

MINUTES

EXECUTIVE COMMITTEE MEETING May 18, 2017

SAN ANDREAS I/II CONFERENCE ROOMS

CALL TO ORDER

The meeting was called to order by President Steve Jorgensen at 12:32 p.m.

ATTENDANCE

Those in attendance were:

Executive Committee

Steve Jorgensen	President	Windsor Unified
Joe Pandolfo	Vice President	Rincon Valley Union
Mary Downey	Sec./Treasurer/Auditor	So. County Office of Ed.
Bob Raines	Director	Shoreline Unified
Sue Field	Director	Bennett Valley U.S.D.
Eric Hoppes	Director	Wilmar Union
Jason Lea	Director	Santa Rosa City Schools

RESIG Staff

Rose Burcina	Executive Director
Chris Spencer	Workers' Compensation Claims Manager
Suzanne Pelz	Workers' Compensation Claims Supervisor
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

APPROVAL OF AGENDA

A motion was made by Sue Field and seconded by Mary Downey to approve the agenda as presented. Ayes: Jorgensen, Pandolfo, Downey, Field, Raines, Lea, and Hoppes. Motion passed unanimously.

INTRODUCTIONS & RECOGNITIONS

None

PUBLIC COMMENTS

None

CONSENT CALENDAR

- A. Minutes Approval – April 20, 2017**
- B. Warrants Issued – April 2017**
- C. Quarterly Investment Report – March 31, 2017**
- D. Annual Renewals – Retention Agreements**
 - **Defense Counsel – Peters & Peters; Bertrand, Fox, Elliot, Osman & Wenzel; Haapala, Thompson & Abern, LLP; Mullen & Filippi; McDowell, Shaw, Garcia & Mizell**
- E. Strategic Planning Follow-Up**

A motion was made by Eric Hoppes and seconded by Joe Pandolfo to approve the Consent Calendar as presented. Ayes: Jorgensen, Pandolfo, Downey, Field, Raines, Lea, and Hoppes. Motion passed unanimously.

ACTION

- F. 2017/18 Program Rates**
 - **Property & Liability/Loss Prevention** (Handout)

President Jorgensen recalled that there was discussion about the Property & Liability rates during the April Executive Committee Meeting. Rose Burcina had mentioned she would be attending the BASIC Board of Directors' Meeting in May at which time final rates would be voted on.

Burcina stated that she did attend the BASIC Board of Directors' Meeting a couple of days ago and the program rates were reviewed again. She reminded the Executive Committee about their previous conversations regarding the volatility of the excess coverage in the state of California. Also, the top tier carrier for liability coverage (\$10 million to \$20 million) withdrew from the state and was replaced by two carriers, Great American and Genesis, 50/50 per coverage. Unfortunately, the premium was doubled for that layer of coverage. In addition, RESIG's x-mod increased quite dramatically, TIV (total insured value) increased and the ADA (average daily attendance) decreased. Burcina mentioned to the Executive Committee that

the actuary had mentioned during his presentation of the last actuarial report that the liability had increased by 16% due to RESIG's claims increasing. On a positive note, the cyber coverage was increased by \$1 million because the carrier provided a discount of \$200.

Overall, rates are increasing 20.2% for the Property & Liability Program. The 2017/18 Preliminary Property & Liability Program Rates handout was distributed. Burcina apologized for this information not being included in the agenda but the information was not yet available due to the BASIC Meeting being held just a couple of days ago at which time the rates were finalized.

The handout was reviewed. Burcina stated that the liability rate increased approximately 20.2%, and the combined rate with the property, because the property held its own, was still at 20.2%. The net premium rate change will be about 14.5%. Included in the handout was a summary sheet; a spreadsheet illustrating a district-by-district view of the rates, x-mods, and total contribution; and the updated Projected Net Position. The Property & Liability Program is headed in the right direction, in terms of net position; however, preliminarily, Burcina stated that there are not enough funds in the program to consider an equity distribution this year.

RESIG Staff recommended the 2017/18 Property & Liability rate increase of 20.2% and \$3.50 per ADA for the 2017/18 Loss Prevention Program be approved and presented to the Board of Directors on June 8, 2017.

Burcina announced that on June 8, 2017, Jim Wilkey, Senior Vice President—Wells Fargo Insurance Services, will be attending the Joint Powers Board Meeting to address any questions the Board of Directors may have regarding excess liability and the pool's position, regarding the market in California.

It was noticed on the contributions spreadsheet that 14 districts will have a rate increase greater than \$10,000 on their premium. RESIG Staff is currently preparing information for those districts to help them understand how that impacted them.

Sue Field questioned why lottery ADA is being used as a multiplier instead of real ADA/P2. Ronda Bergesen informed the Executive Committee that BASIC uses lottery ADA and directed RESIG to use it. It's typically what other JPAs use and is standard. Chris Thomas—Petaluma City Schools, added that lottery ADA is based on annual ADA, not P2, and it's also factored by 4.441%. Back in the 1990s excused absences were funded; when non-excused absences were no longer funded, they factored in the 4.441% in order to preserve the lottery.

Jorgensen stated that the recommended 20.2% increase is lower than what was previously mentioned during the April Executive Committee Meeting. At that time Burcina anticipated a rate increase of approximately 23% and an overall net premium increase of 16.9% but could possibly be decreased a bit by not increasing the self-insured retention and the reason for the

postponement of rates. BASIC wanted to increase equity, however, the impact to membership was taken into consideration and therefore were able to compromise and added 1.5% instead of 3% to building equity.

The Loss Prevention Program rate remains at \$3.50 per ADA and is charged to the Property & Liability Program. Pandolfo questioned if the Loss Prevention Department also collaborates with the Workers' Compensation Department. Burcina stated that at a previous meeting it was suggested that the Loss Prevention Program be rolled into the Workers' Compensation and Property & Liability Programs since the Loss Prevention Department does provide services to help reduce claims in both programs. This will be reviewed and considered during RESIG's Strategic Planning Session or next year's budget.

Currently, there is one member district participating in the STOP!T Program. Burcina informed the Executive Committee that RESIG has changed its approach with the program—STOP!T contacts the district instead of RESIG Staff marketing the program. The BASIC pool has had more success with this approach. RESIG is still looking for more participation in this program but currently, RESIG is seeking training for molestation and a district that could possibly use the STOP!T Program as well. Burcina did request BASIC to evaluate the STOP!T Program earlier next year, around December, to determine whether or not to renew the program again. Burcina reminded everyone that the STOP!T Program is an app for cell phones intended for students so they can anonymously report activities they are concerned about to a school administrator. Although the program requires some engagement from school personnel it is a very successful program nationwide. The STOP!T Program was voted on by the BASIC Board, of which RESIG is one of four members, and would've affected the BASIC pool if RESIG decided not to participate in the program. Excess carriers support having the program so much that they offered BASIC members a discount; they worked out a discounted rate with STOP!T. RESIG is hoping to get more traction on the program this year. Therefore, the STOP!T Program will be evaluated in December and the BASIC membership will have the option of whether or not to continue with the STOP!T Program. Burcina mentioned that the other three JPAs in the BASIC pool have had more participation in the program.

A motion was made by Jason Lea and seconded by Sue Field to approve and recommend to the Board of Directors on June 8 2017, the 2017/18 Property & Liability rate increase of 20.2% and \$3.50 per ADA for the 2017/18 Loss Prevention Program as presented. Ayes: Jorgensen, Pandolfo, Downey, Field, Raines, Lea, and Hoppes. Motion passed unanimously.

G. 2017/18 Officers

Every year the Executive Committee recommends a slate of officers to the Board of Directors at the June meeting. Effective July 1, 2017, there will be two Executive Committee seats up for election. The terms will expire for the following:

- Joseph Pandolfo, Ed.D., Deputy Supt.—Rincon Valley Union School District
- Mary Downey, Deputy Supt.—Sonoma County Office of Education, Business Services

Pandolfo and Downey both expressed their desire in running for another term on the Executive Committee.

In addition, Steve Jorgensen, Superintendent, Windsor Unified School District, will be retiring in June 2017, creating a third seat up for election. Lois Standing—Chief Business Official, Windsor Unified School District, is the only individual, other than the incumbents, who has expressed interest in running for a seat on the Executive Committee.

It was moved by Jason Lea and seconded by Sue Field that the Executive Committee recommend to the Board of Directors the following slate of Executive committee members as officers for the 2017/18 fiscal year:

President – Joe Pandolfo
 Vice President – Eric Hoppes
 Secretary/Treasurer/Auditor – Mary Downey

Ayes: Jorgensen, Pandolfo, Downey, Field, Raines, Lea, and Hoppes. Motion passed unanimously.

H. 2017/18 RESIG's Meeting Calendar

President Jorgensen stated that a meeting calendar for 2017/18 was presented along with SCOE's 2017/18 Holiday Calendar and the 2017/18 School District Calendar. He mentioned to the Committee that should something arise that was not anticipated, meeting dates could be rescheduled.

Jorgensen requested input on the calendar from the Executive Committee. The Executive Committee reviewed the meeting dates and the following meeting dates were proposed to change:

- November 16 changed to December 7, and cancel December 21, due to a CBO Conference;
- August 17 changed to August 24, and June 21 changed to June 14, due to beginning and ending of school. Member districts had expressed their concern to Burcina about the Joint Powers Board Meeting held the first week of June.

RESIG's 2017/18 Meeting Calendar will be updated and distributed via email to the Executive Committee and member districts.

It was moved by Bob Raines and seconded by Mary Downey that the Executive Committee adopt RESIG's 2017/18 Meeting Calendar with the changes mentioned above. Ayes: Jorgensen, Pandolfo, Downey, Field, Raines, Lea, and Hoppes. Motion passed unanimously.

REPORT/DISCUSSION

I. Executive Director's Report

Rose Burcina reported the following:

- Joint Powers Board Meeting is scheduled for June 8—registration/breakfast at 8:00 a.m. and meeting at 8:30 a.m.; Action Items will be presented first, then presentations, and ending with Report/Discussion Items. Following the Joint Powers Board Meeting will be the Executive Committee Meeting beginning at approximately 10:00 a.m.
- Early Earthquake Warning System—There are a few districts participating in the program and in the next few years it will be mandated for public schools. The EWL (Early Warning Labs) and UC Berkeley have been spear-heading this program and are now ready to proceed to the next level. They want to have a web-based and cloud-based program that will tie into the school sites' PA system. Currently, they're installed on desktops at the pilot districts' offices and RESIG. In the event there is an earthquake, at the sensitivity level that is set, a warning will be announced through the PA system without delay. The university would like to see at least 10 districts enrolled in this program, along with RESIG. The cost is \$2,500/per school site for the software system. The Loss Prevention Team will be trained to provide required training and certification at each school site, and will be a resource. The Loss Prevention Team will be reaching out to districts to recruit for this program. RESIG is the only public school system that UC Berkeley is working with in the state of California. A few topics were mentioned that should be taken into consideration:
 - Which school grades to implement the program in, e.g., you would not want the PA system to announce an earthquake to Kindergarten children.
 - Determine the level of sensitivity and areas that would trigger the system.
- RESIG's Workers' Compensation Fast Track Program – Chris Spencer has been working with Kaiser Permanente on a Fast Track Program. He developed a fast track protocol with Kaiser to eliminate the need for prior authorization on many routine procedures such as MRIs and x-rays that are routinely ordered for certain types of injuries or illnesses. This new protocol will speed up the processes and deliver care to injured workers sooner. Example provided: An injured worker exhausted the 12 visits authorized for physical therapy (PT) and 12 more were requested. The employee's drug usage decreased but mobility has increased. Therefore, RESIG would want the employee to continue those PT visits to continue to improve. Suzanne Pelz stated that the whole idea behind the new program is to give district employees quicker treatment. Currently, employees are required to obtain a request for authorization (RFA) but must first provide a medical report which

can take some time to create. RESIG Staff has five days to approve the RFA but on the fast track process, will bypass all of that and the employee could get scheduled for treatment faster and will also help the claims examiner have less workflow. Spencer and staff were commended for a good improvement to the process and delivering care to the injured worker sooner.

- Best Places to Work in Northern California – RESIG has been nominated once again for the third straight year in a row. RESIG Staff will be asked to complete a survey to determine if RESIG will be eligible for the award.

President Jorgensen thanked RESIG Staff and Chris Thomas for attending today's meeting.

BOARD COMMUNICATION

1. BASIC Minutes—January 17, 2017 and March 21, 2017.

ADJOURNMENT

The meeting was adjourned by President Steve Jorgensen at 1:10 p.m.

SUBMITTED BY:

APPROVED BY:

Rose R. Burcina, Executive Director

Steve Jorgensen, President