



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
May 2, 2019**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Megan Reilly, Vice President, Santa Clara County Office of Education
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District

MEMBERS ABSENT

Robert Clark, Secretary, Mountain View Whisman School District
Wendy Zhang, Member at Large, Milpitas Unified School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Kevin Wong, Gilbert Associates, Inc.

A. CALL TO ORDER

The meeting was called to order at 9:34 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: Mike Mathiesen SECOND: Megan Reilly MOTION CARRIED

AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2

AYES: Crawford, Reilly, Mathiesen

NAYS: None

ABSENT: Clark, Zhang

D. PUBLIC COMMENT

There were no comments from the public.

E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – March 7, 2019
2. Financial Report for Quarter Ending March 31, 2019



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Mr. Kevin Wong noted that the IBNR (Incurred but Not Reported) has increased driven by the actuarial ultimate loss estimates.

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

MOTION: Megan Reilly SECOND: Mike Mathiesen MOTION CARRIED

AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2

AYES: Crawford, Reilly, Mathiesen

NAYS: None

ABSENT: Clark, Zhang

F. GENERAL ADMINISTRATION

1. Loss Control-Infrared Inspections

Mr. Matt Gowan stated according to the JPA's five year loss control plan, it's time to have infrared inspections performed to test for hot spots in electrical systems. Ms. Joan Crossley distributed the summary of responses to the Request for Proposal (RFP) for Infrared Inspections. The RFP was sent to eight firms and six provided proposals. Ms. Crossley noted that all firms will provide an electrician to remove panel covers except Hartford Steam Boiler; if the JPA selects that firm, a separate contract and payment would need to be provided for an electrician. Ms. Crossley said that most firms also have a cancellation or delay fee for less than 72 hours notice of cancellation of an inspection. Mr. Gowan noted there were several instances during the recent inspections on interior of buildings where the inspection was cancelled at the last minute. After discussion, the Executive Committee asked staff to work with Allied Reliability to see if they could provide a flat or not to exceed fee instead of a per location fee.

2. Loss Control-Liability Training for Coaches

Mr. Gowan said Liability training for coaches, volunteer coaches and athletic directors was discussed at the March meeting. Mr. Gowan said the training would not cost the JPA additional money; it would be paid for using the JPA's loss control subsidy fund with CSAC EIA. The Executive Committee discussed potential dates for the training. After discussion, the Executive Committee recommended soliciting input from athletic directors at the school districts for the best time to provide training.

3. Slate of Officers for June 13, 2019 Meeting

Mr. James Crawford stated the current Secretary, Mr. Robert Clark, is out on a long term leave. Ms. Megan Reilly said Mr. Eric Dill at Santa Clara Unified School District has expressed interest in serving on the Executive Committee. After discussion, this is the slate to be presented to the Board of Directors:



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President: Mr. James Crawford, Campbell Union School District
Vice President: Mr. Eric Dill, Santa Clara Unified School District
Treasurer: Mr. Mike Mathiesen, Mountain View-Los Altos Union High School District
Secretary: Ms. Megan Reilly, Santa Clara County Office of Education
Member at Large: Wendy Zhang, Milpitas Unified School District

G. FINANCIAL

1. Insurance Market Update

Mr. Gowan said the Property market has become significantly worse since the last meeting. The Property rate is now expected to increase by 15%. Many Property insurance carriers are reducing coverage and limits in addition to raising rates. As discussed at previous meetings, the Liability market continues to be hard and the JPA has budgeted for the Liability increase. Staff marketed the Liability insurance to 14 different markets, but the insurance carriers either would not consider the JPA due to loss history or said their indicated premium was significantly higher than the current Liability premium.

2. Preliminary Revenue and Expense Budget for July 1, 2019-2020

Ms. Crossley said staff distributed three budgets with three different confidence levels, 70%, 75% and 80%. Mr. James Crawford commented the JPA is not meeting its target equity minimum surplus at the current 70% confidence level and the JPA has seen an increase in claims payments. After discussion, the Executive Committee decided to recommend the budget at 80% confidence level to the Board of Directors at the June meeting.

Ms. Crossley noted that Metropolitan Education District is no longer required to track ADA so their Liability funding and Liability premium is unable to be calculated based on a rate per ADA. Instead a flat charge, based on the flat charge that SELF (Schools Excess Liability Fund) charges Metropolitan Education District, was used for their Liability funding and Liability premium.

A motion was made to recommend the budget at 80% confidence level to the Board of Directors.

MOTION: Megan Reilly SECOND: Mike Mathiesen MOTION CARRIED

AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2

AYES: Crawford, Reilly, Mathiesen

NAYS: None

ABSENT: Clark, Zhang



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H. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 10:50 a.m.

Reviewed and Approved by: _____

Date: 6/13/19