



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING MINUTES
ZOOM MEETING
March 3, 2022**

MEMBERS PRESENT

Mike Mathiesen, President, Mountain View-Los Altos Union High School District
Mark Schiel, Vice President, Santa Clara Unified School District
Delores Perley, Treasurer, Los Gatos-Saratoga Joint Union High School District
Wendy Zhang, Member at Large, Milpitas Unified School District

MEMBERS ABSENT

Rebecca Westover, Secretary, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Mark Davis, Davis, Bengtson & Young
Eric Bengtson, Davis, Bengtson & Young

A. CALL TO ORDER

The meeting was called to order at 9:33 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 as presented.

MOTION: Delores Perley **SECOND:** Wendy Zhang **MOTION CARRIED**
AYES: 4 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 1

AYES: Mathiesen, Schiel, Perley, Zhang
NAYS: None
ABSENT: Westover

D. PUBLIC COMMENT

There were no public comments.

E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

1. Goulart v. Santa Clara Unified School District
2. Gomez v. Evergreen School District
3. Patane and Snow v. Berryessa Union School District
4. Doe v. Los Gatos-Saratoga Joint Union High School District



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The Executive Committee entered closed session at 9:34 a.m. The Executive Committee returned from closed session at 10:23 a.m.

AYES: Mathiesen, Schiel, Perley, Zhang
NAYS: None
ABSENT: Westover

F. PRESIDENT'S REPORT ON ACTION FROM CLOSED SESSION

Mr. Mike Mathiesen reported that the closed session items were discussed and appropriate actions were taken.

G. CONSENT CALENDAR

1. **Executive Committee Meeting Minutes – December 2, 2021**
2. **Financial Report for Quarter Ending December 31, 2021**
3. **Investment Report for Quarter Ending December 31, 2021**

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

MOTION: Delores Perley	SECOND: Mark Schiel	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Mathiesen, Schiel, Perley, Zhang
NAYS: None
ABSENT: Westover

H. GENERAL ADMINISTRATION

1. Claims Service Contract with Carl Warren & Company

Mr. Matt Gowan said staff obtained a renewal claims service contract with Carl Warren & Company as the current contract expires June 30, 2022. The expiring contract had an annual fee of \$78,000 for up to 65 new claims per year. Carl Warren provided a 5 year renewal contract for up to 70 new claims per year. The year 1 fee increases by 7.5% to \$83,892, year 2 remains flat, year 3 increases by 5% to \$88,086, year 4 remains flat and year 5 increases by 5% to \$92,490. After discussion, the Executive Committee said the contract should be renewed as presented. Staff advised the contract will be presented at the June Board meeting for Board approval.

2. Administration Contract with Alliant Insurance Services

Mr. Gowan said the current administration contract with Alliant Insurance Services expires on June 30, 2022, but the contract contains an option to extend for two years. The annual fee has remained flat for the last six years at \$160,000. If the contract is extended, the 22-23 annual fee will increase by 3% to \$164,800 and the 23-24 annual fee will remain flat at \$164,800. After discussion, the Executive Committee said the contract should be extended for two years.



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3. Cyber Security Audit Request for Proposal-Additional Results

Ms. Joan Crossley said at its December meeting, the Executive Committee decided to contract with KYND to perform external facing vulnerability scans. Staff had also presented another quote from Kroll for other services such as internal network vulnerability testing and cyber security risk assessment, but the Kroll quote was very expensive. Staff then requested quotes from two other firms, Palo Alto Networks and Lodestone Security, to see if more reasonable pricing is available. Ms. Crossley said Palo Alto Networks said they would quote, but ultimately didn't provide a quote. The director at Lodestone Security said he would need additional information on the cyber networks of the SBASIA members before being able to quote. After discussion, the Executive Committee stated staff should contact the members to obtain the information and move forward with getting a cyber security quote from Lodestone.

4. Underwriting Policy

Ms. Crossley said CAJPA established a requirement for an underwriting policy and the policy has to be reviewed every three years by the Executive Committee. There are no recommended changes to the underwriting policy.

A motion was made to adopt the Underwriting Policy as presented.

MOTION: Mark Schiel **SECOND:** Delores Perley **MOTION CARRIED**
AYES: 4 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 1

AYES: Mathiesen, Schiel, Perley, Zhang
NAYS: None
ABSENT: Westover

5. Slate of Officers for June 9, 2022 Meeting

After discussion, the Executive Committee said the current officers will remain in their existing positions. As Ms. Rebecca Westover is absent, Mr. Mathiesen will reach out to her to confirm that she can continue serving as Secretary.

I. FINANCIAL

1. Preliminary Revenue and Expense Budget for July 1, 2022-2023

Mr. Gowan presented the Preliminary Revenue and Expense budget for July 1, 2022-2023 at 80% confidence level. The Liability funding is estimated to increase by 20%. The new actuarial study will be complete in approximately a week so staff is using an estimate at this time. PRISM provides Liability coverage from \$250,000 to \$5 million and the premium is estimated to increase by 3.67%. PRISM is still in the underwriting process so it's an estimate only. SELF provides Liability coverage from \$5 million to \$55 million. The SELF premium is estimated to increase by 20%, but this is just an estimate as SELF hasn't established its rates yet.

Approved 5/12/22



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The Property funding is estimated to increase by 8.5% pending the final number from the actuarial study. The Property premium is estimated to increase by 10%. Usually property values are trended for inflation, but since the JPA recently had a property appraisal, no trending was performed. Mr. Gowan noted this is good news since the Marshall & Swift trending factor is around 15% this year due to inflation and supply chain issues.


The overall budget is estimated to increase by 10.8% or approximately \$907,510.

J. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:14 a.m.

Reviewed and Approved by: 

Date: May 13, 2022