



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 15, 2017**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Mark Allgire, Treasurer, Santa Clara Unified School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Randy Kenyon, Los Altos School District
Greg Medici, Los Gatos-Saratoga Joint Union High School District
Marie dela Cruz, Metropolitan Education District
Kelly Ng, Milpitas Unified School District
Mike Mathiesen, Mountain View-Los Altos Union High School District

MEMBERS ABSENT

Nelly Yang, Vice President, Evergreen School District
Phuong Le, Member at Large, Berryessa Union School District
Elizabeth Bozzo, Lakeside Joint School District
Robert Clark, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Han Nguyen, Berryessa Union School District
Kim McNiven, Evergreen School District
Jeff Johnston, Bickmore Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:05 a.m.

B. ROLL CALL

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA

A motion was made to approve the agenda.

MOTION: Mark Allgire	SECOND: Kelly Ng	MOTION CARRIED
AYES: 8	NOES: 0	ABSENT: 4
	ABSTAIN: 0	

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen

NAYS: None

ABSENT: Yang, Le, Bozzo, Clark

D. PUBLIC COMMENT

There were no public comments.



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BOARD OF DIRECTORS MEETING MINUTES
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June 15, 2017**

E. CONSENT CALENDAR

1. Board of Directors Meeting Minutes – December 1, 2016

A motion was made to approve the items on the Consent Calendar as presented.

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 8 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 4

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen

NAYS: None

ABSENT: Yang, Le, Bozzo, Clark

F. LOSS CONTROL

1. Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design

Mr. Matt Gowan stated the Executive Committee developed a loss control plan for the next five years. For year one, a Request for Proposal (RFP) was issued for Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design (CPTED). Bickmore was selected to perform the inspections. Mr. Gowan introduced Mr. Jeff Johnston, Director of Risk Control Services at Bickmore. Mr. Johnston said the inspections will begin to be scheduled after the July 4th holiday; he provided a handout on the inspection protocols which he discussed. The inspector will talk to the local contact at each school to see if there are any safety concerns. Since the inspections include CPTED, the inspector will also drive by the schools at night to check lighting. A report will be issued for each JPA member. If the inspector finds anything that needs urgent attention, the inspector will notify the JPA member immediately.

G. FINANCIAL

1. Excess Liability Renewal

Mr. Gowan said the Excess Liability insurance is renewing with CSAC EIA from \$250,000 to \$5 million, then with SELF from \$5 million to \$55 million. The Liability market for schools is very hard due to an increase in molestation claims and settlement inflation in California. The CSAC EIA premium is increasing by 40% because of the hard market and also because the JPA's loss ratio for the last 7 years is 480%. Mr. Gowan said the Liability insurance was marketed, but the insurance carriers that were approached either declined to quote or quoted higher than the CSAC EIA premium. The SELF premium increased by 12%.

A motion was made to approve the premium of \$1,048,806 for the Excess Liability renewal for the period of July 1, 2017-2018.

MOTION: Greg Medici **SECOND:** Mark Allgire **MOTION CARRIED**



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BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 15, 2017**

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 4

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

2. Review and Adoption of Liability Memorandum of Coverage

Mr. Gowan said annually the Board adopts the Liability Memorandum of Coverage. The only change is the policy period.

A motion was made to approve the Liability Memorandum of Coverage for the period of July 1, 2017-2018 as presented.

MOTION: Barbara Coats **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 4

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

3. Excess Property and Boiler & Machinery Renewal

Mr. Gowan said the Property and Boiler & Machinery coverage is renewing with APIP (Alliant Property Insurance Program). The Property market is soft and the Property premium has decreased by 2.1%.

A motion was made to approve the premium of \$1,338,249 for the Excess Property and Boiler & Machinery renewal for the period of July 1, 2017 – 2018.

MOTION: Mike Mathiesen **SECOND:** Greg Medici **MOTION CARRIED**
AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 4

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

4. Alliant Property Insurance Program Claims Reporting Acknowledgement

Ms. Joan Crossley said the APIP program requires a review and acknowledgement of the Alliant Property Insurance Program Claims Reporting Procedures which provides claim reporting instructions to the JPA.

5. Crime Policy Renewal

Mr. Gowan said the Crime insurance limit is \$3 million which is the same as the expiring limit.

Approved 12/7/17



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 15, 2017**

A motion was made to approve the premium of \$32,750 for the Crime renewal for the period of July 1, 2017-2018.

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

6. Review and Adoption of Property Memorandum of Coverage

Mr. Gowan said annually the Board adopts the Property Memorandum of Coverage. The only change is the policy period.

A motion was made to approve the Property Memorandum of Coverage for the period of July 1, 2017-2018 as presented.

MOTION: Greg Medici **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

7. Claims Service Contract with Carl Warren & Company

Mr. Gowan said the claims service contract with Carl Warren & Company renews on July 1, 2017. The annual fee for the first two years is \$75,000 per year for up to 65 claims a year and for the last three years is \$78,000 per year for up to 65 claims a year. If there are more than 65 claims per year, there will be a flat fee of \$1,155 per claim for the first two years and a flat fee of \$1,200 per claim for the last three years. The Executive Committee has already reviewed the contract and recommends approval.

A motion was made to approve the Claims Service Contract with Carl Warren & Company for the period of July 1, 2017 – June 30, 2022.

MOTION: Mark Allgire **SECOND:** Randy Kenyon **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark



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BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 15, 2017**

8. Revenue and Expense Budget for July 1, 2017-2018

Mr. Gowan said the insurance items in the budget were presented earlier in the meeting. Under administration fees, loss control has been budgeted at \$181,312 to pay for the Liability and Property Safety inspections. The overall budget increased by 10.2% from last year.

A motion was made to adopt the Revenue and Expense Budget for July 1, 2017-2018 as presented.

MOTION: Greg Medici **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark

H. GENERAL ADMINISTRATION

1. SBASIA Election of Officers and Executive Committee

Mr. James Crawford presented the slate of officers recommended by the Executive Committee for the 2017-2018 program year. They are as follows:

- President: Mr. James Crawford, Campbell Union School District
- Vice President: Mr. Mark Allgire, Santa Clara Unified School District
- Treasurer: Mr. Mike Mathiesen, Mountain View-Los Altos Union High School District
- Secretary: Ms. Barbara Coats, Santa Clara County Office of Education
- Member at Large: Ms. Nelly Yang, Evergreen School District

Mr. Crawford noted that Mr. Mark Allgire is moving from Treasurer to Vice President and Mr. Mike Mathiesen will become the new Treasurer. There were no nominations from the floor.

A motion was made to elect the Officers and Executive Committee per the slate presented.

MOTION: Randy Kenyon **SECOND:** Greg Medici **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen
NAYS: None
ABSENT: Yang, Le, Bozzo, Clark



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BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 15, 2017**

2. Investment Authority

Mr. Gowan stated that Government Code requires the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer. The delegation cannot exist beyond one year so the Board will need to authorize the delegation for the period of July 1, 2017 to June 30, 2018.

A motion was made to adopt the Investment Authority as presented.

MOTION: Greg Medici **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen

NAYS: None

ABSENT: Yang, Le, Bozzo, Clark

3. Review of Investment Policy

Mr. Gowan said that Government Code requires annual review of the Investment Policy. There have been no changes to the policy since it was adopted in 2003.

A motion was made to adopt the Investment Policy as presented.

MOTION: Barbara Coats **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen

NAYS: None

ABSENT: Yang, Le, Bozzo, Clark

4. Resolution Establishing Meeting Dates for Fiscal Year 2017-2018

Per Government Code, the Board should adopt a resolution establishing regular meeting dates for the fiscal year.

The following dates are proposed as Board meeting dates for the fiscal year 2017-2018:

December 7, 2017, 10:00 a.m., Campbell Union School District

June 14, 2018, 10:00 a.m., Campbell Union School District

A motion was made to adopt the 2017-2018 Board meeting dates as presented.

MOTION: Mark Allgire **SECOND:** Barbara Coats **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Crawford, Allgire, Coats, Kenyon, Medici, dela Cruz, Ng, Mathiesen

NAYS: None

ABSENT: Yang, Le, Bozzo, Clark

Approved 12/7/17



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I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:35 a.m.

Reviewed and Approved by: Barbara Costo

Date: 12/7/17