

**BOARD OF DIRECTORS MEETING
SEPTEMBER 24, 2021**



Board of Directors Minutes

BOARD MEMBERS PRESENT:

Kristin Bennett, Kristen Colonell, David Crews, Mike Page, Brad Ray, Tom Turrell, Siri Vensel and Stephanie Watson.

BOARD MEMBERS ABSENT:

Jeff Gatlin

POOL STAFF PRESENT:

Steve S. Fast, Tod Walkington, Craig Hein, Audrey Mauser and Steve Armstrong.

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 8:00 a.m.

III. Discussion Items:

A. Legislative Update – Political Advocacy, Inc. E. Rosen at 11:00am

Elizabeth Rosen provided an update of the 2021 Legislative Session. She said that it was a very challenging session due the catch up from last year's COVID session. Bills of interest included the expanded cannabis medicine in schools, Senate Bill 88 which reopens the statute of limitations for civil claims arising out of sexual abuse and molestation, Senate Bill 176 which relates to workplace harassment laws which was killed, a Workers Compensation Bill that would have allowed employees to pick their own physician and Senate Bill 182 related to school discipline and the school to prison pipeline. She also provided an update on the State's budget as well as anticipated legislation which she feels will be coming back up next legislative session.

IV. Agenda Approval:

A. Additions & Deletions to Agenda
None.

1st Stephanie Watson

2nd Mike Page

Unanimous approval by Board Directors.

V. Action Items:

A. *21-09 GP-3: Resolution to Increase Number of Board Directors

Be it resolved that pursuant to Section 3.02 of the Pool Agreement, the Board of Directors increases the number of Board Directors from seven to nine.

1st Kristin Bennett

2nd Dave Crews

Unanimous approval by Board Directors.

B. *21-10 GP-3: Resolution to Approve the Appointment of Board Directors

Be it resolved that the Board approve the appointment of Brad Ray to the CSDSIP Board of Directors to fill an initial Director term expiring June 30, 2023, and of Siri Vensel to the CSDSIP Board of Directors to fill an initial Director term expiring June 30, 2024.

1st Dave Crews

2nd Mike Page

Unanimous approval by Board Directors.

C. *21-11 GP-3: Resolution to Approve April 29, 2021 Minutes

Be it resolved that the Board Minutes of the April 29, 2021 Board Meeting are approved.

1st Kristin Bennett

2nd Tom Turrell

Unanimous approval by Board Directors.

D. *21-12 GP-3: Resolution to Approve August 27, 2021 Minutes

Be it resolved that the Board Minutes of the August 27, 2021 Board Meeting are approved.

1st Stephanie Watson

2nd Mike Page

Unanimous approval by Board Directors.

VI. Standing Reports:

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

1. "Mask Mandate Litigation"

Steve Fast provided the Directors with a summary of the litigation. We've received four claims from our Members to date and likely will receive more. The lawsuits are on both sides of the argument, both for and against. It challenges the constitutionality of masking, both at the state level as well as federally. Litigants are pro-se and each complaint contains the same claims for relief.

We have reviewed the complaints with coverage counsel and concluded that there is no duty to defend or indemnify under the School Entity Liability coverage form. While the allegations within the complaint may arguably constitute a School Leaders Wrongful Act, the complaint seeks declaratory and injunctive relief and does not seek monetary damages.

Mr. Fast advised that the Pool would move forward with formally providing Members with a coverage denial. Staff will continue to monitor the litigation and no other action will be taken by the Pool at this time.

2. 2021 – 2022 CSDSIP Entity Insurance Placement

Mr. Fast reviewed the 2021 - 2022 Entity Insurance placement. Renewal premium increased 22% overall, mostly due to Cyber, and exceeded the 10% budgeted increase for FY2021-2022. He advised the Board that it appears that the increased cost will fit within our overall budget, however he cautioned that we are early in our fiscal year.

3. 2021 – 2025 Strategic Plan Update

Mr. Fast reviewed the Strategic Plan, providing updates and revisions as proposed by the Management Team. He recommended a structural modification of the document that is more reader friendly and focuses more on the objectives. He suggested incorporation of the marketing plan as well as a section focused on strategic partners of the Pool. The revised format will be presented at the December Director meeting.

4. CSDSIP Staff Succession Plan Update

Mr. Fast and the Directors discussed CSDSIP's Staff Succession Plan. Mr. Fast provide a staffing update regarding recent and anticipated retirements.

B. Finance Report: T. Walkington (EL-7, EL-9)

1. Interim Financial Statements Review
Mr. Walkington provided the Directors with the June 30, 2021 Financial Statements. Net income is expected to be approximately \$10.6M.
2. Investment Policy Compliance Report
Mr. Walkington shared with the Board why we have an investment policy, what we can invest in and how much we can invest in each allowed security. We are currently in compliance.
3. Equity Rate Model Review – T. Walkington, S. Fast (EL-7, 8 & 9)
Mr. Walkington and Mr. Fast presented the update on the Equity Rate Model Review (ERMR). It was explained what the algorithm of the indicator is and how it is created. Our goal is to keep rates stable and consistent.

There was additional discussion including sample modifiers and outcomes and the mean and standard deviation. Discussed what a modifier is and how it differs from what an indicator is and how they are capped. The Board was shown samples of Members and how some of them preformed as predicted to and others did not due to losses. Other changes could result from a change in limits or deductibles.

It was proposed that we give this process a couple of years to play out to see what the results look like.

VII. Executive Director Stewardship Report & Review – K. Colonel and Board

The Board called for a motion to move into executive session pursuant to C.R.S. 24-6-402(c)(f) to discuss the personnel matter of the Executive Director's annual review at 12:46PM. All staff other than Mr. Fast were excused.

1st Kristen Bennett

2nd Michael Page

Unanimous Approval by Board of Directors

The Board exited executive session at 2:26 p.m.

1st Brad Ray

2nd Kristin Bennett

VIII. 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.

IX. Future Meeting Dates:

December 10, 2021 – Board Meeting CSDSIP Offices

X. Adjournment:

The meeting was adjourned at 2:26 p.m.