

MINUTES



EXECUTIVE COMMITTEE MEETING

THURSDAY, APRIL 19, 2018

11:00 a.m.

Favorito

115 N 6th

Fowler, CA 93625

I. CALL TO ORDER - Vice President Annette Machado called the meeting to order at 11:10 a.m.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

SELMA UNIFIED SCHOOL DISTRICT

PACIFIC UNION ELEMENTARY SCHOOL DISTRICT

KINGS RIVER-HARDWICK UNION ELEMENTARY SCHOOL DISTRICT

KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)

FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT

FOWLER UNIFIED SCHOOL DISTRICT

FOWLER UNIFIED SCHOOL DISTRICT

ISLAND UNION ELEMENTARY SCHOOL DISTRICT

KERMAN UNIFIED SCHOOL DISTRICT

KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT

LOS BANOS UNIFIED SCHOOL DISTRICT

SOUTHWEST TRANSPORTATION AGENCY

Larry Teixeira, President

Annette Machado, Vice President

Trish Singh, Secretary

Carol Bray, Accountant

Russell Freitas, Member at Large

Eric Cederquist, Permanent Member

Scott Griffin, (Alt)

Diane Augusto, Member at Large

Kraig Magnussen, Permanent Member

Don Shoemaker, Member at Large

Don Laursen, Permanent Member

Sandra Robles, Member at Large

MEMBERS:

VALLEY REGIONAL OCCUPATIONAL PROGRAM

WESTSIDE ELEMENTARY SCHOOL DISTRICT

Dora Alvarado

Baldo Hernandez

ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES

KEENAN & ASSOCIATES

POMS & ASSOCIATES

TRINITY FIRST INSURANCE SERVICES

Tom Russo, JPA Administrator

Donna Murry, Account Manager

Amy Dolson, Risk Manager

Ernie Souders

III. APPROVAL OF AGENDA

2017 / 2018-01

ACTION

The agenda was approved as presented.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Cederquist, seconded by member Bray and unanimously carried to approve the agenda as presented. Absent: Larry Teixeira.

PUBLIC COMMENTS

None

IV. CONSENT AGENDA

**2017 / 2018-02
ACTION**

The Executive Committee considered the following items within the Consent Agenda:

- Approval of Minutes of the January 18, 2018 Executive Committee meeting as emailed
- Approval of Expenditures for Quarter Ending March 31, 2018.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Magnussen, seconded by member Cederquist and unanimously carried to approve the Consent Agenda as presented. Absent: Larry Teixeira.

V. CORRESPONDENCE

No items to present.

Member Teixeira arrived.

VI. CLAIMS

THIRD PARTY ADMINISTRATOR UPDATE

**2017 / 2018-03
INFO**

Tom Russo presented the *O.S.S. Loss History Review (Incurred) – 4-06-2018* for the claims administrator, Erik Knak. Years 2008-09 through 2012-13 have no open claims with the claims count remaining unchanged. 2013-14 has 1 newly opened claim involving a departed district. There is a total of 39 open claims with current reserves of \$681,000. 2017-18 is shaping up to be similar to the favorable 2016-17 claim period, assuming no unusually sizable run of newly reported claims. The new 2013-14 abuse claim illustrates the need to affirm each O.S.S. member has adopted the recommended AR3320 and BP3320 changes and incorporated same into an updated claim form.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

VII. UNDERWRITING

APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

**2017 / 2018-04
ACTION**

Tom Russo presented the draft of the *Actuarial Evaluation of the Liability and Property Self-Insurance Fund For The Organization of Self-Insured Schools as of December 31, 2017* as prepared by Milliman, Inc. The actuary calculated funding estimates using 70%, 80%, and 90% probability levels intended to cover losses, loss adjustment expenses and other operating expenses incurred during the Fiscal Accident Year (FAY) 2018-19. The funding rates are discounted by a 1.5% annual interest rate. The funding estimate for FAY 2018-19 at an 80% probability level is about 3% higher than the FAY prior due to modest increases as should normally be expected due to inflation from higher loss and expense rates. The funding rate uses a per unit of ADA at a \$50,000 per claim retention.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Laursen and seconded by member Freitas to accept the actuarial report as presented. Yes: Members Teixeira, Machado, Singh, Bray, Cederquist, Augusto, Magnussen, Shoemaker, Laursen, and Robles. No: Member Freitas. Motion carried.

LOSS FUND RATES

**2017 / 2018-05
ACTION**

Tom Russo presented the Loss Fund Rates to the Executive Committee for consideration and recommendation to the Board of Directors. The Loss Fund is used by the JPA to fund its \$50,000 self-insured layer. The funding rate as calculated by the actuary is further developed based on a combined loss experience for all O.S.S. districts using the five most recent completed FAYs capping it at a 20% credit or a 20% surcharge per district. Tom recommended continuing at the 80% probability level.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Freitas and seconded by member Magnussen and unanimously carried to recommend to the Board of Directors the Loss Fund rate at the 80% probability level.

NCR EXPERIENCE RATING FOR THE O.S.S. (Authority)

**2017 / 2018-06
ACTION**

Tom Russo presented the various factors which go into the premium renewal for the O.S.S. The second part of the renewal is based on the experience rating of the O.S.S. within the NCR Program. For the 2018-2019 program year, the liability experience modification factor increased due to the O.S.S. claims activity, whereas the NCR property experience modification factor had a very slight decrease.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

CONSIDERATION OF PAYING A REBATE

**2017 / 2018-07
ACTION**

Tom Russo presented the second year of the estimated payable rebate calculations to the Executive Committee for consideration.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: After discussion, the motion was made by member Cederquist, seconded by member Freitas and unanimously carried not to pay out a rebate at this time.

NCR UPDATE

**2017 / 2018-08
INFO**

Tom Russo presented the following information and recent updates on the NCR Program.

- Title IX Compliance
- AB 949 – Background Check for Sole Proprietors
- AB 424 – Tightens Firearm Possession Restrictions
- Prop 64 – Recreational Marijuana Impact on Schools
- NCR Executive Committee Meeting Summaries
- NCR Spring Newsletter

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

CL-01 CYBER LIABILITY POLICY DEDUCTIBLE

**2017 / 2018-09
INFO**

Donna Murry presented the CL-01 Cyber Liability Policy Deductible for review by the Executive Committee. The policy, effective 1/18/2018 establishes a \$1,000 deductible for each incident involving Cyber Liability. No action was necessary.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

O.S.S. BLANKET ACCIDENT INSURANCE PROGRAM

**2017 / 2018-10
INFO**

Ernie Souders with Trinity First Insurance Services presented a summary of the excess Blanket Student Accident Insurance Program provided by the Organization of Self-Insured Schools for review. The coverage provides \$2,500 in coverage to O.S.S. students and is excess over any other coverage which might be available.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

PTO AND BOOSTER CLUB COVERAGE

**2017 / 2018-11
INFO**

Donna Murry presented to the Executive Committee a market for affordable coverage for Parent Teacher Organizations (PTO) and Booster Clubs through R.V. Nuccio for review. Coverage under the MOC for current PTOs and Booster Clubs will be ending as of Jun 30, 2019 at which time these groups will need to purchase their own coverage separate from the districts.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

SISTER JPAs CYBER COVERAGE

**2017 / 2018-12
INFO**

Tom Russo reported to the Executive Committee, Cyber Liability Coverage is not available under the MOC to Sister JPA members which are: Fresno Area Self-Insurance Benefits (dba EdCare), Fresno County Self-Insurance Group, and South County Support Services Agency. Should this coverage be needed, there is an option to purchase Cyber Liability Coverage through Allied World National Assurance Company.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

SISTER JPA DEDUCTIBLE

**2017 / 2018-13
ACTION**

Tom Russo reported to the Committee, Sister JPAs currently do not pay a Loss Fund contribution as they have no ADA. He felt it prudent, before a claim arises for the Authority to determine what an appropriate deductible would be. Directions were given to come back at a future meeting with various options. The action was tabled until the next meeting in May.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

VIII. FINANCIAL

TREASURER’S REPORT

**2017 / 2018-14
ACTION**

Carol Bray, the Authority’s accountant presented the Treasurer’s report to the Executive Committee for Quarter ending March 31, 2018 for review and consideration. Total operating revenues were at 99% with revenues of \$4,662,882 and operating expenses at 86% with expenditures of \$3,918,041.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Cederquist, seconded by member Freitas and unanimously carried to accept the treasurer’s report as presented.

IX. ADMINISTRATION

FUTURE MEETING DATES & LOCATIONS

**2017 / 2018-15
ACTION**

Tom Russo presented the possibility of aligning the future meeting dates and location with that of the F.C.S.I.G. Board of Directors meetings for the 18/19 fiscal year. It was suggested an online poll be taken to see what dates would work best for all parties involved. The action was tabled until the next meeting in May.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

AUDITOR’S ENGAGEMENT LETTER

**2017 / 2018-16
ACTION**

Tom Russo presented the engagement letter from Borchardt, Corona, Faeth, & Zakarian for years ending June 30, 2019, June 30, 2020, and June 30, 2021 for ratification.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Cederquist, seconded by member Freitas and unanimously carried to approve the engagement letter as presented.

JPA ADMINISTRATION SERVICES AGREEMENT

**2017 / 2018-17
INFO**

Tom Russo presented the Keenan JPA ADMINISTRATION SERVICES AGREEMENT with the O.S.S. effective March 1, 2018 for information and review.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

DONNA MURRY’S NEW CONTACT INFORMATION

**2017 / 2018-18
INFO**

Donna Murry, Account Manager presented her new contact information to the Executive Committee.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

CLERICAL AMENDMENT TO EXISTING POLICIES

**2017 / 2018-19
INFO**

The Account Manager presented a Clerical Amendment of the Preamble to Existing Policies of the O.S.S. effective as of 2/6/18 for review. A clerical error was discovered in nine O.S.S. policies. In these policies, the preamble referenced Article IX instead of Article VIII of the Bylaws.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

W/C VOLUNTEER RESOLUTIONS

**2017 / 2018-20
INFO**

Donna Murry presented the list of the O.S.S. member districts who have passed a Volunteer W/C Resolution, along with a copy of a sample Volunteer W/C Resolution the members can present to their Boards if they have not already passed one. A copy of this resolution should be returned to the account manager for safekeeping.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

Member Magnussen left

X. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**2017 / 2018-21
INFO**

Amy Dolson the Risk Manager for the O.S.S. presented updates on loss control services and risk management information as follows:

- NCR Inspection Schedule
- NCR Spring School Safety & Security Quarterly Newsletter
- April Child Abuse Prevention Month – packets of bracelets and buttons were handed out to the Executive Committee.
- New Training Requirement – AB 1207 – This training is in addition to the Mandated Reporter training.
- IMReady Emergency Preparedness Program – Presentation planned for the Annual Board of Directors’ meeting in May.
- Diane Cranley
 - Webinar Series Marketing Summaries / Statement of Work – Contract for the webinar series was asked to be drawn up and brought to the Annual Board of Directors’ meeting in May.
- Hartford Steam Boiler Electrical and HVAC Maintenance Workshop – scheduled for May 17, 2018. Reservations are needed with room still available to attend. A reminder for this workshop will be sent out to the members.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

XI. INFORMATION

MEMBER COMMENTS

None

ADMINISTRATION COMMENTS

None

XII. AGENDA ITEMS FOR NEXT MEETING

Items for consideration at the next Executive Committee / Board of Directors' meeting on **Tuesday, May 15, 2018**, Southwest Education Support Center, 16644 S. Elm, Caruthers, CA include the following:

- OSS Loss History Report
 - 2018 / 2019 Loss Fund Contribution
 - NCR Contribution
 - Treasurer's Report
 - 2018 / 2019 Preliminary Budget
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XIII. ADJOURNMENT

With no further business, the meeting adjourned at 1:15 p.m.