

MINUTES



ANNUAL BOARD OF DIRECTORS MEETING

WEDNESDAY, MAY 22, 2019

10:00 AM.

Southwest Education Support Center

16644 S. Elm

Caruthers, CA 93609

I. CALL TO ORDER

President Teixeira called the meeting to order at 10:06 AM. Introductions were made.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

SELMA UNIFIED SCHOOL DISTRICT

PACIFIC UNION ELEMENTARY SCHOOL DISTRICT

KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)

KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)

FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT

FOWLER UNIFIED SCHOOL DISTRICT

KERMAN UNIFIED SCHOOL DISTRICT

KINGS RIVER-HARDWICK UNION ELEMENTARY SCHOOL DIST

SOUTHWEST TRANSPORTATION AGENCY

Larry Teixeira, President

Annette Machado, Vice President

Dr. Wesley Sever, Treasurer

Carol Bray, Accountant

Russell Freitas, Member at Large

Gary Geringer, Permanent Member

Kraig Magnussen, Permanent Member

Josh Vogelgesang, Member at Large

Sandra Hoevertsz, Member at Large

MEMBERS:

ALVINA ELEMENTARY CHARTER SCHOOL DISTRICT

CLAY JOINT ELEMENTARY SCHOOL DISTRICT

FRESNO AREA SELF-INSURANCE BENEFITS ORGANIZATION (DBA: EdCare Group)

FRESNO COUNTY SELF-INSURANCE GROUP

FRESNO COUNTY SUPERINTENDENT OF SCHOOLS

FRESNO COUNTY SUPERINTENDENT OF SCHOOLS

LATON JOINT UNIFIED SCHOOL DISTRICT

SOUTH COUNTY SUPPORT SERVICES AGENCY

VALLEY REGIONAL OCCUPATIONAL PROGRAM

WASHINGTON UNIFIED SCHOOL DISTRICT

Kathy Bagwell

Brenda Sylvia

Gary Geringer

Kraig Magnussen

Christopher Lozano

Laurie Gabriel

Lupe Nieves

Sandra Hoevertsz

Dora Alvarado

Chris Vaz

ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES

KEENAN & ASSOCIATES

KNAK & COMPANY

POMS & ASSOCIATES

CONSOLIDATED INSURANCE SERVICES, INC.

KLASSEN & ASSOCIATES

Tyler Houston, Account Executive

Donna Murry, Account Manager

Erik Knak, Third Party Administrator – Via Phone

Amy Dolson, Risk Manager

Jim Petty – Broker

Bud Klassen - Broker

III. APPROVAL OF AGENDA

2018 / 2019-59

ACTION

The Board of Directors retains the right to change the order in which agenda items are discussed. Subject to review by the Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Sever and seconded by member Freitas and unanimously carried to approve the agenda as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

IV. PUBLIC COMMENTS

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

V. CONSENT AGENDA

2018 / 2019-60

ACTION

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

- Approval of the Minutes of the May 15, 2018 Board of Directors' meeting as emailed.
- Approval of Expenditures for Period Ending April 30, 2019.
- Knak Claim Expenditures for period ending April 2019.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Vogelgesang and unanimously carried to approve the Consent Agenda as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

VI. CORRESPONDENCE

2018 / 2019-61

INFO

The Account Manager, Donna Murry presented the following items to the Board for their information:

1. Special Districts – Local Government Compensation Report, which is filed annually by the auditor for the Authority.
2. The 2019 NCR Matching Grant Approval of the OSS member, Southwest Transportation Agency
3. The 2019 NCR Risk Management Reward Program Winners. The OSS recipient was Fowler Unified School District.
4. Notification of the increase of the CAJPA Dues from \$450 to \$1,250.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VII. CLAIMS

THIRD PARTY ADMINISTRATOR CLAIMS UPDATE

2018 / 2019-62

INFO

Erik Knak, Claims Administrator for the O.S.S. presented his report via telephone. The years 2009/10, 2010/11, 2011/12, and 2013/14 have no claims. The 2012/13 year has only one open claim which it recently received, an abuse/molestation claim with multiple potential claimants with the 2014/15 year having only one employment claim still open. 2015/16 just closed its last open claim with the 2016/17 year being a good year having two open claims and 2017/18 having five open. The current year which is developing to be a fantastic year with only 16 open claims for a total of 25 open claims and reserves of \$381,394.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VII. UNDERWRITING

NORTHERN CALIFORNIA ReLiEF (NCR) UPDATE

2018 / 2019-63

INFO

The Account Executive, Tyler Houston presented information and recent updates on the NCR Program.

- A 7 year NCR claims trends showing the total incurred and frequency of the largest types of claims was presented. Sexual assault/molestation (SAM) claims, fire accidental and arson, and failure to act /respond or supervised were the categories with the highest incurred losses.
- NCR uses the SAFER program for their excess liability. SAFER was able to reconfigure their layers and secure a 3 year rate for the hardest working layer of \$1 Mil x of \$1 Mil. The next layer of \$8 Mil x of \$2 Mil has a 60% 3 year rate guarantee, with the one new carrier wanting to see how their first year involvement goes before they commit to a multi-year rate.
- NCR had the opportunity to transfer their known and unknown liabilities, from 06/30/18 back to the inception of their program to a reinsurer. This is known as a Loss Portfolio Transfer (LPT). This will free up any capital targets or reserves set aside to fund future liabilities, eliminate all interest rate, IBNR and timing risk, and provide significantly more protection against the increase exposure to abuse molestation claims if AB218 passes. Keenan will retain complete control and have authority over the duration and ultimate resolution of all claims and will continue to be handled by them.
- The SAFER liability funding initiative for program years 2012/2013 and 2013/2014 is a program set-up to help reimburse SAFER for claims paid in excess of the annual aggregate in the \$ 4 Mil x \$1 Mil layer for these two years. NCR's portion of the funding initiative is to be collected through a five-year funding schedule. NCR will be paying its members' funding responsibilities this year and will reassess the opportunity of continuing to do so each year after until the 5-year funding schedule is complete.
- The Executive Summary from the Claims & Coverage Committee Meeting & Defense Counsel Summit was presented, as well as a Classroom Safety tip sheet, and the Spring & Summer Newsletter.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

PTO AND BOOSTER CLUB COVERAGE

2018 / 2019-64

INFO

The Account Manager presented a market for affordable coverage for Parent Teacher Organizations (PTOs) and Booster Clubs through R.V. Nuccio for review. Effective 7/1/19, PTOs and Booster Clubs will no longer be able to be endorsed onto the MOC under the umbrella of their OSS parent district for on premises only liability coverage.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

FINANCIAL

TREASURER'S REPORT

2018 / 2019-65

ACTION

Carol Bray, the Authority's accountant presented the Treasurer's Report to the Board of Directors for the period through April 30, 2019 for review and consideration. Total operating revenues were at 100% with revenues of \$5,215,084 and operating expenses at 87% with expenditures of \$4,320,653.

PUBLIC COMMENTS:

BOARD CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to approve the treasurer's report as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

CONSIDERATION OF PAYING A REBATE

2018 / 2019-66

ACTION

The Board of Directors reviewed the rebate payment schedule for the current 2018/2019 year as prepared by the actuary, Milliman, Inc. It was the recommendation of the Executive Committee to pay the scheduled rebate for the 2018/2019 year to its members.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Magnussen to pay the 2018/2019 rebate to its members and unanimously carried. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

Note: The rebate will be paid to the members in the 2018/2019 year.

APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2018 / 2019-67

ACTION

The Account Executive presented the Summary of Actuarial Analysis as of December 31, 2018 as prepared by Milliman, Inc. for review and consideration by the Board of Directors. The funding rate uses a per unit of ADA at a \$50,000 per claim retention. It was the recommendation by the Executive Committee to accept the actuarial report as presented.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Sever and seconded by member Magnussen and unanimously carried to accept the Summary of Actuarial Analysis as of December 31, 2018 as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

LOSS FUND CONTRIBUTION

2018 / 2019-68

ACTION

The Account Executive presented the Loss Fund contribution spreadsheet to the Board of Directors for their consideration and recommended for approval by the Executive Committee. 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 OSS districts using the five most recent completed FAYs capping it at a 20% credit or a 20% surcharge per district. At the 80% probability level the rate decreased by \$1.43 per ADA for the FAY 2019-20.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Sever and unanimously carried to accept the Loss Fund contribution as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

2019/2020 NCR PRELIMINARY POOL CONTRIBUTION SPREADSHEET

2018 / 2019-69

ACTION

The Account Executive, Tyler Houston presented the NCR Preliminary Pool Contribution at a \$50,000 retention and a comparison with the year prior to the Board for their review and recommendation for approval by the Executive Committee. The comparison spreadsheet included insurance costs, brokers' fees and the loss fund which was funded at an 80% probability level and a 1.5% discount. The OSS saw a decrease in both their liability and property ex-mod factors for the upcoming year.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Magnussen and unanimously carried to accept the 2019/2020 NCR Preliminary Pool Contribution Spreadsheet as presented. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

2019/2020 PRELIMINARY BUDGET

2018 / 2019-70
ACTION

The Account Manager presented the Preliminary Budget for the OSS to the Board for their approval.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Machado and seconded by member Magnussen and unanimously carried to approve the Preliminary Budget for the 2019/2020 year. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

VIII. ADMINISTRATION

**AD HOC COMMITTEE UPDATE – DEVELOPMENT OF OSS SAMPLE
STUDENT/STAFF/ADULT INTERACTION POLICIES AND STANDARDS**

2018 / 2019-71

ACTION

The OSS Risk Manager, Amy Dolson presented the Student/Staff/Adult Interaction Policies and Standards for consideration to the Board of Directors and recommended for approval by the Executive Committee. She mentioned SAM claims have been on the rise industrywide, with 19 such claims involving 12 OSS members in the past 10 years. The cost for these 19 claims amounted to over \$19 Mil. She highly encouraged each member to take these policies and standards back to their own boards for adoption and implementation. She finished by saying the OSS members now have a tool to use to prevent abuse of students by staff and or adults.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Hoevertsz to approve the Student/Staff/Adult Interaction Policies and Standards as presented and unanimously carried. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

OSS BYLAWS – AMENDMENT TO THE LATE PAYMENT PENALTY

2018 / 2019-72

ACTION

The Account Executive presented the amendment to the Late Payment Penalty section of the OSS Bylaws as recommended for approval by the Executive Committee to the Board of Directors. The version which was approved, Version #2 uses a late payment penalty of 1% with a minimum penalty of \$300 and takes the responsibility for granting an extension of time away from the chairman and given to the Executive Committee.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas and seconded by member Magnussen and unanimously carried to approve Version #2 of the Late Payment Penalty section of the OSS Bylaws. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

EMAILING INVOICE TO MEMBERS

2018 / 2019-73

ACTION

The emailing of invoices to members instead of sending through the mail was presented as a more expeditious way of sending invoices to the member districts was presented to the Board for their approval. It was decided the Account Manager will email invoices directly to each member after the members provide their 1st and 2nd email contacts for sending invoices.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Sever with a second by member Vogelgesang and unanimously carried to approve the emailing of invoices to members. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

FUTURE MEETING DATES & LOCATIONS

**2018 / 2019-74
ACTION**

The Board of Directors reviewed the meeting dates and locations for the 19/20 fiscal year. They chose to have next year's annual Board of Directors meeting a week later, May 27, 2020 to avoid a conflict with the School Services' May Revision Workshop.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to approve the meeting dates and locations for the 19/20 fiscal year. Absent: Members Pina, Percell, J. Hernandez, Garispe, Augusto, Rodgers, Shoemaker, Jones, C. Marshall, Laursen, Iqbal, M. Marshall, Lopez, Manser, Hirschfield, Affrunti, Sandoval, Green, Cruz, Vigil and B. Hernandez.

STATUS OF RENEWAL CERTICATES

**2018 / 2019-75
INFO**

The Account Manager reminded the members the deadline for submitting the status of their renewal certificates is May 24, 2019.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

IX. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**018 / 2019-76
INFO**

The Risk Manager presented recent updates on Loss Control:

- A Strategic Planning Survey was completed by the members for including in the 2019/2020 OSS strategic plan. Elements to be included in the evaluation of the strategic plan are loss runs, survey results, compliance with legal and other governmental regulations, and anticipation/projection of potential losses.
- Monthly Safety Spotlight Topics for 2019 – 2021 was presented.
- The NCR 3 year audit schedule was presented.
- The Diane Cranley Webinar Series on Child Abuse Prevention – Webinars 1-7 are available on the OSS website at www.ossweb.org
- Pesticide Handler Safety Training, scheduled for June 20, 2019.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

X. INFORMATION

MEMBER COMMENTS

Sandra Hoevertsz announced she was recently married and would be leaving when her contract ends 6/30/2019.

ADMINISTRATION COMMENTS

Donna Murry talked briefly about the STOPit & Wetip programs available to the districts

XII. AGENDA ITEMS FOR NEXT MEETING

Members and others may suggest items for consideration at the next Board of Directors' meeting on **Wednesday, May 27, 2020**, Southwest Education Support Center, 16644 S. Elm, Caruthers. Currently scheduled items include:

- Treasurer's Report
- Claims Update
- Preliminary Pool Contribution Spreadsheet
- Preliminary Budget
- Future Meeting Dates

XIII. ADJOURNMENT

With no further business, the meeting adjourned at 11:30 AM.

Americans with Disabilities Act:

The Organization of Self-Insured Schools, a Property & Liability 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 Organization of Self-Insured Schools Property & Liability JPA, shall be made to: Donna Murry, Account Manager, Keenan & Associates, P.O. Box 1404, Selma, CA 93662. Documents and materials relating to an open session agenda item that are provided to the O.S.S. Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 3036 Thompson Ave; Selma, CA 93662.