

**ORGANIZATION OF SELF-INSURED SCHOOLS  
(O.S.S.)**

**Executive Committee Meeting**

11:00 a.m. Thursday, January 20, 2005

Rodolfo's  
1802 E. Front  
Selma, CA 93662

**Meeting Minutes**

- Call to Order** President Warren Jennings called the meeting to order at 11:18 a.m.
- Attendance**
- |   |   |
|---|---|
| Pacific Union School District<br>Warren Jennings                      | Kings River-Hardwick Un Elementary School Dist.<br>Andrea Materoh   |
| Selma Unified School District<br>Larry Teixeira<br>Paul Green         | Clay Elementary School District<br>Dr. Michelle Steagall  |
| Kings Canyon Unified School District<br>Adele Nikkel<br>Terri Bechtel | Kingsburg Joint Union Elementary Charter District<br>Carol Williamson   |
| Island Union School District<br>Tom Bates                             | Guests:<br>Gus Corona – <i>Borchardt, Corona &amp; Faeth</i><br>Tom Russo – <i>Keenan &amp; Associates</i><br>Trina Caton – <i>Keenan &amp; Associates</i><br>Erik Knak – <i>Knak &amp; Company</i><br>Dr. Henry Brock - <i>Brock's Loss Control Services</i><br>Bill Tucker Jr. – <i>Tucker-Alexander Insurance</i><br>Donna Murry - <i>Tucker-Alexander Insurance</i> |
| Central Unified School District<br>Mary Romero                        |   |
| Parlier Unified School District<br>Dr. Maria Trejo                    |   |
- Introductions** The attending committee members & guests introduced themselves
- Approval of Agenda** The motion was made by member Teixeira and seconded by member Steagall to approve the agenda. Motion carried.
- Public Hearing Session** President Jennings asked if anyone wished to address the committee. There was no response.
- Consent Agenda** The motion was made by member Teixeira and seconded by member Nikkel to approve the consent agenda which included the following:  
A. Approval of the minutes of the October 14, 2004 Executive Committee meeting as mailed.  
B. Approval of expenditures (Attachment A).  
Motion carried.
- Treasurer's Report** Terri Bechtel, former O.S.S. accountant, presented the financial statement for year ending June 30, 2004, (Attachment B). Carol Williamson, the O.S.S. accountant presented the financial statement for quarter ending December 31, 2004, (Attachment C). The motion to accept the financial statement for year ending June 30, 2004 and for quarter ending December 31, 2004 was made by member Romero and seconded by member Teixeira.  
Motion carried.

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**Broker's Report** The broker, Bill Tucker Jr. reported O.S.S. had received conditional accreditation. Two items  
Accreditation Status remained outstanding. One item was the adoption of an equity policy. This issue will be addressed under the action items. The other item was the disclosure to the committee of the structure of the excess property and liability coverage through Northern California Regional Liability Excess Fund (Nor Cal ReLiEF or NCR). The broker discussed the different property layers including the individual members' \$1,000 per claim deductible, the JPA \$50,000 per occurrence SIR, and the NCR self-insured layer. The discussion included the percentage of participation, or share of risk, of reinsurers for the property and liability excess layers, including Best Ratings and any non-rated companies. The broker also identified any non-admitted reinsurers and explained the difference between admitted and non-admitted companies, including that non-admitted companies do not participate in the California Insurance Guarantee Association (CIGA).

NCR Fall Newsletter The broker reported on the NCR annual meeting he attended in October. The *NCR 2004 Fall*  
Annual Meeting *Newsletter*, (Attachment D) provides a brief overview of what was accomplished at the meeting.

SELF Area Director It was announced the area director for S.E.L.F. had resigned and a replacement was needed. Anyone interested in serving in that position can contact S.E.L.F. for more information.

Keenan Lawsuit The broker mentioned Keenan and Associates had been named, along with two other brokers in an unethical business practices, false and misleading advertising, and breach of fiduciary duty lawsuit. Keenan has filed for a motion to dismiss and reimbursement for any related costs. Keenan feels this to be a frivolous lawsuit.

The committee recessed at 11:35 a.m. and reconvened at 12:05 p.m.

**Administrator's Report** The claims administrator, Erik Knak presented the *OSS Loss History Review* for period ending 01-18-05, (Attachment E).

**Loss Control Report** Trina Caton from Keenan & Associates introduced a new online library to the group – RiskAdvisor. The online library covers a wide variety of property/liability topics from *Animals in the Classroom* to *Use of District Equipment* and addresses each topic from an array of angles, (Attachment F). She is currently working with Dr. Brock in making RiskAdvisor available to all O.S.S. member districts through the O.S.S. website [www.ossweb.org](http://www.ossweb.org).

RisKAdvisor Library

Sexual Harassment Training Dr. Brock, from Brock's Loss Control Services, reported on AB1825 which takes effect January 01, 2006. This bill mandates two hours of training every year for school district supervisors in the area of sexual harassment. He is working on developing, with the help of Garth Maijala (O.S.S. Webmaster) and Bob Rosati (Claims Attorney), an interactive online program which would satisfy the requirements of this bill. The goal is to have the online program completed and ready for district utilization by August 1, 2005. He is also hoping to allocate any expense involved in setting up this training to seventy-five (75%) O.S.S and twenty-five (25%) F.C.S.I.G. It was the consensus of the Executive Committee to have Dr. Brock proceed with the online training.

Dr. Brock closed in saying; input by members is appreciated and encourages them to continue sending him items pertaining to risk management.

## Action Items

Financial Audit

Gus Corona, from the firm of Borchardt, Corona & Faeth, presented the O.S.S. financial audit for years ending June 30, 2004 and 2003. GASB 34 mandated changes to the audit, one being the addition of a Management's Discussion and Analysis (MD&A). This portion of the audit was prepared by Mary Boyer from SETECH (Service Enhancement Technologies) and presented by Tom Russo of Keenan & Associates. The motion was made by member Bates and seconded by member Steagall to accept the financial audit, (enclosed). Motion carried.

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### Action Items

- Cont.** Tom Russo presented the O.S.S. *Financial Management Information Report* as of June 30, 2003 and June 30, 2004 as contracted with and prepared by SETECH. The purpose of the study was to determine the financial condition of the JPA. It was reported that O.S.S. enjoys a secure financial position, a stable rate structure, and to date has paid out over \$5.2 million in dividends to its members. The motion was made by member Bates and seconded by member Nikkel to accept the report, (enclosed). Motion carried.
- SETECH Report
- Equity Policy The motion to accept the resolution for establishing an equity policy, (Attachment G), was made by member Teixeira and seconded by member Bates. This was a requirement of the recent accreditation and is stating what the current practices are as used by the actuary. Motion carried.
- Claims Audit The broker presented the recently completed O.S.S. claims audit. The audit is completed every two years as mandated by the O.S.S., (Attachment H). He continued on to say it was a very favorable audit. The motion to accept the audit as presented was made by member Romero and seconded by member Nikkel. Motion carried.
- Actuary Contract The motion was made by member Steagall and seconded by member Teixeira, to approve the contract with Milliman USA for actuarial services for the 05/06 fiscal year, (Attachment I). Motion carried.
- Consider Late Payment Penalty It was brought to the attention of the committee, a number of districts were late in making their remittance payment to the O.S.S. One of those districts approached the committee and asked for their discretion in waiving the late penalty fee imposed on them for remitting their payment past the due date. There is a provision in the Bylaws addressing this issue. Due to lack of a quorum for this particular item and after a lengthy discussion, it was the consensus of the Executive Committee to readdress this issue at a special meeting to be held at a later date.
- Amending Bylaws The broker presented the suggestion raised by the O.S.S. attorney, to establish a committee for review of the Bylaws for purposes of recommending possible changes, clarifications, and/or simplifications, (Attachment J). The motion was made by member Bates and seconded by member Nikkel to establish a committee to review the Bylaws. Motion carried.

### Board Member Report

President Jennings asked if any members had items to report. There was no response.

### Closed Session

There were no items for closed session.

### Next Meeting/ Adjournment

The next scheduled quarterly meeting for the Executive Committee is at 11:00 a.m. on Thursday, April 21, 2005 at Rodolfo's in Selma.

With no further business, the motion was made by member Steagall and seconded by member Bates to adjourn the meeting. Motion carried and the meeting adjourned at 2:21 p.m.

Prepared by,

Approved by,

Donna Murry  
AM:dm

Andrea Materoh  
O.S.S. Secretary