



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE
MEETING AGENDA**

LOCATION: Campbell Union School District
155 N. Third Street
Campbell, CA 95008

DATE/TIME: June 18, 2015
9:00 A.M.

A - Action
I - Information

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 Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

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- A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA** **A 1**
- D. PUBLIC COMMENT**
This time is reserved for members of the public to address the Executive Committee on matters of the SBASIA Executive Committee business.
- E. CONSENT CALENDAR** **A 1**
- 1. Executive Committee Meeting Minutes – May 7, 2015**
- F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95** **A 4**
 - 1. Does 1-4 vs. Evergreen School District**
 - 2. Does 1-2 vs. Santa Clara County Office of Education**
- G. PRESIDENT’S REPORT ON ACTION FROM CLOSED SESSION**
- H. FINANCIAL** **A 4**
 - 1. Authorization to Accept Check (Luyau) from the District Attorney’s Office for Santa Clara Unified School District**
The Executive Committee will discuss check received from D.A.



- I. GENERAL ADMINISTRATION**
- 9-10 **1. Executive Committee Meeting Dates for Fiscal Year 2015-2016** A 1
The Executive Committee will need to adopt meeting dates for July 1, 2015-2016.
- 11 **2. Review of Board Agenda Items** A 3
Staff will review the Board agenda items with the Executive Committee.

J. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING

The next Executive Committee Meeting is set for Thursday, October 8, 2015 at 9:30 a.m. The location will be at Campbell Union School District, 155 N. Third St, Campbell, CA 95008.



Agenda Item E.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 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 – May 7, 2015

ATTACHMENTS: Executive Committee Meeting Minutes – May 7, 2015



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
May 7, 2015**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Nelly Yang, Vice President, Evergreen School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Mark Allgire, Member at Large, Santa Clara Unified School District

MEMBERS ABSENT

Phuong Le, Treasurer, Berryessa Union School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Tracey Smith-Reed, Gilbert Associates, Inc.
Mark Davis, Davis & Young

A. CALL TO ORDER

The meeting was called to order at 9:35 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: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

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

D. PUBLIC COMMENT

There were no comments from the public.



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- E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
Does 1-4 vs. Evergreen School District**
- F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 –
Employee Discipline/Dismissal/Release/Complaint**

The Executive Committee went into closed session at 9:38 a.m.

G. PRESIDENT’S REPORT ON ACTION FROM CLOSED SESSION

The Executive Committee returned from closed session at 10:30 a.m. Mr. James Crawford reported that the closed session items were discussed.

H. CONSENT CALENDAR

- 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

On the Financial Report for Quarter Ending March 31, 2015, Ms. Tracey Smith-Reed noted there’s a claim recovery receivable amount of \$546,998.16; this is money due to the JPA from the insurance carrier for the Evergreen School District molestation claim. Ms. Smith-Reed commented the claims trust account with Carl Warren & Company is replenished in \$50,000 increments. There are two to three requests a month so perhaps the amount should be increased to \$100,000. The Executive Committee said that can be discussed at the next Board meeting.

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

MOTION: Mark Allgire SECOND: Barbara Coats MOTION CARRIED

AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

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

I. FINANCIAL

1. Excess Liability Insurance Options

Mr. Matt Gowan said currently the JPA has a \$250,000 Liability SIR and then purchases Excess Liability coverage with CSAC EIA to \$35 million limit. The renewal indication from CSAC EIA is 25% increase so staff looked at another option with SELF (Schools Excess Liability Fund). That option is to remain with CSAC EIA from \$250,000 to \$5 million limit then attach to SELF from \$5 million to \$55 million limit.



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Mr. Gowan said the SELF coverage form compliments the CSAC EIA coverage and defines a molestation occurrence the same as CSAC EIA. There are two main differences with SELF. One is that trampolines are excluded except for Special Ed individual education programs. The JPA would still have coverage for trampolines up to \$5 million limit, but above that trampolines are excluded by SELF. The other difference applies to watercraft. Liability policies exclude owned watercraft. CSAC EIA has coverage for leased watercraft that's not under the control of the district, but SELF does not cover leased watercraft. The JPA would have coverage for leased watercraft up to \$5 million, but not above that limit. An example of leased watercraft is having a prom on a boat. Risk management should be used regarding watercraft; the districts should obtain evidence of insurance from the company operating the boat.

The options for the Excess Liability renewal are:

- CSAC EIA from \$250,000 to \$35 million limit
Annual premium is \$888,000

- CSAC EIA from \$250,000 to \$5 million limit than attach to SELF from \$5 million to \$55 million limit
Annual premium is \$747,485

The SELF option increases the limit from \$35 million to \$55 million and costs \$140,515 less.

SELF has a 3 year membership commitment. The financial situation of SELF is strong. The rate in the core program is flat while the rate for the layer of \$25 million excess of \$30 million decreased by 5% per from last year.

The JPA previously had coverage with SELF, but the JPA withdrew from SELF in 2011 as rates were increasing at that time.

Ms. Joan Crossley said each member district in the JPA has to adopt a board resolution to join SELF and sign the SELF Joint Powers Agreement.

A motion was made to approve the option to join SELF from \$5 million to \$55 million limit effective 7/1/15.

MOTION: Barbara Coats SECOND: Mark Allgire MOTION CARRIED

AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

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



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

Mr. Gowan presented the preliminary budget for 2015-2016. The Liability funding, which comes from the actuarial study, is up 5.8%; part of the increase is due to the discount factor being changed from 2% to 1%. The total Liability, which includes the funding and insurance premium, is up 5.5%.

Ms. Barbara Coats noted that the error in ADA for Santa Clara County Office of Education has been fixed and the ADA is now correct.

The Property funding, which comes from the actuarial study, has increased by 3.7%. The Property rate is estimated to decrease as the property market is improving. The Property premium is estimated to decrease by 9.8%. This is still an estimate as the Property insurance quote has not been received yet.

Admin fees are up by 7% as the JPA will be having an actuarial study performed and will also need to pay for the upcoming CAJPA re-accreditation. The overall budget is projected to decrease by 2% or \$71,888 from last year.

J. GENERAL ADMINISTRATION

1. Claims Audit

Ms. Crossley said Risk Management Services conducted a claims audit on February 5, 2015 at Carl Warren & Company. The auditor, Mr. Ken Maiolini, is unable to attend the meeting as he is in mediation. Ms. Crossley said the auditor found the claims handling to be very good; the only item noted was minor reserve issues on three claims which were discussed with the claims manager.

2. Cyber Liability Optional Coverage Enhancement for Privacy Notification Costs and Higher Limits

Ms. Crossley said the Property policy includes Cyber Liability coverage. Each member of the JPA has \$2 million Cyber Liability aggregate limit with privacy notification costs at \$1 million limit. The privacy notification limit erodes the \$2 million aggregate. An optional coverage is available that replaces the privacy notification monetary limit with a per person limit that does not erode the aggregate. 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.

If the privacy notification option is purchased, then Excess Cyber Liability limits are available from \$1 million to \$5 million.

The Cyber Liability options can be purchased by the JPA as a whole or on an individual district level. The coverage can be added midterm. The Executive Committee asked staff to find out what information is required to obtain a quote for the JPA.



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3. CSAC EIA Labor Law/Employment Practices Program

Mr. Gowan said CSAC EIA hired the Eyres Law Group who provides a hotline to seek advice on labor law. There is no charge and the attorney involved is very experienced. In addition, webinars are provided. Ms. Coats commented that the attorney provides good training for HR staff.

4. Slate of Officers for June 18, 2015 Meeting

Ms. Crossley asked the Executive Committee to review the slate of officers selected at the March meeting and confirm that this is the slate that will be presented to the Board of Directors.

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

5. Update on Cyber Security Audit

Ms. Crossley stated that Mr. James Crawford signed the cyber security audit contract with McGladrey on behalf of the JPA. Each district needs to sign an authorization form permitting McGladrey to access the computer systems. McGladrey suggested holding a conference call for IT staff to explain the audit procedures and answer any questions. The Executive Committee said a conference call would be a good idea and IT staff can decide whether or not to participate in the call.

K. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:40 a.m.



Agenda Item F.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**
- 2. Does 1-2 vs. Santa Clara County Office of Education**

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

FISCAL IMPACT: To be determined

ATTACHMENTS: None



Agenda Item H.1

**AUTHORIZATION TO ACCEPT CHECK (LUYAU) FROM
DISTRICT ATTORNEY'S OFFICE FOR SANTA CLARA USD**

ACTION ITEM

ISSUE: The Executive Committee should decide whether the JPA should accept a check in amount of \$79,000 from the Santa Clara County District Attorney on behalf of Santa Clara Unified School District.

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: The Santa Clara County District Attorney recently settled a misdemeanor with Mr. Jim Luyau. As part of the settlement, Mr. Luyau was required to pay \$79,000 to South Bay Area Schools Insurance Authority. Since SBASIA has stated it was not harmed by Mr. Luyau's actions and Santa Clara Unified School District has stated it was harmed, Santa Clara USD is requesting the settlement amount of \$79,000.

ATTACHMENTS: None



Agenda Item I.1

EXECUTIVE COMMITTEE MEETING DATES FOR FISCAL YEAR 2015-2016

ACTION ITEM

ISSUE: The Executive Committee should adopt a schedule establishing regular meetings for the 2015-2016 fiscal year as presented in the attachment or as amended.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: The Bylaws do not establish days or dates for the regular meetings. The Bylaws require that the Executive Committee hold at least 4 regular meetings a year. The Executive Committee should adopt a schedule establishing meeting dates to facilitate JPA business.

ATTACHMENTS: Meeting Dates for Executive Committee for 2015-2016



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING DATES
FISCAL YEAR 2015-2016**

October 8, 2015	Thursday @ 9:30 a.m.	Campbell Union School District
December 3, 2015	Thursday @ 9:00 a.m. (BOARD @ 10:00 a.m.)	Campbell Union School District
March 3, 2016	Thursday @ 9:30 a.m.	Campbell Union School District
May 5, 2016	Thursday @ 9:30 a.m.	Campbell Union School District
June 16, 2016	Thursday @ 9:00 a.m. (BOARD @ 10:00 a.m.)	Campbell Union School District



Agenda Item I.2

REVIEW OF BOARD AGENDA ITEMS

ACTION ITEM

ISSUE: The Executive Committee should make recommendations to the Board of Directors for those items on their agenda that require action.

RECOMMENDATION: None.

FISCAL IMPACT: Various. See the Board of Directors June 18, 2015 agenda.

BACKGROUND: The Board of Directors should take action on the following items:

- Excess Liability Renewal
- Resolution to Join Schools Excess Liability Fund (SELF)
- Review and Adoption of Liability Memorandum of Coverage
- Excess Property Renewal and Boiler & Machinery Renewal
- Alliant Property Insurance Program Claims Reporting Acknowledgement
- Crime Policy Renewal
- Review and Adoption of Property Memorandum of Coverage
- Revenue and Expense Budget for July 1, 2015-2016
- Carl Warren & Company Trust Account
- SBASIA Election of Officers and Executive Committee
- Investment Authority
- Review of Investment Policy
- Resolution Establishing Meeting Dates for Fiscal Year 2015-2016

ATTACHMENTS: None