



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item E.1

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government code Section 54956.95, the Executive Committee will hold a Closed Session to discuss the following claim:

1. Does 1-4 vs. Evergreen School District

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time as the subject matter is confidential.

FISCAL IMPACT: To be determined

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item F

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957
Employee Discipline/Dismissal/Release/Complaint**

ACTION ITEM

ISSUE: Pursuant to Government code Section 54957, the Executive Committee will hold a Closed Session to discuss Employee Discipline/Dismissal/Release/Complaint.

RECOMMENDATION: None

FISCAL IMPACT: To be determined

ATTACHMENTS: None



Agenda Item H.1

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Executive Committee should review the Consent Calendar and pull any items that need discussion. Otherwise, the Executive Committee 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 Executive Committee. The Executive Committee may accept the Consent Calendar as posted, or pull any item for discussion and a separate action will occur while accepting the remaining items.

1. **Executive Committee Meeting Minutes – March 5, 2015**
2. **Financial Report for Quarter Ending March 31, 2015**
3. **Investment Report for Quarter Ending December 31, 2014**

ATTACHMENTS: Executive Committee Meeting Minutes – March 5, 2015
Financial Report for Quarter Ending March 31, 2015
Investment Report for Quarter Ending December 31, 2014



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 5, 2015**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Phuong Le, Treasurer, Berryessa Union School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Mark Allgire, Member at Large, Santa Clara Unified School District

MEMBERS ABSENT

Nelly Yang, Vice President, Evergreen School District

GUESTS & CONSULTANTS

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

A. CALL TO ORDER

The meeting was called to order at 9:41 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: Barbara Coats	SECOND: Phuong Le	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Crawford, Le, Coats, Allgire
NAYS: None
ABSENT: Yang

D. PUBLIC COMMENT

There were no comments from the public.

E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – December 4, 2014
2. Financial Report for Quarter Ending December 31, 2014

On the Financial Report for Quarter Ending December 31, 2014, Mr. Kevin Wong stated claims expenses have been below the amount budgeted.



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

MOTION: Phuong Le SECOND: Mark Allgire MOTION CARRIED
AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

AYES: Crawford, Le, Coats, Allgire
NAYS: None
ABSENT: Yang

F. GENERAL ADMINISTRATION

1. Financial Auditor Contract with James Marta & Co.

Ms. Joan Crossley said the contract with James Marta & Company for the annual financial audit expired on June 30, 2014. James Marta & Company offered a renewal contract for three years; the fee begins at \$12,110 and increases by 2% each year. Mr. Wong commented that his firm sees audit pricing for JPAs and this is a relatively low fee. Ms. Crossley said Mr. Marta had supervised the audit for the last six years so his partner, Mr. David Becker, will supervise the upcoming financial audits.

A motion was made to approve the audited financial report contract for the period of June 30, 2015 – June 30, 2017.

MOTION: Mark Allgire SECOND: Barbara Coats MOTION CARRIED
AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

AYES: Crawford, Le, Coats, Allgire
NAYS: None
ABSENT: Yang

2. Cyber Security Audit Request for Proposal Results

Ms. Crossley stated a Request for Proposal (RFP) for Cyber Security Audit was sent to three firms and two responses were received from McGladrey and Navigant Consulting. A handout summarizing the responses was distributed. Cyber security audit services offered are:

- External Network Vulnerability Testing-tests internet facing systems
- Internal Network Vulnerability Testing-tests internal network and systems
- Security Controls Review-high level assessment of current system and operating procedures
- Social Engineering Testing-assesses security awareness of employees by using emails and phone calls

Ms. Crossley commented that Navigant Consulting didn't offer external network vulnerability testing as they stated more is learned about what a hacker could access from an internal scan. However, they can add it for an additional fee. McGladrey provided a high and low fee for each



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EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 5, 2015**

service. Navigant Consulting can provide the fee once a specific service is selected. They provided hourly rates, but not an estimate of how many project hours are involved. Ms. Crossley said the JPA has \$100,000 for loss control services set aside in the budget to pay for this.

After discussion, the Executive Committee decided the internal network vulnerability testing and security controls review would provide the most information about where networks are vulnerable. It was also noted that McGladrey is the more well known of the firms. The Executive Committee directed staff to obtain security audit procedures and estimated timeline from McGladrey. The Executive Committee will then review those procedures with their IT staff.

A motion was made to tentatively approve Internal Network Vulnerability Testing and Security Controls Review performed by McGladrey.

MOTION: Barbara Coats	SECOND: Mark Allgire	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Crawford, Le, Coats, Allgire
NAYS: None
ABSENT: Yang

3. Discount Factor Used in Actuarial Study

Mr. James Crawford said the JPA reduced the discount factor for loss funding from 3% to 2% last year. The JPA earns approximately .5% interest from Santa Clara County Treasury Pool so the JPA may want to reduce it further. Staff obtained various discount factors from the actuary which are shown in the agenda. For example, if the discount factor is reduced to 1%, it would add \$21,000 in loss funding to the budget; if the discount factor is reduced to 0%, it would add \$40,000 in loss funding to the budget.

A motion was made to change the discount factor to 1% at the 70% confidence level.

MOTION: Phuong Le	SECOND: Mark Allgire	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Crawford, Le, Coats, Allgire
NAYS: None
ABSENT: Yang

4. Slate of Officers for June 18, 2015 Meeting

Every June, the Board of Directors elects the Executive Committee officers and a Member at Large for the annual term of the office beginning July 1. Mr. Mark Allgire agreed to be nominated for Treasurer. After Committee discussion, the officers that will be presented at the June meeting are as follows:



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 5, 2015**

James Crawford – President
Nelly Yang – Vice President
Mark Allgire – Treasurer
Barbara Coats – Secretary
Phuong Le – Member at Large

G. FINANCIAL

1. Preliminary Revenue and Expense Budget for July 1, 2015-2016

Mr. Crawford noted there were some large changes in ADA especially for Santa Clara County Office of Education where ADA decreased by approximately 1,300. It's possible that some ADA has been transferred to the districts although the County still teaches the students. Ms. Barbara Coats said she will review the ADA to verify whether it's accurate.

Mr. Crawford said the Liability premium is estimated to increase by 25% due to the Evergreen School District molestation case. Ms. Crossley noted that staff will seek an alternate quote from SELF (Schools Excess Liability Fund) and other markets. Mr. Crawford stated the Property premium is estimated to decrease by about 10%. Ms. Crossley said the Property market is soft and the JPA's Property loss history has greatly improved.

The overall budget is estimated to increase by 1.9% or approximately \$66,395. Ms. Crossley stated the budget numbers are all estimates except for the Liability and Property funding which came from the actuarial study.

2. Review of Santa Clara County Treasury Pool Investments

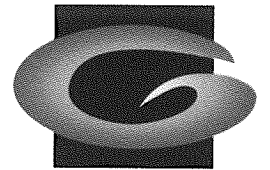
Ms. Crossley said that at the December meeting, there was a brief discussion as to whether the JPA may want to look at any long term investments available in the Santa Clara County Treasury Pool. After discussion, the Executive Committee stated it wouldn't be feasible as the JPA's assets are too small.

H. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 10:29 a.m.



Gilbert Associates, Inc.
CPAs and Advisors

Relax. We got this.

Accountant's Compilation Report

To the Board and Management of
South Bay Area Schools Insurance Authority

We have compiled the accompanying statement of position of South Bay Area Schools Insurance Authority (SBASIA) as of March 31, 2015 and 2014, and the related statement of revenues, expenses, and changes in net position for the nine months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of SBASIA is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted statement of cash flows and the disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary statement of revenues and expenses –budget to actual is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted Management's Discussion and Analysis, Schedule of Funding Progress of Other Postemployment Benefits, Reconciliations of Claims Liabilities by Type of Contract, and Claims Development Information, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to SBASIA.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
April 29, 2015

South Bay Area Schools Insurance Authority
Statement of Net Position
As of March 31, 2015 and March 31, 2014

	Mar 31, '15	Mar 31, '14
ASSETS		
Current Assets		
Checking/Savings		
B of A - Santa Clara County	3,707,122.52	3,691,800.68
B of A - Transfer Account	10,000.00	10,000.00
B of A Claims Trust Account	50,000.00	98,003.80
B of A - General Checking	1,218,919.95	1,112,475.32
Total Checking/Savings	4,986,042.47	4,912,279.80
Accounts Receivable		
Member Receivable	-	-
Claim Recovery Receivable	546,998.16	-
Claims Deductibles	206,882.71	253,018.43
Total Accounts Receivable	753,880.87	253,018.43
Total Current Assets	5,739,923.34	5,165,298.23
Other Assets		
Interest Receivable	-	3,865.29
Prepaid Expenses		
Prepaid Contract Administration	37,500.00	37,500.00
Prepaid Excess Insurance	603,312.64	508,061.00
Total Prepaid Expenses	640,812.64	545,561.00
Total Other Assets	640,812.64	549,426.29
TOTAL ASSETS	\$ 6,380,735.98	\$ 5,714,724.52
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	\$ 7,495.72	\$ 18,172.90
Claims Reserves	650,000.00	600,000.00
Deferred Revenue	862,383.96	784,153.56
Total Current Liabilities	1,519,879.68	1,402,326.46
Long Term Liabilities		
IBNR & Reserves	1,338,114.00	1,755,405.00
Unallocated Loss Adjustment	276,000.00	177,000.00
Total Long Term Liabilities	1,614,114.00	1,932,405.00
TOTAL LIABILITIES	3,133,993.68	3,334,731.46
NET POSITION		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	244,700.97	(203,959.93)
Net Revenue Over Expenditures	502,041.33	83,952.99
TOTAL NET POSITION	\$ 3,246,742.30	\$ 2,379,993.06

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Nine Months Ended March 31, 2015 and March 31, 2014

	<u>Jan '14 - Mar '15</u>	<u>Jul '14 - Mar '15</u>	<u>Jul '13 - Mar '14</u>
Revenue			
Member Contributions			
Liability Contributions	\$ 177,331.50	\$ 531,994.50	\$ 412,449.75
Property Contributions	422,751.25	1,268,253.75	1,102,043.25
Crime Policy	3,230.00	9,690.00	9,690.09
Administration	63,321.24	189,963.72	191,527.50
Loss Funding	195,749.96	587,249.91	636,750.09
Total Member Contributions	<u>862,383.95</u>	<u>2,587,151.88</u>	<u>2,352,460.68</u>
Interest Income	-	7,832.15	11,965.53
Total Income	<u>862,383.95</u>	<u>2,594,984.03</u>	<u>2,364,426.21</u>
Expense			
General & Administrative			
General Expenses			
Accounting Services	5,250.00	15,750.00	15,750.00
Actuarial Study	-	-	5,000.00
Appraisal Services	-	-	94,740.00
Audit Expense - Claims	3,210.00	3,210.00	-
Audit Expense - Financial	-	11,870.00	11,470.00
Bank Service Charges	-	-	465.58
Conference	-	1,476.59	403.41
Dues & Membership	-	450.00	-
Supplies, Postage, Misc Expense	-	40.40	-
Total Administration	<u>8,460.00</u>	<u>32,796.99</u>	<u>127,828.99</u>
Program Administration			
Claims Management Fees	16,319.33	38,438.81	60,749.59
Contract Administration	37,500.00	112,500.00	112,500.00
Total Program Administration	<u>53,819.33</u>	<u>150,938.81</u>	<u>173,249.59</u>
Total General and Administrative Expenses	<u>62,279.33</u>	<u>183,735.80</u>	<u>301,078.58</u>
Insurance Expense			
Excess Liability Policy	177,331.50	531,994.50	412,449.75
Excess Property Policy	422,751.16	1,268,253.48	1,102,043.25
Crime Policy	3,230.00	9,690.00	9,690.00
Total Insurance Expense	<u>603,312.66</u>	<u>1,809,937.98</u>	<u>1,524,183.00</u>
Claims Expenses			
Claims Payments	137,446.64	237,421.95	563,330.29
Claims Adjustment Account	(114,626.75)	(138,153.03)	(108,118.65)
Total Claims Expenses	<u>22,819.89</u>	<u>99,268.92</u>	<u>455,211.64</u>
Total Expenses	<u>688,411.88</u>	<u>2,092,942.70</u>	<u>2,280,473.22</u>
Net Revenue Over Expenses	<u>\$ 173,972.07</u>	<u>502,041.33</u>	<u>\$ 83,952.99</u>
Net Position, Beginning		<u>\$ 2,744,700.97</u>	<u>\$ 2,296,040.07</u>
Net Position, Ending		<u>\$ 3,246,742.30</u>	<u>\$ 2,379,993.06</u>

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual
For the Quarter and Nine Months Ended March 31, 2015

	<u>Jul '14 - Mar '15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Revenue				
Member Contributions				
Liability Contributions	\$ 531,994.50	\$ 709,326.00	-177,331.50	75.0%
Property Contributions	1,268,253.75	1,691,005.00	-422,751.25	75.0%
Crime Policy	9,690.00	12,920.00	-3,230.00	75.0%
Administration	189,963.72	253,285.00	-63,321.28	75.0%
Loss Funding	587,249.91	783,000.00	-195,750.09	75.0%
Total Member Contributions	<u>2,587,151.88</u>	<u>3,449,536.00</u>	<u>-862,384.12</u>	<u>75.0%</u>
Interest Income	7,832.15	0.00	7,832.15	100.0%
Total Revenue	<u>2,594,984.03</u>	<u>3,449,536.00</u>	<u>-854,551.97</u>	<u>75.23%</u>
Expense				
General and Administrative Expenses				
General Expenses				
Accounting Services	15,750.00	22,000.00	-6,250.00	71.59%
Audit Expense - Claims	3,210.00	3,500.00	-290.00	91.71%
Audit Expense - Financial	11,870.00	12,285.00	-415.00	96.62%
Conference	1,476.59	2,500.00	-1,023.41	59.06%
Contingency	0.00	5,000.00	-5,000.00	0.0%
Dues & Membership	450.00	500.00	-50.00	90.0%
Legal Expense - JPA	0.00	2,000.00	-2,000.00	0.0%
Loss Control	0.00	100,000.00	-100,000.00	0.0%
Meeting Expense	0.00	500.00	-500.00	0.0%
Supplies, Postage, Misc Expense	40.40	0.00	40.40	100.0%
Total General Expenses	<u>32,796.99</u>	<u>148,285.00</u>	<u>-115,488.01</u>	<u>22.12%</u>
Program Administration				
Claims Management Fees	38,438.81	55,000.00	-16,561.19	69.89%
Contract Administration	112,500.00	150,000.00	-37,500.00	75.0%
Total Program Administration	<u>150,938.81</u>	<u>205,000.00</u>	<u>-54,061.19</u>	<u>73.63%</u>
Total General and Administrative Expenses	<u>183,735.80</u>	<u>353,285.00</u>	<u>-169,549.20</u>	<u>52.01%</u>
Insurance Expense				
Excess Liability Policy	531,994.50	709,326.00	-177,331.50	75.0%
Excess Property Policy	1,268,253.48	1,691,005.00	-422,751.52	75.0%
Crime Policy	9,690.00	12,920.00	-3,230.00	75.0%
Total Insurance Expense	<u>1,809,937.98</u>	<u>2,413,251.00</u>	<u>-603,313.02</u>	<u>75.0%</u>
Claims Costs				
Claims Payments	237,421.95	783,000.00	-545,578.05	
Claims Adjustment Account	-138,153.03	0.00	-138,153.03	
Total Claims Costs	<u>99,268.92</u>	<u>783,000.00</u>	<u>-683,731.08</u>	<u>12.68%</u>
Total Expense	<u>2,092,942.70</u>	<u>3,549,536.00</u>	<u>-1,456,593.30</u>	<u>58.96%</u>
Net Revenue Over Expenses	<u><u>\$ 502,041.33</u></u>	<u><u>\$ (100,000.00)</u></u>	<u><u>\$ 602,041.33</u></u>	<u><u>-502.04%</u></u>

South Bay Area Schools Insurance Authority General Checking Account Register

January 1, 2015 - March 31, 2015

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America - 61312								
Deposit	01/09/2015				AccountsReceivable	20,000.00		1,373,330.31
Check	01/15/2015	10141	Carl Warren & Company	Deposit	B of A Claims Trust Account		4,334.89	1,388,995.42
Check	01/15/2015	10142	James Marfa & Company	Replenishment Inv # 8374 - Final	Audit Expense - Financial		7,870.00	1,381,125.42
Deposit	01/23/2015			Deposit	Undeposited Funds	5,000.00		1,386,125.42
Check	01/28/2015	10143	Carl Warren & Company	November & December 2014	Claims Management Fees		7,225.22	1,378,900.20
Check	01/28/2015	10144	Carl Warren & Company	Replenishment	B of A Claims Trust Account		42,646.19	1,336,254.01
Check	01/28/2015	10145	Gilbert Associates, Inc.	4th Qtr 2014 - Inv # 307555	Accounting Services		5,250.00	1,331,004.01
Check	02/16/2015	10146	Carl Warren & Company	Replenishment	B of A Claims Trust Account		5,403.18	1,325,600.83
Check	03/10/2015	10147	Carl Warren & Company	January - Inv # 1655897 - 1655927	Claims Management Fees		5,342.73	1,320,258.10
Check	03/10/2015	10148	Carl Warren & Company	Replenishment	B of A Claims Trust Account		39,944.24	1,280,313.86
Check	03/10/2015	10149	Rick Management Services		Audit Expense - Claims		3,210.00	1,277,103.86
Check	03/10/2015	10150	Gilbert Associates, Inc.		Accounting Services		5,250.00	1,271,853.86
Check	03/27/2015	10151	Carl Warren & Company	Replenishment	B of A Claims Trust Account		49,453.03	1,222,400.83
Check	03/27/2015	10152	Carl Warren & Company	Inv # 1666176 - 1666827	Claims Management Fees		3,480.88	1,218,919.95
Total Bank of America - 61312						25,000.00	179,410.36	1,218,919.95

**South Bay Area Schools Insurance Authority
Claim Payments - Carl Warren Claims Trust Account
January 1, 2015 - March 31, 2015**

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount
10558	Daniel Strong, a minor	01/06/2015	9/11/2013	1878237	LBI	STRONG, DANIEL	Payment	\$1,000.00
10559	Daniel Strong, a minor	01/06/2015	10/16/2013	1878239	LBI	STRONG, DANIEL	Payment	\$1,500.00
10560	DAVIS & YOUNG, APLC	01/06/2015	9/3/2013	1882132	LBI	WIGGEN, LINDA	Payment	\$966.98
10561	DAVIS & YOUNG, APLC	01/06/2015	5/2/2013	1860712	LBI	PACHECO, FREDERIC	Payment	\$2,538.83
10562	DAVIS & YOUNG, APLC	01/06/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$7,839.19
10563	DAVIS & YOUNG, APLC	01/06/2015	7/31/2012	1859899	LPI	MCLEROY, GEORGE	Payment	\$1,442.50
10564	DAVIS & YOUNG, APLC	01/06/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$2,290.25
10565	DAVIS & YOUNG, APLC	01/06/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$4,394.43
10566	DAVIS & YOUNG, APLC	01/06/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$5,224.91
10567	DAVIS & YOUNG, APLC	01/06/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$1,165.20
10568	DAVIS & YOUNG, APLC	01/12/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$2,743.34
10569	DAVIS & YOUNG, APLC	01/12/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$1,608.66
10570	DAVIS & YOUNG, APLC	01/15/2015	11/10/2013	1886281	LPI	GRANDALL, CRAIG	Payment	\$1,145.00
10571	DAVIS & YOUNG, APLC	01/15/2015	11/7/2013	1885371	LBI	PERRY, AUSTIN	Payment	\$940.00
10572	DAVIS & YOUNG, APLC	01/15/2015	12/19/2012	1858406	LBI	PETITO, ARIEL	Payment	\$2,164.00
10573	DAVIS & YOUNG, APLC	01/15/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$5,682.90
10574	DAVIS & YOUNG, APLC	01/26/2015	9/12/2012	1851064	LBI	Pott, Audrie	Payment	\$3,358.89
10575	DAVIS & YOUNG, APLC	01/26/2015	1/1/2013	1852921	LBI	SHENE, HARLEY	Payment	\$2,044.29
10576	DECISION ANALYSIS, INC.	02/04/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$7,500.00
10577	DECISION ANALYSIS, INC.	02/04/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$7,500.00
10578	DECISION ANALYSIS, INC.	02/04/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$7,500.00
10579	DECISION ANALYSIS, INC.	02/04/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$7,500.00
10580	DAVIS & YOUNG, APLC	02/05/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$3,575.85
10581	DAVIS & YOUNG, APLC	02/05/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$897.19
10582	GLOBAL OPTIONS SERVICES, INC.	02/05/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$6.00
10583	ROBERSON APPRAISAL ASSOC	02/11/2015	1/26/2015	1901713	ACL	MILPITAS USD, .	Payment	\$135.00
10584	DAVIS & YOUNG, APLC	02/17/2015	11/7/2013	1885371	LBI	PERRY, AUSTIN	Payment	\$1,385.20
10585	DAVIS & YOUNG, APLC	02/17/2015	11/10/2013	1886281	LPI	CRANDALL, CRAIG	Payment	\$1,840.00
10586	DAVIS & YOUNG, APLC	02/17/2015	9/21/2013	1894367	LPI	PERRIZO, KAYDEN	Payment	\$2,105.00
10587	DAVIS & YOUNG, APLC	03/03/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$5,115.13
10588	DAVIS & YOUNG, APLC	03/03/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$4,547.13
10589	DAVIS & YOUNG, APLC	03/17/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$2,448.94
10590	DAVIS & YOUNG, APLC	03/17/2015	7/31/2012	1859899	LPI	MCLEROY, GEORGE	Payment	\$6,803.86

South Bay Area Schools Insurance Authority
Claim Payments - Carl Warren Claims Trust Account
January 1, 2015 - March 31, 2015

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount
10591	DAVIS & YOUNG, APLC	03/17/2015	9/12/2012	1851064	LBI	Pott, Audrie	Payment	\$1,680.00
10592	DAVIS & YOUNG, APLC	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$7,348.30
10593	DAVIS & YOUNG, APLC	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$3,259.67
10594	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$5,000.00
10595	DOUGLAS E. TUCKER MD	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$1,625.00
10596	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$5,000.00
10597	DOUGLAS E. TUCKER MD	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$1,625.00
10598	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$5,000.00
								\$137,446.64

Claims Checking Account

Beginning Balance @ 12/31/14	\$ 45,665.11
Deposits	\$ 141,781.53
Claim Payments	-\$137,446.64
Ending Balance @ 3/31/15	<u>\$ 50,000.00</u>

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

February 27, 2015

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 December 31, 2014 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 December 31, 2014 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	\$5,639,537,673	\$5,638,798,116	\$(739,557)	-0.01%

The yield of the pool on June 30, 2013 was 0.47%. As a comparison, on June 30, 2013 the yield of a 6-month Treasury Bill was 0.12%. A two-year Treasury Note was .67%. The State of California Local Agency Investment Fund (LAIF) yield was 0.26%.

Attached with the current investment strategy is a schedule that lists the average maturities and yield for the commingled funds over the past six months. A chart of investment concentration and maturity is provided for the Treasury Pool. Also included is a chart showing the one-year history of the pool and selected interest rates.

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

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

After comparing securities held in safekeeping with Treasury's custodial bank to the securities listed in the County's investment records, no variances were cited in the attached report prepared by the County's Internal Audit Division. 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.

If any Board member would like further information on this report, please let me know.

Attachments



Agenda Item I.1

EXCESS LIABILITY INSURANCE OPTIONS

ACTION ITEM

ISSUE: The Executive Committee should review the Excess Liability indications to determine which indication is the best option for the JPA.

RECOMMENDATION: None

FISCAL IMPACT: To be determined.

BACKGROUND: Staff has received Excess Liability indications from CSAC EIA and SELF for the layer above \$5 million. Staff will present the indications.

ATTACHMENTS: To be distributed at the meeting



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item I.2

PRELIMINARY REVENUE AND EXPENSE BUDGET FOR JULY 1, 2015 - 2016

INFORMATION ITEM

EXPLANATION: Staff presented a preliminary revenue and expense budget at the March 5, 2015 meeting showing allocation of premium, loss funding and expenses for the insurance renewals and administrative contracts effective July 1. This document provides preliminary indications of cost to members which will assist them in development of their own District budgets.

The budget has been updated to include the most current estimated rate for the Excess Liability premium.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item J.1

CLAIMS AUDIT

INFORMATION ITEM

EXPLANATION: At the December 4, 2014 Board of Directors meeting, the Board selected Risk Management Services to perform the JPA's claims audit. Mr. Ken Maiolini at Risk Management Services conducted the audit on February 5, 2015 at Carl Warren & Company. Staff will review the audit findings with the Executive Committee.

ATTACHMENTS: Claims Audit



Agenda Item J.2

**CYBER LIABILITY OPTIONAL COVERAGE ENHANCEMENT
FOR PRIVACY NOTIFICATION COSTS AND HIGHER LIMITS**

INFORMATION ITEM

EXPLANATION: The JPA's Property policy includes some Cyber Liability coverage. The policy currently includes \$500,000 annual aggregate limit for Privacy Notification costs; this increases to \$1 million limit if a Beazley vendor is used (Beazley administers the Cyber coverage). A Cyber Liability coverage enhancement is available and provides two options:

- Option 1 would replace the monetary limit with a per person limit. The per person limit is outside the policy's current dollar limits so that expensive notification costs do not erode the cyber policy limits. The per person limit provides an unlimited dollar amount for notification services subject to the number of notified individuals that is selected. The additional premium is based on the JPA's annual revenue or operating budget and the number of notified individuals that would be covered.
- Option 2 is available only if Option 1 has been purchased. Option 2 provides Excess Cyber Liability limits up to \$5 million.

ATTACHMENTS: Cyber Coverage Enhancement
Cyber Application



Agenda Item J.3

CSAC EIA LABOR LAW/EMPLOYMENT PRACTICES PROGRAM

INFORMATION ITEM

EXPLANATION: As a member of CSAC EIA's General Liability program, the JPA has access to a new Labor Law/Employment Practices program. CSAC EIA has partnered with Eyres Law Group to provide this program. The program includes:

- Legal advice/services Hotline – unlimited access;
- Real time, step-by-step guidance and support;
- Monthly newsletter customized for public entities;
- Two monthly webinars -- up to the moment information;
- Periodic updates on “breaking news” items;
- Quarterly bulletins with policy and process updates;
- Interactive Process Manual, 3rd Edition; and
- Periodic special alerts and program updates

There is no charge for these services.

ATTACHMENTS: Introduction to Labor Law/Employment Practices program



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item J.4

SLATE OF OFFICERS FOR JUNE 18, 2015 MEETING

INFORMATION ITEM

EXPLANATION: The Executive Committee should review the slate of officers to present to the Board of Directors at their June 18, 2015 meeting. Each June, the Board of Directors elects the Executive Committee officers and a Member at Large for the annual term of office beginning July 1. At the March meeting, the Executive Committee decided to present the following slate of officers:

President: Mr. James Crawford, Campbell Union School District

Vice President: Ms. Nelly Yang, Evergreen School District

Treasurer: Mr. Mark Allgire, Santa Clara Unified School District

Secretary: Ms. Barbara Coats, Santa Clara County Office of Education

Member at Large: Ms. Phuong Le, Berryessa Union School District

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 7, 2015

Agenda Item J.5

UPDATE ON CYBER SECURITY AUDIT

INFORMATION ITEM

EXPLANATION: At its March 5, 2015 meeting, the Executive Committee reviewed proposals received for the Cyber Security Audit and tentatively approved McGladrey to perform internal network vulnerability testing and security controls review. Staff will provide an update on the status of the Cyber Security audit.

ATTACHMENTS: None