



**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 14, 2018  
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 2180 Harvard St, Suite 460, Sacramento, CA 95815.

*Page*

- 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 3, 2018**
- F. GENERAL ADMINISTRATION** **A 1**
  - 1. Executive Committee Meeting Dates for Fiscal Year 2018-2019**  
*The Executive Committee will need to adopt meeting dates for July 1, 2018-2019.*
  - 2. Excess Property Insurance Options** **A 3**  
*Staff will present Property insurance options including Boiler and Machinery, Cyber Liability, Pollution Liability, Terrorism insurance and Active Shooter insurance for period of July 1, 2018-2019.*



- 9     **3. Relation of Excess Liability Policy to the Cyber Liability Policy**     **I    1**  
*Staff will discuss whether the Excess Liability policy provides excess coverage over the Cyber Liability policy.*
- 10    **4. Review of Board Agenda Items**     **A    1**  
*Staff will review the Board agenda items with the Executive Committee.*

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

**ADJOURNMENT**

**NEXT MEETING**

The next Executive Committee Meeting is set for Thursday, October 4, 2018 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 3, 2018**

**ATTACHMENTS:** Executive Committee Meeting Minutes – May 3, 2018



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
May 3, 2018**

**MEMBERS PRESENT**

James Crawford, President, Campbell Union School District  
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District  
Nelly Yang, Member at Large, Evergreen School District

**MEMBERS ABSENT**

Mark Allgire, Vice President, Santa Clara Unified School District  
The position of Secretary is currently vacant.

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
Wendy Zhang, Milpitas Unified School District  
Dale Danforth, Carl Warren & Company  
Gary Phillips, Carl Warren & Company  
Brandon Schlenker, Carl Warren & Company  
Kevin Wong, Gilbert Associates, Inc.

**A. CALL TO ORDER**

The meeting was called to order at 9:31 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> Nelly Yang	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
		<b>ABSENT:</b> 1

**AYES:** Crawford, Mathiesen, Yang  
**NAYS:** None  
**ABSENT:** Allgire

**D. PUBLIC COMMENT**

There were no comments from the public.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
May 3, 2018**

**E. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – March 8, 2018
2. Financial Report for Quarter Ending March 31, 2018
3. Investment Report for Quarter Ending December 31, 2017

Mr. Kevin Wong noted that the total assets are similar to a year ago, but the claims reserves have increased to \$2.2 million compared with \$1.7 million a year ago.

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

**MOTION: Nelly Yang                      SECOND: Mike Mathiesen                      MOTION CARRIED**

**AYES: 3                      NOES: 0                      ABSTAIN: 0                      ABSENT: 1**

**AYES:** Crawford, Mathiesen, Yang

**NAYS:** None

**ABSENT:** Allgire

**F. GENERAL ADMINISTRATION**

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

Mr. Matt Gowan stated that last year Liability and Property safety inspections were performed on the exterior of buildings. According to the JPA's five year loss control plan, it's time to have safety inspections performed on the interior of the buildings and also to include chemical inspection. Ms. Joan Crossley distributed the summary of responses to the Request for Proposal (RFP) for Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. The RFP was sent to four firms and all four provided proposals. After discussion, the Executive Committee selected ESM Solutions, Inc. to perform the inspections.

**A motion was made to approve using ESM Solutions, Inc. for the Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection.**

**MOTION: Nelly Yang                      SECOND: Mike Mathiesen                      MOTION CARRIED**

**AYES: 3                      NOES: 0                      ABSTAIN: 0                      ABSENT: 1**

**AYES:** Crawford, Mathiesen, Yang

**NAYS:** None

**ABSENT:** Allgire



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
May 3, 2018**

**2. Slate of Officers for June 14, 2018 Meeting**

Mr. James Crawford stated he can remain as President until October when he will be retiring. Mr. Crawford said he spoke with various Board members to fill the three outstanding positions for officers. Ms. Wendy Zhang from Milpitas Unified School District and Ms. Megan Reilly from Santa Clara County Office of Education agreed to fill two of the positions. After discussion, this is the slate to be presented to the Board of Directors:

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: Ms. Wendy Zhang, Milpitas Unified School District

Member at Large: Position vacant

**G. FINANCIAL**

**1. Monitoring Changes in Claims Payments and Reserves**

Mr. Brandon Schlenker, Account Manager at Carl Warren & Company, introduced a new claims team for the JPA. Mr. Dale Danforth will be the senior adjuster; he has over 35 years of experience in handling Liability claims and litigation management for schools. Mr. Gary Phillips will be the claims supervisor; he has over 15 years of experience in claims handling and litigation.

Mr. Danforth commented on a recent trend in Liability claims for schools; there has been an increase in claims for Special Education over the last few years. School district attorneys negotiate a settlement, but the release often doesn't include all matters related to Special Education so then the claimant files a tort claim against the school district. Mr. Danforth said Carl Warren & Company can help with these situations.

Mr. Schlenker reviewed the changes in claims payments and reserves over the last quarter. Reserves decreased by \$300,000 and payments increased by \$500,000 so the change in total incurred for the last quarter was an increase of \$200,000. Mr. Schlenker noted there were five claims with an increase in total incurred over \$10,000; there were no big decreases on claims.

**2. Preliminary Revenue and Expense Budget for July 1, 2018-2019**

Mr. Gowan presented the preliminary budget for 2018-2019. The Liability funding, which comes from the actuarial study, is up 31.8%. The CSAC EIA Liability premium increased by 19.2% as was previously discussed at the March meeting. The SELF premium came in higher than anticipated at 33.4% increase. SELF noted the rate increase is due to a continuing increase in both the frequency and severity of Liability claims as well as a climate where there are legislative efforts to eliminate the statute of limitations on sexual abuse claims and also eliminate a public entity's ability to set deadlines for filing sexual abuse claims.



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CAMPBELL, CALIFORNIA  
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The Property funding, which comes from the actuarial study, has increased by 7.9%. The Property rate is estimated to remain flat, but this is still an estimate as the Property insurance quote has not been received yet. Mr. Gowan said the Property market is beginning to harden due to the hurricanes and wildfires last year.

Admin fees are up very slightly by .9%. The overall budget is projected to increase by 14.2% or \$547,681 from last year.

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

There were no comments for the good of the order.

**ADJOURNMENT**

The meeting was adjourned at 10:46 a.m.



**Agenda Item F.1**

**EXECUTIVE COMMITTEE MEETING DATES FOR FISCAL YEAR 2018-2019**

**ACTION ITEM**

**ISSUE:** The Executive Committee should adopt a schedule establishing regular meetings for the 2018-2019 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 2018-2019





**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING DATES  
FISCAL YEAR 2018-2019**

<b>October 4, 2018</b>	<b>Thursday @ 9:30 a.m.</b>	<b>Campbell Union School District</b>
<b>December 6, 2018</b>	<b>Thursday @ 9:00 a.m.</b> <b>(BOARD @ 10:00 a.m.)</b>	<b>To be determined</b>
<b>March 7, 2019</b>	<b>Thursday @ 9:30 a.m.</b>	<b>To be determined</b>
<b>May 2, 2019</b>	<b>Thursday @ 9:30 a.m.</b>	<b>To be determined</b>
<b>June 13, 2019</b>	<b>Thursday @ 9:00 a.m.</b> <b>(BOARD @ 10:00 a.m.)</b>	<b>To be determined</b>



**Agenda Item F.2**

**EXCESS PROPERTY INSURANCE OPTIONS**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review options for the Excess Property insurance including Boiler & Machinery, Cyber Liability, Pollution Liability, Terrorism insurance and Active Shooter insurance for SBASIA for the period July 1, 2018 to July 1, 2019.

**RECOMMENDATION:** None

**FISCAL IMPACT:** To be determined based on the options selected.

**BACKGROUND:** The Excess Property insurance including Boiler & Machinery, Cyber Liability, Pollution Liability and Terrorism insurance is currently provided by PEP (Public Entity Property Insurance Program). PEP has provided a renewal quote. PEP will also have an option for Active Shooter coverage the details of which will be discussed at the meeting.

In addition, Travelers has provided a quote for Property, Boiler & Machinery insurance and Terrorism insurance (as certified by the U.S. Government). Cyber Liability, Pollution Liability, Terrorism insurance broader than that certified by the government and Active Shooter coverage are not included and would need to be purchased separately.

**ATTACHMENTS:** None



**Agenda Item F.3**

**RELATION OF EXCESS LIABILITY POLICY  
TO THE CYBER LIABILITY POLICY**

**INFORMATION ITEM**

**EXPLANATION:** Staff will discuss the areas in which the Excess Liability policy potentially provides excess coverage over the Cyber Liability policy and areas in which it does not provide coverage.

**ATTACHMENTS:** None



**Agenda Item F.4**

**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 14, 2018 agenda.

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

- Excess Liability Renewal
- Review and Adoption of Liability Memorandum of Coverage
- Excess Property Insurance Options.
- Review and Adoption of Property Memorandum of Coverage
- Revenue and Expense Budget for July 1, 2018-2019
- SBASIA Election of Officers and Executive Committee
- Investment Authority
- Review of Investment Policy
- Review of Conflict of Interest Code
- Resolution Establishing Meeting Dates for Fiscal Year 2018-2019

**ATTACHMENTS:** None