

MINUTES



BOARD OF DIRECTORS MEETING

WEDNESDAY, JUNE 12, 2019

1:00 P.M.

SPIKE N RAIL

2910 PEA SOUP ANDERSON BLVD
SELMA, CA 93662

I. CALL TO ORDER

II. ROLL CALL

OFFICERS & BOARD OF DIRECTORS PRESENT:

KERMAN UNIFIED SCHOOL DISTRICT
FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT
ALVINA ELEMENTARY CHARTER SCHOOL DISTRICT
KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT
FOWLER UNIFIED SCHOOL DISTRICT
FOWLER UNIFIED SCHOOL DISTRICT
FOWLER UNIFIED SCHOOL DISTRICT
SELMA UNIFIED SCHOOL DISTRICT

Kraig Magnussen, President
Russell Freitas, Vice President
Mike Iribarren, Secretary
Carol Bray, Accountant
Lori Gonzalez
Gary Geringer
Keith Loewen, Alternate
Larry Teixeira

MEMBERS

PARLIER UNIFIED SCHOOL DISTRICT
WEST PARK ELEMENTARY SCHOOL DISTRICT

Lupe Nieves
Ralph Vigil

ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES
KEENAN & ASSOCIATES
KEENAN & ASSOCIATES
MILLIMAN, INC.
POMS & ASSOCIATES
TRISTAR RISK MANAGEMENT
TRISTAR RISK MANAGEMENT
TRISTAR RISK MANAGEMENT

Tyler Houston, Account Executive
Donna Murry, Account Manager
Tony Zuniga, Claims Analyst
Guy Avagliano, Actuary
Amy Dolson, Risk Manager
Sharon Castillo, Third Party Administrator
Tom Veale, President
Brandon Wheeler, Director Client Services

III. APPROVAL OF AGENDA

2018/2019-42

ACTION

The Board 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 Hoevertsz, Sever, Green, and Gabriel.

IV. PUBLIC COMMENTS

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

V. CONSENT AGENDA

**2018/2019-43
ACTION**

The Board of Directors to consider the following items within the Consent Agenda:

- Approval of Minutes of the April 10, 2019 Board of Directors’ Meeting as Emailed
- Approval of Expenditures for Period Ending May 31, 2019
- Tristar Monthly Claims Expenses for Period Ending May 31, 2019

PUBLIC COMMENTS: None

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

VI. CORRESPONDENCE

**2018/2019-44
INFO**

The Account Manager, Donna Murry presented the following correspondence to the Board for their information:

- Special Districts – Local Government Compensation Report, which is filed annually by the auditor for the Authority.
- Notification of the increase of the CAJPA Dues from \$450 to \$1,250.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VII. CLAIMS

THIRD PARTY ADMINISTRATOR UPDATE

**2018/2019-45
INFO**

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

- Savings Summary Report – Shows a gross savings of \$2,754,236 through their bill review from 7/01/18 to 5/31/19.
- Nurse Triage Summary – A very successful program. Out of 404 calls, 47% of claimants seeking medical treatment through nurse triage, ended up being self-care instead of going to see a physician with 53% needing medical care.

It was decided by Tristar and the Keenan Claims Analyst to present updates from the last completed quarter due to the timing of the FCSIG meetings and the availability of data.

- Matrix Report – Highlights from the 7/1/18 – 3/31/19 report were; medical & indemnity claims decreased from the year prior, only 4 claims were involved in litigation though defense attorney fees and court reporter fees have increased, with an overall increase of 1% from the same period last year.
- Stewardship Report as of 3/31/19 – Giving a five year comparison of current open claims and outstanding reserves, new losses and closures by fiscal year, and summary of costs of all open claims by member and broken down by occupation.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

CLAIMS TREND OVERVIEW

**2018/2019-46
INFO**

Tony Zuniga, Keenan Claims Analyst presented the Claims Trend Overview to the Board for the period 7/1/14 through 3/31/19. His report included claim frequency and severity, top 10 cause of injury by total incurred with slip/trip/fall continuing to be the number one in both incurred losses and number of claims. Also included was the top 10 injured body part(s) by total incurred and the average incurred and lost work days of the top 10 injured body part(s).

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VIII. UNDERWRITING

LEGISLATIVE UPDATE

2018/2019-47

INFO

The Keenan Claims Analyst presented a fact sheet on naloxone hydrochloride, a nasal spray used by school and college staff which reverses the effects of an Opioid overdose while having little to no effect on an individual if opioids are not present in their system. California Ed Code §49414.3 allows, but does not require K-12 school districts, county offices of education, and charter school to provide emergency naloxone hydrochloride by school nurses or other appropriate personnel who have been trained to administer naloxone hydrochloride. §49414.3 also provides criminal and civil immunity to trained persons who administers naloxone hydrochloride in good faith and not for compensation, to a person who appears to be experiencing an opioid overdose. California law does not, however, eliminate civil liability for a school district for negligence in choosing to stock or not stock naloxone hydrochloride or train volunteers.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

IX. FINANCIAL

TREASURER'S REPORT

2018/2019-48

ACTION

The Board of Directors reviewed the Treasurer's Report for Period ending May 31, 2019 for approval. The ending cash balance was \$36,724,860 with some expenditures still expected through the end of June.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira seconded by member Freitas and unanimously carried to approve the Treasurer's Report for period ending May 31, 2019. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2018/2019-49

ACTION

The Actuary, Guy Avagalino presented the *Summary of Actuarial Analysis as of March 31, 2019* as prepared by his firm, Milliman, Inc. for review and consideration. The actuarial analysis uses reserves as of March 31, 2019 and losses up to \$500,000 per claim. The analysis also uses a variety of probability levels from an expected value up to 90% with a discounted factor of 1.5%.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Teixeira with a second by member Freitas and unanimously carried to accept the Actuarial Analysis as of March 31, 2019 as presented by the actuary. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

EXCESS WORKERS' COMPENSATION / SAFETY NATIONAL CASUALTY

2018/2019-50

ACTION

Donna Murry, Account Manager presented the quote for the excess workers' comp coverage to the Board. The incumbent, Safety National Casualty was able to decrease the rate by 5% and provide a 2 year rate at the \$500,000 self-insured retention (SIR). The offer did come with conditions, the two which would allow the Carrier an opportunity to adjust the rate and or SIR involved having a certified "act of terrorism" and a new, individual incurred loss prior to July 1, 2020 to exceed 75% of the applicable SIR which is \$375,000.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously carried to approve the quote for excess coverage through Safety National Casualty with the conditions noted. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

PROBABILITY LEVEL / RATE FOR 2019/2020

2018/2019-51

ACTION

Tyler Houston, the Account Executive presented the spreadsheets with various probability levels & rates for review & consideration by the Board. The Account Executive recommended the Board consider funding for the 2019/2020 year at an 80% probability level at a reduced rate from last year which was funded at the 70% probability level.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Bray and unanimously carried to approve the 80% probability level and the rate as presented. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

CONSIDERATION OF PAYING A REBATE

2018/2019-52

ACTION

The Account Executive presented the actuarial analysis of the rebate calculation to the Board of Directors for consideration. It was his recommendation, if the Board decided to take a rebate for the 2018/2019 year, to utilize the remaining half of the previous years' scheduled rebate of \$528,261. The analysis showed that \$1,320,652 could be taken for the 2018/2019 year rebate which was also confirmed by the Actuary.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Teixeira with a second by member Freitas and unanimously carried to pay \$1,320,652 in rebates to the FCSIG members in the 2018/2019 year. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

PRELIMINARY BUDGET FOR THE 2019/2020 YEAR

2018/2019-53

ACTION

The Account Manager presented the preliminary budget to the Board for their approval. Since the budget was preliminary and the final budget is to be presented at the next FCSIG meeting in October, the 2018/2019 year rebate will be revised to show the board elected \$1,320,652 in place of \$528,261.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Teixeira with a second by member Freitas and unanimously carried to approve the preliminary budget as presented for the 2019/2020 year with an amendment to the 2018/2019 rebate to reflect \$1,320,652. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

X. ADMINISTRATION

FCSIG BYLAWS – AMENDMENT TO THE LATE PAYMENT PENALTIES SECTION

2018/2019-54

ACTION

The Account Executive presented the amendment to the Late Payment Penalty section of the FCSIG Bylaws. The version he presented to the Board uses a late payment penalty of 1% with a minimum penalty of \$300. It also takes the responsibility of granting a payment extension away from the chairman and gives it to the Board of Directors.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to approve the amendment to the Late Payment Penalties section of the FCSIG Bylaws as presented by the Account Executive. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

NOTE: In an effort to keep consistency between the JPAs, both OSS and FCSIG adopted the Bylaw amendment.

EMAILING INVOICES TO MEMBERS

2018/2019-55

ACTION

The emailing of invoices to members instead of sending through the mail was presented to the Board as a more expeditious and reliable way for the member districts to receive invoices. The Account Manager will email the invoices to two email contacts as provided by each district.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Teixeira and unanimously passed to approve emailing invoices to members. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

CLAIMS AUDIT SERVICES

**2018/2019-56
ACTION**

The Account Manager presented the claims audit proposal for \$9,500 as submitted by Timothy Farley with Farley Consulting Services, LLC. His firm performed the claims audit two years ago and the only one to respond to the Request For Proposal (RFP).

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to accept the proposal as submitted by Farley Consulting Services, LLC. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

ELECTION OF OFFICERS

**2018/2019-57
ACTION**

With no new nominations, the Board of Directors choose to re-elect the current slate of officers for the 2019/2020 year.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Teixeira, seconded by member Bray and unanimously carried to re-elect the current slate of officers for the 2019/2020 year. Absent: Members Hoevertsz, Sever, Green, and Gabriel.

XI. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**2018/2019-58
INFO**

The Risk Manager, Amy Dolson presented the updates on Loss Control services. Highlights were:

- Training workshops: Food Safety Manager Training was held on June 07, 2019 and a Pesticide Handler workshop to be held on June 20, 2019.
- One ergonomic evaluation was completed for the last quarter for Fresno County Superintendent of Schools.
- A Strategic Planning Survey was completed by the members for including in the 2019/2020 strategic plan. Elements to be included in the evaluation of the strategic plan are loss runs, survey results, compliance with legal and other governmental regulations, and anticipation/projection of potential losses.
- Workers' Compensation Workshop with Tristar and NCR will be held on 7/25/19 at Fowler's Instructional Support Services Center. More information will be emailed to the members.
- A new Monthly Safety Spotlight Topics for 2019 – 2021 was provided

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XII. INFORMATION

MEMBER COMMENTS

None

ADMINISTRATION COMMENTS

None

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, October 09, 2019, Spike N Rail, 2910 Pea Soup Anderson Blvd, Selma.**

Currently scheduled items include:

- Approval of the Final Budget for the 2019-2020 Year
 - Third Party Claims Administrator Update
 - Claims Trend Overview.
 - Treasurer's Report
 - Approval of Financial Audit for Years Ending June 30, 2019 and 2018
 - Approval of SETECH Report
 - Approval of Public Self Insurers' Annual Report
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XIV. ADJOURNMENT

Motion to adjourn was made by member Teixeira and seconded by member Freitas and unanimously carried. Meeting adjourned at 2:22 PM

Americans with Disabilities Act:

Fresno County Self-Insurance Group, 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