



MINUTES

BOARD OF DIRECTORS MEETING

WEDNESDAY, October 14, 2020

1:00 p.m.

This meeting was conducted by Zoom. Locations were not provided as the Brown Act has been partially suspended due to Coronavirus (COVID-19).

I. CALL TO ORDER

President Magnussen called the meeting to order at 1:02 P.M.

II. ROLL CALL

OFFICERS & BOARD OF DIRECTORS PRESENT:

KERMAN UNIFIED SCHOOL DISTRICT	Kraig Magnussen, President
FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT	Russell Freitas, Vice President
ALVINA ELEMENTARY CHARTER SCHOOL DISTRICT	Mike Iribarren, Secretary
FOWLER UNIFIED SCHOOL DISTRICT	May Yang
FOWLER UNIFIED SCHOOL DISTRICT	Edith Cantu
KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT	Carol Bray, Accountant
SELMA UNIFIED SCHOOL DISTRICT	Larry Teixeira
SOUTHWEST TRANSPORTATION AGENCY	Gary Geringer

MEMBERS

CLAY JOINT ELEMENTARY SCHOOL DISTRICT	Judi Szpor
PARLIER UNIFIED SCHOOL DISTRICT	Scott Griffin
VALLEY REGIONAL OCCUPATIONAL PROGRAM	Dora Alvarado

ADMINISTRATORS & CONSULTANTS:

BORCHARDT, CORONA, FAETH & ZAKARIAN	Gus Corona, Auditor
HANNA BROPHY LLP	William Davis, Associate Attorney
KEENAN & ASSOCIATES	Tyler Houston, Account Executive
KEENAN & ASSOCIATES	Tony Zuniga, Claims Analyst
KEENAN & ASSOCIATES	Donna Murry, Account Manager
MILLIMAN	Guy Avagliano, Actuary
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	Curt Crockett, Vice President

III. APPROVAL OF AGENDA

2020/2021-1

ACTION

The Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Board of Directors, 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 Teixeira with a second by member Freitas and unanimously carried to approve the Agenda as presented. Absent: Members Sever, Yang, Gabriel and Green.

IV. PUBLIC COMMENTS

The public may address the Executive Committee on any matter pertaining to the JPA that is not on the agenda. The President reserves the right to limit the time of presentation by individual or topic.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

V. CONSENT AGENDA

**2020/2021-2
ACTION**

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

- Approval of Minutes of the June 10, 2020 Board of Directors Meeting as Emailed
- Approval of Audited Expenditures for Year Ending June 30, 2020
- Approval of Expenditures for Quarter Ending September 30, 2020

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to approve the Consent Agenda as presented. Absent: Members Sever, Yang, Gabriel and Green.

VI. CORRESPONDENCE

**2020/2021-3
INFO**

No correspondence to present.

PUBLIC COMMENTS

BOARD CONSIDERATION

Member Yang arrived.

VII. CLAIMS

THIRD PARTY ADMINISTRATOR UPDATE

**2020/2021-4
INFO**

Sharon Castillo, Claims Administrator for Fresno County Self-Insurance Group (FCSIG) presented the claims update report for review.

- Stewardship Report was presented. Highlights were, teachers, aides and custodians continue to be the occupation with the highest number of claims with Slip/Trip/Fall being the number one cause of loss with strains as the leading injury type. The injuries and incurred costs for 2019/20 were down, possibly due to COVID-19.
- The Savings Summary Reports for year ending 6/30/20 and for quarter ending 9/30/20 were presented.
- Nurse Triage – 40 % of claimants seeking medical treatment through nurse triage, self-treat instead of going to see a physician.
- Bill Davis, attorney with the firm Hanna Brophy spoke on the COVID-19 Rebuttable Presumption of Compensability which went into effective 9/17/20, answering any questions the members had. Mr. Davis will also be a presider at the upcoming FCSIG Workers' Compensation Virtual Workshop.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

CLAIMS TREND OVERVIEW

**2020/2021-5
INFO**

Due to time constraints, the Claims Trend Overview was suspended for this meeting.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VIII. UNDERWRITING

LEGISLATIVE UPDATE

2020/2021-6
INFO

The Claims Analyst, Tony Zuniga presented legislative updates/current events affecting the workers' compensation program.

Legislative & Regulatory Update – Highlights of bills recently passed:

- There are now two sets of reporting legislation, **SB 1159** or the reporting of positive COVID-19 tests and **SB 685** which will require public and private employers to notify employees of the potential exposure to COVID-19 within one business day. **SB 1867** requires food facilities to have employees wash their hands every 30 minutes. **AB 1145** was a change to the Mandated Reporter intended to protect teens and eliminate inconsistencies and contradiction in the law. **AB 1963** changed the definition of employee expanding the list. There was also a new **J-1** reporting requirement by the State which went along with the filing of the Public Self-Insurers Annual Report. Mr. Zuniga mentioned there would be more information required for next year. **Cal/OSHA Training** – General guidelines on protecting workers from COVID-19 by recognizing the signs & symptoms, how to stop the spread, proper hygiene and such. Keenan has a new course bundle available through Keenan SafeSchools on this.
- Workers' Comp Executive; briefly mentioned mega claims in workers' comp are at a 12 year high with California leading the way. They are starting to slow due to earlier reforms which were passed. Last topic was the mention of wildfire smoke in triggering employee safety requirements by Cal/OSHA. Should anyone have questions on these updates, to contact Tony Zuniga.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

IX. FINANCIAL

TREASURER'S REPORT

2020/2021-7
ACTION

The Board of Directors reviewed the audited Treasurer's Report for the Year ending June 30, 2020 and the Treasurer's Report for Quarter ending September 30, 2020 for approval.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to approve the audited Treasurer's Report for year ending June 30, 2020 and for Quarter ending September 30, 2020. Absent: Members Sever, Gabriel and Green.

FCSIG UNPAID CLAIM LIABILITY ESTIMATES

2020/2021-8
ACTION

The Actuary, Guy Avagliano with Milliman presented the FCSIG Unpaid Claim Liability Estimates as of June 30, 2020 to the Board for review and approval. As compared to the prior analysis, the net ultimate loss estimates decreased \$824 thousand which was much lower than expected with almost all of the decrease from the Fiscal Accident Year (FAY) 2019/20. Two large claims from the same FAY closed without additional payments. Both paid losses, incurred losses, and especially reported claims were lower than expected, leading to a decrease in estimates as a result of the COVID-19 pandemic and districts moving to remote instruction.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to approve the Unpaid Claim Liability Estimates as presented. Absent: Members Sever, Gabriel, and Green.

FINANCIAL MANAGEMENT INFORMATION REPORT

2020/2021-9
ACTION

Mary Boyer with SETECH a division of Keenan & Associates presented the Financial Management Information Report for the Fiscal Years Ended June 30, 2019 and June 30, 2020 to the Board of Directors for review and approval. The Net Position increased from one year ago by \$1,130,935. The most significant changes are a result of:

- Funding for 2019/20 above the actuarially estimated Central estimate \$597,723.
- Investment Income of \$774,440.

FINANCIAL MANAGEMENT INFORMATION REPORT - Cont.

- Recognition of a decrease in the estimated actuarially determined liability for the withdrawn members of \$9,773.

This increase to the Net Position was offset by:

- A net increase in the actuarially determined estimated ultimate losses of \$1,313,182 for program years 2018/19 and prior due to increased expected loss experience.
- Dividends paid to Districts in 2019/2020 of \$1,320,651.

In conclusion, 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 \$11,078,291 while continuing to enjoy secure finances and a stable rate structure.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to accept the Financial Management Information Report as presented. Absent: Members Sever, Gabriel and Green.

FINANCIAL AUDIT REPORT

**2020/2021-10
ACTION**

Gustavo Corona, the auditor for FCSIG, presented the Financial Audit Report for Years ending June 30, 2020 and 2019 to the Board of Directors for their review and approval. The auditor stated in their opinion, the financial statements present fairly in all material respects, the respective financial position of the business type activities of FCSIG with no findings of internal control issues. The comparison to the year prior shows total assets increasing by \$706,326 and liabilities reducing by \$424,609. The increase in the total net position was \$1,130,935.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Geringer and unanimously carried to accept the Financial Audit Report for Years ending June 30, 2020 and 2019 as presented. Absent: Members Sever, Gabriel and Green.

FINAL BUDGET FOR THE 2020/2021 YEAR

**2020/2021-11
ACTION**

The Account Manager, Donna Murry presented the final budget for the 2020/2021 year to the Board of Directors for review and approval.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Yang and unanimously carried to accept the FCSIG final budget for the 2020/2021 year. Absent: Members Sever, Gabriel and Green.

X. ADMINISTRATION

PUBLIC SELF INSURERS ANNUAL REPORT

**2020/2021-12
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 Teixeira and seconded by member Geringer and unanimously carried to ratify the Public Self Insurers Annual Report as presented. Absent: Members Sever, Gabriel and Green.

WITHDRAWAL RESERVE ACCOUNT (WRA)

**2020/2021-13
ACTION**

The Board of Directors reviewed the WRA update as prepared and presented by the actuary for the districts that have terminated their membership with FCSIG. A letter will be sent to those districts notifying them of their updated WRA information. It was suggested to review the bylaws for requiring early payment to the JPA by a terminated member who was in a deficient position.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to accept the Withdrawal Reserve Account as of June 30, 2020 as presented. Absent: Members Sever, Gabriel and Green.

**BURREL UNION ELEM SCHOOL DISTRICT & CENTRAL UNIFIED SCHOOL DISTRICT -
1ST SCHEDULED WRA REFUND PAYMENTS**

**2020/2021-14
ACTION**

The Board of Directors will review the 1st scheduled payment to Burrel UESD & Central USD from their WRA for ratification. The date of their membership termination was 6/30/2014. Any funds available from their WRA would be paid beginning six years after their termination date.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to ratify the 1st scheduled payment to Burrel UESD and Central USD from their WRA. Absent: Members Sever, Gabriel, and Green.

LEGAL COUNSEL FOR THE FCSIG JPA

**2020/2021-15
INFO**

The Account Manager mentioned the legal counsel used for FCSIG, John Phillips left the firm he was with and is now with another firm. She presented several possibilities to the Board of Directors. It was their desire to send out A Request For Proposal (RFP) for obtaining legal counsel for the JPA. No action was needed.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XI. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**2020/2021-16
INFO**

The Risk Manager, Amy Dolson with Poms and Associates presented the updates on Loss Control services.

- Tristar Claims Review – Ongoing, contact either Amy Dolson or Sharon Castillo to schedule a review.
- Workers’ Compensation Virtual Workshop – October 28, 2020, 10:00 A.M.to 11:30 A.M.
- Onsite and Virtual Ergonomics Evaluations – Contact Amy Dolson for an evaluation.
- COVID-19 Infection Prevention Requirements (AB 685) – Effective 01/01/21, a FAQ sheet was made available.
- Workers’ Compensation Presumption (SB 1159) – FAQ sheet was made available.
- Free Shaw HR Consulting COVID-19 Disability Compliance Program Materials – Managing Employee Requests to Work from Home – available at: <https://www.shawhrconsulting.com/covid/> - Materials Include: General Guidelines, Sample Scripts, Template Forms & Letters, Flowchart and Training Video.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XII. INFORMATION

MEMBER COMMENTS

No comments

ADMINISTRATION COMMENTS

Tyler Houston thanked everyone for attending the FCSIG meeting via Zoom, even though it ran over its designated time.

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 20, 2019, Spike N Rail**, 2910 Pea Soup Anderson Blvd, Selma. Currently scheduled items include:

- Third Party Administrator Update
- Claims Trend Overview
- Treasurer’s Report for Quarter Ending December 31, 2020.
- 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

XIV. ADJOURNMENT

With no further business, the motion to adjourn the meeting was made by member Teixeira and seconded by member Freitas and unanimously carried. Absent members Sever, Gabriel, and Green. Meeting adjourned at 2:34 P.M.

Americans with Disabilities Act:

Fresno County Self-Insurance Group, a 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, P.O. Box 1404, 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 3036 Thompson Ave; Selma, CA 93662.