



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 14, 2018**

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
Phuong Le, Berryessa Union School District
Rosemarie Pottage, Los Gatos-Saratoga Joint Union High School District
Robert Clark, Mountain View Whisman School District
Megan Reilly, Santa Clara County Office of Education

MEMBERS ABSENT

Position Vacant at Evergreen School District
Shameram Karim, Lakeside Joint School District
Randy Kenyon, Los Altos School District
Marie dela Cruz, Metropolitan Education District
Wendy Zhang, Milpitas Unified School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Carole Schmitt, Evergreen School District
Anthony Poston, ESM Solutions, Inc.

A. CALL TO ORDER

The meeting was called to order at 10:07 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: Megan Reilly	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly

NAYS: None

ABSENT: Karim, Kenyon, dela Cruz, Zhang

D. PUBLIC COMMENT

There were no public comments.



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E. CONSENT CALENDAR

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

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

MOTION: Mike Mathiesen **SECOND:** Robert Clark **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

F. LOSS CONTROL

- 1. Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection**

Mr. Matt Gowan stated the Executive Committee developed a five year loss control plan. The loss control item for year one was completed. For year two, a Request for Proposal (RFP) was issued for Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. ESM Solutions, Inc. was selected to perform the inspections. Mr. Gowan introduced Mr. Anthony Poston, CEO of ESM Solutions. Mr. Poston presented an overview of the inspections and a preliminary schedule. A report will be issued for each JPA member as well as an Excel spreadsheet which can be sorted to prioritize tasks. The report will show trends by district and by the JPA as a whole. If an inspector finds anything that needs urgent attention, the inspector will notify the JPA member immediately.

G. FINANCIAL

Mr. Matt Gowan said he will go through the budget which will address action items G.1. through G.5 of the agenda.

The Liability funding has increased by 31.8%. The funding amount is determined by the actuary. The Excess Liability coverage with CSAC EIA from \$250,000 to \$5 million is increasing by 19.3%. The Excess Liability coverage with SELF from \$5 million to \$55 million is increasing by 33.5%. The Liability market for schools in California is extremely hard and this is reflected in the increase for both Liability funding and Excess Liability insurance. In addition, the JPA's loss ratio for the last six years in the Excess Liability insurance layer is 379%. The total Liability cost increased by 28% compared to last year.

The Property funding has increased by 7.9%. The funding amount is determined by the actuary. The Property rate decreased so the Property premium has decreased by 5.9%. The total Property cost decreased 3.2% compared to last year.



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The Crime policy has a two year policy period; it was approved last year and the premium is flat. The admin fees decreased by 22.9%; this is due to a decrease in loss control fees. The inspection performed last year on the exterior of buildings cost \$181,312 and the cost this year is \$69,594 for the inspection on the interior of buildings.

The overall budget increased by 7.99% from last year.

Mr. James Crawford stated that the Executive Committee reviewed an option that would have moved the Property insurance from PEPPI (Public Entity Property Insurance Program) to Travelers. A coverage comparison was reviewed and the PEPPI policy had broader coverage. Mr. Crawford stated the Executive Committee decided that with the broader coverage provided by PEPPI, the cost savings from Travelers is not large enough to justify moving the Property insurance. The Executive Committee recommends the JPA remain with PEPPI.

Ms. Joan Crossley said PEPPI is offering a new coverage called active shooter coverage effective 7/1/18. The limit is \$500,000 per claim with \$2.5 million aggregate limit for the JPA; the deductible is \$10,000. The coverage includes \$250,000 sublimits for crisis management, counseling services, funeral expenses and creation of a memorial. A crisis management hotline is available 24 hours a day. PEPPI will need to have a certain percentage of its insureds purchase the coverage in order to roll out the active shooter program. The additional premium for the JPA is \$13,762.

A motion was made to remain with PEPPI and purchase the active shooter coverage and approve the rest of the budget (including items G.1 Excess Liability Renewal, G.2 Review and Adoption of Liability Memorandum of Coverage, G.3 Excess Property Insurance Options, G.4 Review and Adoption of Property Memorandum of Coverage, G.5 Revenue and Expense Budget for July 1, 2018-2019.)

MOTION: Mark Allgire **SECOND:** Phuong Le **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

H. GENERAL ADMINISTRATION

1. SBASIA Election of Officers and Executive Committee

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

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: Mr. Robert Clark, Mountain View Whisman School District



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Member at Large: Ms. Wendy Zhang, Milpitas Unified School District

Mr. Crawford stated he is retiring on October 31, 2018, but would be willing to continue to serve as President as an independent contractor if that would help the JPA which has several members that are new to Executive Committee duties.

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

MOTION: Phuong Le **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 7 **NOES: 0** **ABSTAIN: 0** **ABSENT: 5**

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

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, 2018 to June 30, 2019.

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

MOTION: Robert Clark **SECOND:** Mark Allgire **MOTION CARRIED**
AYES: 7 **NOES: 0** **ABSTAIN: 0** **ABSENT: 5**

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

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: Mark Allgire **SECOND:** Phuong Le **MOTION CARRIED**
AYES: 7 **NOES: 0** **ABSTAIN: 0** **ABSENT: 5**

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

4. Review of Conflict of Interest Code



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Mr. Gowan said that Government Code requires the Conflict of Interest Code to be reviewed and approved every even numbered year. There are no changes to the Conflict of Interest Code.

A motion was made to adopt the Conflict of Interest Code as presented.

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 7 **NOES: 0** **ABSTAIN: 0** **ABSENT: 5**

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

5. Resolution Establishing Meeting Dates for Fiscal Year 2018-2019

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 2018-2019:

December 6, 2018, 10:00 a.m., Campbell Union School District

June 13, 2019, 10:00 a.m., Campbell Union School District

A motion was made to adopt the 2018-2019 Board meeting dates as presented.

MOTION: Mark Allgire **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 7 **NOES: 0** **ABSTAIN: 0** **ABSENT: 5**

AYES: Crawford, Allgire, Mathiesen, Le, Pottage, Clark, Reilly
NAYS: None
ABSENT: Karim, Kenyon, dela Cruz, Zhang

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:20 a.m.

Reviewed and Approved by: _____

Date: 12/19/18