

MINUTES



ANNUAL BOARD OF DIRECTORS MEETING

WEDNESDAY, MAY 25, 2022

10:00 AM.

Southwest Education Support Center

16644 S. Elm

Caruthers, CA 93609

I. CALL TO ORDER

President Magnussen called the meeting to order at 10:01 A.M.

II. ROLL CALL

OFFICERS & EXECUTIVE COMMITTEE:

KERMAN UNIFIED SCHOOL DISTRICT	Kraig Magnussen, President
KINGS RIVER-HARDWICK UNION ELEMENTARY SCHOOL DISTRICT	Trish Singh, Secretary
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)	Dr. Wesley Sever, Treasurer
KINGSBURG JOINT UNION SCHOOL DISTRICT (ELEMENTARY)	Carol Bray, Accountant
FOWLER UNIFIED SCHOOL DISTRICT	May Yang, Permanent Member
ISLAND UNION ELEMENTARY SCHOOL DISTRICT	Diane Augusto, Member at Large
KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT	Don Shoemaker, Member at Large
LOS BANOS UNIFIED SCHOOL DISTRICT	Amer Iqbal, Permanent Member
SELMA UNIFIED SCHOOL DISTRICT	Andrea Affrunti, Permanent Member
SOUTHWEST TRANSPORTATION AGENCY	Gary Geringer, Member at Large

MEMBERS:

FRESNO AREA SELF-INSURANCE BENEFITS ORGANIZATION (DBA: EdCare Group)	May Yang
FRESNO COUNTY SELF-INSURANCE GROUP	Kraig Magnussen
FRESNO COUNTY SUPERINTENDENT OF SCHOOLS	Christopher Lozano/Shawn Vanwagenen
LATON JOINT UNIFIED SCHOOL DISTRICT	Tammy Alves
SOUTH COUNTY SUPPORT SERVICES AGENCY	Gary Geringer
WASHINGTON UNIFIED SCHOOL DISTRICT	Chris Vaz/Sal Fonseca

ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES	Tyler Houston, Account Executive
KEENAN & ASSOCIATES	Donna Murry, Account Manager
KNAK & COMPANY	Erik Knak, Third Party Administrator
POMS & ASSOCIATES	Amy Dolson, Risk Manager

III. APPROVAL OF AGENDA

2021/2022-56

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 Affrunti with a second by member Iqbal and unanimously carried to approve the Agenda as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

IV. PUBLIC COMMENTS

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

V. CONSENT AGENDA

2021/2022-57

ACTION

The Board of Directors considered the following items within the Consent Agenda:

- Approval of the Minutes of the May 26, 2021 Board of Directors' meeting as emailed.
 - Approval of Expenditures for Period Ending April 30, 2022.
 - Knak Claim Expenditures for period ending April 2022.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Augusto and unanimously carried to approve the Consent Agenda as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez

VI. CORRESPONDENCE

2021/2022-58

INFO

There was no correspondence to present.

VII. CLAIMS

2021/2022-59

INFO

THIRD PARTY ADMINISTRATOR CLAIMS UPDATE

Erik Knak, Claims Administrator for the OSS presented his report, the **OSS Loss History – (Incurred Within \$50K MRL) – 5/02/22** for review. He compared the current report to that of the 5/11/21 report he provided at the last May Board of Directors' meeting. Years 2012-13, 2013/14, 2014/15, 2015/16, and 2017/18 have no open claims with the total incurred figures and claims count remaining constant. Year 2016/17 has (1) open Underinsured Motorist claim. Year 2018/19 has (1) open claim and has been an excellent claim year. Year 2019/20 has been a difficult claim year with several large Property and Liability claims having (5) open claims and the total incurred figure up from the year prior. The 2020/21 year has had only (38) claims with (5) currently open. This year included several large Property losses. 2021/22 remains positive thus far with just (31) claims, (15) of those claims are open. There has been an abuse claim opened from the 2000-01 claim period with a second abuse claim against the same former employee recently filed. These are expected to be a single \$50K in reserves to cover both claims. In summary, there are currently (28) open claims, up (5) from the year prior report and currently \$413K in reserves up \$96K. In closing the Claims Administrator said there were many catalytic converters claims starting up again. His advice to discourage thieves would be to paint these with orange paint.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

VII. UNDERWRITING

2021/2022-60

INFO

NORTHERN CALIFORNIA ReLiEF (NCR) UPDATE

Tyler Houston, the Account Executive provided information and recent updates on the NCR Program.

- Self-funded rates for the program decrease or remained flat. The 50K MRL which the OSS has, remained flat for Liability and a 3.1% decrease in the Property rates. The OSS Liability Ex-Mod decreased by 8.34% in the underlying layer and by 2.97% in the excess layer. Their Property Ex-Mod increased by 5.45% in the underlying layer and 1.49% in the excess layer. The Ex-Mod increases for their Property rates reflects the steady increase of property losses the JPA has been experiencing over the past few years.
- The sexual, abuse and molestation (SAM) claims are trending favorably, but the effects of AB 218 are still a concern.
- NCR again voted to renew its incentive programs this year; these include the Matching Grant, Risk Management Reward program, and the Child Abuse Prevention program for the development of resources. The takeaway here is that the NCR Board continues to take a proactive stance on addressing the risks affecting its members and for keeping rates stable.

NCR UPDATE Cont.

- Cyber coverage is continuing to be the most challenging coverage to secure in the current insurance market. Claims have skyrocketed over the past few years from both an occurrence and particularly a severity standpoint, with ransomware related losses becoming the most prevalent. Indications includes a \$1M primary and \$1M excess option for now. The deductibles have gone from \$25K to \$35K for districts with less than 9,000 ADA, and from \$50K to \$75K for districts with over 9,000 ADA. These deductibles are for districts that have the Best Practices in place. Without the Best Practices, the \$35K will go to \$50K and the \$75K will go to \$100K. The Best Practices have gone from 12 to 6. Those 6 Best Practices are:
 - o Multi-Factor Authentication
 - o End Point Detection and Response (EDR)
 - o Annual Cyber Training for all district staff
 - o Vulnerability Scans
 - o Operating System Patching kept up to date.
 - o Commercial Industry grade Anti-Virus/Anti Malware software.

A new cyber survey will be required by all districts to complete to see whether they have the 6 Best Practices in place.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

CYBER LIABILITY DEDUCTIBLE POLICY REVIEW & AMENDMENT

2021/2022-61

ACTION

Tyler Houston provided an amendment to the current OSS Policy CL-03; Cyber Liability Deductible Policy as was recommended by the Executive Committee to the Board of Directors. The current deductible of \$25,000 is expected to increase to \$35,000, which is the lowest tier based on a district's ADA.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Affrunti and unanimously carried to approve the changes to the OSS Policy CL-03; Cyber Liability Deductible Policy as was recommended by the Executive Committee to reflect payment by the OSS of a not to exceed amount of \$34,000. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

OSS SAFETY & SECURITY GRANT

2021/2022-62

ACTION

Amy Dolson, the OSS Risk Manager presented an application from Kingsburg Jt Un Elementary School District for the Safety & Security Grant to the Board of Directors for their consideration. The grant is based on ADA, and if awarded, the \$3,000 would be used to purchase Arecount Omni 4-in-1 Generation 3, security cameras at their Lincoln Elementary School. This particular site is next to the Cal Ripken Baseball facilities that the City of Kingsburg utilizes in addition to being next to an alley and sees an increased amount of foot traffic from the community. One of the requirements for awarding the grant was the adoption of a Staff / Adult / Student Interaction Policy by the applicant, which had been done.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Affrunti to approve awarding the OSS Safety & Security Grant to Kingsburg Jt Un Elementary for \$3,000. Yea: Members Magnussen, Singh, Yang, Augusto, Shoemaker, Iqbal, Affrunti, Geringer, Yang, Magnussen, Lozano, Alves, Geringer, and Vaz. Abstain: Member Sever. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez. Motion carried.

VIII. FINANCIAL

TREASURER’S REPORT

2021/2022-63

ACTION

Carol Bray, the OSS accountant presented the Treasurer’s Report for Period ending May 31, 2022 to the Board of Directors for review and consideration. Total operating revenues were at 99% with revenues of \$5,504,996 and operating expenses at \$4,757,507 which included the rebates & WRA payments.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by Affrunti with a second by member Iqbal and unanimously passed to accept the Treasurer’s Report as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

2021/2022-64

ACTION

Tyler Houston presented the Summary of Actuarial Analysis as of December 31, 2021 as prepared by Milliman, Inc. for review and consideration by the Board of Directors. Highlights were: The current estimate for Fiscal Accident Year (FAY) 2021-22 is \$147 thousand below last year’s forecast, driven by lower than expected reported claims and incurred losses. The funding estimate for FAY 2022-23 at an 80% probability level is about 3% higher than the corresponding estimate for the prior year due to an increase in expenses. Frequency has declined in recent years, especially the last three. Severity varies by year with the last three years seeing several larger claims with the average case reserves being relatively stable over the past three years.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Affrunti and unanimously passed to accept the Actuarial Report as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

LOSS FUND CONTRIBUTION

2021/2022-65

ACTION

Tyler Houston presented the Loss Fund contribution spreadsheet to the Board of Directors for their consideration. 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 an increase in the rate by \$0.30 per ADA for the FAY 2022-23 due mostly to the increase in the expense provision. It was recommended to continue to fund the program at the 80% probability level.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Affrunti with a second by member Geringer and unanimously carried to retain the 80% probability level. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

2022/2023 NCR PRELIMINARY POOL CONTRIBUTION SPREADSHEET

2021/2022-66

ACTION

Tyler Houston presented the NCR Preliminary Pool Contribution to the Board of Directors which contained an Optional \$1 M Excess Cyber coverage as per the recommendation of the Executive Committee for their consideration. The total overall increase of \$313,088 was calculated to be a 5.7% increase.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Affrunti with a second by member Iqbal and unanimously carried to approval the 2022/2023 Preliminary Pool Contribution as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

2022/2023 PRELIMINARY BUDGET

2021/2022-67

ACTION

Donna Murry the Account Manager presented the Preliminary Budget for the 22/23 year to the Board of Directors for approval.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iqbal with a second by member Affrunti and unanimously carried to accept the 2022/2 Preliminary Budget as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

IX. ADMINISTRATION

FUTURE MEETING DATES & LOCATIONS

2021/2022-68

ACTION

Donna Murry presented the meeting dates and locations for the 22/23 fiscal year as recommended by the Executive Committee to the Board of Directors for their consideration.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Affrunti, seconded by member Iqbal and unanimously carried to accept the meeting dates and locations for the 2022/23 year as presented. Absent: Iribarren, Pina, Percell, Szpor, Joe Hernandez, Nunez, Mendiola, Pacheco Jones, Cynthia Marshall, Garibay, Mark Marshall, Alcaide, Manser, Smith, Machado, Beecher, Alvarado, Orozco, Lofaro, Cruz, Diaz, and Baldo Hernandez.

X. RISK MANAGEMENT

RISK MANAGEMENT UPDATES

2021/2022-69

INFO

Amy Dolson presented the updates on Loss Control Services as per the following:

- The new 3-year OSS Strategic Plan is currently being updated and will be presented at the October 2022 Executive Committee meeting.
- The NCR 3-year Safety Audit Schedule 2022 – 2025 was presented. Tessa Babcock, the Poms & Associates consultant for conducting the inspections is spreading the inspections out through the year.
- OSS Safety & Security Grant will roll over to 2022-2023. Current applications are still being accepted through June.
- Monthly Safety Spotlight Topics 2021-2023 was presented. Anyone who wishes to discuss a topic not listed, should reach out to Amy for information.
- Scheduled Training Opportunities:
 - ADA Interactive Process: Having Hard Conversations – Half Day Virtual Training with Rachel Shaw – June 1, 2022. The OSS will pay for one person per member to attend this training.
 - Pesticide Handler Safety Training – June 16, 2022. The training will be held in person at Southwest Transportation.
- Future Training Opportunities:
 - Rachel Shaw Virtual Training Series – Aug 19, Sep 21, and Nov 4. The OSS will pay for any member to attend one of Rachel Shaw’s virtual training sessions.
 - Title IX Coordinator, Investigator, & Decision Maker with Megan Farrell – NCR is providing the opportunity for their members, of which OSS is one to attend the Megan Farrell’s training. More information will be forthcoming.
 - Title IX Triage Consulting - Initial Phone Conversation with Megan Farrell will be available to the OSS members. There could be additional training with her to discuss upcoming changes in the law.
 - Child Sexual Abuse Prevention Training with Diane Cranley – Grooming & Boundaries; Applicant Screening. Possibility of bringing Diane Cranley back for additional training.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

XI. INFORMATION

MEMBER COMMENTS

Chris Lozano with Fresno County Superintendent of Schools commented on AB-218 and questioned how this has affected the OSS.

ADMINISTRATION COMMENTS

Tyler Houston thanked Gary Geringer for hosting the annual Board of Directors meeting.

Donna Murry mentioned she was working on an Administration Guide which lists all of the OSS member districts and OSS contact information. It would be available sometime in July.

XII. AGENDA ITEMS FOR NEXT MEETING

Members and others may suggest items for consideration at the next Board of Directors' meeting on **Wednesday, May 24, 2023**, Southwest Education Support Center, 16644 S. Elm, Caruthers. Currently scheduled items include:

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

With no further business, the motion to adjourn the meeting was made by member Shoemaker and seconded by member Iqbal and unanimously carried. Meeting adjourned at 11:10 A.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.