

MINUTES



BOARD OF DIRECTORS MEETING

WEDNESDAY, OCTOBER 10, 2018

1:00 p.m.

SPIKE N RAIL

2910 PEA SOUP ANDERSON BLVD
SELMA, CA 93662

I. CALL TO ORDER

President Magnussen called the meeting to order at 1:00 p.m.

II. ROLL CALL

OFFICERS & BOARD OF DIRECTORS PRESENT:

KERMAN UNIFIED SCHOOL DISTRICT	Kraig Magnussen, President
SOUTHWEST TRANSPORTATION AGENCY	Sandra Hoevertsz, Secretary (Alternate)
FOWLER UNIFIED SCHOOL DISTRICT	Scott Griffin
FOWLER UNIFIED SCHOOL DISTRICT	Gary Geringer
FOWLER UNIFIED SCHOOL DISTRICT	Keith Loewen (Alternate)
KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT	Carol Bray, Accountant
SELMA UNIFIED SCHOOL DISTRICT	Larry Teixeira
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS	Laurie Gabriel

MEMBERS:

VALLEY REGIONAL OCCUPATIONAL PROGRAM	Dora Alvarado
VALLEY REGIONAL OCCUPATIONAL PROGRAM	Rodnie Roberts

ADMINISTRATORS & CONSULTANTS:

BORCHARDT, CORONA, FAETH & ZAKARIAN	Gus Corona, Auditor
KEENAN & ASSOCIATES	Tom Russo, JPA Administrator
KEENAN & ASSOCIATES	Tyler Houston, Account Executive
KEENAN & ASSOCIATES	Gabrielle Daniel, Claims Analyst
KEENAN & ASSOCIATES	Donna Murry, Account Manager
POMS & ASSOCIATES	Amy Dolson, Risk Manager
SETECH, A DIVISION OF KEENAN & ASSOCIATES	Mary Boyer, Assistant V.P.
TRISTAR RISK MANAGEMENT	Sharon Castillo, Third Party Administrator
TRISTAR RISK MANAGEMENT	Tom Veal, President

III. APPROVAL OF AGENDA

**2018/2019-1
ACTION**

The Agenda was approved as presented.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira, seconded by member Griffin and unanimously carried.
Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, and Russell Freitas.

IV. PUBLIC COMMENTS

None

V. CONSENT AGENDA

**2018/2019-2
ACTION**

The Board of Directors considered the following items within the Consent Agenda:

- Approval of Minutes of the June 12, 2018 Board of Directors Meeting as Emailed
- Approval of Audited Expenditures for Year Ending June 30, 2018
- Approval of Expenditures for Quarter Ending September 30, 2018

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira, seconded by member Gabriel and unanimously carried to approve the Consent Agenda as presented. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, and Russell Freitas.

VI. CORRESPONDENCE

**2018/2019-3
INFO**

No items to present.

VII. CLAIMS

THIRD PARTY ADMINISTRATOR UPDATE

**2018/2019-4
INFO**

Sharon Castillo, Claims Administrator for Fresno County Self-Insurance Group (FCSIG) presented the claims update on the following, highlights were:

- Claims Matrix – Closing ratio of over 100%
- Drug Formulary Update – Effective 1/01/18, program in place to move employees from narcotics to other type of drugs.
- Temporary Total Disability Rates for 2019 – rates will increase from \$182.29 to \$187.71 and the maximum rate will increase from \$1,215.27 to \$1,251.38 per week.
- Bill Review – Savings Summary Report; report range of 7/01/17 to 6/30/18 shows a gross savings of over \$3.4 M.
- Payments by Location – Payment by FCSIG member by year from 2013/14 to 2017/2018.
- Stewardship Report as of 6/30/18 – Five year comparison of current open claims and outstanding reserves, summary of costs of all open claims by member and broken down by occupation.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

CLAIMS TREND OVERVIEW

**2018/2019-5
INFO**

Gabrielle Daniel, Keenan Claims Analyst presented the Claims Trend Overview. Trends noted were:

- Claims on Administrative & Aides are notably up,
- Slip/Trip/Fall injuries were outstandingly high
- It is expensive to keep people off work. Return to Work Programs have proven to work.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

Member Geringer left.

Member Loewen arrived.

VIII. UNDERWRITING

LEGISLATIVE UPDATE

**2018/2019-6
INFO**

Gabrielle Daniel reported on legislative & regulatory updates affecting workers' compensation programs which were either signed into law or vetoed by the governor. A summary of the updates follows:

AB 553 – VETOED

AB 1749 – APPROVED

SB 880 - APPROVED

AB 479 – VETOED

SB 899 – VETOED

AB 1697 – VETOED

AB 2160 – APPROVED

AB 2334 – APPROVED

AB 1751 – APPROVED

AB 1752 – Dead for this Year

AB 1753 - APPROVED

Several Workers' Comp bills are still making their way through the Legislature this year. Industry players expect the real battles to begin in 2019 when a new administration takes over.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

IX. FINANCIAL

TREASURER'S REPORT

**2018/2019-7
ACTION**

The Board of Directors reviewed the audited Treasurer's Report for Year ending June 30, 2018 and the Treasurer's Report for Quarter ending September 30, 2018 for approval

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by Member Teixeira with a second by member Griffin to accept the Treasurer's Report for Year ending June 30, 2018 and the Treasurer's Report for Quarter ending September 30, 2018 and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, and Russell Freitas.

FINANCIAL MANAGEMENT INFORMATION REPORT

**2018/2019-8
ACTION**

Mary Boyer with SETECH a division of Keenan & Associates presented the Financial Management Information Report for the Fiscal Years Ended June 30, 2017 and June 30, 2018 to the Board of Directors. The Net Position has increased from 06/30/2017 by \$95,856. The following represent the most significant changes:

- Funding for 2017/2018 above the Actuarially estimated central estimate \$1,016,889.
- Investment income of \$629,104.
- A decrease in actuarially determined liability for withdrawn members of \$350,621.

The increase to the Net Position was offset by:

- A net increase in the actuarially determined estimated ultimate losses of \$1,190,942 for program years 2016/2017 and prior due to increased expected loss experience.
- Dividends paid to Districts in 2017/2018 of \$528,261.

Overall, FCSIG has been conservative in reserving and returning equity in the older program years to the members. It has declared, to date, net returns to the members of \$11,052,207 while continuing to enjoy secure finances and a stable rate structure.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira and seconded by member Loewen to approve the Financial Management Information Report for the Fiscal Years Ended June 30, 2017 and June 30, 2018 as presented and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, and Russell Freitas.

Member Griffin left.

FINANCIAL AUDIT REPORT

**2018/2019-9
ACTION**

Gustavo Corona, the auditor for the Authority, presented the Financial Audit Report for Years ending June 30, 2018 and 2017 to the Board of Directors. The auditor stated it was an unqualified opinion with no issues of internal controls.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira and seconded by member Loewen to approve the Financial Audit Report for Years ending June 30, 2018 and 2017 and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, Russell Freitas and Scott Griffin.

FINAL BUDGET FOR THE 2018/2019 YEAR

**2018/2019-10
ACTION**

The final budget for the 2018/2019 year was presented to the Board of Directors for review.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Loewen and seconded by member Teixeira to approve the final budget for the 2018/2019 year and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, Russell Freitas and Scott Griffin.

X. ADMINISTRATION

PUBLIC SELF INSURERS ANNUAL REPORT

**2018/2019-11
ACTION**

The Public Self Insurers Annual Report was presented to the Board of Directors for review and ratification.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Bray and seconded by member Hoevertsz to ratify the Public Self Insurers Annual Report as presented and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, Russell Freitas and Scott Griffin.

WITHDRAWAL RESERVE ACCOUNT (WRA)

**2018/2019-12
ACTION**

The Board of Directors reviewed the WRA update as prepared by the actuary for the districts that have terminated their membership with the Authority. A letter will be sent to those districts notifying them of their updated WRA information.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: The motion acknowledging the WRA study as presented and authorizing notification to be sent to the withdrawn districts was made by member Gabriel and seconded by member Hoevertsz and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, Russell Freitas and Scott Griffin.

OFFICIAL MAILING ADDRESS FOR OSS

**2018/2019-13
ACTION**

Currently the official mailing address for the Fresno County Self-Insurance Group is 2133 High St., Ste E; Selma, CA 93662. Effective January 1, 2019, the office will be closing its location at that site. A P.O. Box will be established for everyday mail, but the official mailing address of the Public Agency must be a street address. It was recommended using the address of the Selma Unified School District office which is 3036 Thompson Ave, Selma, CA 93662.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Hoevertsz and seconded by member Loewen to use 3036 Thompson Ave, Selma, CA 93662 as the official mailing address for the Fresno County Self-Insurance Group and unanimously carried. Absent: Paul Green, Dr. Wesley Sever, Mike Iribarren, Russell Freitas and Scott Griffin.

XI. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**2018/2019-14
ACTION/INFO**

Amy Dolson, the OSS risk manager presented to the Executive Committee the following updates on Loss Control services and risk management information:

- Workers' Compensation training with Tristar – Completed July 10, 2018
- Driver/Back Safety Training – Completed July 26, 2018, held at Kerman USD & Washington Unified SD.
- Compliance Program Review – Bloodborne Pathogens & Injury Illness Prevention Program (IIPP) required by the State to update annually. Amy can help districts with their IIPPs.
- Scissor Lift Training – October 31, 2018. Workshop is full, but should there be more interest, a second workshop can be held.
- Ergonomic Evaluations – Amy is available to conduct at no cost to the district.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XII. INFORMATION

MEMBER COMMENTS

None

ADMINISTRATION COMMENTS

Donna Murry read a thank you note from Eric Cederquist, who recently retired from his career as an educator.

XIII. AGENDA ITEMS NEXT MEETING

Members and others may suggest items for consideration at the Board of Directors' meeting scheduled for **1:00 p.m. on Wednesday, January 09, 2019, Spike N Rail**, 2910 Pea Soup Anderson Blvd, Selma.

Currently scheduled items include:

- Third Party Administrator Update
 - Claims Trend Overview
 - Consideration of Payroll Factor
 - Form 700 Conflict of Interest
 - Proposal for Actuarial Services with Milliman, Inc.
 - Annual Review of Investment Policy of Fresno County Auditor-Controller/Treasurer-Tax Collector
 - Treasurer's Report
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XIV. ADJOURNMENT

Motion by member Teixeira and seconded by member Hoevertsz to adjourn the meeting and unanimously carried. The meeting adjourned at 2:10 p.m.

Americans with Disabilities Act:

Fresno County Self-Insurance Group, Workers' Compensation JPA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the Fresno County Self-Insurance Group, Workers' Compensation JPA, shall be made to: Donna Murry, Account Manager, Keenan & Associates, 2133 High Street, Ste E, Selma, CA 93662.

Documents and materials relating to an open session agenda item that are provided to F.C.S.I.G. Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2133 High Street, Ste E; Selma, CA