

**FRESNO COUNTY SELF INSURANCE GROUP  
(F.C.S.I.G.)**

**Quarterly Board Meeting**

1:30 p.m. Tuesday, January 18, 2005

J. Frank Parks Education Center  
Selma Unified School District  
3036 Thompson Avenue  
Selma, California

**Meeting Minutes**

- Call to Order** President Eric Cederquist called the meeting to order at 1:33 p.m.
- Attendance**
- |   |  |
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| Fowler Unified School District<br>Eric Cederquist                     | Clay Elementary School District<br>Dr. Michelle Steagall   |
| Selma Unified School District<br>Larry Teixeira                       | Sanger Unified School District<br>Marc Johnson<br>Steve Mulligan   |
| Kingsburg Jt Un Elementary<br>Dr. Mark Ford<br>Carol Williamson       | Guests<br>Tom Veale - <i>Tristar</i><br>Russell O'Donnell - <i>Tristar</i><br>Frank Ross - <i>Tristar (Ross &amp; Castillo)</i><br>Sharon Castillo – <i>Tristar (Ross &amp; Castillo)</i><br>Mary Boyer - <i>SETECH</i><br>Tom Russo – <i>Keenan &amp; Associates</i><br>Henry Brock – <i>Brock's Loss Control</i><br>Gus Corona – <i>Borchardt, Corona &amp; Faeth</i><br>Bill Tucker – <i>Tucker-Alexander Ins.</i><br>Donna Murry – <i>Tucker-Alexander Ins</i> |
| Kings Canyon Unified School District<br>Adele Nikkel<br>Terri Bechtel |  |
| Central Unified<br>John Mulligan                                      |  |
| Kerman Unified<br>Jim Foley   |  |
- Introductions** The attending directors & guests introduced themselves
- Approval of Agenda** After stating the need by the broker to add an emergency Action Item to the agenda, *Consider Late Payment Penalty*, it was moved by member Ford and seconded by member Teixeira to add the emergency item to the agenda. Motion carried.
- The motion to approve the agenda was made by member Steve Mulligan and seconded by member Teixeira. Motion carried.
- Public Hearing Session** President Cederquist asked if anyone wished to address the Board. There was no response.
- Consent Agenda** A correction was made to the minutes of the October 19, 2004 meeting. The estimated total indemnity for year to date for period ending Sept. 2003 (year prior comparison) was incorrectly reported under the broker's *Claims Cost Analysis* report. The figure should have been 268,288, ultimately making the average cost per claim to be **5,167**, instead of the 3,185 reported. With the correction noted, it was moved by member Ford and seconded by member Nikkel to approve the consent agenda which included the following:
- A. Approval of minutes of the October 19, 2004 meeting as mailed.
  - B. Approval of expenditures, (Attachment A)
- Motion carried.

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- Treasurer's Report** Terri Bechtel, former F.C.S.I.G. accountant, presented the financial statement for year ending June 30, 2004 for F.C.S.I.G. and F.C.O.E. (Attachment B), and the two combined together (Attachment C). Carol Williamson, the F.C.S.I.G. accountant presented the financial statement for quarter ending December 31, 2004, (Attachment D).
- Broker's Report** The broker, Bill Tucker Jr. presented to the Board the F.C.S.I.G. Claims Cost Analysis for the period December 2004, (Attachment E).
- Claims Cost Analysis
- Accreditation Status The broker reported F.C.S.I.G. had received full accreditation. Only one item was outstanding and that is the adoption of an equity policy. This issue will be addressed under the action items.
- Administrator's Report** Sharon Castillo, the F.C.S.I.G. claims administrator announced effective January 1, 2005 Ross & Castillo merged with Tristar Insurance Group. She introduced Tom Veale, president of Tristar to the group. Mr. Veale acknowledged thirty percent (30%) of his firm's business was with school districts. He stated a new computer system would be installed next quarter at the Fresno office, assuring the Board it would be business as usual. He also announced that the Tristar Medical Provider Network received their approval last week from the state.
- Sharon Castillo reported as of 1/01/05, maximum temporary disability and permanent disability payments increased from \$728 to \$840 and \$200 to \$220 per week respectively.
- Loss Control Report** Dr. Henry Brock, from Brock's Loss Control Services, mentioned he had conducted the second workshop in forklift safety. Approximately fifty people received their certification. He is in the process of preparing a food service workshop available for the spring.
- Forklift & Food Safety
- ACSA W/C Alliance Dr. Brock mentioned he had received information pertaining to F.C.S.I.G. joining the ACSA (Association of California School Administrators) Workers' Compensation Alliance (Attachment F). He is waiting for their email response for more information.
- Sexual Harassment Training Dr. Brock reported on AB1825 which takes effect 1/1/06. This bill mandates two hours of training every year for school district supervisors in the area of sexual harassment. He is working on developing, with the help of Garth Maijala (F.C.S.I.G. Webmaster) and Bob Rosati (Claims Attorney), an interactive online program which would satisfy the requirements of this bill. The goal is to have the online program completed and ready for district utilization by August 1, 2005. He is also hoping to allocate any expense involved in setting up this training to twenty-five (25%) F.C.S.I.G. and seventy-five (75%) O.S.S.
- Action Items** Gus Corona, from the firm of Borchardt, Corona & Faeth, presented the F.C.S.I.G. financial audit for years ending June 30, 2004 and 2003. GASB 34 mandated changes to the audit, one being the addition of a Management's Discussion and Analysis (MD&A). This portion of the audit was presented by Mary Boyer from SETECH (Service Enhancement Technologies). The motion was made by member Nikkel and seconded by member Steagall to accept the financial audit, (enclosed). Motion carried.
- Financial Audit
- SETECH Report Mary Boyer from SETECH, presented the F.C.S.I.G. *Financial Management Information Report* as of June 30, 2003 and June 30, 2004. The purpose of the study was to determine the financial condition of the JPA. It was reported that F.C.S.I.G. was not in a deficit position and has a reasonable amount of cash reserves. It also appears a dramatic reduction in those cash reserves has occurred due to increased liabilities on older claims. Possible changes in funding are needed to avoid or minimize additional deterioration of surplus. The motion was made by member Johnson and seconded by member Ford to accept the report, (enclosed). Motion carried.

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**Action Items**

- Cont. Fund Equity** The motion to accept the resolution for establishing an equity policy, (Attachment G), was made by member Steve Mulligan and seconded by member Nikkel. This was a requirement of the recent accreditation. Motion carried.
- Actuary Contract The motion was made by member Johnson and seconded by member Teixeira, to approve the contract with Milliman USA for actuarial services for the 05/06 fiscal year, (Attachment H). Motion carried.
- Amending Bylaws The broker presented the suggestion raised by the F.C.S.I.G. attorney, to establish a committee for review of the Bylaws for purposes of recommending possible changes, clarifications, and/or simplifications, (Attachment I). The motion was made by member Teixeira and seconded by member Steve Mulligan to establish a committee to review the Bylaws. Motion carried.
- Consider Late Payment Penalty The broker presented to the Board the issue of imposing late payment penalties to those districts late in paying their installment payments. There is a provision in the Bylaws addressing this issue. It was the consensus of the Board to impose the late payment penalty for the one district late in paying their workers' compensation installment payment. No formal action was taken.

**Board Member Report** President Cederquist asked if any members had items to report. There was no response.

**Closed Session** There were no items for closed session.

**Next Meeting/Adjournment** The next quarterly meeting is scheduled for 1:30 p.m. on **Tuesday, May 3, 2005**. With no further business, the motion to adjourn the meeting was made by member Ford and seconded by member Johnson. Motion carried and the meeting adjourned at 3:24 p.m.

Prepared by,

Donna Murry  
MJ:dm

Approved by,

Marc Johnson  
F.C.S.I.G. Secretary