

# MINUTES



## EXECUTIVE COMMITTEE MEETING

WEDNESDAY, APRIL 20, 2022

11:00 AM.

Legends Tap House & Grill  
2910 Pea Soup Anderson Blvd  
Selma, CA 93662

### I. CALL TO ORDER

President Magnussen called the meeting to order at 11:07 A.M.

### II. ROLL CALL

#### OFFICERS & EXECUTIVE COMMITTEE:

KERMAN UNIFIED SCHOOL DISTRICT  
PACIFIC UNION ELEMENTARY SCHOOL DISTRICT  
KINGS RIVER-HARDWICK UNION ELEMENTARY SCHOOL DISTRICT  
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)  
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)  
FOWLER UNIFIED SCHOOL DISTRICT  
ISLAND UNION ELEMENTARY SCHOOL DISTRICT  
KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT  
LOS BANOS UNIFIED SCHOOL DISTRICT  
SELMA UNIFIED SCHOOL DISTRICT  
SOUTHWEST TRANSPORTATION AGENCY

Kraig Magnussen, President  
Annette Machado, Vice President  
Trish Singh, Secretary  
Dr. Wesley Sever, Treasurer  
Carol Bray, Accountant  
May Yang, Permanent Member  
Diane Augusto, Member at Large  
Rufino Ucelo, Member at Large  
Amer Iqbal, Permanent Member  
Andrea Affrunti, Permanent Member  
Gary Geringer, Member at Large

#### MEMBERS

CLAY JOINT ELEMENTARY SCHOOL DISTRICT

Judith Szpor

#### ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES  
KEENAN & ASSOCIATES  
KNAK & COMPANY  
MILLIMAN, INC.  
MILLIMAN, INC.  
POMS & ASSOCIATES

Tyler Houston, Account Executive  
Donna Murry, Account Manager  
Erik Knak, Third Party Administrator via conference phone  
Guy Avagliano, Actuary  
Judy Chiu, Actuary  
Amy Dolson, Risk Manager

### III. APPROVAL OF AGENDA

**2021/2022-36**

#### **ACTION**

The Executive Committee retains the right to change the order in which agenda items are discussed. Subject to review by the Executive Committee, 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

COMMITTEE CONSIDERATION: Motion by member Affrunti with a second by member Machado and unanimously carried to approve the Agenda as presented. Absent: Members Mendiola and Yang.

### IV. PUBLIC COMMENTS

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

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**V. CONSENT AGENDA**

**2021/2022-37**  
**ACTION**

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

- Approval of Minutes of the January 19, 2022 Executive Committee Meeting as Emailed
- Approval of Expenditures for Quarter Ending March 31, 2022 which includes Knak & Co. claim expenses.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Iqbal with a second by member Geringer and unanimously carried to approve the Consent Agenda as presented. Absent: Members Mendiola & Yang.

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**VI. CORRESPONDENCE**

**2021/2022-38**  
**INFO**

The Account Manager, Donna Murry presented correspondence received:

1. The 2021 Government Compensation in California Report as received from the State Controller's office and the report as filed in response by the JPA auditor Gus Corona. This report provides the State with any wages the Organization of Self-Insured Schools pays to its governing board. The report shows \$0 in compensation.

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**VII. CLAIMS**

**THIRD PARTY ADMINISTRATOR UPDATE**

**2021/2022-39**  
**INFO**

Erik Knak, Claims Administrator for the OSS presented the OSS Loss History Review (Incurred) 4-07-2022 to the Executive Committee and Members, comparing the report to the 04/05/21 report provided at last April's meeting. The years 2012/13, 2013/14, 2014/15, 2015/16, and 2017/18 continue to have no open claims. Year 2016/17 has 1 open claim with the total incurred figure increasing & claim count increasing by 1 due to an underinsured motorist claim. 2018/19 has only 1 open claim out of 71 opened thus far to date. 2018/19 was an excellent year with reserves having no change from the 04/05/21 report. The 2019/20 year has been a difficult claim year, presently with 5 open claims. Though this year did not have as many claims, there were several large Property and Liability claims with total reserves increasing from the 04/15/21 report. Year 2020/21 has had 38 claims opened thus far, but it includes 3 large Property claims involving a warehouse fire, gym floor water damage and multi-room vandalism; currently there are 6 claims that are still open from that year. The current 2021-22 year remains positive with just 27 claims, 13 of those claims are open. There has been an abuse claim opened from the 2000-01 claim period as well. In summary, there are 27 open claims, up 5 from the 04/05/21 report and currently \$414K in reserves, up \$153K from the report presented from last April's meeting.

When asked about the physical paper boxes of closed OSS claims, it was the consensus of the Executive Committee to professionally shred these boxes as the data from these years may be found in other claim sources.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

Member Yang arrived.

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**VIII. UNDERWRITING**

**NCR EXPERIENCE RATING FOR THE OSS (Authority)**

**2021/2022-40**  
**INFO**

The Account Executive, Tyler Houston provided an indication on the NCR renewal for budgeting purposes to the OSS Executive Committee. NCR is having an excellent renewal within the self-funded layers. The renewal rate for the \$50,000 member retained limit (MRL) for liability remained flat. Property at the \$50,000 MRL is decreasing about 3.1%. The OSS JPA is seeing a substantial decrease in its liability ex-mod and a moderate increase in its property ex-mod this year. The increase of the property ex-mod reflects the steady increase of property losses which the JPA has been experiencing over the past couple of years. Taking everything into consideration, a high single digit percent increase to the NCR program renewal is estimated. This estimate is based on pure insurance costs and does not take into consideration any changes to a district's total insured value (TIV) or the cost associated with their self-insured portion (loss fund). Cyber continues to be a challenging coverage, more will be discussed later in the meeting.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

## NCR UPDATE

2021/2022-41  
INFO

The Account Executive provided information and recent updates on the NCR Program.

• NCR Executive Summaries – Highlights are:

**Finance Committee** – The Loss Portfolio Transfer (LPT) continues to perform well on behalf of NCR, adding protection for AB218 claims due to favorable loss experience since its inception in 2019.

**Executive Committee** – SAFER (excess layer) is strategically positioned very well due to its layering structures, participation of many carriers in each layer, and the goal of securing multi-year rate guarantees. Due to the demands from their reinsurers, SAFER is requiring an inflation factor of up to 7% for property due to COVID and the cost of rebuilding. Cyber losses have been good for this current coverage year as compared to years prior, but the markets for providing this coverage is shrinking with rates likely to increase. Congratulation to Kingsburg Elementary for being drawn as a Risk Management Reward Winner. They received \$2,500 to use toward risk management.

**Claims and Coverage Committee** – Great information and best practices on suicide prevention and avoiding Employment Practices claims.

**Joint Underwriting / Member Services & Finance Committee** – NCR continues to be solid with a net position of over \$11 M above contingencies. Both the Matching Grant & the Risk Management Reward Programs will be renewing. Once the NCR Board has taken final action, more information will be provided on the rollout of each program.

**Cyber Liability Update** – The Cyber Liability marketplace is as challenging of a market as we have seen in the past decade. Cyber carriers will be putting a much larger emphasis on districts having the 12 Cyber Best Practices in place. It is important to prepare our clients for the worse, which would be that cyber coverage may not be afforded to any district should they not have the 12 Best Practices in place. Though this underwriting requirement has not yet been confirmed, the need to prepare everyone is needed. Mr. Houston will be sending out in the near future, a memo addressing this issue to all of his clients.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

## OSS SAFETY & SECURITY GRANT

2021/2022-42  
ACTION

Amy Dolson, the OSS Risk Manager presented the first OSS Safety & Security Grant application from Kerman Unified to the Executive Committee for their consideration. The grant is based on ADA, and if awarded, the \$4,000 would be used to purchase security cameras to augment the current districtwide security camera system at their Kerman-Floyd Elementary School. This particular site is bisected by a public park and sees an increased amount of foot traffic from the community. One of the requirements for awarding the grant was the adoption of a Staff / Adult / Student Interaction Policy by the applicant, which had been done.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Sever with a second by member Affrunti to approve awarding the OSS Safety & Security Grant to Kerman Unified for \$4,000. Yea: Members Machado, Singh, Sever, Yang, Augusto, Ucelo, Affrunti, and Geringer. Abstain: Member Magnussen. Absent: Member Mendiola. Motion carried.

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## IX. FINANCIAL

### APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2021/2022-43  
ACTION

The Actuaries, Guy Avagliano & Judy Chiu presented the *Summary of Actuarial Analysis as of December 31, 2021* as prepared by their firm, Milliman, Inc. for review and recommendation to the Board of Directors. Highlights were: The Fiscal Accident Year (FAY) 2020-21 and prior increased by \$30 thousand in estimated net ultimate losses due to a recently reported claim in FAY 2000-01. The current estimate for FAY 2021-22 is \$147 thousand below last year's forecast, driven by lower than expected reported claims and incurred losses. The funding estimate for FAY 2022-23 at an 80% probability level is about 3% higher than the corresponding estimate for the prior year due to an increase in expenses. Frequency has declined in recent years, especially the last three. Severity varies by year with the last three years seeing several larger claims with the average case reserves being relatively stable over the past three years.

**APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT - CONT**

**2021/2022-43**

PUBLIC COMMENTS: None

**ACTION**

COMMITTEE CONSIDERATION: Motion to recommend approving the Actuarial Report to the Board of Directors as presented was made by member Machado with a second by member Iqbal and unanimously carried. Absent: Member Mendiola.

**LOSS FUND RATES**

**2021/2022-44**

**ACTION**

The Actuaries presented the Loss Fund Rates to the Executive Committee for their 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 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 is an increase in the rate by \$0.30 per ADA for the FAY 2022-23 due mostly to the increase in the expense provision. It was recommended to continue to fund the program at the 80% probability level.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Iqbal seconded by member Machado and unanimously carried to recommend retaining the 80% probability level to the Board of Directors. Absent: Member Mendiola

**TREASURER’S REPORT**

**2021/2022-45**

**ACTION**

The OSS accountant, Carol Bray presented the Treasurer’s Report for Quarter ending March 31, 2022 for review and consideration. Total operating revenues were at 99% with revenues of \$5,504,996 and operating expenses at 89% with expenditures of \$4,757,507, which included the WRA and rebates payments.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Affrunti with a second by member Geringer and unanimously passed to accept the Treasurer’s Report as presented. Absent: Member Mendiola.

**CONSIDERATION OF PAYING A REBATE**

**2021/2022-46**

**ACTION**

The Account Executive presented the third-year actuarial analysis of the rebate calculations to the Executive Committee for consideration and recommendation to the Board of Directors. Due to the moneys received by the districts from the State, it was agreed not to take a rebate at this time. The funds should still be available for payment in the future.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Machado with a second by member Iqbal and unanimously passed not to pay the funds available for a rebate for the 21/22 year. Absent: Members Mendiola.

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**X. ADMINISTRATION**

**JPA ADMINISTRATION SERVICES AGREEMENT**

**2021/2022-47**

**ACTION**

The Account Executive presented the JPA Administration Services Agreement for years ending July 1, 2022 through June 30, 2025 to the Executive Committee for consideration. The agreement is for the work performed on behalf of the JPA by Keenan & Associates. The agreement has been vetted by the JPA’s legal counsel, Gabriel Delgado.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Singh with a second by member Affrunti and unanimously carried to approve the JPA Administration Services Agreement as presented. Absent: Member Mendiola.

## FUTURE MEETING DATES & LOCATIONS

2021/2022-48  
ACTION

The Account Manager presented the meeting dates and locations for the 22/23 fiscal year to the Executive Committee for their recommendation to the Board of Directors.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Sever with a second by member Machado and unanimously carried to recommend approval of the future meeting dates and locations to the Board of Directors. Absent: Member Mendiola.

## CLAIMS AUDIT

2021/2022-49  
INFO

The Account Manager mentioned she would be sending out a Request for Proposal (RFP) for engaging a firm for performing a claims audit for the OSS.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

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## XI. RISK MANAGEMENT

### RISK MANAGEMENT UPDATES

2021/2022-50  
INFO

The Risk Manager, Amy Dolson presented the following updates on Loss Control services and risk management information.

- **Training Completed:**
  - Food Safety Certification Training – Fowler USD/Riverdale – January – March 2022
- **Upcoming Training:**
  - Rachel Shaw Virtual Training – April 29 and June 1 – Free registration, for each session, for one (1) employee per member district.
  - Annual Pesticide Handler Safety Workshop – Southwest Transportation – June 16, 2022
  - Forklift Certification Training – Kerman/Riverdale/Kingsburg Elementary CSD – pending
- **NCR Safety Inspections and CPSI Inspections**
  - Tessa Babcock completed all site inspections as of April 6, 2022.
  - Report writing and Immediate/High priority review meetings in progress
  - The Risk Manager mentioned she recently passed her CPSI exam which enables her to be a resource to any district outside of the three year cycle needing to have their playground(s) inspected. Feel free to contact her to come out for an inspection or for any questions you might have pertaining to playgrounds.
- **Title IX Updates**
  - Survey Completed – assistance with Title IX Roles & Responsibilities
  - Future Training Opportunities with NCR – Title IX Coordinator, Investigator, & Decision Maker
  - Title IX Thursdays with Megan Farrell – Free Training – upcoming dates, May 5, and June 2, 2022
- **April Safety Spotlight** – The April Safety Spotlight focused on Golf Cart Safety

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

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## XII. INFORMATION

### MEMBER COMMENTS

Dr. Wesley Sever thanked Keenan & Associates for their support of a local charity.

### ADMINISTRATION COMMENTS

Nothing to report.

### **XIII. AGENDA ITEMS FOR NEXT MEETING**

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

- OSS Loss History Report
- OSS Actuarial Report
- Treasurer's Report
- 2022/2023 Loss Fund Contribution
- NCR Contribution
- 2022/2023 Preliminary Budget
- Future Meeting Dates and Locations

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### **XIV. ADJOURNMENT**

With no further business, the motion to adjourn the meeting was made by member Machado with a second by member Geringer and unanimously carried. The meeting adjourned at 12:25 P.M.

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#### **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 OSS 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.