

MINUTES

SPECIAL EXECUTIVE COMMITTEE MEETING November 15, 2017

**Rincon Valley Union School District
1000 Yulupa Avenue
Santa Rosa CA 95405**

Teleconference

CALL TO ORDER

The meeting was called to order by President Joe Pandolfo at 9:03 A.M.

ATTENDANCE

A roll call was taken and it was determined a quorum was present to conduct business.

Those in attendance were:

Executive Committee

Joe Pandolfo	President	Rincon Valley Union
*Bob Raines	Vice President	Shoreline Unified
Eric Hoppes	Director	Wilmar Union
*Lois Standing	Director	Windsor Unified

(*Attended via conference call)

RESIG Staff

Rose Burcina	Executive Director
Will Davis	Director of Environmental Risk Services
Erin Tarkhanian	Loss Prevention Coordinator
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 Bob Raines and seconded by Lois Standing to approve the agenda as presented. A roll call vote was taken. Ayes: Pandolfo, Raines, Standing, and Hoppes. Absent: Downey, Field, and Lea. Motion passed 4-0.

INTRODUCTIONS & RECOGNITIONS

President Pandolfo introduced Rae Pool, Director of Fiscal Services—Cotati-Rohnert Park Unified.

PUBLIC COMMENTS

None

ACTION

A. Return of Equity

Rose Burcina explained that the return of equity is always reviewed around this time of year so that it can be considered for distribution in November for presentation to the Board of Directors at the Joint Powers Board Meeting. The capital target and return of equity policies have been met and do allow for distribution and release of \$5.5 million from the Workers' Compensation Program. The Property & Liability Program did not meet the minimum target so there will not be distribution from that program at this time.

Actuary Jack Joyce, from Bay Actuarial Consultants, was contacted and he stated that based on the numbers and policies for the Workers' Compensation Program, there is sufficient equity to distribute. Staff contacted Martin Brady, Executive Director of Schools Insurance Authority, to obtain a claims perspective, considering the recent fires and the possible exposure to claims that RESIG may receive. Brady, who is a Governor-appointed member of the California Commission on Health, Safety and Workers' Compensation, strongly encouraged that the Board be conservative and maintain discipline with any funds being released at this time due to the catastrophic nature of the recent fires and forecasted losses. In workers' compensation there are no defined reporting limits as there are in Property & Liability. It may be months before an injured worker will associate the illness with the fires that happened.

President Pandolfo expressed his thoughts:

- RESIG has a very conservative and prudent policy in place that was developed and has been in place for many years; no changes have been made to it nor any recommended changes thus far. To distribute the equity would mean the policy is being followed.
- This is district money and the Executive Committee has a fiduciary responsibility to return the money as deemed appropriate. In speaking to other member districts, there is definitely a need for some school districts.
- There's no data that indicates an uptick in workers' compensation claims based on a similar situation.

- Joyce stated that the years calculated in this distribution are very strong. In past audits, and was noted last time, the fund balance has strengthened due to distributing only a portion of the equity available from the Workers' Compensation Program.
- Pandolfo strongly recommended that the equity be distributed from the Workers' Compensation Program. He thought it would be good for the school districts, but also due to the costs associated with the fire that are not covered by anything and therefore would be very useful.

Bob Raines stated that policy should be followed and if not, then the Executive Committee may want to consider changing it. The Oakland Hills Fire may be the only comparable event to the Sonoma County Fires. He questioned if there was any data on the Oakland Hills Fire, from school employees that may have filed claims. Burcina did not have any such data.

Eric Hoppes shared Pandolfo's thoughts about distributing the equity. He stated that a similar conversation was held last year; each year the Executive Committee talks about the prudent policy, almost every year there is a return of equity from the Workers' Compensation Program and usually vote for half of the amount available for distribution. In November 2016, a return of equity was distributed in the amount of \$2.2 million that has grown to \$5.5 million. The program is in a pretty strong position and continues to grow. He thought that if the Executive Committee didn't want to distribute the entire \$5.5 million that at least \$2.2 million should be distributed but was more in favor of following the policy and distributing the entire \$5.5 million.

Raines agreed to distribute equity based on policy. He suggested that the policy be reviewed when RESIG Staff reviews all policies for revisions.

Lois Standing did not have the history of the equity, and always wants to be conservative, but once she heard how strong RESIG is, saw the numbers and its growth over time, she was comfortable with a distribution.

It was moved by Bob Raines and seconded by Eric Hoppes that the Executive Committee recommend a 100% return of equity from the Workers' Compensation Program and forward it to the Board of Directors for approval at the December 7, 2017 Joint Powers Board Meeting. A roll call vote was taken. Ayes: Pandolfo, Raines, Standing, and Hoppes. Absent: Downey, Field, and Lea. Motion passed 4-0.

B. Acceptance of Exterior Painting for RESIG's Building (Handout)

Rose Burcina reported that RESIG held a public bid on Monday, November 13, 2017, for the exterior painting of RESIG's building. This project has been talked about for a while now. There were six contractors that submitted their bid. The lowest bid was *A Plus Painting* at \$37,800. The Project Manager Dan Wells did check out their license and credentials and they're all fine.

RESIG Staff recommended that the Executive Committee accept the bid of \$37,800 from *A Plus Painting* and direct staff to move forward with the painting project.

It was moved by Bob Raines and seconded by Lois Standing that the Executive Committee accept the bid of \$37,800 from *A Plus Painting* and direct staff to proceed with the painting project. A roll call vote was taken. Ayes: Pandolfo, Raines, Standing, and Hoppes. Absent: Downey, Field, and Lea. Motion passed 4-0.

President Pandolfo commended staff for getting this project completed. Raines appreciated staff staying on top of the maintenance to RESIG's building. Burcina stated that this year Diane Vieyra developed a Facility Maintenance Calendar for RESIG so now the organization has the document for reference and the maintenance will be done more regularly. Pandolfo thanked Vieyra for developing the Maintenance Calendar who had shared the plan with Pandolfo and stated that it's smaller in scale compared to schools but is a very good document.

REPORT/DISCUSSION

C. Sonoma County Fire Update

Burcina stated that this item was placed on the agenda to make sure RESIG answers any questions anyone may have about the fires in terms of RESIG and coverage. Erin Tarkhanian was invited to attend today's meeting to provide a perspective of what has been happening with the agencies' standpoint—CalOES (California Governor's Office of Emergency Services), and the local EOC (Emergency Operations Center), etc. The Executive Committee was asked if they had any specific questions relative to the fires or RESIG in terms of claims, policies, or anything specific.

Bob Raines stated that he attended an emergency response meeting at their county office last week and there was a representative from Keenan & Associates. Shoreline Unified is not part of Marin Schools Insurance Agency and Keenan provides their Property & Liability insurance. Keenan offered to go out to each school site and conduct a wild fire safety assessment for each school district. Although Keenan only has 14 school districts vs. RESIG's 40 he found it interesting to see the services that Keenan was offering.

RESIG's site safety inspections are conducted every 2 years. Pandolfo asked if a wild fire safety assessment can be incorporated into the existing site safety inspections. He thought it would be prudent to consider, if RESIG Staff is qualified to make those judgements, to add the site safety inspection to the checklist. Burcina stated that the RESIG staff is not fully qualified to do a wildfire safety inspection; however, RESIG can learn more about it and add it to the inspection, within staff's qualifications and training. It was requested that staff research this item. Pandolfo suggested that if RESIG is going to do a wild fire safety assessment that it be done regularly.

Staff was directed to conduct the research and report out during the Strategic Planning Session.

President Pandolfo expressed his appreciation for Christine Dektor and Erin Tarkhanian for their significant help working with the first responders.

Erin Tarkhanian is currently having a weekly phone conversation with FEMA, CalOES and California Department of Education to get a status update. As of this week, the Office of Emergency Services, has moved into recovery mode. The school districts that have been affected with debris, damage and destruction on their sites have applied for the Army Corp. Engineer services to have the debris removed from the following campuses: Mark West School District, Santa Rosa City Schools (Alba Farms), and Sonoma Valley Unified School District (Dunbar School). The right of entry process does not normally apply to schools, it normally applies to individual homeowners but the county, FEMA, and CalOES made an exception and allowed schools to apply. Mark West submitted their paperwork to the county by Saturday morning; Santa Rosa City Schools and Sonoma Valley submitted theirs on Monday. As of Tuesday, the Army Corp. Engineers started working at those campuses. The report Tarkhanian received yesterday was that Mark West School District (Riebli school site) and Dunbar School was cleared on November 14th, and today Alba Farms is scheduled to be cleared.

The air quality is a topic of conversation and still a concern. RESIG has been working with the air quality boards in Sonoma County and also the California Air Quality Board which are the organizations that placed the air monitors in Sonoma County schools. The monitoring is continuing and at this point the readings have been considered normal. There was one issue at Rincon Valley Middle School but it was due to the placement of an air monitor; it was next to the HVAC system which was stirring up the air and ash which caused the readings to misfire. That air monitor has been moved and the readings are now considered to be fine.

Another topic of conversation is debris removal, and will continue to be a topic until the debris removal is complete. The concern is how the debris removal will affect the campuses in those areas where the fire damage is, specifically Schafer School and Hidden Valley School. RESIG has been working with Army Corp. Engineers and the mapping to make sure that whatever routes they have that they try to stay clear of schools. If they have to drive near schools they'll try to avoid the areas during drop off/pick up times. The county, FEMA, CalOES, Army Corp. Engineers are definitely working diligently to make sure that the safety concerns around the debris removal are being handled carefully around those school sites.

Tarkhanian stated that they are working on trying to distribute information about the debris removal to alleviate any concerns the public might have. People are thinking that things are going to be flying off the trucks whereas they really bundle up the debris like a "burrito".

It was questioned as to whether RESIG could ask the air quality boards for more monitoring systems to be installed in Sonoma County. Tarkhanian stated that when the monitoring systems were originally installed it was mainly due to the concern about the immediate areas that were surrounded by fires. After they were installed, the California Air Quality Resource Board found out that when the Army Corp. Engineers removes the debris they bring in their own air quality monitors. They're monitoring the individual people performing the work but they're also monitoring the air as they're removing the debris. The question about installing more monitoring systems has come up at previous meetings, and it's been stated that the California Air Quality Resource Board don't want to duplicate the efforts so they'll allow the Army Corp. to do the debris removal and do the monitoring around the areas of the fire. RESIG Staff will contact the California Air Quality Resource Board about installing more devices. The initial distribution of the monitors was specifically around those fire areas. Tarkhanian stated that if the California Air Quality Resource Board can justify it, then they will install more but it's quite a process and they're very expensive machines and not easily found.

Steve Fields reported that there are eleven official claims, damages anticipated to be above \$15 million. Three of the districts will probably be 2/3 of those damages. RESIG has regular updates with Travelers and RESIG has developed a process for these claims. Traveler's has advanced \$4.5 million for large losses.

Pandolfo expressed his appreciation for RESIG Staff's reports and efforts.

ADJOURNMENT

The meeting was adjourned by President Joe Pandolfo at 9:35 A.M.

SUBMITTED BY:

APPROVED BY:

Rose R. Burcina, Executive Director

Joseph V. Pandolfo, Jr., Ed.D., President