



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 2, 2017**

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, Treasurer, Santa Clara Unified School District

MEMBERS ABSENT

Phuong Le, Member at Large, Berryessa Union School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Brandon Schlenker, Carl Warren & Company

A. CALL TO ORDER

The meeting was called to order at 9:34 a.m.

B. ROLL CALL

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA

Mr. Matt Gowan explained the financial report is not ready because Ms. Cindy Conklin unexpectedly left employment at Gilbert Associates, the JPA's vendor for accounting services. Mr. Kevin Wong at Gilbert Associates will work on the JPA's accounting until further notice.

A motion was made to amend the agenda by pulling item F.1. Financial Report for Quarter Ending December 31, 2016.

MOTION: Nelly Yang	SECOND: Mark Allgire	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Crawford, Yang, Coats, Allgire

NAYS: None

ABSENT: Le

D. PUBLIC COMMENT

There were no comments from the public.



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E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – December 1, 2016
2. Executive Committee Teleconference Minutes – January 13, 2017
3. Investment Report for Quarter Ending September 30, 2016

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

MOTION: Nelly Yang SECOND: Barbara Coats MOTION CARRIED
AYES: 3 NOES: 0 ABSTAIN: 1 ABSENT: 1

AYES: Crawford, Yang, Coats

NAYS: None

ABSTAIN: Allgire

ABSENT: Le

Mr. Mark Allgire abstained as he did not participate in the teleconference on January 13, 2017.

F. GENERAL ADMINISTRATION

2. Claims Service Contract with Carl Warren & Company

Mr. Brandon Schlenker of Carl Warren & Company presented a renewal proposal for claims services because the JPA's current contract expires on June 30, 2017. There are two options: a time and expense option and a flat annual fee option for up to 65 claims per year. Over the last five years, the JPA has an average of 57 claims per year. There would be a per claim fee for more than 65 claims per year. There is no charge for incident only reports. The Executive Committee stated they would like the flat fee option and would like to review a draft contract at their next meeting.

3. ADA Used for Liability Policy Underwriting and Budget

Ms. Joan Crossley said the Executive Committee had previously discussed possible methods to count preschool and Adult Ed ADA, but had not yet reached a conclusion. The State of California no longer requires the reporting of Adult Ed ADA. After discussion, the Executive Committee said they will continue to use the ADA as provided by Santa Clara County without preschool and Adult Ed ADA as there is no methodology for tracking that ADA.

4. Five Year Loss Control Plan

Ms. Crossley referred the Executive Committee to the handout on Loss Control Inspections. The loss control ideas have been consolidated into years one through five so that the JPA has five loss control items that will take place over the next five years. The Executive Committee asked staff to issue a RFP for loss control and present the proposals at the May meeting.



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5. Slate of Officers for June 15, 2017 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. James Crawford said he will remain as President for one more year. Mr. Crawford also said Mike Mathiesen from Mountain View-Los Altos Union High School District is interested in joining the Executive Committee. After discussion, the Executive Committee stated that they would present a slate of officers in which Mr. Mark Allgire becomes Vice President, Mr. Mathieson becomes Treasurer and Ms. Nelly Yang becomes Member at Large. Ms. Barbara Coats will remain as Secretary.

G. FINANCIAL

1. Preliminary Revenue and Expense Budget for July 1, 2017 - 2018

Mr. Gowan presented the Preliminary Revenue and Expense budget for July 1, 2017-2018. The CSAC EIA Liability premium is estimated to increase by 41%. Mr. Gowan said the Liability market is extremely hard especially for schools. In addition, the JPA has a high Liability loss ratio. Staff distributed a handout showing the JPA's loss ratio is 480% in the \$25 million Liability insurance layer using claims for the last six years. Mr. Gowan said he has marketed the Liability to various insurance carriers and they have either declined to quote or quoted higher than CSAC EIA. Mr. Gowan said he is also requesting higher Liability SIR options from CSAC EIA.

The Property market has been soft for the last several years. The Property rate is estimated to remain flat; there may be a chance it will decrease. Ms. Crossley asked if the JPA is interested in an optional Flood quote; the Executive Committee said it is not necessary.

The overall budget is estimated to increase by 10.13% or approximately \$352,876.

Mr. Allgire asked if his district can increase its deductible from \$10,000 to \$25,000 and get a premium credit. Mr. Gowan said he will ask the actuary to calculate the difference in loss funding from \$10,000 to \$25,000.

H. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:13 a.m.

Reviewed and Approved by: _____

Barbara Coats

Date: _____

5/4/17

Approved 5/4/17