

# MINUTES



## **ANNUAL BOARD OF DIRECTORS MEETING**

WEDNESDAY, MAY 27, 2020

10:00 AM.

**CONFERENCE CALL**

**1 800-953-6486**

**Passcode 8677 747#**

Conference Call Instructions:

- 1) Enter call-in number **1 (800) 953-6486** 2) Enter Passcode **8677 747#** 3) To enable audio enter # and state first and last name.

This meeting was conducted by teleconferencing. Locations were not provided as the Brown Act has been partially suspended due to Coronavirus (COVID-19). Members of the public were able to address the Committee by calling the number listed above.

### **I. CALL TO ORDER**

President Teixeira called the meeting to order at 10:00 AM.

### **II. ROLL CALL**

#### **OFFICERS & EXECUTIVE COMMITTEE:**

SELMA UNIFIED SCHOOL DISTRICT  
PACIFIC UNION ELEMENTARY SCHOOL DISTRICT  
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)  
FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT  
FOWLER UNIFIED SCHOOL DISTRICT  
KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT  
LOS BANOS UNIFIED SCHOOL DISTRICT  
SOUTHWEST TRANSPORTATION AGENCY

Larry Teixeira, President  
Annette Machado, Vice President  
Carol Bray, Accountant  
Russell Freitas, Member at Large  
May Yang, Permanent Member  
Don Shoemaker, Member at Large  
Amer Iqbal, Permanent Member  
Gary Geringer, Member at Large

#### **MEMBERS:**

CLAY JOINT ELEMENTARY SCHOOL DISTRICT  
DINUBA UNIFIED SCHOOL DISTRICT  
FOWLER UNIFIED SCHOOL DISTRICT  
FRESNO AREA SELF-INSURANCE BENEFITS ORGANIZATION (DBA: EdCare Group)  
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS  
PARLIER UNIFIED SCHOOL DISTRICT  
SOUTH COUNTY SUPPORT SERVICES AGENCY  
WASHINGTON COLONY ELEMENTARY SCHOOL DISTRICT

Judi Szpor  
Peggy Garispe  
Edith Cantu  
May Yang  
Christopher Lozano  
Andrea Affrunti  
Gary Geringer  
Jesus Cruz

#### **ADMINISTRATORS & CONSULTANTS:**

KEENAN & ASSOCIATES  
KEENAN & ASSOCIATES  
KNAK & COMPANY  
POMS & ASSOCIATES  
CONSOLIDATED INSURANCE SERVICES, INC.  
KLASSEN & ASSOCIATES  
WESTERN VALLEY INSURANCE ASSOCIATES, INC.

Tyler Houston, Account Executive  
Donna Murry, Account Manager  
Erik Knak, Third Party Administrator  
Amy Dolson, Risk Manager  
Jim Petty – Broker  
Bud Klassen - Broker  
Duane Reynolds - Broker

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### III. APPROVAL OF AGENDA

2019/2020-61

#### ACTION

The Board of Directors retains the right to change the order in which agenda items are discussed. Subject to review by the Board, 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 Machado with a second by member Freitas and unanimously carried to approve the Agenda as presented. Absent: Members Singh, Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfield, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

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### IV. PUBLIC COMMENTS

The public may address the Board 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

BOARD CONSIDERATION: None

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### V. CONSENT AGENDA

2019/2020-62

#### ACTION

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

- Approval of the Minutes of the May 22, 2019 Board of Directors' meeting as emailed.
- Approval of Expenditures for Period Ending April 30, 2020.
- Knak Claim Expenditures for period ending April 2020.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Geringer with a second by member Freitas and unanimously carried to approve the Consent Agenda as presented. Absent: Members Singh, Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

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### VI. CORRESPONDENCE

2019/2020-63

#### INFO

The Account Manager, Donna Murry presented the following correspondence received:

- Special District, Local Government Compensation Report as is filed annually by the auditor for the OSS, Borchardt, Corona, Faeth, Zakarian with the State Controller's Office.
- Those districts that had 25% or higher of their employees take two courses from the Child Abuse Prevention Micro-Learning series in Keenan SafeSchools online training were entered into a lottery drawing for the NCR Risk Management Reward Program to win \$2,500. Clay Joint Elementary SD was one of the districts whose name was drawn and won \$2,500.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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### VII. CLAIMS

#### THIRD PARTY ADMINISTRATOR CLAIMS UPDATE

2019/2020-64

#### INFO

Erik Knak, Claims Administrator for the OSS presented the OSS Loss History Review – (Incurred) – 05-18-2020 to the Board of Directors for their review. The 05-18-20 report was compared to the 5-15-19 report which was provided at last May's OSS meeting. Years 2010/11, 2011/12, 2012/13, 2013/14, and 2015/16 have continued to have no open claims, though the 2015/16 year's \$710,000 total incurred figure is up \$40,000 from last May's report due to an Underinsured Motorist Bodily Injury claim that reopened a previously closed file. Year 2014/15 has one open claim with the claims count increasing to 136. Year 2016/17 has two open claims with the claims count increasing by one to a total of 80. Year 2017/18 has two open claims, down three from last May's report. The total incurred figure decreasing with the total claim count increasing by two to a total of 93. Year 2018/19 has three open claims out of 71 with a fantastic total incurred figure. Year 2019/20 has 19 open claims out of 42 opened thus far to date.

### THIRD PARTY ADMINISTRATOR CLAIMS UPDATE

CONT.

Unfortunately, there have been five large Property losses and six potentially large Liability losses. In closing, there are 27 open claims, up 2 from last May's report, with current reserves of \$526,000, up \$144,000 from last May's report.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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## VII. UNDERWRITING

### NORTHERN CALIFORNIA ReLiEF (NCR) UPDATE

2019/2020-65

INFO

The Account Executive, Tyler Houston provided information and recent updates on the NorCal ReLiEF (NCR) Program.

- NCR/SAFER had a great renewal, which is a bit unusual in today's marketplace. There were no changes in program limits or addition of coverage exclusions for the 2020/21 renewal as some programs are experiencing.
- NCR's Board approved using program equity to pay the additional SAFER contribution under the Excess Liability Funding initiative for the second year in a row. The Board will review this each year until the 5-year funding initiative has completed.
- The main change to the program involved Cyber liability, which is appearing to be the new emerging risk. The reinsurance market has reacted, causing the NCR/SAFER group to secure coverage with a new carrier, CHUBB which will provide equal limits, expanded coverage and at a lower premium than the expiring BRIT program and their renewal quote. The main difference is CHUBB's tiered deductible which would remain at \$25,000 for districts with ADAs of 9,000 or less and a \$50,000 deductible for members with greater than 9,000 ADA. The change in deductible structure will only affect one of the OSS members which would be Los Banos. The Account Executive mentioned the OSS does have a Cyber Liability Deductible Policy in place which would lower the \$25,000 deductible to \$1,000 for members. The policy will be revisited by the Executive Committee at a later date. It was mentioned that CHUBB's program has Risk Management tools/resources available for members that would like to evaluate their current cyber program's effectiveness. More information to follow.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

### BYLAW AMENDMENT AND CONSISTENCY IN REMITTANCE OF PAYMENTS

2019/2020-66

ACTION

The Account Manager presented an amendment to the current Bylaws which corrects an inconsistency in the time allotted County Office of Education (COOE) Members to make their annual contribution. The amendment will provide all Members sixty (60) days to get their payments in to the Authority (OSS) before being assessed a late payment penalty instead of the forty-five (45) days currently provided to COOE Members. This amendment was recommended for approval by the Executive Committee. Discussion by Christopher Lozano was to consider amending the COOE term to offices of County Superintendents of Schools as this would be the proper name to use with such entities. For future consideration, the OSS will amend its Bylaws to be consistent with the above referenced title.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Iqbal and unanimously carried to approve the OSS Bylaw amendment as presented. Absent: Members Singh, Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

## VIII. FINANCIAL

### TREASURER'S REPORT

2019/2020-67

**ACTION**

The OSS accountant, Carol Bray presented the Treasurer's Report for period ending April 30, 2020 for review and consideration by the Board of Directors. Total operating revenues year to date were at 100% with revenues of \$5,638,171 and operating expenses at 95% with expenditures of \$4,900,451.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to accept the Treasurer's Report as presented. Absent: Members Singh, Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

### APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2019/2020-68

**ACTION**

The Account Executive presented the *Summary of Actuarial Analysis as of December 31, 2019* as prepared by Milliman, Inc. for review and recommended for approval by the Executive Committee to the Board of Directors. He mentioned the claims are trending in a good direction which has had a positive effect on the funding for losses. Based on the actuary's analysis of the data, it was observed that frequency has been fairly stable for the last four years with the severity varying by years with a modest upward long-term trend. The funding estimate for FAY 2020-21 at an 80% probability level is about 8% lower than the corresponding estimate for FAY 2019-20. This decrease is due to lower loss ratio when compared to previous years.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to approve the Summary of Actuarial Analysis as of December 31, 2019 as presented. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

### LOSS FUND CONTRIBUTION

2019/2020-69

**ACTION**

The Account Executive presented the Loss Fund contribution spreadsheet. The Loss Fund is used by the JPA to fund its \$50,000 self-insured layer. The funding rate is further developed based on a combined loss experience for all OSS districts using the five most recent completed FAYs capping it at a 20% credit or a 20% surcharge per district. At the 80% funding probability, there is a decrease in the rate by \$1.69 per ADA for the FAY 2020-21. Taking into consideration that claims are improving and the program is in a strong financial position, it was recommended by the Executive Committee to continue funding the program at the 80% probability level.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to approve the Loss Fund contribution at the 80% probability level as presented. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

### 2020/2021 NCR PRELIMINARY POOL CONTRIBUTION SPREADSHEET

2019/2020-70

**ACTION**

The Account Executive presented the NCR Preliminary Pool Contribution at a \$50,000 retention and a comparison with the year prior to the Board of Directors for their consideration. The comparison spreadsheet included insurance costs, brokers' fees and the loss fund which was funded at an 80% probability level and a 1.5% discount. The OSS saw a 13% decrease in their liability and a 6% decrease in their property ex-mod factors through NCR for the 2020/2021 year.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Bray to approve the 2020/2021 Preliminary Pool Contribution Spreadsheet as presented. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

**CONSIDERATION OF PAYING THE SELF ASSESSMENT**

**2019/2020-71**

**ACTION**

The Account Executive reported on the recent letter all OSS members received from SELF on the topic of AB 218 Revived Liability Funding Plan. The discussion revolved around the possibility of helping the OSS member districts pay these revived liabilities which resulted from the passage of AB 218 from their fund equity. The recommendation by the Executive Committee was to consider paying one-year SELF assessment not to exceed \$3.50/ADA after seeking the advice of counsel so as not to transfer liability to the OSS if payment was made by the JPA on behalf of their members.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to approve the paying of the 1<sup>st</sup> year SELF assessment, not to exceed \$3.50 / ADA. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

**2020/2021 PRELIMINARY BUDGET**

**2019/2020-72**

**ACTION**

The Preliminary Budget for the OSS was presented to the Board for approval by the Account Manager.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Geringer and unanimously carried to accept the 2020/2021 Preliminary Budget as presented. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

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**IX. ADMINISTRATION**

**APPROVAL OF THE CAJPA ACCREDITATION REPORT**

**2019/2020-73**

**ACTION**

The Account Manager presented the CAJPA Accreditation Report to the Board as was approved for excellence by the CAJPA Accreditation Committee for their approval. OSS goes through an accreditation review every three years.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Freitas with a second by member Machado and unanimously carried to accept the CAJPA Accreditation Report as presented. Absent: Members Singh, Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

**FUTURE MEETING DATES & LOCATIONS**

**2019/2020-74**

**ACTION**

The Board of Directors reviewed the meeting dates and locations for the 20/21 fiscal year.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Freitas with a second by member Geringer and unanimously carried to accept the meeting dates and locations for the 2020/2021 year as presented. Absent: Members Singh Augusto, Magnussen, Iribarren, Pina, Percell, Joe Hernandez, Rodgers, Jones, Cynthia Marshall, Nieves, Mark Marshall, Garibay, Lopez, Manser, Hirschfeld, Steen, Green, Lofaro, Vaz, Vigil, and Baldo Hernandez.

## RISK MANAGEMENT

### RISK MANAGEMENT UPDATES

2019/2020-75  
INFO

The Risk Manager, Amy Dolson presented the updates on loss control services as per the following:

- Updated Strategic Plan - The Risk Manager reported on the top priorities to focus on for the coming year:
  - \* Adoption of Student/Staff/Adult Interaction Policies
  - \* Threat and Physical Security Assessments & Training
  - \* Implementation of an Anonymous Crime Reporting System
  - \* Title IX, Discrimination, and Harassment Training
  - \* Cybersecurity – New Emerging Risk
- The Draft of the OSS Safety and Security Grant was presented for review & comments. Currently the OSS has allocated \$59,000 in funding for the grant. The grant amount will be based on the district's ADA. More information on this will be at the next OSS Executive Committee meeting.
- Title IX Basics Training with Megan Farrell will be conducted virtually in two 90 minutes sessions, tentatively in July. More details will follow at a later date.
- District Feedback on Complementary Physical Security Assessment – currently postponed to July 10, 2020.
- The NCR 3-year Audit Schedule for 2020-2022, including playgrounds was presented.
- Monthly Safety Spotlight Topics for 2019-2020 was presented
- Pesticide Handler Safety Training – Originally scheduled for June 24, 2020 was postponed, new date to be determined.
- The Risk Manger had inquired with the California Interscholastic Federation (CIF) about a question pertaining to annual physicals for student athletes not able to get into their doctors due to COVID-19. CIF stated annual physicals are still required, however they are considering a 60-day waiver/extension. More will be known after the Commissioners meeting June 9-11.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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## X. INFORMATION

### MEMBER COMMENTS

Nothing to report.

### ADMINISTRATION COMMENTS

Nothing to report

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## XII. AGENDA ITEMS FOR NEXT MEETING

Members and others may suggest items for consideration at the next Board of Directors' meeting on **Wednesday, May 26, 2021, 10:00 AM**, Southwest Education Support Center, 16644 S. Elm, Caruthers. Currently scheduled items include:

- Treasurer's Report
  - Claims Update
  - Preliminary Pool Contribution Spreadsheet
  - Preliminary Budget
  - Future Meeting Dates
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## XIII. ADJOURNMENT

With no further business, the meeting adjourned at 11:31 AM.

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### 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.