

MINUTES



ANNUAL BOARD OF DIRECTORS MEETING

WEDNESDAY, MAY 26, 2021

10:00 AM.

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

Treasurer Sever called the meeting to order at 10:08 A.M.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)
ISLAND UNION ELEMENTARY SCHOOL DISTRICT
KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT
LOS BANOS UNIFIED SCHOOL DISTRICT
PACIFIC UNION ELEMENTARY SCHOOL DISTRICT
SOUTHWEST TRANSPORTATION AGENCY

Dr. Wesley Sever, Treasurer
Carol Bray, Accountant
Diane Augusto, Member at Large
Rufino Ucelo, Member at Large
Amer Iqbal, Permanent Member
Hannah Rothenfluh
Gary Geringer, Member at Large

MEMBERS:

ALVINA ELEMENTARY CHARTER SCHOOL DISTRICT
CENTRAL VALLEY PRESCHOOL
CLAY JOINT ELEMENTARY SCHOOL DISTRICT
DINUBA UNIFIED SCHOOL DISTRICT
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS
PARLIER UNIFIED SCHOOL DISTRICT
RAISIN CITY ELEMENTARY SCHOOL DISTRICT
RIVERDALE UNIFIED SCHOOL DISTRICT
SOUTH COUNTY SUPPORT SERVICES AGENCY
WASHINGTON UNIFIED SCHOOL DISTRICT

Mike Iribarren
Jeff Percell
Judith Szpor
Peggy Garispe
Jeff Becker/Jason Parkin
Andrea Affrunti
Juan Sandoval
Jeff Percell
Gary Geringer
Chris Vaz/Sal Fonseca

ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES
KEENAN & ASSOCIATES
KNAK & COMPANY
POMS & ASSOCIATES
POMS & ASSOCIATES

Tyler Houston, Account Executive
Donna Murry, Account Manager
Erik Knak, Third Party Administrator
Amy Dolson, Risk Manager
Tessa Babcock, Consultant Risk Control

III. APPROVAL OF AGENDA

2020/2021-62

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 Augusto with a second by member Geringer and unanimously carried to approve the Agenda as presented. Absent: Members Szpor, Percell, Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

IV. PUBLIC COMMENTS

The public may address the Board 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

BOARD CONSIDERATION: None

Member Szpor arrived.

V. CONSENT AGENDA

2020/2021-63

ACTION

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

- Approval of the Minutes of the May 27, 2020 Board of Directors’ meeting as emailed.
- Approval of Expenditures for Period Ending April 30, 2021.
- Knak Claim Expenditures for period ending April 2021.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Geringer with a second by member Iribarren and unanimously carried to approve the Consent Agenda as presented. Absent: Members Percell, Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

VI. CORRESPONDENCE

2020/2021-64

INFO

There was no correspondence to present.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

Member Percell arrived.

VII. CLAIMS

THIRD PARTY ADMINISTRATOR CLAIMS UPDATE

2020/2021-65

INFO

Erik Knak, Claims Administrator for the OSS presented his report, the **OSS Loss History – (Incurred Within \$50K MRL) – 5/11/21** for review. He compared the current report to that of the 5/18/20 report he provided at the last May Board of Directors’ meeting. Years 2011/12, 2012/13, 2013/14 , 2015/16, and 2017/18 have no open claims with the total incurred figures and claims count remaining constant for all aforementioned years except for 2017/18 which had a decrease of (2) claims and a total incurred figure decreasing by \$500. Year 2014/15 has (1) open claim related to a bullying allegation. Year 2016/17 also has (1) open claim due to a recently opened Underinsured Motorist claim. Year 2018/19 has been an excellent year for both the reserves and number of claims with only (1) open claim. Year 2019/20 has been a difficult claim year which includes several large Property and Liability claims, currently this year has (8) open claims. Year 2020/21 has had only (29) claims opened thus far, but it includes several large Property claims. In summary, the OSS has (23) open claims, down (4) from the 5/18/20 report and \$316K in reserves, down \$209K from the 5/18/20 report. So far, the OSS has not seen older abuse claims filed in closed out years from the passage of AB218.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VII. UNDERWRITING

NORTHERN CALIFORNIA ReLiEF (NCR) UPDATE

2020/2021-66

INFO

The Account Executive, Tyler Houston provided information and recent updates on the NorCal ReLiEF (NCR) Program.

- NCR Overview. NCR has had an excellent renewal. They saw decreases throughout their self-funding layers. The 50K MRL which the OSS has, saw a 3.1% decrease in Liability and a 3.9% decrease in the Property rates. The Loss Portfolio Transfer (LPT) is continuing to perform well. The NCR Board also put in place a new

NCR Update Cont.

program called the Prospective Funding Program (PFP) which will provide additional protection for claims arising out of the passage of AB218. The NCR net position remains strong, with both the Matching Grant and Risk Management Reward programs being renewed. The takeaway here is that the NCR Board continues to take a proactive stance on addressing the risks affecting its members. The LPT and the newly introduced PFP will further assist in ensuring the program and its members are protected from the current risks affecting public schools.

- SAFER Market Overview. This is one of the hardest reinsurance markets that the insurance industry has ever faced. Some of the issues are hyper social inflation due to high jury awards, cyber claims, low interest rates, and property claims from wildfires. SAFER has, despite this hard marketplace, increased the \$250M per occurrence to a \$500M per occurrence in its property limits and has secured a rate guarantee in the first two layers of its excess liability programs out to 2024. Both rates for the excess liability and excess property have increased by less than 4% for the upcoming year with coverage remaining on an occurrence basis.
- Cyber Coverage. Cyber criminals have heavily targeted public entities. Ransomware has become a serious loss driver. The cyber program will be moving from Chubb to Hamilton for this upcoming year. With Hamilton, the member deductibles are subject to double if certain 12 Best Practices aren't in place should a member have a claim. One key exclusion which remains is no ransomware coverage would be provided from a carrier if the ransom comes from Specifically Designated Nationals (SDN) found on the Department of Treasury Office of Foreign Assets Control (OFAC) list. Examples on the OFAC list come from Russia, Iran, North Korea, Syria, etc. Hamilton will have a Cyber Insight Day targeted for the last part of July. It is highly recommended all districts' tech personnel attend. There will also be an opportunity for members to purchase an excess dedicated cyber liability policy with limits of \$1M, \$3M, and \$5M, which will come into play should underlying limits become exhausted. Also presented was a \$5M JPA excess cyber liability program which would be available to the OSS JPA members which the Account Executive recommended the OSS purchases to share among its members at a first come, first serve basis. Any district who purchases their own dedicated cyber liability coverage would not pay into the JPA excess cyber liability option.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

CYBER LIABILITY POLICY REVIEW & AMENDMENT

**2020/2021-67
ACTION**

The Account Executive provided a sample amendment to the current OSS Policy CL-02 Cyber Liability Policy Deductible which was recommended for approval by the Executive Committee for review by the Board of Directors. Due to the possibility of deductibles doubling, the main change within the amendment is to have the OSS JPA cap its exposure for cyber related claims under the policy to not exceed \$24,000.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Geringer and unanimously carried to approve the amendment to the current Cyber Liability Policy of having the OSS JPA cap its assistance to the member districts at a not to exceed amount of \$24,000. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

VIII. FINANCIAL

TREASURER'S REPORT

**2020/2021-68
ACTION**

The OSS accountant, Carol Bray presented the Treasurer's Report for Period ending April 30, 2021 for review and consideration by the Board of Directors. Total operating revenues year to date were at 100% with revenues of \$5,601,083 and operating expenses at 94% with expenditures of \$5,602,573 which included rebates & WRA payments.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Augusto with a second by member Garispe and unanimously carried to accept the Treasurer's Report as presented. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2020/2021-69

ACTION

The Account Executive presented the *Summary of Actuarial Analysis as of December 31, 2020* as prepared by Milliman, Inc. for review and recommended for approval by the Executive Committee to the Board of Directors. He mentioned the current estimate for FAY 2020-21 is \$65K below last year's forecast driven by a decrease in reported claims, likely due to the pandemic. The funding estimate for FAY 2021-22 at an 80% probability level is about 3% higher than the year prior due to an increase in expenses. Frequency has declined in recent years, especially the last two with severity seeing an increase in the same period due to the occurrence of several larger claims.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Iribarren and unanimously carried to approve the Summary of Actuarial Analysis as of December 31, 2020 as presented. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

LOSS FUND CONTRIBUTION

2020/2021-70

ACTION

The Account Executive presented the Loss Fund contribution spreadsheet to the Board of Directors for their consideration. The Loss Fund is used by the JPA to fund its \$50,000 self-insured layer. The funding rate 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% funding probability, there was an increase in the rate of \$.51 per ADA for the FAY 2021-22 due to an increase in the expenses.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Percell with a second by member Szpor and unanimously carried to approve the Loss Fund contribution at the 80% probability level as presented. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

2021/2022 NCR PRELIMINARY POOL CONTRIBUTION SPREADSHEET

2020/2021-71

ACTION

The Account Executive presented two NCR Preliminary Pool Contribution spreadsheets at a \$50,000 retention and a comparison with the year prior to the Board of Directors for their consideration, one without the Optional JPA shared Excess Cyber coverage and the other with the \$5 M Optional JPA shared Excess Cyber coverage. It was the recommendation of the Executive Committee to go with the \$5 M Optional JPA shared Excess Cyber coverage, while allowing individual members the option of purchasing their own dedicated excess coverage if they desired.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: The motion was made by member Percell with a second by member Iribarren and unanimously carried to approve the 2021/2022 Preliminary Pool Contribution Spreadsheet with the \$5 M Optional JPA shared Excess Cyber Liability coverage. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

2021/2022 PRELIMINARY BUDGET

2020/2021-72

ACTION

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

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Geringer with a second by member Szpor and unanimously carried to accept the 2021/2022 Preliminary Budget as presented. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

IX. ADMINISTRATION

FUTURE MEETING DATES & LOCATIONS

2020/2021-73
ACTION

The Board of Directors reviewed the meeting dates and locations for the 2021/2022 fiscal year.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Szpor with a second by member Iribarren and unanimously carried to accept the meeting dates and location for the 2021/2022 year as presented. Absent: Members Singh, Chuck, Yang, Magnussen, Orozco, Pina, J. Hernandez, Pacheco, Jones, C. Marshall, Nieves, M. Marshall, Garibay, Lopez, Manser, Smith, Sandoval, Lofaro, Cruz, Vigil, and B. Hernandez.

X. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

2020/2021-74
INFO

The Risk Manager, Amy Dolson presented the updates on loss control services as per the following:

- Introduction of Tessa Babcock, CPSI with Poms & Associates was made. She will be the conducting the NCR Audits & Playground Inspections, replacing Steve Richardson, who recently retired.
- NCR 3-year Audit Schedule 2020 – 2022 (including playground inspections) was attached for review
- OSS Strategic Plan Priorities 2021 – 2022 was attached for review (claim data will be updated for October 2021 Executive Committee meeting)
- OSS Safety & Security Grant will roll over to 2021 – 2022 (2020 – 2021 Terms & Conditions and Application was attached)
- Monthly Safety Spotlight Topics 2021 – 2023. Revisions are in progress – updated topics will be provided in June 2021.
- Pesticide Handler Safety Virtual Training – June 17, 2021 - flyer was attached.
- Title IX Coordinator Training with Megan Farrell – July 15, 2021 (invite sent via Title IX Consult, LLC)

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XI. INFORMATION

MEMBER COMMENTS

No comments

ADMINISTRATION COMMENTS

No comments

XII. AGENDA ITEMS FOR NEXT MEETING

Members and others may suggest items for consideration at the next Board of Directors' meeting on **Wednesday, May 25, 2022**, Southwest Education Support Center, 16644 S. Elm, Caruthers. Currently scheduled items include:

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

XIII. ADJOURNMENT

With no further business, the meeting adjourned at 11:31 A.M.

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.