

MINUTES



EXECUTIVE COMMITTEE MEETING

WEDNESDAY, OCTOBER 09, 2019

11:00 AM

SPIKE N RAIL

2910 PEA SOUP ANDERSON BLVD
SELMA, CA 93662

I. CALL TO ORDER

President Teixeira called the meeting to order at 11:10 AM. Introductions were made.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

SELMA UNIFIED SCHOOL DISTRICT
PACIFIC UNION ELEMENTARY SCHOOL DISTRICT
KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT
FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT
FOWLER UNIFIED SCHOOL DISTRICT
ISLAND UNION ELEMENTARY SCHOOL DISTRICT
KERMAN UNIFIED SCHOOL DISTRICT
KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT
KINGS RIVER-HARDWICK UNION ELEMENTARY SCHOOL DIST.
LOS BANOS UNIFIED SCHOOL DISTRICT
SOUTHWEST TRANSPORTATION AGENCY

Larry Teixeira, President
Annette Machado, Vice President
Carol Bray, Accountant
Russell Freitas, Member at Large
Keith Loewen, Permanent Member
Diane Augusto, Member at Large
Kraig Magnussen, Permanent Member
Rufino Ucelo, Member at Large
Josh Vogelgesang, Member at Large
Amer Iqbal, Permanent Member
Gary Geringer, Member at Large

MEMBERS:

CLAY JOINT ELEMENTARY SCHOOL DISTRICT
DINUBA UNIFIED SCHOOL DISTRICT
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS
PARLIER UNIFIED SCHOOL DISTRICT
RIVERDALE JOINT UNIFIED SCHOOL DISTRICT

Judith Szpor
Peggy Garispe
Christopher Lozano
Andrea Affrunti
Jeff Percell

ADMINISTRATORS & CONSULTANTS:

BORCHARDT, CORONA, FAETH & ZAKARIAN
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS
KEENAN & ASSOCIATES
KEENAN & ASSOCIATES
KNAK & COMPANY
POMS & ASSOCIATES
SETECH, A DIVISION OF KEENAN & ASSOCIATES
WESTERN VALLEY INSURANCE ASSOCIATES

Gustavo Corona, Auditor
Eric Cederquist, Cradle to Career
Tyler Houston, Account Executive
Donna Murry, Account Manager
(Via Phone) Erik Knak, Third Party Administrator
Amy Dolson, Risk Manager
Mary Boyer, Assistant V.P.
Duane Reynolds, Broker

III. APPROVAL OF AGENDA

2019 / 2020-11

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 Machado with a second by member Magnussen and unanimously carried to approve the Agenda as presented. Absent: Members Rufino Ucelo and Keith Loewen.

IV. PUBLIC COMMENTS

None

V. CONSENT AGENDA

2019 / 2020-12
ACTION

The Executive Committee to consider the following items within the Consent Agenda:

- Approval of Minutes of the July 10, 2019 Executive Committee Meeting as Emailed
- Approval of Audited Expenditures for Year Ending June 30, 2019
- Approval of Expenditures for Quarter Ending September 30, 2019

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to approve the Consent Agenda as presented. Absent: Members Rufino Ucelo and Keith Loewen.

VI. CORRESPONDENCE

2019 / 2020-13
INFO

No items to present.

Member Jeff Percell arrived.

VII. CLAIMS

THIRD PARTY ADMINISTRATOR UPDATE

2019 / 2020-14
INFO

Erik Knak, Claims Administrator for the OSS presented his Loss History Review – (Incurred) – 9-30-2019 to the Executive Committee and Members. The years 2010/11, 2011/12, 2012/13 and 2013/14 have no open claims with 2014/15 and 2015/16 each having 1 open claim, one involving bullying and the other molestation. The 2015/16 molestation claim involves multiple claimants. Years 2016/17 & 2017/18 each have 3 open claims with the 2018/19 year developing into a phenomenal year. The current 2019/20 year had a total of 7 claims all involving property with no liability claims being submitted. The OSS ended the first quarter of 2019/20 with a total of 27 open claims with current reserves of 377,000, down from 35 open claims and reserves of \$548,000 from the year prior.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

Executive Committee member Rufino Ucelo arrived.

VIII. UNDERWRITING

NORTHERN CALIFORNIA ReLiEF (NCR) UPDATE

2019 / 2020-15
INFO

Tyler Houston, the Account Executive presented information and recent updates on the NCR Program which included a recap of:

- The NCR Executive Summaries from the last Committee Meetings for Claims & Coverage, Underwriting, and Risk Management were presented. He would be available to answer any questions after the meeting on these summaries.
- AB 218 – the assembly bill was passed by the California Senate and is now on the governor’s desk for signature. He has until October 13 to act on the bill and if passed, it will go into effect on 01/01/2020. The bill will radically expand the statute of limitations for civil suits against school districts with allegations of sexual abuse that go back decades. That along with the inclusion of treble damages in the event of a “cover up” and a 3 year look back window for those claimants that have been time barred from filing a claim has the potential to greatly strain the financial stability of schools’ insurance programs due to those unknown unfunded liabilities.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

IX. FINANCIAL

TREASURER’S REPORT

2019 / 2020-16

ACTION

The Executive Committee reviewed the audited Treasurer’s Report for year ending June 30, 2019 and the Treasurer’s Report for Quarter ending September 30, 2019 as presented by the OSS accountant Carol Bray.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Magnussen with a second by member Freitas and unanimously carried to approve the audited Treasurer’s Report for year ending June 30, 2019 and the Treasurer’s Report for Quarter ending September 30, 2019 as presented. Absent: Member Keith Loewen.

OSS UNPAID CLAIM LIABILITY ESTIMATES

2019/2020-17

ACTION

The Account Executive presented the OSS Unpaid Claim Liability Estimates as of June 30, 2019 to the Executive Committee for their review and approval. He stated the Unpaid Claim Liability Estimates was a continuation of the December 31, 2018 actuarial report. The update showed estimated ultimate losses decreased by \$137,000 from the December study due to losses and claims being less than expected.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Machado with a second by member Geringer and unanimously carried to accept the Unpaid Claim Liability Estimates as presented. Absent: Member Keith Loewen.

FINANCIAL MANAGEMENT INFORMATION REPORT

2019/2020-18

ACTION

Mary Boyer with SETECH a division of Keenan & Associates presented the Financial Management Information Report for the Fiscal Years Ended June 30, 2018 and June 30, 2019 to the Executive Committee for review and approval. The net position increased from one year ago by \$365,490. The following represents the most significant changes:

- The deposit of the 2018/2019 member contributions for future claims of \$955,887.
- Net investment income earned of \$111,182.
- A decrease in the actuarially determined estimated ultimate losses of \$180,680 for the program years 2017/2018 and prior due to a decrease in claims activity.

This increase to the Net Position was offset by:

- Dividends Paid to Members of \$449,755.
- The recognition of the actuarially determined estimated ultimate incurred of \$499,671 for the 2018/2019 program year.
- An increase in members withdrawal liability of \$9,799.

Overall since its inception, OSS has continued to enjoy secure financial success, a stable rate structure, and as a result have declared, to date, dividends of \$9,369,851. The OSS has a greater than 90% probability level in its overall financial position which allows many options for the future.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Magnussen with a second by member Freitas and unanimously carried to accept the Financial Management Information Report as presented. Absent: Member Keith Loewen.

Executive Committee Member Keith Loewen arrived.

FINANCIAL AUDIT REPORT

2019/2020-19

ACTION

Gustavo Corona, the auditor for the OSS, presented the Financial Audit Report for Years ending June 30, 2019 and 2018 to the Executive Committee for their review and approval. The auditor stated it was an unqualified opinion with no findings of internal control issues.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to accept the Financial Audit Report as presented. Absent: None

X. ADMINISTRATION

WITHDRAWAL RESERVE ACCOUNT (WRA)

2019/2020-20

ACTION

The Executive Committee reviewed the WRA update as prepared by the actuary for the districts that have terminated their membership with the OSS. A letter will be sent to those districts notifying them of their updated WRA information.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to accept the Withdrawal Reserve Account Updates as of June 30, 2019 as presented. Absent: None

WEBSITE MAINTENANCE

2019/2020-21

INFO/ACTION

Garth Maijala through Fidelity Safety has been handling the maintenance of the OSS website. Per his announcement, as of November 1, 2019, he would no longer be providing this service. The Account Executive presented several possibilities for the continued maintenance of the OSS website, all being extremely expensive. Josh Vogelgesang with Kings River-Hardwick Elementary offered his expertise on maintaining the website as he is familiar with Word Press the management system which is being used. The first item needed to be done is to move ownership of the domain over to the appropriate entity.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

ALTERNATE NCR BOARD MEMBER

2019/2020-22

ACTION

The OSS Board President presented to the Executive Committee for their approval the appointment of Amer Iqbal, Assistant Superintendent of Los Banos Unified as OSS's alternate NCR Board Member.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to appoint Amer Iqbal as the alternate NCR Board Member. Absent: None

STATUS OF CAJPA RE-ACCREDITATION

2019/2020-23

INFO

The Account Manager provided an update on the re-accreditation review the OSS is currently going through. All requested documents have been submitted and she is waiting for further comments from the consultant. The next CAJPA meeting of their review board will be 1/14/2020 at which time the review board will take action on the OSS re-accreditation. The consultant did mention OSS has a very well run JPA.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

XI. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

2019/2020-24

INFO

Amy Dolson, the Risk Manager for the OSS presented the updates on Risk Control services as follows:

- Matching Grant Program – Guidelines and requirements were provided. Application period September 1 – November 1, 2019. Funds are to be used for new loss control/risk management products and not for general maintenance and mandated costs.
- The OSS 3-Year Risk Management Strategic Plan was provided to the members for their review. A few areas still needed costs associated with its implementation. A webinar invite will be sent to all members for later this month for final input and approval.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

XII. INFORMATION

MEMBER COMMENTS

Nothing to report.

ADMINISTRATION COMMENTS

Nothing to report.

XIII. AGENDA ITEMS FOR NEXT MEETING

Members and others may suggest items for consideration at the next Executive Committee meeting on **Wednesday, January 15, 2020, Spike N Rail**, 2910 Pea Soup Anderson Blvd, Selma, CA 93662. Currently scheduled items include:

- OSS Loss History Report
 - Treasurer’s Report for Quarter Ending December 31, 2019.
 - Form 700 Conflict of Interest
 - Proposal for Actuarial Services with Milliman, Inc.
 - Annual Review of Investment Policy of Fresno County Auditor-Controller/Treasurer-Tax Collector
-

XIV. ADJOURNMENT

With no further business, the motion to adjourn the meeting was made by member Magnussen, seconded by member Geringer and unanimously carried. Absent: None
Meeting was adjourned at 12:33 PM.

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.