

# **BOARD OF DIRECTORS**

## **BUSINESS MEETING AND WORK SESSION**

### **DECEMBER 12 – 13, 2024**

### **MINUTES**

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.

GP-3-6. Board Monitoring Report: The Board will monitor its process and performance at each meeting. Self-monitoring will include a comparison of Board activity and discipline to policies in the Governance Process and Board-Staff Relationship categories.

#### **WORK SESSION 12/12/2024**

**Board Members Present:** Tom Turrell (Chair), Mike Page (Vice Chair), Dave Crews (Secretary), David Eastin (Treasurer), Kristin Bennett, Kristen Colonell and Stephanie Watson in person.

**Staff Present:** Ken Canning, Craig Hein, Audrey Mauser, Mary Lee Gibson, Lawrence Mundy, Andrea Leal, Amy Park. Annell Hodges and Derrick Dietrich, and Francisco Martinez until 1:30pm.

**Guests Present:** Thomas Meyer and Betsy Southworth from Select Actuarial, and Jeff Kassal, Arthur J Gallager (AJG).

Chairperson Turrell began the work session at 1:00 PM.

The Underwriting team met with the Board and shared a presentation illustrating the operations of the Underwriting department. This included detailing the services Underwriting provides to Members, such as general policy servicing, answering coverage questions, providing certificates of insurance and contract reviews, renewal and policy issuance, member service, and marketing.

Jeff Kassal of AJG presented a report on the state of the reinsurance market. He noted that the property market seems to be through its transition and has stabilized, which could result in favorable renewables for the coming year.

Thomas Meyer and Betsy Southworth from Select Actuarial shared their presentation, which detailed the trends over the past six years showing CSDSIP has a healthy risk margin in its current underwriting set up and the pool appears to be in a solid capital position.

Ken Canning and Craig Hein presented to the Board on changes to employee compensation and benefits, including presenting options for an all-staff salary increase and a change in benefits package for the Board's consideration.

Lawrence Mundy's presentation on Financial Trends and Key Performance Indicators was moved to agenda of the Board meeting on December 13.

The Work Session Ended at 4:50 p.m.

#### **BOARD MEETING 12/13/2024**

**Board Members Present:** Tom Turrell (Chair), Michael Page (Vice Chair), David Crews (Secretary), David Eastin (Treasurer), Kristin Bennett, and Stephanie Watson in person. Kristen Colonell over zoom.

**Staff Present:** Ken Canning, Craig Hein, Audrey Mauser, Andrea Leal, Mary Lee Gibson, Lawrence Mundy, Amy Park

**Guests Present:** Elizabeth Stull and Cameron Earnshaw from Plante Moran over zoom

Chairperson Turrell called the meeting to order at 9:05 a.m.

**Director Watson moved to approve the agenda for the December 13, 2024, meeting. Seconded by Director Bennett. Motion passed unanimously.**

**Director Eastin moved to approve the minutes of the September 25-26, 2024, Work Session and Board Meeting. Seconded by Director Page. Motion passed unanimously.**

Cameron Earnshaw and Elizabeth Stull of Plante Moran reviewed the 2023–24 FY Audit results with the Board. It was stated that CSDSIP received a clean audit with no findings or the need for post-audit adjustments. Plante Moran expressed appreciation for CSDSIP's attentiveness to the audit and for providing the necessary information as part of the audit. Plante Moran also provided an overview of key financial results from the financial statements and multi-year trend information.

**Director Watson moved that the Board ratify the Year-end Financial Audit Report presented by Plante Moran. Seconded by Director Colonell. Motion passed unanimously.**

Audrey updated the Board processes to improve the renewal process, including changing the renewal meetings to renewal workshops that will assist Members in completing the renewal process. Audrey discussed process of moving information into the PCIS system and what that process will look like for her staff. Audrey presented the 2023 iCRMS external audit of the underwriting department.

Andrea shared that since joining CSDSIP in April, she has an understanding of ways to improve the claims department and be a better fiduciary for Members. This includes contracting with a company to inspect school busses for damage through a process that is similar to the one used for property damage. Additionally, Andrea is working with each Claims team member to ensure they have the tools needed to be successful in their positions. Andrea is also working with Amy Park on communications about loss mitigation and reporting claims.

Mary Lee updated the Board on the search to fill the open Risk Control position. After initial interviews and second round interviews, the position was offered to Samantha Mack, who accepted and will start on Jan. 6. She comes to CSDSIP with 10 years of experience in safety management with the U.S. Air Force.

Lawrence presented the Financial Trends and Key Performance Indicators report, which was originally scheduled to be presented during the work session. The information in the multi-year report complemented what was presented by the actuaries and auditors.

Lawrence shared the Year-to-Date Finance Department Report (through October 31, 2024). The report showed current balances in the investment portfolio, compared actual expenses to what was budgeted, and explained some of the differences between the actual-to-budgeted amounts.

Lawrence noted that CSDSIP's Investment Portfolio is in compliance with the Board's Investment Policy as of November 30, 2024.

Ken discussed several items related to improving the work culture in the office, and employee retention and recruitment. Ken shared that he has set up a virtual suggestion box for employees. Leadership is reading the suggestions and acting on them if possible. Ken said the new availability to telecommuting one day a week has been a big morale boost; employees appreciate the flexibility, and the leadership has not seen any negative impact on productivity. He noted that the staff is happy to have communications specialist Amy Park on staff. She will be working through a backlog of communications projects.

Staff discussed that compensation and benefits have been an issue impacting employee retention and recruitment over the last several years. The Board had a robust discussion on the topic.

**Director Turrell moved and Director Eastin seconded a motion to approve increasing the salary band for all current employees by 10% effective January 1, 2025, except that the Executive Director's salary shall be increased by \$10,000; and the Board hereby adopts and approves a revised 2024-2025 budget reflecting these changes.**

**a motion to approve a one-time non-performance based bonus of \$8,800 for all employees employed as of 1/6/2025 to off-set the cost of family medical insurance, with employees hired between 1/6/2025 and 6/30/2025 to receive a pro-rated amount.**

**Director Watson moved, and Director Bennett seconded a motion to approve a one-time non-performance based bonus of \$8,800 for all employees employed as of 1/6/2025 which can be used to off-set the cost of family medical insurance, with employees hired between 1/6/2025 and 6/30/2025 to receive a pro-rated amount. The motion was unanimously approved.**

Ken discussed changes to several governance policies that were first presented and reviewed by the Board in April 2024 as part of the Annual Governance Policies Review.

**Director Crews moved to approve the changes to the governance policies as presented. Director Colonell seconded the motion. The motion was unanimously approved.**

Ken updated the Board on updates and repairs being made to the building. The upstairs kitchen will be converted into an office space, and the upstairs breakroom will be converted into an office area with two cubicles. Work is also being done on the sprinklers and fire alarm system, at the findings of each of those companies and the South Metro Fire marshal.

Ken shared an updated on the move to PCIS. The company reported that they are close to having the SI data converted. The date given for completion of this phase was December 15. Ken will check with PCIS to see if that date is viable. The non-SI data still needs to be added and reconciled before launch.

Ken presented two changes for the Board's consideration: moving the SEL sexual abuse and molestation (SAM) claims from an occurrence basis to a claims-made basis; and the idea of amending coverage in the

property policies excluding cosmetic damage. If the SAM claims-made basis change is approved, CSDSIP could be more responsive in pricing related to these claims, especially now that Colorado has removed the statute of limitations on sexual molestation claims. The property claim change was being shared with the Board as a focus group. Ken offered a few options of how this change could be considered. Staff will continue working on these ideas and present something for Board approval in February.

Ken opened an initial discussion on the renewal rate for the 2025-2026 year, which was held over from the work session agenda. Given the information shared during the work session, Ken said a single digit increase could be considered. He and the staff will have options to present in February.

Chairperson Turrell adjourned the meeting at 1:44 pm.