

OSS
ORGANIZATION OF
SELF-INSURED SCHOOLS

MINUTES

EXECUTIVE COMMITTEE MEETING

WEDNESDAY, OCTOBER 14, 2020

11:00 AM

This meeting was conducted by Zoom. Locations were not provided as the Brown Act has been partially suspended due to Coronavirus (COVID-19).

I. CALL TO ORDER

President Teixeira called the meeting to order at 11:01 A.M.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

SELMA 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)
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
LOS BANOS UNIFIED SCHOOL DISTRICT
SOUTHWEST TRANSPORTATION AGENCY

Larry Teixeira, President
Annette Machado, Vice President
Trish Singh, Secretary
Dr. Wesley Sever, Treasurer
Carol Bray, Accountant
Russell Freitas, Member at Large
May Yang, Permanent Member
Diane Augusto, Member at Large
Kraig Magnussen, Permanent Member
Don Shoemaker, Member at Large
Amer Iqbal, Permanent Member
Gary Geringer, Member at Large

MEMBERS

FRESNO COUNTY SUPERINTENDENT OF SCHOOLS
ISLAND UNION ELEMENTARY SCHOOL DISTRICT
VALLEY REGIONAL OCCUPATIONAL PROGRAM

Christopher Lozano
Charlotte Hines
Dora Alvarado

ADMINISTRATORS & CONSULTANTS:

BORCHARDT, CORONA, FAETH & ZAKARIAN
KEENAN & ASSOCIATES
KEENAN & ASSOCIATES
KNAK & COMPANY
MILLIMAN
POMS & ASSOCIATES
SETECH, A DIVISION OF KEENAN & ASSOCIATES

Gus Corona, Auditor
Tyler Houston, Account Executive
Donna Murry, Account Manager
Erik Knak, Third Party Administrator
Guy Avagliano, Actuary
Amy Dolson, Risk Manager
Mary Boyer, Assistant V.P.

III. APPROVAL OF AGENDA

2020/2021-15

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 Freitas with a second by member Augusto and unanimously carried to approve the Agenda as presented. Absent: Members Shoemaker and Machado

IV. PUBLIC COMMENTS

The public may address the Executive Committee on any matter pertaining to the JPA that is not on the agenda. The President reserves the right to limit the time of presentation by individual or topic.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION : None

Member Shoemaker arrived.

V. CONSENT AGENDA

2020/2021-16

ACTION

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

- Approval of Minutes of the July 15, 2020 Executive Committee Meeting as Emailed
- Approval of Audited Expenditures for Year Ending June 30, 2020
- Approval of Expenditures for Quarter Ending September 30, 2020

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to approve the Consent Agenda as presented. Absent: Member Machado.

VI. CORRESPONDENCE

2020/2021-17

INFO

No correspondence to present.

Members Machado and Sever arrived.

VII. CLAIMS

2020/2021-18

THIRD PARTY ADMINISTRATOR UPDATE

INFO

Erik Knak, Claims Administrator for the OSS presented the OSS Loss History Review, comparing the 10/04/20 report to the 09/30/19 report provided at last October's meeting. Years 2011/12, 2012/13, 2013/14, and 2015/16 have no open claims with their total incurred figure remaining constant. The single Underinsured Motorist Bodily Injury claim that was reopened for 2015/16 was settled. 2014/15 has one open claim related to bullying allegation with the total incurred figure not changing. Year 2016/17 has no open claims with the total incurred figure decreasing. 2017/18 has two open claims down one with total reserves decreasing and claim count remaining at 93. 2018/19 was an excellent year with three open claims with the total incurred figure well below the average. Year 2019/20 has been a difficult claim year with 19 open claims. Most of the total incurred are coming from seven large Property claims and five large Liability claims for that year. The current 2020/21 year has had only seven claims so far that includes 3 large Property claims for a warehouse fire, gym floor water damage and multi-room vandalism. There is a total of 25 open claims, down two from the 09/30/19 report with reserves up \$72K.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

VIII. UNDERWRITING

NCR UPDATE

2020/2021-19

INFO

The Account Executive, Tyler Houston presented the following information and updates on the NCR Program.

- **Member Alert – Special Ed Class Action Lawsuit**; it is important when the members receive their email from the plaintiffs' attorney, they do not respond to it, but merely forward to Erik Knak and Bryan Boyle.
- **NCR Executive Committee Meeting Summaries** highlights;
 - o AB218 expands the statute of limitations for civil suits against school districts alleging sexual abuse decades ago. NCR in being proactive is preparing historical information on its membership to prepare for any cases.
 - o Claims & Coverage Committee is continuing to look at past claims for learning, gaining insight for establishing best practices and being proactive.
 - o Suggested revisions to the MOC on Vacant Property for eliminating any ambiguity regarding coverage during a pandemic. It was noted the change had already been presented and approved by the NCR board.
 - o Implementing an experience modification (ex-mod) within the Excess Liability Coverage with NCR capping it at an increase/decrease of 5% for members' accountability.

NCR UPDATE – Cont.

- **NCR Risk Management Reward Program;** guidelines for being eligible for placement in a lottery drawing to win \$2,500, with a 10 District maximum, districts need to have Keenan SafeSchool users take two Coronavirus related course completions between 8/1/2020 to 12/1/2020 and a saturation rate of 50% or higher.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

IX. FINANCIAL

TREASURER’S REPORT

2020/2021-20

ACTION

The Executive Committee reviewed the audited Treasurer’s Report for Year ending June 30, 2020 and for Quarter ending September 30, 2020 as presented by the OSS accountant Carol Bray.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to approve the audited Treasurer’s Report for year ending June 30, 2020 and for Quarter ending September 30, 2020.

OSS UNPAID CLAIM LIABILITY ESTIMATES

2020/2021-21

ACTION

The Actuary, Guy Avagliano with Milliman presented the OSS Unpaid Claim Liability Estimates as of June 30, 2020 to the Executive Committee for review and approval. As compared to the prior analysis, the net ultimate loss estimates increased \$44 thousand. The increase in the current year is driven by six new claims all at or near the SIR. Paid losses and reported claims were less than expected but incurred losses were higher than expected.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to accept the Unpaid Claim Liability Estimates as presented.

FINANCIAL MANAGEMENT INFORMATION REPORT

2020/2021-22

ACTION

Mary Boyer with SETECH a division of Keenan & Associates presented the Financial Management Information Report for the Fiscal Years Ended June 30, 2019 and June 30, 2020 to the Executive Committee for review and approval. The Net Position increased from one year ago by \$551,438. The following represent the most significant changes:

- The deposit of the 2019/2020 member contributions for future claims of \$926,771.
- Net investment income earned of \$122,583.
- A decrease in the actuarially determined estimated ultimate losses of \$242,997 for the program years 2018/2019 and prior due to decreased in claims activity.

This increase to the Net Position was offset by:

- The recognition of the actuarially determined estimated ultimate incurred of \$749,739 for the 2019/2020 program year.

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 Freitas with a second by member Sever and unanimously carried to accept the Financial Management Information Report as presented.

FINANCIAL AUDIT REPORT

2020/2021-23

ACTION

Gustavo Corona, the auditor for the OSS, presented the Financial Audit Report for Years ending June 30, 2020 and 2019 to the Executive Committee for their review and approval. The auditor stated it was an unqualified opinion with no findings of internal control issues. Total assets were up by \$553,592 with overall liability increasing by just \$2,154. This was offset by a decrease in the actuarially determined estimated ultimate losses of \$242,997 for program years 2018/19 and prior due to decreased claims activity and claims paid in the 2019/20 program year of \$615,873.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion was made by member Freitas with a second by member Geringer and unanimously carried to accept the Financial Audit Report for Years ending June 30, 2020 and 2019 as presented.

FINAL BUDGET FOR THE 2020/2021 YEAR

2020/2021-24

ACTION

The Account Manager, Donna Murry presented the final budget for the 2020/2021 year to the Executive Committee for review and approval.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Sever and unanimously carried to accept the OSS final budget for the 2020/2021 as presented.

Member Iqbal left.

X. ADMINISTRATION

WITHDRAWAL RESERVE ACCOUNT (WRA)

2020/2021-25

ACTION

The actuary presented the WRA update to the Executive Committee for the districts that have terminated their membership with the OSS for review and ratification. 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, 2020 as presented. Absent: Member Iqbal.

CENTRAL UNIFIED SCHOOL DISTRICT'S 1ST SCHEDULED WRA REFUND PAYMENT

2020/2021-26

ACTION

The Executive Committee reviewed the 1st scheduled payment to Central Unified School District, from their WRA for ratification. The date of their membership termination was 6/30/2014. Any funds available from their WRA would be paid beginning six years after their termination date.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Magnussen and unanimously carried to ratify the 1st scheduled payment to Central Unified School District from their WRA. Absent: Member Iqbal.

LEGAL COUNSEL FOR THE OSS JPA

2020/2021-27

INFO

The Account Manager mentioned the legal counsel used for the OSS, John Phillips left the firm he was with and is now with another law firm. She presented several possibilities to the Executive Committee. It was their desire to send out a Request For Proposal (RFP) for obtaining legal counsel for the JPA. No action was needed.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: None

CLAIMS AUDIT REPORT

2020/2021-28

ACTION

The Account Executive presented the OSS claims audit report to the Executive Committee for their review. It was mentioned the claims handling by Knak & Co. was done in a competent and professional manner that meets or exceeds industry standards and CAJPA criteria. There were no recommendations. The audit was performed by Risk Management Services.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to accept the claims audit as presented. Absent: Member Iqbal.

XI. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

**2020/2021-29
INFO**

The Risk Manager, Amy Dolson with Poms and Associates presented the updates on Risk Control services.

- OSS Safety & Security Grant Program – The purpose of the Program is to encourage OSS members to improve school safety and security measures within their district. Grants can be issued from \$1,500 up to \$3,000 per district depending on the district's lottery ADA. Applications will be presented and reviewed by the OSS Executive Committee and may be submitted up to 6/30/21 for the current period. Guidelines and Application were provided.
- NCR Matching Grant - Application period 9/1/20 through 11/1/20. Funds are to be used for new loss control/risk management products and not for general maintenance and mandated costs. Guideline and requirements were provided.
- Training Workshops –
 - o Title IX Basics Training with Megan Farrell – webinar recording available on the OSS Website.
 - o Forklift Certification Training – New and Recertification is by request.
 - o California Certified Professional Food Safety Manager (CPFM) is by request.
 - o Pesticide Handle Safety Training was postponed and is looking into ideas on how to present this training.
- Poms' Webinar for Mental Health – the date for this webinar is Friday, 10/23/20.

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 20, 2021, 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, 2020.
 - 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
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XIV. ADJOURNMENT

With no further business, the meeting adjourned at 12:06 P.M.

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.