



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
AGENDA**

LOCATION:	Campbell Union School District 155 N. Third Street Campbell, CA 95008	A - Action I - Information
DATE/TIME:	June 14, 2018 10:00 A.M.	1 - Included 2 - Hand Out 3 - Separate 4 - Verbal

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services, in order to participate in the meeting are requested to contact Joan Crossley at Alliant Insurance Services, Inc. at (916) 643-2708.

Documents and material relating to an open session agenda item that are provided to the SBASIA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard St, Suite 460, Sacramento, CA 95815.

Page

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA** **A 4**
- D. PUBLIC COMMENT**
This time is reserved for members of the public to address the Board of Directors on SBASIA business. **I 4**
- E. CONSENT CALENDAR** **A 1**
 - 1* **1. Board of Directors Meeting Minutes – December 7, 2017**
 - 2-5* **2. Investment Report for Quarter Ending March 31, 2018**
 - 6-7*
- F. LOSS CONTROL**
 - 1. Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection** **I 4**
Mr. Anthony Poston of ESM Solutions will discuss the safety inspections to be performed.
- G. FINANCIAL**
 - 1. Excess Liability Renewal** **A 2**
Staff will present the Excess Liability renewal for the period of July 1, 2018-2019.



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|-------|---|---|---|
| 10-14 | 2. Review and Adoption of Liability Memorandum of Coverage
<i>Staff will present the Liability Memorandum of Coverage for July 1, 2018-2019.</i> | A | 1 |
| 15 | 3. Excess Property Insurance Options
<i>Staff will present Property insurance options including Boiler and Machinery, Cyber Liability, Pollution Liability, Terrorism insurance and Active Shooter insurance for period of July 1, 2018-2019.</i> | A | 3 |
| 16-21 | 4. Review and Adoption of Property Memorandum of Coverage
<i>Staff will present the Property Memorandum of Coverage for July 1, 2018-2019.</i> | A | 1 |
| 22 | 5. Revenue and Expense Budget for July 1, 2018-2019
<i>Staff will present the Revenue and Expense Budget for July 1, 2018 –2019.</i> | A | 2 |

H. GENERAL ADMINISTRATION

- | | | | |
|-------|--|---|---|
| 23 | 1. SBASIA Election of Officers and Executive Committee
<i>The Executive Committee will present a slate of officers for July 1, 2018-2019.</i> | A | 4 |
| 24 | 2. Investment Authority
<i>Per Government Code, the Board will need to approve the delegation of authority to invest or reinvest SBASIA funds.</i> | A | 4 |
| 25-30 | 3. Review of Investment Policy
<i>Per Government Code, the Board must review the Investment Policy annually.</i> | A | 1 |
| 31-34 | 4. Review of Conflict of Interest Code
<i>Per Government Code, the Board must review the Conflict of Interest Code every even numbered year.</i> | A | 1 |
| 35-36 | 5. Resolution Establishing Meeting Dates for Fiscal Year 2018-2019
<i>The Board will need to adopt meeting dates for July 1, 2018-2019.</i> | A | 1 |

I. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING

The next Board of Directors Meeting is set for Thursday, December 6, 2018 at 10:00 A.M. at Campbell Union School District, 155 N. Third Street, Campbell, CA 95008.



Agenda Item E.1

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Board of Directors should review the Consent Calendar and pull any items that need discussion. Otherwise, the Board of Directors should adopt the Consent Calendar as presented.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar Items as presented.

FISCAL IMPACT: None

BACKGROUND: The following items are placed on the Consent Calendar for adoption by the Board. The Board may accept the Consent Calendar as posted, or pull any item for discussion and separate action while accepting the remaining items.

- 1. Board of Directors Meeting Minutes – December 7, 2017**
- 2. Investment Report for Quarter Ending March 31, 2018**

ATTACHMENTS: Board of Directors Meeting Minutes – December 7, 2017
Investment Report for Quarter Ending March 31, 2018



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 7, 2017**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Mark Allgire, Vice President, Santa Clara Unified School District
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Nelly Yang, Member at Large, Evergreen School District
Han Nguyen, Berryessa Union School District
Shameram Karim, Lakeside Joint School District

MEMBERS ABSENT

Randy Kenyon, Los Altos School District
Marie dela Cruz, Metropolitan Education District
Wendy Zhang, Milpitas Unified School District
Robert Clark, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Rosemarie Pottage, Los Gatos-Saratoga Joint Union High School District
Terrie Norris, Bickmore
Jennifer Zraick, Gilbert Associates, Inc.
Mike Manduca, James Marta & Company
Eric Lucero, CSAC EIA

A. CALL TO ORDER

The meeting was called to order at 10:12 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: Barbara Coats	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 4
	ABSTAIN: 0	

AYES: Crawford, Allgire, Mathiesen, Coats, Yang, Nguyen, Karim
NAYS: None
ABSENT: Kenyon, dela Cruz, Zhang, Clark

D. PUBLIC COMMENT

There were no public comments.

Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 7, 2017**

E. CONSENT CALENDAR

- 1. Board of Directors Meeting Minutes – June 15, 2017**
- 2. Unaudited Financial Report for Quarter Ending June 30, 2017**
- 3. Investment Report for Quarter Ending June 30, 2017**
- 4. Financial Report for Quarter Ending September 30, 2017**
- 5. Investment Report for Quarter Ending September 30, 2017**

Mr. James Crawford said the financials ending June 30, 2017 show a net position of \$1.59 million which is a significant drop from last year's net position of \$2.7 million. The JPA's target minimum surplus is \$2.5 million. Due to the large decrease, the Executive Committee will look at a recovery plan such as increasing the confidence level and will keep the Board informed.

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

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 4

AYES: Crawford, Allgire, Mathiesen, Coats, Yang, Nguyen, Karim
NAYS: None
ABSENT: Kenyon, dela Cruz, Zhang, Clark

F. FINANCIAL

1. Audited Financial Report as of June 30, 2017

Mr. Matt Gowan introduced Mr. Mike Manduca of James Marta & Company, the JPA's financial auditor for the year ending June 30, 2017. Mr. Manduca stated net position decreased by \$1,158,179 from the prior year bringing the net position to \$1,596,554. Claims expense increased by 255.8% from the prior year. The IBNR (incurred but not reported) increased by 9.83%. The JPA's operating revenues increased by 3.4% from the prior year. Total expenses increased by 44.9% and total assets decreased by 18%. Total liabilities decreased by 0.99%. Mr. Manduca pointed out that Liability claims are costing more. There is a City pool that had a \$38 million dollar assessment as well as a school pool that in two years went from \$12 million surplus to \$6 million deficit; these results were caused by Liability claims.

A motion was made to approve the Audited Financial Report as of June 30, 2017.

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 4

AYES: Crawford, Allgire, Mathiesen, Coats, Yang, Nguyen, Karim
NAYS: None
ABSENT: Kenyon, dela Cruz, Zhang, Clark



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 7, 2017**

G. GENERAL ADMINISTRATION

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

Mr. Gowan introduced Ms. Terrie Norris, Manager of Risk Control Services at Bickmore, who will provide a summary of the Liability and Property safety inspections. Ms. Norris said the inspections were performed from July 12, 2017 – November 2, 2017 and four inspectors, including herself, conducted the inspections. The inspections focused on the exterior areas. Upon arrival, the inspectors would drive the perimeter of the schools to observe whether police officers could see the campus through any shrubbery and whether the schools had fences and/or any open gates. The inspectors would then inspect the parking lots and look at security lighting, traffic patterns and trip/fall hazards. After that, the inspectors would go to the office and get their escort, then perform the safety inspections on the exterior areas of the school campus. Ms. Norris reviewed a summary report on the results in the inspections categories (this was included in the agenda). Members have already received separate inspection reports for their districts. Ms. Norris also presented photos and descriptions of various risk exposures found at the school districts.

2. Target Surplus Funding Analysis as of June 30, 2017

Mr. Crawford said this item was already discussed when reviewing the financial reports in the Consent Calendar.

3. Insurance Market Update

Mr. Gowan provided highlights of current insurance market conditions. Insured losses from catastrophic storms (Hurricanes Harvey, Irma, Maria) could reach \$150 billion. Net income for insurance carriers decreased by 42% from 2016. Investment earnings for insurance carriers are down so it's harder for carriers to recoup their losses from their investment earnings.

International property insurers are predicting a hardening property market in 2018. Insureds with poor loss histories can expect to see rate increases. SBASIA's property rate has decreased the last few years due to an improving loss history and the older severe losses falling off the loss run.

The Liability market remains hard. Insurance carriers continue to be concerned with the increase in school sexual misconduct claims and an increase in settlement inflation. SBASIA will receive a new Liability actuarial study in the spring of 2018. Mr. Gowan said we expect to see a Liability funding increase from the actuary due to SBASIA's historic losses and industry trending Liability settlement increases with schools.

Ms. Han Nguyen left the meeting at 11:15 a.m.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 7, 2017**

4. CSAC EIA Loss Prevention Services

Mr. Gowan introduced Mr. Eric Lucero, Senior Loss Prevention Specialist in Education at CSAC EIA. Mr. Gowan said CSAC EIA provides the JPA's Excess Liability insurance from \$250,000 to \$5 million limit. CSAC EIA hired Mr. Lucero in July 2017 as a loss control specialist just for schools. Mr. Lucero said he has worked in loss control for eleven years, specializing in schools for the last three years. Mr. Lucero distributed a Loss Control Menu of Services which includes consultation services and on-site training that are provided at no cost to CSAC EIA members. There are also partner programs in which CSAC EIA has obtained discounts from vendors to provide services such as anti-bullying training. Mr. Lucero stated JPA members can contact him directly with loss control questions.

H. CLAIMS

1. Claims Stewardship Report

Mr. Gowan said Carl Warren & Company is the JPA's third party claims administrator; their representative was unable to attend the meeting so they provided a claims stewardship report for the JPA. The report presents an overview of claims for the last ten years. The claim count has increased in the last two years. The closing ratio for claims is 97.5% which is up from last year's ratio of 95.5%. Regarding total incurred by cause, misconduct claims are 60% of the total payments. The litigation rate is 10% which is average.

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:43 a.m.

County of Santa Clara



Finance Agency Controller-Treasurer Department

County Government Center
70 W. Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5200 FAX (408) 288-9237

May 29, 2018

Submitted by: Alan Minato
Alan Minato, Controller-Treasurer

TO: BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM: EMILY HARRISON, DIRECTOR OF FINANCE

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the March 31, 2018 Detailed Investment Portfolio Listing.

DISCUSSION

In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of March 31, 2018 is submitted for your review and acceptance.

The attached detailed investment reports list each investment of the County Treasury Pool as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

	Cost	Market Value	Increase (Decrease)	Percent
Commingled Investments	\$7,472,041,604	\$7,414,085,280	(\$57,956,323)	(0.78%)

The yield of the pool on March 31, 2018 was 1.60%. As a comparison, on March 31, 2018 the yield of a 6-month Treasury Bill was 1.91%. A two-year Treasury Note was 2.27%. The State of California Local Agency Investment Fund (LAIF) yield was 1.52%.

Attached with the current investment strategy is a schedule that lists the average weighted maturities and yield for the Commingled Treasury Pool. Charts outlining investment concentration and distribution of bond maturities are provided for the Pool. Also included is a chart showing the one-year history of the Pool along with interest rates offered by selected comparable instruments.

Securities are purchased with the expectation that they will generally be held to maturity, hence unrealized gains or losses are not reflected in the yield calculations.

The market values of Pool securities were taken from pricing services provided by Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

Attachments:

March 2018 Quarterly Investment Summary



South Bay Area Schools Insurance Authority
Board of Directors
June 14, 2018

Agenda Item F.1

**LIABILITY AND PROPERTY SAFETY INSPECTIONS
ON INTERIOR OF BUILDINGS (ALL ROOMS) TO INCLUDE
CHEMICAL INSPECTION**

INFORMATION ITEM

EXPLANATION: At its May 3 meeting, the Executive Committee selected ESM Solutions, Inc. to perform Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. Mr. Anthony Poston, CEO of ESM Solutions, will present an overview of the inspections to be performed.

ATTACHMENTS: None



Agenda Item G.1

EXCESS LIABILITY RENEWAL

ACTION ITEM

ISSUE: The Board of Directors should review and approve the renewal of the Excess Liability insurance for SBASIA for the period of July 1, 2018 – July 1, 2019.

RECOMMENDATION: The Executive Committee recommends adoption of the Excess Liability renewal as presented.

FISCAL IMPACT: \$1,329,421 for the period of July 1, 2018 – July 1, 2019. This is the CSAC EIA premium of \$686,000 plus the SELF premium of \$643,421.

BACKGROUND: For the 2018-2019 Liability program, the JPA will maintain its self-insured retention (SIR) of \$250,000 and will purchase coverage with CSAC-EIA, the current insurer, to a \$5 million limit, than attach to SELF (Schools Excess Liability Fund) from \$5 million to \$55 million limit. The total liability limit is \$55 million.

CSAC-EIA (California State Association of Counties-Excess Insurance Authority) was formed as a joint powers authority in 1979 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

SELF (Schools Excess Liability Fund) was formed as a joint powers authority in 1986 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

ATTACHMENTS: None



Agenda Item G.2

REVIEW AND ADOPTION OF LIABILITY MEMORANDUM OF COVERAGE

ACTION ITEM

ISSUE: The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2018 to July 1, 2019.

RECOMMENDATION: The Program Administrator recommends adoption of the Memorandum of Coverage.

FISCAL IMPACT: The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. However, we have an estimate of the costs of liability claims covered under this Memorandum from the actuarial study. The amount is \$820,000 at a 70% confidence level. This is reflected in the proposed budget.

BACKGROUND: The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached liability memorandum incorporates the excess insurance policy's terms and conditions provided by CSAC EIA for the period July 1, 2018 to July 1, 2019. The memorandum also defines the exceptions to those terms and conditions. These exceptions are only the terms of liability and the self-insured retention.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

ATTACHMENTS: Liability Declarations Page
Liability Memorandum of Coverage

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

LIABILITY

UNDERLYING MEMORANDUM OF COVERAGE

DECLARATIONS

MEMORANDUM NO. SBASIALI 001-18

1. **Member District:** Berryessa Union School District
1376 Piedmont Road
San Jose, CA 95132

2. **Coverage Period:** July 1, 2018 through June 30, 2019

3. **Member District Deductible:** \$ 10,000 **Each Occurrence, offense or wrongful act**

4. **Limits of Liability:**
 - a. **Liability Coverage** \$ 250,000 **Each Occurrence, offense or wrongful act***

*One limit applies regardless of the number of members involved

FORMS AND ENDORSEMENTS: Form LIAB-1
FORMING PART OF THE POLICY
AT INCEPTION

President, James Crawford

Date

It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
LIABILITY
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. LIAB-1**

1. INSURING AGREEMENT

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay on behalf of the Member District **Loss** resulting from any occurrence, offense or wrongful act covered by the terms, except limits of liability and self-insured retentions, of the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 18 EL-80** as that Memorandum of Coverage applies to SBASIA, during the Coverage Period as stated on the Declarations.

2. MEMBER DISTRICT DEDUCTIBLE

The Member District deductible stated under Item 3 of the Declarations page applies to each occurrence, offense or wrongful act covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 18 EL-80**.

3. LIMITS OF LIABILITY

The Limits of Liability stated under Item 4a of the Declarations applies to each occurrence, offense or wrongful act, regardless of the number of Member Districts involved, covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 18 EL-80**.

4. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

5. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS – Means the ultimate net loss as defined in the Definitions section of the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 18 EL-80**.

MEMBER DISTRICT OR MEMBER ENTITY – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

6. OTHER INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

7. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time. If legal proceedings are begun, the Member District shall forward to the SBASIA Claims Adjustor each paper therein, or a copy thereof, received by the Member District or the Member District's representative, together with copies of reports or investigations with respect to such claim proceedings.

8. DEFENSE

SBASIA shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member District, which in the opinion of SBASIA may create liability on the part of SBASIA under the terms of this Memorandum of Coverage.

9. PAYMENT OF LOSS

Upon final determination of **Loss**, SBASIA will promptly pay on behalf of the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

10. SUBROGATION

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

11. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

To be valid, this Memorandum must be signed by SBASIA's President or Vice President.

President, James Crawford

Date



Agenda Item G.3

EXCESS PROPERTY INSURANCE OPTIONS

ACTION ITEM

ISSUE: The Board of Directors should review options for the Excess Property insurance including Boiler & Machinery, Cyber Liability, Pollution Liability, Terrorism insurance and Active Shooter insurance for SBASIA for the period July 1, 2018 to July 1, 2019.

RECOMMENDATION: The Executive Committee will make a recommendation to the Board.

FISCAL IMPACT: To be determined based on the options selected.

BACKGROUND: The Excess Property insurance including Boiler & Machinery, Cyber Liability, Pollution Liability and Terrorism insurance is currently provided by PEP (Public Entity Property Insurance Program). PEP has provided a renewal quote. PEP will also have an option for Active Shooter coverage the details of which will be discussed.

In addition, Travelers has provided a quote for Property, Boiler & Machinery insurance and Terrorism insurance (as certified by the U.S. Government). Cyber Liability, Pollution Liability, Terrorism insurance broader than that certified by the government and Active Shooter coverage are not included and would need to be purchased separately.

ATTACHMENTS: None



Agenda Item G.4

REVIEW AND ADOPTION OF PROPERTY MEMORANDUM OF COVERAGE

ACTION ITEM

ISSUE: The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2018 to July 1, 2019.

RECOMMENDATION: The Program Administrator recommends adoption of the Memorandum of Coverage.

FISCAL IMPACT: The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. However, we have an estimate of the costs of property claims covered under this Memorandum from the actuarial study. The amount is \$354,000 at a 70% confidence level. This is reflected in the proposed budget.

BACKGROUND: The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached property memorandum incorporates the Excess Property insurance policy's terms and conditions provided for the period July 1, 2018 to July 1, 2019. The memorandum also defines the exceptions to those terms and conditions. These exceptions are the limits of liability, sub-limits of liability, deductible and Auto Physical Damage coverage.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

ATTACHMENTS: Property Declarations Page
Property Memorandum of Coverage

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

PROPERTY

UNDERLYING MEMORANDUM OF COVERAGE

DECLARATIONS

MEMORANDUM NO. SBASIAPR 001-18

1. **Member District:** Berryessa Union School District
1376 Piedmont Road
San Jose, CA 95132

2. **Coverage Period:** July 1, 2018 through June 30, 2019

3. **Member District Deductible:**
 - a. Property or Auto Physical Damage \$ 10,000 **Each Occurrence**
 - b. Crime \$ 1,000 **Each Occurrence**

4. **Limits of Liability:**
 - a. Property \$ 500,000 **Each Occurrence**
 - b. Auto Physical Damage \$ 500,000 **Each Occurrence**
 - c. Crime \$ 5,000 **Each Occurrence**

5. **Sub-limits of Liability:**
 - a. Claim Preparation Expenses \$ 20,000 **Each Occurrence**

FORMS AND ENDORSEMENTS: **Form PROP-1**
FORMING PART OF THE POLICY
AT INCEPTION

President, James Crawford

Date

It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
PROPERTY
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. PROP-1**

1. INSURING AGREEMENT

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay the Member District for **Loss** covered by the terms, except limits of liability and deductibles, of the **Alliant Property Insurance Program (APIP) Policy No. 18-19** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-606-08-20**, as those Policies apply to SBASIA, during the Coverage Period as stated on the Declarations.

2. MEMBER DISTRICT DEDUCTIBLE

The Member District Deductible stated under Item 3 of the Declarations page applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 18-19** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-606-08-20**.

3. LIMITS OF LIABILITY

The Limits of Liability stated under Item 4 of the Declarations applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 18-19**, except those Sub-Limits of Liability stated under Item 5, and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-606-08-20**.

4. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

5. AUTO PHYSICAL DAMAGE

- A. The terms and conditions of the APIP policy are amended to include **Auto Physical Damage Coverage**.
- B. As respects **Auto Physical Damage Coverage**, the most SBASIA will pay for **Loss** is the lesser of the actual cash value of the damaged **auto** or the cost of repairing or replacing the damaged **auto** with other property of like kind and quality.

- C. As respects **Auto Physical Damage Coverage**, the following are excluded:
- (1) Towing
 - (2) Diminution in Value
 - (3) Wear and tear, freezing, mechanical or electrical breakdown
 - (4) Blowouts, punctures or other road damage to tires
 - (5) Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment

6. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS – means direct physical loss or damage to covered property and loss resulting from interruption of business, services or rental value caused by direct physical loss or damage to covered property as defined in the **Alliant Property Insurance Program (APIP) Policy**. As respects **Auto Physical Damage Coverage**, **Loss** means direct and accidental physical loss or damage to an **auto**. As respects **Crime**, **Loss** means loss or damage to money, securities and **other property** which results directly from theft by an employee, forgery or alteration of checks, theft, disappearance or destruction inside the premises or outside the premises in the care of a messenger, robbery or safe burglary inside the premises; loss directly related to the use of any computer to fraudulently cause a transfer; fraudulent instruction to a financial institution; money orders and counterfeit money.

AUTO – means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

AUTO PHYSICAL DAMAGE COVERAGE – covers **Loss** of an owned or hired **auto** under **Collision** and **Comprehensive Coverage**.

COLLISION COVERAGE – covers **Loss** caused by an **auto's** collision with another object or **auto's** overturn.

COMPREHENSIVE COVERAGE – covers **Loss** from any cause except **Collision**.

OTHER PROPERTY – as respects **Crime**, means any tangible property other than money or securities that has intrinsic value but does not include any property excluded under the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-606-08-20**.

MEMBER DISTRICT OR MEMBER ENTITY – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

7. OTHER INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

8. NOTICE OF LOSS

Upon the happening of any **Loss** likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time.

9. PAYMENT OF LOSS

Upon final determination of **Loss**, SBASIA will promptly pay the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

10. SUBROGATION

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

11. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

To be valid, this Memorandum must be signed by SBASIA's President or Vice President.

President, James Crawford

Date



Agenda Item G.5

REVENUE AND EXPENSE BUDGET FOR JULY 1, 2018-2019

ACTION ITEM

ISSUE: The Board of Directors should adopt a Budget as well as review and approve the member contributions based on the allocation of anticipated expenses for the fiscal year July 1, 2018-June 30, 2019.

RECOMMENDATION: The Executive Committee will make a recommendation to the Board of Directors.

FISCAL IMPACT: To be determined. The final effect on SBASIA's financial condition is unknown due primarily to the unforeseen actual costs of claims assumed during the 18-19 fiscal year. However, funding of these claims at a 70 percent confidence level is conservative and in accord with general joint powers authority sound funding practices. Using the 70% confidence level, the anticipated loss funding is \$1,174,000. Last year the anticipated loss funding was \$950,000 with a 70% confidence level.

The administrative expenses are projected to be \$361,450.

BACKGROUND: Government Code Section 6508 requires the governing board of a joint powers authority to adopt an annual budget prior to the inception of the fiscal year.

ATTACHMENTS: None



Agenda Item H.1

SBASIA ELECTION OF OFFICERS AND EXECUTIVE COMMITTEE

ACTION ITEM

ISSUE: The Board of Directors should review the slate of Officers and Executive Committee Member at Large presented by the Executive Committee and take nominations from the floor. The Board should elect officers and the Executive Committee Member at Large.

RECOMMENDATION: The Executive Committee presents the following slate of officers for consideration by the Board:

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

FISCAL IMPACT: None

BACKGROUND:

Under the Bylaws – Article III - Officers reads as follows:

- A. The officers of the Authority shall be elected at a regular meeting of the Board of Directors immediately preceding July 1st of each year. The Executive Committee may offer a slate of officers for the Board to adopt, but only after accepting and considering the nominations from the floor for each office.

Under the Bylaws – Article IV – Executive Committee reads as follows:

- A. An Executive Committee shall consist of the President, Vice President, Treasurer/Fiscal Agent, Secretary, and one Member at Large elected by and from the Board of Directors at the time of the election of officers.

ATTACHMENTS: None



Agenda Item H.2

INVESTMENT AUTHORITY

ACTION ITEM

ISSUE: The Board of Directors should renew the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer for the period July 1, 2018 to June 30, 2019.

RECOMMENDATION: The Executive Committee will make a recommendation to the Board regarding the delegation of authority to invest funds to the Treasurer.

FISCAL IMPACT: None.

BACKGROUND: Government Code 53607 provides for the delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. Such delegation cannot exist beyond one year so the Board will need to authorize the newly elected/appointed treasurer to invest the funds of SBASIA.

ATTACHMENTS: None



Agenda Item H.3

REVIEW OF INVESTMENT POLICY

ACTION ITEM

ISSUE: The Board of Directors should review the Investment Policy and make any changes, if necessary.

RECOMMENDATION: The Program Administrator recommends the Investment Policy as presented.

FISCAL IMPACT: None.

BACKGROUND: The JPA adopted an investment policy in 2003. Government Code 53646 requires annual review of the investment policy by the governing body of a local agency. There are no recommended changes to the Investment Policy.

ATTACHMENTS: Investment Policy

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
(SBASIA)**

INVESTMENT POLICY

Adopted March 27, 2003

I. POLICY STATEMENT

The Policy of the South Bay Area Schools Insurance Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

II. SCOPE OF POLICY

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

III. AUTHORITY

The Authority's Treasurer is responsible for the investment activities for those funds under his/her control. The Authority may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

IV. OBJECTIVES

- A. Safety: The primary objective of this policy is to protect, preserve and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return on the three-month Treasury Bill.
- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism, that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

VI. INVESTMENT INSTRUMENTS AND MATURITIES

A. Included Investments:

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding*
1. U.S. Treasury		5 years	100%	100%
2. Government Agency		5 years	100%	100%
3. California Municipals	AAA	5 years	20%	20%
4. Negotiable Certificates of Deposit	A-1 or P-1/AA	3 years	30%	\$1,000,000
5. Bankers Acceptances	A-1 or P-1	180 days	30%	\$1,000,000
6. Commercial Paper	A-1, P-1, or F-1	270 days	25%	\$1,000,000
7. Local Agency Investment Fund (LAIF)			100%	100%***
8. Santa Clara County Investment Pool			100%	100%
9. Repurchase Agreements		1 year	100%	\$1,000,000
10. Medium Term Notes	AA	5 year	30%	\$1,000,000

* Excluding U.S. Government, agency securities, LAIF and the County Investment Pool no more than 10% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.

**Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code 53601)

*** Subject to a deposit limit imposed by LAIF of \$40,000,000.

B. Excluded Investments: The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options
4. Guaranteed Small Business Administration (SBA) Notes
5. Government National Mortgage Association (GNMA) Notes
6. Mutual Funds

C. The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Agency may invest in U.S. Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Agency obligations.

3. Obligations issued by the State of California or any local agency within the state which are rated "AAA" by Moody's Investors Service, Inc. (Moody's) or Standard & Poor's Corporation (Standard & Poor's). Purchases of California Municipals may not exceed 5 years in maturity or 20% of the Agency's portfolio.
4. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of two years or less, issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's. Maximum maturity is restricted to three years from date of purchase.

Purchases or negotiable certificates of deposit may not exceed three years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's (P-1) or by Standard & Poor's (A-1).

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30 percent of the Authority's investment portfolio. No more than \$1 million or 40 percent of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

6. Commercial Paper rated in the highest short-term rating category, as provided by Moody's Investors Services, Inc. (P-1), Standard & Poor's (A-1), or Fitch Financial Services (F-1). The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by Moody's, Standard & Poor's, or Fitch.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25 percent of the Authority's investment portfolio. No more than \$1 million may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

7. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases or repurchase agreements may not exceed one year in maturity and no more than \$1 million may be invested in any one issuer.

8. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "AA-" or its equivalent or better by a nationally recognized rating service.

Purchases or medium term corporate notes may not exceed five years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

9. Local Agency Investment Fund (*L.A.I.F.*) - There are no limits on the dollar amount or percentage that the Agency may invest in LAIF.
10. Santa Clara County Investment Pool – There is no limit on the dollar amount or percentage that the Agency may invest in the County Pool.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

VII. INTERNAL CONTROLS

The system of internal control shall be established and maintained in written form. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

VIII. TRANSFER OF FUNDS

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations.

IX. BANKS AND SECURITIES DEALERS

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Agency funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

X. INVESTMENT RISKS

- A. **General Policy:** The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. As needed, the Treasurer shall periodically meet with the Board of Directors to establish guidelines and strategies to control credit risk, market risk, and liquidity.
- B. **Specific Policy:** In addition to these general policy considerations, the following specific policies will be followed:
1. All transactions will be executed on a delivery versus payment basis
 2. A competitive bid process, when practical, will be used to place all investments

XI. SAFEKEEPING AND CUSTODY

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks will be held in the Authority's name in the bank's Trust Department of the Federal Reserve Bank.

XII. REVIEW OF INVESTMENT POLICY

The objectives and the performance of the portfolio will be reviewed annually by the Executive Committee, which will submit to the Board of Directors recommendations for changes, if any, to the Investment Policy.



Agenda Item H.4

REVIEW OF CONFLICT OF INTEREST CODE

ACTION ITEM

ISSUE: The Board of Directors should review the Conflict of Interest Code and make any changes, if necessary.

RECOMMENDATION: The Program Administrator recommends the Conflict of Interest Code as presented.

FISCAL IMPACT: None.

BACKGROUND: The Political Reform Act, Government Code Sections 81000, et. Seq., requires state and local government agencies to adopt Conflict of Interest Codes. The Conflict of Interest Code for the public agency must be reviewed by the governing Board every even numbered year. Any changes, or a statement that it has been reviewed and no changes required, must be filed with FPPC prior to October 1st.

ATTACHMENTS: Conflict of Interest Code

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of the standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating officials and employees and establishing disclosure categories, shall constitute the conflict of interest code of the **South Bay Area Schools Insurance Authority (Authority)**.

Individuals holding designated positions shall file their statements of economic interests with the **Authority**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) Upon receipt of the statements, the **Authority** shall make and retain copies and forward the originals to the **Fair Political Practices Commission**. All original statements will be retained by the **Fair Political Practices Commission**.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

APPENDIX A-DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members and Alternates of the Board of Directors	1, 2, 3, and 4
Administrator	1, 2, 3, and 4
Accountant	1, 2, 3, and 4
Consultants/New Positions	*

Note: The positions of Administrator and Accountant are filled by outside consultants, but act in a staff capacity.

*Consultants/New positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following:

The Administrator may determine in writing that a particular consultant/new position, although in a “designated position”, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant/new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Administrator’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.(Gov. Code Sec. 81008)

The following positions are not covered by the conflict-of-interest code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

APPENDIX B-DISCLOSURE CATEGORIES

DISCLOSURE CATEGORIES:

Disclosure Category 1

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities of the type to contract with the Authority to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the Authority.

Disclosure Category 2

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that are contractors engaged in the performance of work or services of the type utilized by the Authority, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents or accounting firms.

Disclosure Category 3

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that have filed claims, or have claims pending against the Authority.

Disclosure Category 4

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that are banks or savings and loans institutions.



Agenda Item H.5

**RESOLUTION ESTABLISHING MEETING DATES
FOR FISCAL YEAR 2018-2019**

ACTION ITEM

ISSUE: The Board of Directors should adopt a resolution establishing regular meetings for the 2018-2019 fiscal year as presented in the attachment or as amended.

RECOMMENDATION: The Executive Committee will make a recommendation regarding the adoption of the resolution establishing meeting dates.

FISCAL IMPACT: None.

BACKGROUND: Section 54954(a) of the Government Code states that regular meetings of the governing body of a local agency be established by the bylaws or resolution.

The Bylaws do not establish days or dates for the regular meetings. Although the Bylaws require that the Board hold at least 1 regular meeting a year, it is intended to have more meetings than the minimum to facilitate the business of the JPA.

ATTACHMENTS: Resolution Establishing Meeting Dates for the Fiscal Year 2018 – 2019



RESOLUTION NO.: **R18-01**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
ESTABLISHING MEETING DATES
FOR THE FISCAL YEAR THROUGH JUNE 2019**

BE IT RESOLVED THAT:

The following Board of Directors meeting dates are hereby established for the Fiscal Year through June 2019:

December 6, 2018 10:00 A.M.

Location: To be determined

June 13, 2019 10:00 A.M.

Location: To be determined

This Resolution of the Board of Directors was adopted this 14th day of June 2018 in Campbell, California by the following vote:

Votes In Favor	_____
Votes Against	_____
Votes Abstaining	_____
Votes Absent	_____

Signed:

Attest:

James Crawford, President