due to the recent settlement and closure of a claim with reserves to be paid into the excess coverage of that particular claim year.

Mr. White discussed the Department of Industrial Relations (DIR) audit, which occurs for a random selection of TPA's ever 5 years. The claims audit was conducted during July and August, by seven claim auditors and one supervisor. The claims audit was completed in August. The audit calculates a performance rating, with the lower number being the better performance. WCA's performance rating was 0.28894, which was better than the two previous audits.

*Information only, no action required.*

**6. CLOSING COMMENTS**

*None.*

**7. ADJOURNMENT**

President Lewis adjourned the meeting at 11:01 a.m.

**8. FUTURE MEETING**

November 14, 2022 meeting to be held in the hybrid format (via Zoom teleconference and in-person).