

OSS
ORGANIZATION OF
SELF-INSURED SCHOOLS

Annual Board Meeting

10:00 a.m. Tuesday, May 19, 2015
Southwest Education Support Center
16644 S. Elm
Caruthers, CA 93609

Meeting Minutes

Call to Order The meeting was called to order at 10:05 a.m. by President Larry Teixeira.

Attendance

Selma Unified School District Larry Teixeira Paul Green	Los Banos Unified School District Dr. Steve Tietjen
Kings Canyon Joint Unified School District Adele Nikkel	Kingsburg Joint Union School District (Elem) Dr. Wesley Sever Carol Williamson
Kerman Unified School District Peggy Rodgers	Pacific Union Elementary School District Annette Machado
Fowler Unified School District Fresno Area Self Insurance Benefits dba EdCare Fresno County Self Insurance Group Eric Cederquist	Sanger Unified School District Eduardo Martinez
Island Union Elementary School District Diane Augusto	Southwest Transportation Agency Tony Mendes
Laton Unified School District Tammy Alves	South County Support Services Agency Sandra Robles
Central Valley Preschool Riverdale Unified School District Jeff Percell	Firebaugh-Las Deltas Unified School District Russell Freitas
Washington Colony School District Dale Drew	Armona Union Elementary School District Xavier Pina
Westside Elementary School District Baldo Hernandez	Fresno County Office of Education Jeff Becker Rhonda Lodridge Chris Lozano
Clay Joint Elementary School District Brenda Sylvia	Guests: Ron Martin – <i>Keenan & Associates</i> Tom Russo – <i>Keenan & Associates</i> John Phillips – <i>Wild, Carter, & Tipton</i> Dr. Henry Brock – <i>Brock's Loss Control</i> Bill Tucker - <i>Tucker-Alexander Ins.</i> Donna Murry – <i>Tucker-Alexander Ins.</i>
Dinuba Unified School District Peggy Garispe	

Quorum A quorum of the Board of Directors was present.

Introductions The attending directors and guests introduced themselves.

Approval of Agenda The motion was made by member Martinez and seconded by member Nikkel to approve the agenda.

Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Machado, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez. Nays: None. Abstentions: None. Motion carried.

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- Public Hearing Session** President Teixeira asked if anyone wished to address the Board. There was no response.
- Consent Agenda** The motion to approve the consent agenda, which included the minutes of the May 20, 2014 Board of Directors meeting as emailed, was made by member Sever and seconded by member Nikkel.
Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez. Nays: None. Abstentions: None. Motion carried.
- Treasurer's Report** The O.S.S. accountant, Carol Williamson presented the financial statement for period ending May 15, 2015, (Attachment A).
Member Sylvia arrived.
- Broker's Report** The JPA manager, Bill Tucker Jr. mentioned NorCal ReLief (NCR) is continuing to offer the matching grant program to its members, (Attachment B). These grants have been established to assist members in the costs associated with new loss control/risk management products. Applications will be accepted between July 1st and August 15th.
NCR Matching Grant
Member Garispe arrived.
- Golf Tournament The Tucker/Magill Golf Tournament will be taking place on Thursday, June 18 at the Sherwood Forest Golf Club. All members are welcome.
- Administrator's Report** The claims administrator for the O.S.S., Erik Knak from Knak & Company, presented the *O.S.S. Loss History Review – (Incurred) – 5-10-2015* for years 2006-07 through 2014-15, (Attachment C) via speaker phone. He mentioned 11/12 was a bad year for property losses, consisting of a combination of water, fire, storm damage, and copper theft losses. The 13/14 year had a number of new claims recently coming in and is developing into a bad year for liability claims.
- Loss Control Report** Dr. Brock, O.S.S. risk manager reported on the updated Strategic Plan which will be presented to the Board under Action Items. Work is taking place on the spring newsletter, soon to be emailed to the members. A new online class titled, "About Supervising for Safety," is now available as negligent supervision is the top cause of the liability losses.
- Action Items** The risk manager presented the revised Strategic Plan to the Board for their approval, (Attachment D). O.S.S. member input was solicited by survey, whereby risk management priorities were established with the ultimate goal of utilizing the assets of the JPA in reducing claims. The motion to approve the Strategic Plan was made by member Nikkel and seconded by member Machado.
Strategic Plan
Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- Loss Fund Rates The JPA manager presented the loss fund rate at the \$50,000 S.I.R. level with the modified premium for each member comparing the 2015/16 year with that from 2014/15, (Attachment E). There was an 11 % increase of the renewal loss fund rate due to an increase of claims experienced. There was a question on the ADA used. The manager reported the ADA came from the State and was the 13/14 Lottery ADA which would be based on enrollment. The motion to approve the loss fund renewal rate was made by member Sever and seconded by member Tietjen.
Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.

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Action Items

- NCR Rates The JPA manager presented the NCR liability and property rates to the Board as recommended by the Executive Committee for approval, (Attachment F). A PowerPoint presentation was given by the NCR manager Ron Martin, showing the coverages in place for the O.S.S. members along with information on the claims driving the increase of the liability rate for O.S.S. It was mentioned the abuse claims have had an impact in this increase. The property rate took a decrease from the prior year. The motion to approve the NCR rates and extended premiums as presented was made by member Tietjen and seconded by member Machado.
- Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- Rebates The manager presented the actuary's letter regarding rebates, (Attachment G). The actuary has calculated the fund from which O.S.S. pays its rebates to be in a deficit position. The motion was made by member Nikkel and seconded by member Augusto to accept the recommendation not to pay a dividend.
- Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- OSS Budget The motion to accept the O.S.S. Budget as presented by the broker was made by member Cederquist and seconded by member Sever, (Attachment H).
- Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- Bylaws Amend The manager presented an amendment to Article IX-B of the O.S.S. Bylaws which will allow the Board of Directors to make exceptions to the \$50,000 minimum funding of the Withdrawal Reserve Account for withdrawing or terminated members, (Attachment I). The motion to approve the amendment to the O.S.S. Bylaws as presented was made by member Tietjen and seconded by member Martinez.
- Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- A full copy of the amended Bylaws is available on the OSS website (www.ossweb.org).
- Remarketing of Insurance The JPA manager discussed the need to examine other insurance programs available, comparing coverages, services, benefits, and financial stability in addition to the premium. To make such a comprehensive comparison of different programs, O.S.S. has enlisted the services of Donna Abersman of Chatbleu Consulting Associates, (Attachment J) for the 2016-17 coverage term. The motion authorizing the remarketing of the insurance program was made by member Nikkel and seconded by member Machado.
- Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.
- Appeal of Penalty Kings Canyon USD According to the Restated Bylaws of the Organization of Self-Insured Schools under Article IX Withdrawal or Termination, there is a penalty incurred by a member should they not provide notification of their intent to withdraw by December 31 and having withdrawal effective at the end of that same fiscal year. The penalty for not providing the proper notification would be the full annual contribution of the next fiscal year. The bylaws also state the Board of Directors may waive some or all of said penalty. It was the Executive Committee's recommendation to the Board of Directors not to waive any of said penalty for Kings Canyon Unified School District.

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Action Items Cont.

Appeal of Penalty Cont. The motion to accept the recommendation of the Executive Committee and not waive the penalty for Kings Canyon was made by member Tietjen and seconded by member Machado.

Ayes: Members Teixeira, Green, Tietjen, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe.
Nays: Nikkel. Abstentions: None. Motion carried.

At-Large Membership The motion to approve the slate of at-large members on the Executive Committee as recommended for approval by the Executive Committee, (Attachment K) was made by member Tietjen and seconded by member Nikkel.

Ayes: Members Teixeira, Green, Tietjen, Nikkel, Sever, Rodgers, Martinez, Cederquist, Mendes, Robles, Augusto, Freitas, Alves, Percell, Pina, Becker, Lodridge, Drew, Hernandez, Sylvia, and Garispe. Nays: None. Abstentions: None. Motion carried.

Board Member Report President Teixeira asked if any member had items to report. There was no response.

Closed Session There were no items for closed session.

Next Meeting/Adjournment The next scheduled Annual Board of Directors Meeting is 10:00 a.m. on **Tuesday, May 24, 2016** at Southwest Education Support Center.

With no further business, the meeting adjourned at 11:08 a.m.

Prepared by,

Donna Murry

Donna Murry
LT:dm

Approved by,



Larry Teixeira
O.S.S. Acting Secretary