

MINUTES

EXECUTIVE COMMITTEE MEETING May 19, 2016

SAN ANDREAS I/II CONFERENCE ROOMS

CALL TO ORDER

The meeting was called to order by President Steve Jorgensen at 12:55 p.m.

ATTENDANCE

Those in attendance were:

Executive Committee

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

RESIG Staff

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

APPROVAL OF AGENDA

A motion was made by Bob Raines and seconded by Steve Eichman to approve the Agenda as presented. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

INTRODUCTIONS & RECOGNITIONS

- RESIG, newly hired employee was introduced. Renee Escarcega, Workersq Compensation Senior Claims Examiner.
- Bob Raines was congratulated for the new position he has accepted. Effective July 1, 2016 he will be the superintendent for Shoreline School District. Raines will still remain a member of the Executive Committee.

PUBLIC COMMENTS

None

CONSENT CALENDAR

- A. Minutes Approval – April 21, 2016**
- B. Warrants Issued – April 2016**
- C. Quarterly Investment Report – March 31, 2016**
- D. Routine Personnel Items: Employment – Workers' Compensation Senior Claims Examiner**
- E. Single Reading, Operational/Employees—Harassment, Discrimination, and Retaliation Prevention Policy #1.6.106**
- F. Annual Renewals – Retention Agreements**
 - **Defense Counsel – Peters & Peters; Bertrand, Fox & Elliot; and Haapala, Thompson & Abern, LLP**
 - **Broker Services – Wells Fargo Insurance Services-Excess Workers' Compensation**
- G. Strategic Planning Follow-Up**

A motion was made by Eric Hoppes and seconded by Sue Field that the Executive Committee approve the Consent Calendar as presented. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

ACTION

H. Workers' Compensation Claims Audit Bids and Awards

Chris Spencer reported that according to RESIG's Policy #1.2.107, the Workers' Compensation Claims Department shall request an outside claims audit company to perform an audit not less than biennially. RESIG's last claims audit was through Wells Fargo in 2014.

A Request for Proposal (RFP) was sent out to four auditing firms in February 2016; three of the firms replied. While the responses were very similar, it was determined that Bickmore Risk Services was the most qualified auditor for this particular audit.

The fiscal impact of the claims audit is \$9,875.

RESIG Staff recommended that the Executive Committee approve Bickmore Risk Services to conduct the 2016 workers' compensation independent claims audit, in accordance with RESIG's Policy #1.2.107, for \$9,875.

Joe Pandolfo asked if the RFPs were comparable. Spencer stated that they were similar but Bickmore Risk Services came in with the lowest cost per claim.

It was moved by Joe Pandolfo and seconded by Bob Raines that the Executive Committee approve Bickmore Risk Services to conduct the 2016 workers' compensation independent claims audit in accordance with RESIG's Policy #1.2.107 for \$9,875. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

I. 2016/17 Program Rates

- **Workers' Compensation**

Rose Burcina referenced page 83 of the agenda packet. At the April Executive Committee Meeting there was discussion about the workers' compensation rates, and staff was directed by the Executive Committee to present the rates in May, for their recommendation to the Board of Directors.

RESIG Staff recommended the 2016/17 workers' compensation base rate of \$2.30 per \$100/payroll (decrease from \$2.37 for 2015/16) and an increase in the confidence level to 75% for presentation to the Board of Directors.

Burcina mentioned that the worksheets on pages 84-86 demonstrate the components of the preliminary program rates at \$2.30 with a 75% confidence level, rates and premium for each district, and the projected net position as of June 30, 2016.

It was moved by Steve Eichman and seconded by Sue Field that the Executive Committee recommend the 2016/17 workers compensation base rate of \$2.30 per \$100 of payroll, resulting in a decrease in the base rate, and an increase in the confidence level to 75% for presentation to the Board of Directors in June. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

- **Property & Liability/Loss Prevention**

Rose Burcina referenced page 87 of the agenda packet. At the April Executive Committee Meeting estimated rates were presented but Burcina reported that BASIC was having their Board of Directors Meeting on May 17, 2016 when the final rates would be presented. In addition, Burcina informed the Executive Committee that Genesis, the current liability excess carrier, was considering no longer offering coverage to public entities; she stated that their quote demonstrated that to the BASIC pool. Burcina also mentioned the likelihood of needing to raise the self-insured retention to keep pace with the market place. There were no favorable quotes at the \$350,000 SIR. (RESIG's SIR is \$250,000 and BASIC is the next \$100,000, with excess beyond that level.)

BASIC accepted the recommendation from Wells Fargo to select Great American as the new liability carrier. This results in increasing the SIR to \$500,000 and a significant increase to the excess liability base rate. Burcina referenced the handout . 2016/17 Preliminary Property & Liability Program Rates. The excess insurance demonstrated a 39% increase and this was largely due to having to fund the SIR at a higher rate. There were four carriers that were considered but Great American presented the best opportunity.

Burcina reported that RESIG received a rate pass for property. Even though RESIG received a 39% increase for excess insurance, the property rate pass leveled out the combined rate resulting in a 17.2% increase for the Property & Liability Program.

The self-insured retention levels were reviewed.

It was moved by Bob Raines and seconded by Jim Cerreta that the Executive Committee recommend a net rate increase of 17.2% for the 2016/17 Property & Liability for presentation to the Board of Directors in June. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

- **Health Renewals**

- **Blue Shield of CA, Kaiser Permanente**

Rose Burcina referenced page 89 of the agenda packet. At the April Executive Committee Meeting the 2016-17 renewal percentages for Blue Shield and Kaiser Permanente were presented.

Kaiser Permanente HMO

- Active Employees and Early Retirees, increase of 4.2 . 6.2% depending on plan and tier.
- Senior Advantage plans for Retirees with Medicare Parts A & B, decrease of \$1 - \$4 depending on plan selection.

Blue Shield PPO

- Active Employees and Early Retirees, decrease of 4.5 . 13.7% depending on plan and tier.
- PPO Retirees 65+ with Medicare A & B will have an increase of 2.2 . 10.1% depending on plan and tier.
- Retirees with CompanionCare will have an increase of \$34 or 8.83%.

RESIG Staff recommended that the Executive Committee recommend the 2016/17 Kaiser Permanente HMO, Kaiser Permanente Senior Advantage, Blue Shield PPO and CompanionCare renewal rates to the Board of Directors in June.

It was moved by Sue Field and Steve Eichman that the Executive Committee recommend the 2016/17 Kaiser Permanente HMO, Kaiser Permanente Senior Advantage, Blue Shield PPO and CompanionCare renewal rates to the Board of Directors in June. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

- **Rate Structure and Plan Options**

Rose Burcina referenced page 93 of the agenda packet. The rate-tier structures and plan options were previously discussed with the Executive Committee. Adding a 4-tier rate structure in response to being in a competitive position with CVT who currently offers a 4-tier rate structure. The new plan options will allow each district, by bargaining unit, to select from SISC's portfolio of plans with a maximum of four Kaiser Permanente plans and four PPO plan options. This may result in more success in negotiations with the bargaining units.

Burcina stated that there is a time limit on the notice for changing the tier-structure; SISC needs to be notified by June 15, to be effective October 1, 2016. It was suggested that conversations begin within the districts now, pending decisions from the Board of Directors; the rate structures and plan options are included in the agenda packet. However, due to the short notice, Patty Baumunk negotiated a compromise for the RESIG pool on making the decision to change to a 4-tier rate structure, if districts choose, further on in the year, with a 120 days notice. If a district is unable to implement the change by June 15th then it can be implemented later. Baumunk was thanked for negotiating this arrangement with SISC as it will allow time for districts to work with their bargaining units and approach it later in the year. Baumunk stated that this is a one-year only allowance for the 2016/17 benefit year, due to the short notice. This information will be reiterated to all member districts.

Each district or bargaining unit will be allowed to choose whether they want a 3-tier or 4-tier rate structure, along with up to four Kaiser Permanente plans and four PPO plans, or they can stay with what they currently offer. Burcina stated that this 4-tier rate structure will not benefit every district so each group really needs to analyze their districts enrollment and contribution carefully.

Baumunk clarified that a mid-year 4-tier adjustment will require 120 days notice while a plan change will remain at a 60 days notice, which is August 1st and effective on October 1, 2016.

RESIG Staff recommended that the Executive Committee recommend the addition of the 4-tier rate structure and additional Kaiser Permanente and PPO plan options to be available for selection by districts and/or bargaining units to the Board of Directors, in June, for approval.

It was moved by Joe Pandolfo and seconded by Bob Raines that the Executive Committee recommend the addition of the 4-tier rate structure and additional Kaiser Permanente and PPO plan options to be available for selection by districts and/or bargaining units to the Board of Directors, in June, for approval. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

- **Delta Dental**

Rose Burcina referenced page 108 of the agenda packet. Again, this item was previously discussed with the Executive Committee and dental stakeholders. At the April Executive Committee Meeting, staff

was directed by the Committee to present at the May Executive Committee Meeting, their recommendation to the Board of Directors: a rate pass, adding implants coverage, add an option for all districts that currently offer orthodontics to increase their orthodontic benefit at an increased premium, and not to distribute a dividend; according to the results of the Stakeholders Meeting held on April 7, 2016..

RESIG Staff recommended, based on the stakeholders feedback, the Executive Committee approve the 2016/17 Dental Program, for presentation to the Board of Directors, including the renewal rate of 0% increase (rate pass), the addition of implants coverage, and add an option to increase orthodontics for the two districts that currently offer the orthodontic benefit at an increased premium.

It was moved by Sue Field and seconded by Steve Eichman that the Executive Committee approve the 2016/17 Dental Program, for presentation to the Board of Directors, including the renewal rate of 0% increase (rate pass), the addition of implants coverage, and add an option to increase orthodontics for the two districts that currently offer the orthodontic benefit at an increased premium. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

J. 2016/17 Officers

President Jorgensen reported that there will be three Executive Committee seats up for election as the terms will expire for Steve Jorgensen, Sue Field, and Steve Eichman. These incumbents have expressed interest in running for another term. In addition, Jim Cerreta will be retiring from SCOE in June, and therefore resigned from the Executive Committee, but offered to stay on the Committee until his seat has been filled. This seat will have a one year term remaining, through June 30, 2017. Anne Barron- CBO, Cotati-Rohnert Park Unified School District has expressed interest in running for a seat on the Executive Committee as well as Mary Downey who was selected to replace Cerreta's position at SCOE, effective July 1.

Jorgensen stated that there have been previous discussions regarding the value of having a SCOE employee/position of Deputy Superintendent of Business, seated on the Executive Committee, and questioned if that was still the case.

It was mentioned that Barron submitted her letter of intent before the requested deadline, but at the time Downey had not been selected for the SCOE position.

It was confirmed that the three board members whose terms are ending still need to be re-elected. The Executive Committee expressed the importance of having the Deputy Superintendent of Business on the Executive Committee.

It was questioned if possibly Barron may have understood that there would be an open seat and reason for her submission, not knowing there would be three incumbents running for re-election. It was requested that Burcina contact Barron and inform her that the Executive Committee has taken action to fill Cerreta's seat with his replacement and there will be three incumbents running for re-election. Burcina will ask Barron if she would like to remain as a candidate for a seat on the Executive Committee or if she would like to withdraw it.

Election will take place during the Joint Powers Board Meeting on June 9, 2016.

The Committee was reminded that the same scenario occurred when Doug Bower resigned from the Executive Committee, when he retired from Santa Rosa City Schools. The Executive Committee thought that there are certain seats on the Executive Committee that should be reserved for certain organizations due to their size and resources. Unfortunately, this not included in RESIG's Bylaws, but has been past practice.

Burcina referenced RESIG's Bylaws stating, *"The Executive Committee shall be empowered to appoint a member to fill the balance of a vacated term after notification to the Board of Directors and solicitation of interested candidates. Such notification shall describe the term of the vacancy and the procedure the Executive Committee shall use in appointing a replacement."*

Cerreta mentioned that his last day at SCOE is June 30th. Burcina stated that according to RESIG's Bylaws the Executive Committee could appoint Downey at this time; the Executive Committee has the authority to do so.

Jorgensen stated that if the desire is to appoint Downey to the Executive Committee it would need to be agendaized. It was determined that an Executive Committee Meeting will be held on June 9th, prior to the Joint Powers Board Meeting, to appoint Mary Downey to the Executive Committee. Burcina will contact Downey and advise her of the Committee's decision.

There was discussion regarding the slate of officers to recommend to the Board of Directors. The names of the current Executive Committee members were mentioned along with possibly Barron.

President Jorgensen requested that Burcina contact Barron to see if she is still interested in running for a seat on the Executive Committee. Jorgensen requested that the Committee move forward with a recommendation on a slate of officers for presentation to the Board of Directors in June.

Burcina stated that Downey had contacted her in regards to the process and will be submitting her letter of interest and bio by May 23rd as she is interested in

serving on the Exec. Committee in the capacity of Secretary/Treasurer/Auditor, as a result of Cerreta's retirement.

It was moved by Sue Field and seconded by Bob Raines that the Executive Committee recommend Steve Jorgensen, as President, to the Board of Directors for the 2016/17 fiscal year. Ayes: Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Abstention: Jorgensen. Motion passes.

It was moved by Sue Field and seconded by Bob Raines that the Executive Committee recommend Joe Pandolfo, as Vice-President, to the Board of Directors for the 2016/17 fiscal year. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

It was moved by Sue Field and seconded by Steve Eichman that the Executive Committee recommend the SCOE Deputy Superintendent of Business/Cerreta's replacement, as the Secretary/Treasurer/Auditor, to the Board of Directors for the 2016/17 fiscal year. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

K. 2016/17 RESIG's Meeting Calendar

President Jorgensen referenced the calendar on page 114 of the agenda packet.

Rose Burcina stated that the calendar is being proposed, based on the current schedule- the third Thursday of the month with some exceptions when working around conferences or holidays.

Jorgensen stated that, as usual, should there not be an agenda for a particular month, then the meeting will be cancelled.

Burcina mentioned that the June meetings were moved up a week to accommodate previous requests, to hold the meetings before schools get out.

Burcina requested there be discussion about the Strategic Planning Session (SPS). Discussions about the SPS will begin during the August Executive Committee Meeting. She suggested that the SPS be held in October, and asked the Committee if their desire is to hold the SPS on a separate day or along with the regular Executive Committee Meeting, scheduled for October 20th. It was anticipated that four hours would need to be dedicated for the SPS. Last time a Strategic Plan had not been built for 5-7 years and therefore required more time. Burcina has contacted Dr. Paul Porter who is interested in facilitating the SPS. Burcina and Jorgensen will be doing some work ahead of time, with Porter, to prepare for this event.

Bob Raines mentioned needing to attend a board meeting the evening of October 20th. It was determined the SPS to be held the morning of October 20th.

Jorgensen brought to the attention of the Committee the first meeting date- August 18th, which is the first week of school for most school districts. The school district calendar was included in the agenda packet for reference. There were no meeting conflicts at this time.

It was moved by Steve Eichman and seconded by Joe Pandolfo that the Executive Committee adopt the 2016/17 RESIG Meeting Calendar, as presented, and to include the addition of a Strategic Planning Session the morning of October 20th. Ayes: Jorgensen, Pandolfo, Cerreta, Field, Raines, Eichman, Hoppes. Motion passed unanimously.

REPORT/DISCUSSION

L. Executive Director's Report

Rose Burcina reported:

- The CAJPA Conference is scheduled for September 13-16, 2016. In addition to RESIG Staff attending, Steve Jorgensen, Bob Raines, and Joe Pandolfo will also be attending. Eric Hoppes and Sue Field are considering attending. Burcina requested that she be advised and reservations will be made for them and any other board members who may be interested in attending.
- The Joint Powers Board Meeting is scheduled for June 9th beginning with breakfast/registration at 8:30 a.m. and the meeting at 9:00 a.m. The Executive Committee Meeting will be held prior to the Joint Powers Board Meeting to address a few items, but then the remaining items will be presented directly after the conclusion of the Joint Powers Board Meeting.
- The CAJPA Accreditation is underway. Burcina expressed her appreciation to Diane Vieyra for her efforts throughout the process. Burcina will be attending an interview on May 31st at CAJPA and then a full report will be presented to the Executive Committee and Board of Directors upon completion, which is a requirement of accreditation.
- Health Care Task Force- A few years ago, Sally Covington, SEIU (Service Employee International Union), held a meeting where a few board members attended, along with Burcina and Patty Baumunk. In addition, Santa Rosa Junior College (SRJC) was there and other Sonoma County employers. Covington had an idea to have a county-wide task force to talk about health plans, specifically about transparency and waste. Covington is currently working with the County of Sonoma. The County has a self-insured health plan that hasn't been doing well and Covington is working with the task force; the county has paid approximately \$25,000. Covington would like to bring other employers in and have invited SCOE and SRJC. (RESIG has not been invited.) About eight employers and a dozen bargaining units have been participating in this task force for about six months. The charge will increase

for this research somewhere in the range of approximately \$5,000 per employer. Mike Juric, Assistant Superintendent for SCOE Human Resources, is involved and brought this to Burcina's attention. Covington has a new approach that she would like to present to the Executive Committee- a self-insured plan that is county-wide with the large employers, including two initiatives- Competitive Cash Price Bidding of Non-Emergency Services, and Medicare Plus Rates. Covington has asked to make a presentation to the Executive Committee and to solicit RESIG's involvement in this program. Since she is a member of the public and has requested time Burcina suggested that the Executive Committee consider the amount of time for her; June 9th would be the next opportunity for the presentation.

The consensus of the Executive Committee was that her request needs to be honored, therefore, Covington will be allowed to speak at the June Executive Committee Meeting, under Public Comments which is limited to five minutes. It was requested that the protocol be reiterated to Covington, that presentations are to be made to RESIG staff and then recommendations from staff are presented to the Executive Committee. The Executive Committee directed Burcina to update Covington and Juric.

- Wallpaper . Burcina emailed the Executive Committee yesterday with information regarding wallpaper on classroom walls. There were some outstanding questions and therefore RESIG Staff, Will Davis and Erin Tarkhanian, were present to provide clarity and address any questions.

President Jorgensen stated that the discussion is due to RESIG's inspection at Windsor Unified School District (WUSD). Jorgensen explained that WUSD is currently doing math implementation and an English Learner Program that requires work to be visually displayed on walls. If there is not a sprinkler system in the room you are allowed to cover 20% per wall in an educational occupancy; 50% if you have a sprinkler system. WUSD is asking teachers to comply with these guidelines. Jorgensen requested clarification in regards to displaying paper by doors/exits. Will Davis stated that it's recommended that paper be minimized by the door/exits. During the June 9th Joint Powers Board Meeting there will be a video presentation that will show why that's recommended. It was requested that the video be made available for districts to borrow for management training. Davis stated that the 20% and 50% aggregate rules were designed to mitigate the fire spread. He mentioned an article published a couple of years ago in the *Fire Protection Association Journal* clarifying that 20% in an educational occupancy means you cannot fill one wall with that 20%; it needs to be divided up. Davis clarified that it's 20% of the available wall space minus windows and doors, etc. In regards to laminated products, Davis stated that there are requirements for fire retardant and fireproof delineated in detail in the standards. The same applies to drapery and furniture, etc. that's in a classroom, and the reason why it is not recommended that teachers bring things from home for their classrooms.

These items need to meet certain fire retardant standards and California Building Code.

BOARD COMMUNICATION

- **BASIC Minutes—January 20, 2016 and February 17, 2016**

ADJOURNMENT

The meeting was adjourned by President Steve Jorgensen at 1:48 p.m.

SUBMITTED BY:

APPROVED BY:

Rose R. Burcina, Executive Director

Steve Jorgensen, President