

OSS
ORGANIZATION OF
SELF-INSURED SCHOOLS

Executive Committee Meeting

11:00 a.m. Thursday, October 28, 2010

Rodolfo's
1802 E. Front
Selma, CA 93662

Meeting Minutes

- Call to Order** President Warren Jennings called the meeting to order at 11:10 a.m.
- Attendance**
- | | |
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| Pacific Union Elementary School District
Warren Jennings | Selma Unified School District
Larry Teixeira |
| Central Unified School District
Jim Bauler | West Park Elementary School District
Edith Gustafson |
| Kerman Unified School District
James Foley | Kings River-Hardwick Union Elementary School Dist.
Trish Singh |
| Fowler Unified School District
Eric Cederquist | Guests:
Gustavo Corona – <i>Borchardt, Corona & Faeth</i>
Mary Boyer – <i>Keenan & Associates – SETECH</i>
Dennis Williams - <i>Keenan & Associates</i>
Dr. Henry Brock – <i>Brock's Loss Control</i>
Erik Knak – <i>Knak & Company</i>
Bill Tucker - <i>Tucker-Alexander Ins.</i>
Donna Murry – <i>Tucker-Alexander Ins.</i> |
| Kings Canyon Unified School District
Ron Hudson | |
- Introductions** The attending committee members and guests introduced themselves.
- Approval of Agenda** President Jennings mentioned Action Item, *Consider Financial Audit for Year ending June 30, 2010 and 2009* needed to be moved up to after the Consent Agenda. With the change noted, the motion to approve the agenda was made by member Teixeira and seconded by member Gustafson. 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 Hudson to approve the consent agenda which included the following:
- A. Approval of the minutes of the July 15, 2010 meeting as mailed.
 - B. Approval of expenditures for the audited year ending June 30, 2010 (Attachment A) and for quarter ending September 30, 2010, (Attachment B).
- Motion carried.
- Action Item**
Financial Audit Gustavo Corona with the firm, Borchardt, Corona & Faeth presented the O.S.S. financial audit for years ending June 30, 2010 and 2009, (enclosed). He mentioned it was an unqualified opinion and had no internal control findings for the audit year. Though assets were up, so were the liabilities accrued which enabled the fund equity to remain consistent with the year prior. The motion to accept the O.S.S. financial audit as presented was made by member Cederquist and seconded by member Hudson. Motion carried.

Organization of Self Insured Schools

October 28, 2010

Page 2

Treasurer's Report

Donna Murry presented the audited financial statement for year ending June 30, 2010, (Attachment C) and for quarter ending September 30, 2010 (Attachment D) for the O.S.S. accountant who was unable to attend.

Broker's Report

SELF Withdrawal

The broker, Bill Tucker Jr. reported on the progress of obtaining the member districts' signed resolutions for withdrawing from SELF. At the moment, there are six (6) districts still needing to return their withdrawal resolutions. He felt confident the remaining districts would have their resolutions in before the deadline.

Re-accreditation

The broker also mentioned his office is in the beginning of the re-accreditation process for the O.S.S. Paperwork has been submitted electronically for the initial stages of review. Accreditation will now require a written policy addressing disaster recovery and electronic record retention for the JPA. He stated such a policy will be presented at the next quarterly meeting for the Executive Committee in January for adoption. The on-site visit by the accreditation personnel will be on November 17th.

NCR Annual Meeting

The broker began his report on the NorCal ReLiEF (NCR) annual meeting by stating NCR is celebrating their 25th anniversary. He & member Teixeira gave highlights from the meeting:

Injunctive Relief – NCR sought advise from legal counsel on this coverage for potential conflict of interest. The board of directors opted to leave the coverage intact with no changes.

Return of Equity - The O.S.S. is scheduled to receive a return of equity from NCR in the amount of \$138,000. The total share of equity for the O.S.S. remaining with NCR is \$1.7 Mil. It was stated by member Teixeira, NCR was in good financial shape and could have returned more equity back to its members, but opted instead to wait.

Investment Advisor - NCR will be sending out an RFP for an Investment Advisor. Wells Fargo currently is the investment advisor used by NCR.

E-Rate & I-Safe – Schools now need to meet new guidelines and show they are compliant when receiving discounts for eligible telecommunication services. NCR has partnered with an outside vendor to help with this compliancy - the instruction of internet safety to students through a new program called I-Safe. This would be at no cost to SAFER districts (which encompasses O.S.S. member districts).

The committee recessed at 11:38 a.m. and reconvened at 11:52 a.m.

Administrator's Report

The O.S.S. claims administrator Erik Knak from Knak & Company presented the O.S.S. *Loss History Review – (Incurred)* for years 2003-04 through 2010-11, (Attachment E). He mentioned he was seeing a lot of employment claims coming through, very typical of claims being submitted by other JPAs.

Loss Control Report

District Visits

O.S.S. risk manager; Dr. Henry Brock mentioned he and the broker Bill Tucker are scheduling visits with new district administrators to acquaint them with the O.S.S.

Safety Icon

Dr. Brock briefly reported on an interactive safety reporting system which would consist of an icon on the desktop of employees' computers. The icon would allow staff to report unsafe working conditions. He also stated the concept was in its early stages of development.

Action Items

SETECH Report

The SETECH Report; *A Financial Management Information Report For the Fiscal Years Ended June 30, 2009 and June 30, 2010*, (enclosed), was presented by Mary Boyer from the SETECH Division of Keenan & Associates. She stated O.S.S. has continued to enjoy secure financial success, a stable rate structure, and as a result have declared, to date, rebates paid to members of \$8.3 Mil. The motion to accept the SETECH report as presented was made by member Hudson and seconded by member Gustafson. Motion carried.

Organization of Self Insured Schools

October 28, 2010

Page 3

Use of Facilities
Coverage Limits

It was the consensus of the Executive Committee to require \$1 Mil in liability limits from those using their facilities and not to monitor the other coverage limits. They instructed the broker to provide a *sample certificate* for member districts to hand out to third parties along with the application for the use of their facilities.

NOTE: *The sample certificate for district staff to hand out as an example to third parties wishing to use district facilities will be part of the Executive Summary enclosed.*

Continuity of Forms

It was pointed out the liability requirements in the Terms & Conditions form did not match that of Policy #F-01. The broker recommended continuity between the two and amending Policy #F-01. This would require individuals and organization using district facilities to provide proof of liability insurance with minimum limits of \$1 Mil per occurrence regardless of whether the use is athletic or non-athletic. The second amendment to Policy #F-01 lowers the penalty for not following the revised policy from \$10,000 to \$5,000, (Attachment F). The motion to accept Policy #F-01 as revised was made by member Cederquist and seconded by member Hudson. Motion carried.

Claims Audit

The broker recommended the services of Nicholas L. Cali for performing the O.S.S. claims audit for the 2010 year. His proposed fee of \$3,000 was the lowest of the respondents, (Attachment G). The motion to accept the broker's recommendation and award the claims audit to Nicholas L. Cali was made by member Cederquist and seconded by member Teixeira. Motion carried.

WeTip
10% Allocation

Dr. Bock mentioned the WeTip program has changed their supply ordering process. There is now a supply allotment equaling 10% of the JPA WeTip fees. The money can be used by O.S.S. districts to purchase WeTip supplies. The O.S.S allotment would be \$566. Clarification was needed should the supply demand go over the allotment, who would be responsible for the added expense. The motion was made by member Cederquist and seconded by member Gustafson to have the O.S.S. pay for any amount which would exceed the 10% allocation. Motion carried.

Board Member Report

President Jennings commented he was very impressed with the O.S.S. administrators (broker / risk manager/ TPA) for the great work they do for the JPA.

Closed Session

There were no items for closed session.

Next Meeting/ Adjournment

The next scheduled meeting for the Executive Committee is 11:00 a.m. on **Thursday, January 20, 2011** at Rodolfo's, Selma.

With no further business, the motion was made by member Gustafson and seconded by member Teixeira to adjourn the meeting. Motion carried and the meeting adjourned at 12:40 p.m.

Strategic Planning Session immediately following Executive Committee Meeting

Prepared by,

Approved by,

Donna Murry
EG:dm

Edith Gustafson
O.S.S. Secretary