

BOARD OF DIRECTORS MEETING
JANUARY 28, 2022



Board of Directors Minutes

BOARD MEMBERS PRESENT:

Kristin Bennett, Kristen Colonell, David Crews, Mike Page, Tom Turrell, Stephanie Watson, Jeff Gatlin, and Siri Vensel

BOARD MEMBERS ABSENT:

Brad Ray

POOL STAFF PRESENT:

Steve S. Fast, Tod Walkington, Craig Hein, Audrey Mauser, Mary Lee Gibson, Steve Armstrong, Lawrence Mundy, and Jillian Harclerode

POOL STAFF ABSENT:

None

I. Ground Rules:

GP-11 Board Director Covenants: All members will participate and contribute. We will be solution oriented, action oriented and take risk. We will stay open, restate closure and adhere to timelines.

II. Call to Order:

Kristen Colonell called the meeting to order at 9:00 a.m.

III. Board Work Session

A. Succession Planning

The Board and Mr. Fast reviewed the staff succession planning model. It was agreed that Mr. Fast would present model options for the Board's review and consideration at their April meeting.

IV. Agenda Approval:

A. Additions & Deletions to Agenda

VII, Standing Reports, A. Executive Director's Report, 2. Staff Compensation Study discussion is deleted and a discussion regarding the Member Conference was added in its place.

V. Discussion Items:

A. 2022 Rate Structure – T. Walkington / L. Mundy (EL-7, 8 & 9)

Tod Walkington addressed the Board regarding rating options for the 2022 Renewal Season. Mr. Walkington presented multiple rate options which included projected contributions, estimated reinsurance ceding costs, estimated operational expenses, projected losses and projected Net Income for 2022 – 2023.

VI. Action Items:

A. *22-01 GP-3: Resolution to Approve December 10, 2021 Meeting Minutes

Be it resolved, that the Board Minutes of December 10, 2021 Board Meeting are approved with revisions to typos.

1st Dave Crews

2nd Stephanie Watson

Unanimous approval by Board Directors.

B. *22-02 EL-7/EL-8: Resolution to Approve the 2022 Rate Structure

Be it resolved, that the Board approve the 2022 base rate structure to include; a Property base rate change of 0%, a School Entity Liability base rate change of 0% and a School Auto Liability base rate change of 0%. Additionally, the Board approves the development and implementation of the Experience Modifier with a range of 0% debit and a maximum of a 1.3% credit.

1st Dave Crews

2nd Kristin Bennett

Unanimous approval by Board Directors.

VII. Standing Reports:

A. Executive Director's Report - S. Fast (EL-10)

1. Reinsurance Market Update & 2022 Renewal Strategy

Steve Fast addressed the Board regarding changes to the reinsurance market. Property and casualty markets will likely see new exclusions and rising rates. Limits and retention changes are unlikely to occur. CSDSIP is at the end of our 3-year rate guarantee for Equipment Breakdown and will likely experience some rate increase for this coverage especially due to an uptick in expensive geothermal equipment claims. The big unknown in terms of supplementary coverage is Cyber. Cyber will be a difficult renewal this year as carriers are again reducing their capacity, reducing limits and increasing rates.

2. Member Conference

CSDSIP is moving forward with planning an in-person Member Conference this summer, with a 40th anniversary celebration theme with three educational topics available to Members. These include wildfire, cyber, and statute of limitations issues and lessons learned. Total costs will likely exceed the current budgeted amount of \$75,000 due to shortages and increased costs of supplies and labor. CSDSIP expects to request that the Board increase that portion of the budget by \$25,000 at the next Board Meeting.

3. Policy Governance Review – (GP 1-13, B/SR 1-5)

No changes were suggested.

4. Strategic Plan Review

Mr. Fast asked for feedback on the updated Strategic Plan before he and the Communications Specialist work to finalize that document for the April Board Meeting.

B. Finance Services Update – L. Mundy / T. Walkington (EL-7, 8 & 9)

1. Interim Financial Statements Review

Lawrence Mundy addressed the Board regarding the new finance brief as an addition to the Board Packet. He reviewed the different portions of that report which the Finance Team will be providing to the Board each meeting on a go-forward basis.

2. FY2021 Interim Operating Budget Review

CSDSIP is currently projecting a net income that could change due to losses sustained by the December fires in Boulder County. CSDSIP has begun the process of preparing the budget for the next fiscal year and information regarding costs and budget drivers for the Finance Advisory Council and Board.

3. Investment Policy Review & Compliance Report

Mr. Walkington addressed the Board regarding CSDSIP's investment policy. At this point CSDSIP is in compliance with all applicable rules and regulations regarding where and how investments can be distributed.

Mr. Mundy requested a periodic review by RBC, our investment manager, on the health of CSDSIP's investments. RBC recently provided a short list of potential changes CSDSIP should make. The Finance Team is planning to meet with RBC and discuss RBC's recommendations before updating the Board during the April meeting.

4. PERA Roth Option

Mr. Mundy presented an informational item regarding employee benefits. The Finance Team would like to explore the option of adding a PERAPlus 401(K)/457 Roth Option to our employee benefits plan through PERA. This would not result in any additional costs to CSDSIP other than some minor internal costs to administer associated with staff time and implementation.

C. Management Information System Update – C. Hein (EL-10)

1. RMIS Vendor Selection Potential FY2021 Budget Impact

Mr. Hein addressed the Board regarding the RMIS system update. CSDSIP has developed a list of questions for vendors and is preparing to select vendor this April which could result in a financial outlay for this system this fiscal year.

D. Legal Resources Report – C. Hein (EL-10)

Mr. Hein addressed the Board regarding the upcoming Legislative Session and anticipated pieces of legislation.

E. Claims Services Report – S. Armstrong (EL-10)

1. Marshall Fire Update

Steve Armstrong addressed the Board regarding some significant claims due to Marshall fire property losses. Though no Members lost any buildings, smoke, wind, and soot damage is extensive. Smoke damage was exacerbated by the cleanup methods necessary due to the wide variety of substances that were burned. CSDSIP was able to meet and inspect the six buildings with damage immediately following the fires. CSDSIP exerted considerable resources and time in order to get schools back open in less than 72 hours.

2. December 15 Wind Cat. Update

The December 15th wind event resulted in roof damage to at least 10 CSDSIP Members who have reported damages to date. Mr. Armstrong anticipates other Members to report claims.

3. RMCC / Widefield SD Update

CSDSIP is still taking steps to remedy a situation caused by a possibly fraudulent contractor.

4. Other Claims Updates

Catalytic converter theft is on the rise. Repair costs are a few thousand dollars per vehicle. Senate Bill 88, which reopens the statute of limitations for minors who were sexually abused or assaulted going back to January 1, 1960 is starting to result in some claims that CSDSIP will have to address..

F. Risk Programs Report – A. Mauser (EL-10)

Audrey Mauser notified the Board that we did lose one Member, Carbon Valley Academy, in January of 2022.

1. 2022 Renewal Timeline

Ms. Mauser addressed the Board regarding the 2022 Renewal Season. The Risk Programs Team is working on assembling Renewal Packets. There will be additional Applications and questions this year as we work through our struggles with the Cyber market and also claims

on geothermal units. They are also working on geocoding Members to pull flood reports this year.

2. 2022 Renewal Meeting Information

The Risk Programs Team has tentatively planned 19 in person Renewal Meetings, including 4 new meetings. The new meetings are in Grand Junction, Frisco, Lamar, and a Zoom catch-all for those who cannot or would prefer not to meet in person.

G. Risk Control Report – ML Gibson (EL-10)

Mary Lee Gibson updated the Board regarding Risk Control staff training. She has sent members of her Team to train on Playground topics and the McGrath Response Method.

1. Cyber Symposium Update

CSDSIP Cyber Summit speakers will focus on best practices and lessons learned from cyber breaches.

2. Guns & Gangs at School – Fall 2022

Risk Control is working with Safer Schools Together to bring a violence-prevention workshop to Members in October 2022.

GP-3-6. Board Monitoring Report:

The Board will monitor its processes and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to polices in the Governance Process and Board-Staff Relationship categories.

VIII. Information Items:

Mr. Fast stated that he will share the schedule for the AGRIP Conference in April of 2022 as soon as he receives it.

IX. Future Meeting Dates:

April 28 & 29 – Board Work Session & Meeting

July 9 – Board Work Session (Keystone, CO)

July 10-12 CSDSIP Member Conference (Keystone, CO)

September 23 – Board Meeting

December 16 – Board Meeting

X. Adjournment:

The meeting was adjourned at 12:28 p.m.