

MINUTES

EXECUTIVE COMMITTEE MEETING

January 19, 2017

SAN ANDREAS I/II CONFERENCE ROOMS

CALL TO ORDER

The meeting was called to order by President Steve Jorgensen at 12:33 p.m.

ATTENDANCE

Those in attendance were:

Executive Committee

Steve Jorgensen	President	Windsor Unified
Joe Pandolfo	Vice President	Rincon Valley Union
Sue Field	Director	Bennett Valley U.S.D.
Eric Hoppes (arrived 12:57 p.m.)	Director	Wilmar Union

RESIG Staff

Rose Burcina	Executive Director
Suzanne Pelz	Workers' Compensation Claims Supervisor
Jenifer Letherman	Workers' Compensation Senior Claims Examiner
Will Davis	Director of Environmental Risk Services
Erin Tarkhanian	Loss Prevention Coordinator
Patty Baumunk	Director of Employee Benefits
Steven Fields	Property & Liability Risk Manager
Deborah Fraser	Property & Liability Senior Claims Adjuster
Ronda Bergesen	Business Manager
Diane Vieyra	Executive Secretary

Guests

Brooks Rice	CAJPA Accreditation Committee Member
Elizabeth Sav	Crowe Horwath, LLP

APPROVAL OF AGENDA

President Jorgensen reported that the agenda was going to be presented out of order due to Eric Hoppes arriving late to the meeting.

A motion was made by Sue Field and seconded by Joe Pandolfo to accept the agenda out of order to continue with business.

INTRODUCTIONS & RECOGNITIONS

- RESIG's new employee was introduced—Jenifer Letherman, Workers' Compensation Senior Claims Examiner.
- Brooks Rice, CAJPA Accreditation Committee Member was also introduced and will present RESIG with a plaque later in the meeting. Mr. Rice is also the Executive Director at Shasta Trinity Schools Insurance Group in Redding.
- Due to severe weather conditions, Elizabeth Sav—Crowe Horwath, LLP will be joining the meeting via conference call to present Item K—RESIG's 2015/16 Financial Audit.

PUBLIC COMMENTS

None

REPORT/DISCUSSION

J. CAJPA Certification of Accreditation with Excellence

Brooks Rice reported that he's been on the CAJPA Accreditation Committee for two years and the Certification of Accreditation evaluation process is very lengthy. The program is designed to ensure quality and professional standards for all risk management pools. Organizations are reviewed in the following areas: Governing documents, programs provided by JPA, participating members, minutes and agendas, audits, contracts, financial reports, investments, funding, risk control, claims management, operations.

RESIG has maintained the CAJPA Accreditation since 1983 and with Excellence since 2010 which is the highest level a JPA can be granted. Rose Burcina and the Executive Committee were presented with the 2016 CAJPA Accreditation with Excellence Certification.

Burcina acknowledged and thanked Ronda Bergesen and Diane Vieyra for their assistance with this process, in working with the CAJPA Accreditation Consultant Robin Johnson.

O. Status Update—2016 Workers' Compensation Claims Audit

The workers' compensation claims audit was performed in July 2016 by Bickmore Risk Services. Mr. Dennis Mitchell of Bickmore Risk Services attended the October 20, 2016 Executive Committee Meeting and presented the claims audit along with recommendations. At that time, the Executive Committee requested that they be provided with a status update of the recommendations, at the January 2017 Executive Committee Meeting.

Suzanne Pelz referenced page 127 of the agenda packet illustrating the status of the recommendations. She informed the Executive Committee that 80% or more of the recommendations have been implemented. It is anticipated that the remainder of the recommendations will be implemented by the end of the year or sooner.

The Executive Committee expressed their appreciation for the follow-up.

P. Recent California Legislation Affecting California Dept. of Education School District Automated External Defibrillator (AED) Policy

Steve Fields reported that some member districts had received information regarding an update in the law for AEDs which encourages school districts and charter schools to provide general information to students on the use and importance of an AED. He stated that in 2015 the Executive Committee adopted policy #1.3.210 Property & Liability—AED High Risk Deductible of \$25,000; this item was revisited in January 2016. Fields informed the Executive Committee that AB 1719 is the new law but the requirements have not changed; it was just informational.

It was questioned why there is a high deductible for AEDs and if there had been any incidents or issues reported. Fields explained that it's due to the potential liability in requiring schools to comply with various requirements in owning and maintaining AEDs. He further stated that there had not been any incidents or issues reported to RESIG or School & College Legal Services regarding AEDs. Schools have been contacted by vendors in the past and recently that have offered free AEDS to districts. The concern is if districts are able to maintain them, place them in the correct areas, or have enough of them for the schools. The Executive Committee made the decision to adopt an AED high deductible policy based on those issues. President Jorgensen confirmed that the Executive Committee did discuss and adopt the high deductible policy.

Sue Field had requested this item be discussed today and thought that there was a requirement for AEDs. She was hopeful that there would be a company that would service AEDs as an easy solution to maintaining AEDS which would provide a limited liability for the school districts.

Rose Burcina mentioned that there are companies that will service AEDS. However, she mentioned a word of caution and recalled an incident with a member district that had contracted with a service provider. A RESIG Staff member happened to be on a school site and noticed the tag on an AED indicating that it had not been serviced for 18 months, whereas the requirement is servicing every 6 months.

There was discussion regarding the potential liability a district has in maintaining AEDS on school premises, which could possibly steer away districts from obtaining them. Burcina clarified that the purpose of the deductible is not to discourage districts from obtaining AEDS but to remind them that this is a serious matter. However, in the event that a district does obtain an AED, a \$25,000 high deductible would apply, if a claim resulted, should a district not follow legislative regulations to keep it maintained.

Discussion was held on the value of AEDs and whether RESIG's policy may be perceived as a disincentive to install them at districts. President Jorgensen stated that the high deductible should be considered a preventive measure in that it catches the districts' attention and illustrates the need to be aware of the responsibilities districts take on when having them.

When asked if other JPAs have similar policies, Burcina was certain that other JPAs do not have high risk deductible policies associated with AEDs. She stated that RESIG does look at other JPA practices but it doesn't necessarily drive the decisions that RESIG's Board makes in adopting policy.

President Jorgensen stated that this is the second time in three years that this topic has been discussed and the Executive Committee will continue to discuss it as needed.

12:57 p.m. – Eric Hoppes arrived.

President Jorgensen thanked Fields for researching this item.

Q. Strategic Planning Follow-Up

Rose Burcina reported that RESIG Staff has been working diligently on RESIG's Strategic Plan since it was adopted in October 2016. The following was reported:

1. Technology

- RESIG requested an increase in bandwidth to 50 Mbps (from 10 Mbps) from Sonoma County Office of Education.
- A Website Design and Development Agreement was presented for approval in the Consent Calendar.
- RESIG has changed the delivery of IT support—instead of the IT vendor providing service 2-3 times/month for 4 hours/visit by a high level consultant, it has been changed to 3 times/week for 3 hours/visit by a lower level intern. This provides a net-net solution for this service. This new situation began January 1, 2017 and will be evaluated in approximately 90 days.

At the November 2016 Executive Committee Meeting the Committee approved the job description and hiring of an IT person. Burcina had contacted Dan Bienkowski—Director SCOE Information Technology and the two gentlemen that were recommended and currently work part-time for school districts. They did not believe RESIG would be able to find a person for in-house support for a very limited amount. The solution with the IT vendor really seems to be a better fit for RESIG, especially with the IT vendor's resources that are available.

- The first Cyber Security Risk Workshop is being held on January 25th. There are still spaces available, with 21 attendees thus far. President Jorgensen expressed his appreciation for providing this workshop.
2. Finance and Facility – RESIG Staff is drafting a building maintenance plan. RESIG is collaborating with a referral from SCOE who is currently working on a maintenance plan for SCOE.
 3. HR and Professional Development – A leadership workshop with Dr. Porter is scheduled for next Monday, January 23rd.
 4. Governance –No item to report.
 5. Member Services – The new Member Services Manager position will be discussed and presented today, seeking approval or amendment to the Member Services goal area of the Strategic Plan. RESIG Staff has devoted a lot of time and attention to this.

R. Executive Director's Report

Rose Burcina reported the following:

- Property & Liability/BASIC – RESIG is continuing to work on the language for the new Property & Liability Memorandum of Liability Coverage (MOLC) that will align with all four members of BASIC (Bay Area Schools Insurance Cooperative). The MOLC will be presented over the next several months and rolling it out either July 1, 2017 or July 1, 2018.
- Workers' Compensation System Upgrade – The NavRisk claims system must be updated this year. RESIG Staff is working with the vendor on the cost at this time.
- Workers' Compensation Department of Industrial Relations Audit – RESIG has been notified by the Dept. of Industrial Relations of their intent to perform a routine audit that will likely take place in the spring. This occurs every five years.
- Suicide Prevention Policies – Burcina wanted to make sure that the Executive Committee had read the memo regarding a new law that applies to grades 7-12, dated December 14, 2016 distributed by School & College Legal Services.
- Tort Reform – Burcina currently is participating in an informal Liability Coalition that was formed in California. The CAJPA (California Association of Joint Powers Authorities) Board of Directors met recently and discussed their interest in spearheading this effort. CAJPA believes this effort will take years before it hits legislation but they have a strong interest and they will continue to participate in the coalition meetings.
- Member Feedback – RESIG Staff received some very good feedback on Grand Rounds which is a referral service provided by SISC (Self-Insured Schools of California); it's like a second opinion. A family/employee was so impressed with the process that they wrote RESIG a letter to tell us about their experience dealing with Stage 4 cancer. They stated that Grand Rounds is really good for obtaining second opinions. The Grand Rounds physicians collaborated with the patient's physicians with the outcome being favorable medical care. This family was very grateful. It gave them a chance to feel proactive and hopeful and stated that the employees are very fortunate to have this available to them, especially at no additional cost. RESIG Staff will be reviewing this program again at the next Benefit Managers' Meeting and in RESIG's newsletter.

President Jorgensen stated now that Eric Hoppes has arrived there is a quorum.

APPROVAL OF AGENDA

A motion previously made by Sue Field and seconded by Joe Pandolfo to accept the agenda out of order. Ayes: Jorgensen, Pandolfo, Field, and Hoppes. Absent: Downey and Raines. Motion passed 4-0.

CONSENT CALENDAR

- A. Minutes Approval – November 17, 2016**
- B. Warrants Issued – November and December 2016**
- C. Financial Reports – Quarter ending December 31, 2016**
- D. Routine Personnel Items**
 - **Employment—Workers’ Compensation Senior Claims Examiner**
- E. Internal Complaint Report – October through December 2016**

There were no complaints filed.
- F. Surplus/Disposal of Equipment**
- G. RESIG’s Employee Handbook (Handout - RESIG’s current handbook)**

Amendments to the handbook were presented.
- H. Website Design & Development Agreement**
- I. Executive Committee Member Resignation**

A motion was made by Sue Field and seconded by Joe Pandolfo that the Executive Committee approve the Consent Calendar. Ayes: Jorgensen, Pandolfo, Field, and Hoppes. Absent: Downey and Raines. Motion passed 4-0.

ACTION

- K. RESIG’s 2015/16 Financial Audit**

Due to weather conditions the auditor, Elizabeth Sav, from Crowe Horwath, presented the 2015/16 Financial Audit to the Executive Committee via conference call and outlined the following:

Pages 61-63 of the agenda packet – Sav reviewed the required audit communication letter explaining the auditors’ responsibilities, standards followed, and the scope and timing of the audit.

Pages 63-64 Corrected and Uncorrected Misstatements – Sav noted one corrected misstatement of \$426,758 related to a decrease to the CalPERS Net Pension Liability. This misstatement is a PERS issue and not a management error. There were no uncorrected misstatements.

Page 64 – There were no communication issues between management and the auditors or concerns to report.

Pages 68-69 – The Independent Auditor’s Report was briefly reviewed, pointing out the auditor’s *Opinion* on the top of page 69.

Pages 70-77 – Management Discussion and Analysis – This is a required overview of RESIG’s financial highlights prepared by management.

Page 79 – Financial Statement – The Total Net Position is higher due to a direct correlation from the cash activity increasing and the claims liability decreasing. Bergesen mentioned that the increase in Total Net Position is primarily due to actuarial adjustments lowering liabilities over the last three years.

Sav stated that this is exactly the type of audit you want to receive.

Call disconnected.

Ronda Bergesen stated that this is her 15th year with no findings.

Reconnected with Ms. Sav.

Sav stated that Bergesen should feel good about a job well done.

It was moved by Sue Field and seconded by Joe Pandolfo that the Executive Committee accept the preliminary draft of RESIG’s 2015/16 Financial Statement as presented. Ayes: Jorgensen, Pandolfo, Field, and Hoppes. Absent: Downey and Raines. Motion passed 4-0.

Bergesen was congratulated by the Executive Committee for a clean audit.

L. Appt. of Staff Compensation Committee

RESIG’s policy 1.6.101 Employer/Employee Compensation requires the Executive Committee to appoint a representative(s) from the Executive Committee who, along with the Executive Director, meet with RESIG Staff to hear input and compensation desires for the succeeding fiscal year.

The Staff Compensation Committee for 2016/17 fiscal year was Jim Cerreta and Steve Eichman.

President Jorgensen and RESIG Staff recommended that the Executive Committee appoint a committee, for 2017/18, of at least two members, but less than a quorum, to “meet with the RESIG Staff not later than the end of February”.

President Jorgensen stated that Mary Downey had expressed interest in being on the Committee. Bob Raines was nominated by Eric Hoppes.

It was moved by Sue Field and seconded by Joe Pandolfo to appoint Mary Downey and Bob Raines as the Staff Compensation Committee for fiscal year 2017/18. Ayes: Jorgensen, Pandolfo, Field, and Hoppes. Absent: Downey and Raines. Motion passed 4-0.

M. RESIG’s Telephonic Triage Nurse Position vs. Encompass Health Solutions

Rose Burcina reported that last July 2016 RESIG’s Telephonic Triage Nurse (TTN) left the organization. RESIG engaged with Encompass Health Solutions (EHS), a nurse-line company, to provide telephonic triage services as a temporary measure. However, RESIG Staff did post the position two times and were unsuccessful in finding a suitable candidate for the position and therefore, continued to have EHS provide the telephonic triage services.

Over the past six months, RESIG Staff have been impressed and satisfied with the 24/7 services provided with good results. They have interfaced with RESIG’s system eliminating redundancy and the cost is significantly less than paying a full-time employee. The most recent TTN worked for RESIG for about six months, with a total annual salary cost of \$106,000. The retired TTN’s total annual salary cost, directly prior to the most recent TTN, was \$145,000. The average monthly cost for EHS is \$6,330 or \$76,000 anticipated annually based on the recent and current volume of calls over the past year.

Burcina was pleased to report that the cost of providing the telephonic triage services through EHS is providing an annual cost savings of at least \$30,000.

RESIG Staff recommended that the Executive Committee approve the Telephonic Triage Nurse position be outsourced at this time as opposed to an in-house position at RESIG.

It was moved by Sue Field and seconded by Eric Hoppes that the Executive Committee approve the Telephonic Triage Nurse position be outsourced at this time as opposed to an in-house position at RESIG.

Ayes: Jorgensen, Pandolfo, Field, and Hoppes. Absent: Downey and Raines. Motion passed 4-0.

N. RESIG's Member Services Manager Job Description

President Jorgensen stated that during the Strategic Planning Session, the new goal area of Member Services was developed. RESIG Staff was directed to develop a job description for this additional position to accomplish the member services goals. The job description was presented at the last Executive Committee Meeting, November 17, 2016, staff was then directed to provide information on the impact to member districts' contributions to premiums and what tasks of the member services goal area would not be completed if this position were not approved.

Rose Burcina affirmed the above-mentioned. It all began during the October 20, 2016 Strategic Planning Session. She referenced page 121 demonstrating the goals that were outlined during the Strategic Planning Session and redlined the tasks that would not be completed if this new position were not approved. In terms of rates, the position's salary would be split 67% from the Workers' Compensation budget and 33% from the Property & Liability budget. The impact to the member districts' contribution to premium on the base rate of the Workers' Compensation Program would be \$0.02 and short half a penny on the Property & Liability Program.

President Jorgensen thanked Burcina for the information.

The possibility of adding this position without increasing members' rates since there's been a significant increase over the past two years in the Workers' Compensation program's net position, was discussed. Burcina stated that there is sufficient funding in reserves to cover this position without increasing the base rate to members, as outlined in the agenda memo.

Sue Field was hesitant to add a new position at this time. She stressed that there are too many unknowns as far as budgeting is concerned, along with the Affordable Care Act's potential repeal.

In regards to RESIG's net position, Ronda Bergesen reminded the Executive Committee that the actuary, Jack Joyce, reduced RESIG's liabilities in the newer years but can turn around next year, if claims develop, and take back some of that and reduce RESIG's net position. Therefore, the numbers are considered dynamic and aren't completely solid at this point in time.

Eric Hoppes commended RESIG Staff for doing a great job but questioned why RESIG needs to add a position. He stated that RESIG Staff is very responsive—when RESIG is called, staff responds and things get done. Burcina explained that the position was derived from the Strategic Planning Session to increase services provided to member districts from what is currently being offered and to also address claim trends. She agreed that RESIG Staff is doing a great job and

informed the Executive Committee that it would be okay to not proceed with the new position and additional services and questioned if the Strategic Plan would need to be updated.

Field suggested possibly delaying the hiring of this new position.

When asked how new programs have recently been developed at RESIG without the new position (i.e. the Certified Schools Risk Management Program) Burcina explained that she has been pulling resources from other departments but could only do that temporarily.

Joe Pandolfo expressed his concern of school budgets and expressed that it's currently a tough time.

Burcina extended her appreciation for this conversation and mentioned that during the Strategic Planning Session part of the process involved making a "wish list". This new position was a development of that idea and reiterated that if this is not approved, RESIG Staff will continue to do as much as possible.

Field expressed her appreciation for the conversation, the job description, and being responsive to what was done relative to the Strategic Plan. She also agreed that it's the timing and there are so many unknowns at this time that the need for this position could show itself once more is known with the Affordable Care Act. She questioned whether this was premature to approve this right now and suggested bringing this item back for consideration once more is known with the federal government, new legislation and budget. The Executive Committee can then reconsider this part of the Strategic Plan and this part of the responsiveness that will affect member districts.

Burcina questioned if this item should then be evaluated in October when the Strategic Plan is routinely reviewed. Field suggested presenting the Member Services Manager position in 2-3 months if Burcina determined it was necessary and if not, to review it during the Strategic Plan Review and Update in October 2017. President Jorgensen agreed, to bring back this item, when there is more information.

President Jorgensen once again congratulated Ronda Bergesen on a job well-done with the audit and extended his appreciation to RESIG Staff for their efforts in serving its member districts.

ADJOURNMENT

The meeting was adjourned by President Steve Jorgensen at 1:42 p.m.

SUBMITTED BY:

APPROVED BY:

Rose R. Burcina, Executive Director

Steve Jorgensen, President