

**MINUTES OF THE
BOARD OF DIRECTORS
March 13, 2023
9:30 A.M.**

A meeting of the Board of Directors was held on March 13, 2023 in person and via teleconference.

VOTING MEMBERS PRESENT:

Allan Hancock Joint Community College District	Laura Becker	Alternate
Buellton Union School District	Randy Haggard	Director <i>(arrived at 9:35 a.m.)</i>
Hope School District	Mike Thomson	Alternate <i>(arrived at 9:42 a.m.)</i>
Lompoc Unified School District	Doug Sorum	Director
Los Olivos School District	Ray Vasquez	Director <i>(arrived at 9:44 a.m.)</i>
Montecito Union School District	Anthony Ranii	Director
	Virginia Alvarez	Alternate <i>(arrived at 9:51 a.m.)</i>
Orcutt Union School District	Brad Gitchell	Alternate
Santa Barbara County Education Office (SBCEO)	Nicole Evenson	Vice President <i>(arrived at 9:35 a.m.)</i>
	Araceli Vasquez	Treasurer
Santa Maria Joint Union High School District	Reese Thompson	Director
Santa Ynez Valley Union High School District	Elysia Lewis	President
Solvang School District	Sierra Loughridge	Director
Special Education Local Plan Area (SELPA)	Rachel Wigle	Alternate

MEMBERS ABSENT:

Ballard School District
 Blochman Union School District
 Carpinteria Unified School District
 Cold Spring School District
 College School District
 Cuyama Joint Unified School District
 Goleta Union School District
 Guadalupe Union School District
 Santa Maria-Bonita School District
 Vista Del Mar Union School District

OTHERS PRESENT:

Alliant Insurance Services	Angela Hatley
	Lilian Vanvieldt <i>(left at 10:53 a.m.)</i>
Eide Bailly	Shilo Gorosope <i>(left at 9:41 a.m.)</i>
Johnson Schachter & Lewis	Kellie Murphy
Risk Program Administrators	Jennifer Achterberg
	Amber Anderson
SBCEO	Keith Cox <i>(left at 11:00 a.m.)</i>
Workers' Compensation Administrators	Bruce White

1. CALL TO ORDER

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

2. ESTABLISHMENT OF QUORUM

Roll call was taken and quorum established.

3. PUBLIC COMMENTS

There were no public comments.

4. APPROVAL OF THE AGENDA AS POSTED OR AMENDED

Motion made by Reese Thompson, Santa Maria Joint Union High School District, seconded by Laura Becker, Allan Hancock Joint Community College 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, Lompoc Unified School District, Los Olivos School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria Joint Union High School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting "aye". Buellton Union School District and Hope School District were not present.

5. CONSENT CALENDAR

A motion was made by Reese Thompson, Santa Maria Joint Union High School District, seconded by Doug Sorum, Lompoc Unified School District, to approve and direct staff to finalize: A) Minutes of the January 23, 2023 Special Board Meeting, B) Minutes of the January 23, 2023 Board Meeting, and C) Minutes of the February 9, 2023 Rates Committee Meeting, and to receive and file: D) Minutes of the October 20, 2022 Safety & Health Management Committee Meeting, E) Warrants for January and February 2023, F) Safety Funds Usage as of January 2023, G) Education & Training Opportunities, and H) Future Meeting Agenda Items. Motion passed unanimously via roll call vote of all voting members present, with representatives from: Allan Hancock Joint Community College District, Lompoc Unified School District, Los Olivos School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria Joint Union High School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting "aye". Buellton Union School District and Hope School District were not present.

6. OPEN SESSION

A. Financial Statements Compilation Report and Audited Financial Statements as of June 30, 2022

Shilo Gorosope of Eide Bailly presented the Financial Audit for the program year ending June 30, 2022. The auditor indicated there was an overall decrease in net position by \$1,455,905, or 8%, with an ending balance of \$16,698,730 as of June 30, 2022.

B. Rates Committee Recommendation for 2023-2024 Funding

Claims Manager Bruce White and Vice Chair Nicole Evenson summarized the activities of the Rates Committee for funding the coming 2023-24 program year. The following was considered when determining the recommendation to the Board:

- Meet the cash flow needs of SIPE for claims and paid in fiscal year 2023/24.
- Recognize an excess insurance self-retention level of \$1M, which means SIPE retains liability up to \$1M on each claim.
- Maintain actuarial confidence level at 70%.
- Expect fiscal year 2023-24 payroll to increase due to recent negotiated increases.
- Anticipate payroll to decrease in future years as the COVID assistance comes to an end.
- Decrease the ending fund balance target level to \$10M.
- Progress toward having the base premium rate in line with the actuarial recommendation for the fiscal year rate.

The final recommendation was for the 2023/24 base premium rate to remain at \$1.12, with individual rates varying due to claims experience.

Motion made by Randy Haggard, Buellton Union School District, seconded by Reese Thompson, Santa Maria Joint Union High School District, to approve the Rates Committee recommendations: 1) Workers' Compensation base premium rate of \$1.12 for the 2023/24 program year; and 2) confirm no retrospective premium rebate for 2022/23 program year at this time. 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, Hope School District, Lompoc Unified School District, Los Olivos School District, Montecito Union School District, Orcutt Union School District, SBCEO, Santa Maria Joint Union High School District, Santa Ynez Valley Union High School District, Solvang School District, and SELPA voting "aye".

C. Excess Workers' Compensation Market Update & 2023-24 Renewal

Lillian Vanvieldt provided a presentation on the projections for the Excess Workers' Compensation market in the coming year, covering recent claims trends and local statistics for comparison. The takeaway for the Board was that severity trends continue worsening across all lines of coverage, and to expect a rate increase of up to 10%.

Information only, no action required.

D. Preliminary 2023-24 Budget

Vice Chair Nicole Evenson reviewed the preliminary budget indications for the coming 2023-24 program year, noting that the final budget would be presented at the May meeting.

Information only, no action required.

E. Loss Control Update

Keith Cox, Loss Control Manager, presented a risk control update for the Board, on training and services provided to members since the last Board meeting. Mr. Cox noted that the biggest challenge currently for loss control is lack of personnel and increased injuries due to fights. A recommendation was made to seek out experts who may be able to assist the pool with additional resources to learn more about how to combat the systemic issues affecting staff in the current climate.

Information only, no action required.

F. Claims Administration Update

Mr. White presented a claims update for the Board, reviewing the number and type of open claims and closed claims. January and February brought an influx of new claims, with one large claim necessitating a report to the excess carrier. The large claim is however being disputed, as it is unclear whether the claimant is entitled to reimbursement at this time. Old claims are being closed out, however new ones are being opened as well, with claims paid estimated to exceed \$7M by the end of the year. An effective and efficient return to work program can reduce TD costs the pool is currently paying on claims, he noted.

Information only, no action required.

A lunch break was taken from 10:53 a.m. to 12:00 p.m.

7. STRATEGIC PLANNING SESSION

The following topics were covered during the SB SIPE Strategic Planning Session:

- **SB SIPE Mission & Vision**

SIPE is a Joint Powers Agency comprised of school districts in Santa Barbara County, the Santa Barbara County Education Office, and the Allan Hancock Joint Community College District. SIPE provides not only workers' compensation and insurance coverage, but also offer safety training and compliance inspections for member districts. SIPE is committed to providing a safe working environment for employees.

- **Board Member 101**

Ms. Murphy provided a detailed presentation on the roles and responsibilities of Board members.

- **What is a JPA and what does SB SIPE want to be?**

Jennifer Achterberg, Program Administrator, led the Board in further discussion of the functions of JPAs in general, as well as how SB SIPE specifically views itself as an organization. The consensus was that the Board is not interested in expanding offerings, but would like to continue with a focus on managing claims and providing risk control. One area where further development is desired is to increase clarity on the entity's relationship to SBCEO.

- **Workers' Compensation & Risk Control**

The Board discussed current efforts with providing excess worker's compensation coverage, proactive claims monitoring and risk control to its membership. Risk Management Evaluations (RMEs) for individual members and clarification on the approval process for the use of risk management funds were areas where the Board agreed to look into expanding focus in the coming year.

- **SB SIPE Future Goals**

One goal of SB SIPE is to enhance loss control efforts to supplement safety education with proactive prevention measures. Staff will look into ways to grow this side of the program offerings in order to specifically address the claims data of the membership with tailored preventative measures, as well as addressing the general workers' compensation climate and broader statewide issues.

Another goal of the Board is to ensure compliance and understanding of all members and Committees. Staff will work with members to create and distribute a representative form that incorporates Board members, their alternates and Safety Committee members. The form will be renewed annually, and include a description of responsibilities for each role.

8. CLOSING COMMENTS

None.

9. ADJOURNMENT

The meeting was adjourned at 1:36 p.m.