



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
WEBEX MEETING  
December 3, 2020**

**MEMBERS PRESENT**

Eric Dill, President, Santa Clara County Office of Education  
Delores Perley, Vice President, Los Gatos-Saratoga Joint Union High School District  
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District  
Ron Lebs, Secretary, Metropolitan Education District  
Joshua Quitoriano, Berryessa Union School District  
Nelly Yang, Campbell Union School District  
Randy Kenyon, Los Altos School District  
Kelly Ng, Milpitas Unified School District  
Rebecca Westover, Mountain View Whisman School District  
Mark Schiel, Santa Clara Unified School District

**MEMBERS ABSENT**

Position Vacant, Evergreen School District  
Sean Joyce, Lakeside Joint School District

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
Mary Stark, Evergreen School District  
Marlon Wadlington, Atkinson, Andelson, Loya, Ruud & Romo  
Jennifer Zraick, Gilbert Associates, Inc.  
Kevin Wong, Gilbert Associates, Inc.  
James Marta, James Marta & Company  
Angelique King, Carl Warren & Company  
Joyce Fairley Ray, Carl Warren & Company  
Rich McAbee, Carl Warren & Company  
Suzie Spencer, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:04 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.**

<b>MOTION:</b> Mike Mathiesen	<b>SECOND:</b> Ron Lebs	<b>MOTION CARRIED</b>
<b>AYES: 10</b>	<b>NOES: 0</b>	<b>ABSENT: 1</b>
	<b>ABSTAIN: 0</b>	

**AYES:** Dill, Perley, Mathiesen, Lebs, Quitoriano, Yang, Kenyon, Ng, Westover, Schiel  
**NAYS:** None

*Approved 6/10/21*



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**ABSENT:** Joyce

**D. PUBLIC COMMENT**

There were no public comments.

**E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**1. Martinez, et al v. Newsom, et al**

The Board of Directors went into closed session at 10:05 a.m.  
The Board of Directors returned from closed session at 10:22 a.m.

**F. PRESIDENT'S REPORT ON ACTION FROM CLOSED SESSION**

Mr. Eric Dill reported that no action was taken.

**G. LEGAL DEFENSE FUND FOR MARTINEZ, ET AL V. NEWSOM, ET AL**

Mr. Matt Gowan said the JPA decided to utilize a joint defense for this case because all SBASIA members were sued. The estimate for legal fees was \$10,000 per district. Although this case has now been dismissed, there was legal work performed by the attorney prior to the dismissal. Mr. Gowan said SBASIA can collect a fee from each member to pay the legal fees, perhaps \$5,000 per member. Mr. Dill said it's unlikely the legal fees will reach \$50,000 now that the case is dismissed. Mr. Dill commented this discussion is taking place because this lawsuit is not a covered loss on the Liability insurance policy as the suit is asking for injunctive relief. Mr. Gowan said the Executive Committee will discuss at a future meeting whether the JPA should establish a legal defense fund to cover future injunctive relief cases. After discussion, the Board recommended that the JPA front the legal fees until the final reconciliation is received and then the JPA can decide if a fee needs to be collected from each member.

**H. CONSENT CALENDAR**

- 1. Board of Directors Meeting Minutes – June 11, 2020**
- 2. Financial Report for Quarter Ending September 30, 2020**
- 3. Investment Report for Quarter Ending September 30, 2020**

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

**MOTION:** Delores Perley                      **SECOND:** Mike Mathiesen                      **MOTION CARRIED**  
**AYES: 10**                      **NOES: 0**                      **ABSTAIN: 0**                      **ABSENT: 1**

**AYES:** Dill, Perley, Mathiesen, Lebs, Quitariano, Yang, Kenyon, Ng, Westover, Schiel  
**NAYS:** None  
**ABSENT:** None





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pools are adding sublimits for firestorm and molestation. Most carriers are now excluding communicable disease coverage. The JPA has communicable disease coverage at this time.

Cyber threats are growing and schools are being targeted especially with ransomware. The average ransom payment amount in 2018 was \$302,539.

The impact from COVID-19 is hitting all lines of insurance coverage, but it's unknown at this time how great that impact will be.

Liability and Property rates are expected to continue to increase. Crime and Cyber Liability premiums are expected to remain stable.

Mr. Dill commented he is an alternate on the SELF Board and that due to molestation claims, SELF is moving from an occurrence based policy to a claims made policy.

**2. Target Surplus Funding Analysis as of June 30, 2020**

Mr. Gowan said the JPA raised the loss funding to 80% confidence level effective July 1, 2019 and the JPA's net position has increased as a consequence of the increased confidence level. The JPA established a minimum surplus requirement of \$2.5 million which is five times the JPA's Property SIR of \$500,000. As of June 30, 2020, the JPA is below the minimum surplus target by \$633,205. The three year funding plan shows that if the JPA continues funding at 80% confidence level, the minimum surplus of \$2.5 million will be met in 2021.

**L. COMMENTS FOR THE GOOD OF THE ORDER**

There were no comments for the good of the order.

**ADJOURNMENT**

The meeting was adjourned at 11:39 a.m.

Reviewed and Approved by:           *Debra L. Riley*          

Date:           June 10, 2021