



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 3, 2015**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Nelly Yang, Vice President, Evergreen School District
Mark Allgire, Treasurer, Santa Clara Unified School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Randy Kenyon, Los Altos School District
Greg Medici, Los Gatos-Saratoga Joint Union High School District
Marie dela Cruz, Metropolitan Education District

MEMBERS ABSENT

Puong Le, Member at Large, Berryessa Union School District
Elizabeth Bozzo, Lakeside Joint School District
Wendy Zhang, Milpitas Unified School District
Mike Mathiesen, Mountain View-Los Altos Union High School District
Robert Clark, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Kelly Ng, Milpitas Unified School District
Tracey Smith-Reed, Gilbert Associates, Inc.
Robin Zane, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:05 a.m.
Ms. Marie dela Cruz arrived at 10:07 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: Mark Allgire	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Yang, Allgire, Coats, Kenyon, Medici, dela Cruz

NAYS: None

ABSENT: Le, Bozzo, Zhang, Mathiesen, Clark



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D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

- 1. Board of Directors Meeting Minutes – June 18, 2015**
- 2. Unaudited Financial Report for Quarter Ending June 30, 2015**
- 3. Investment Report for Quarter Ending June 30, 2015**
- 4. Financial Report for Quarter Ending September 30, 2015**
- 5. Investment Report for Quarter Ending September 30, 2015**

Ms. Tracey Smith-Reed commented that the JPA is carrying a receivable of \$1 million. The claims adjuster, Carl Warren & Company, is gathering the invoices and calculating the final receivable amount due from the excess insurance carrier, CSAC EIA.

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

MOTION: Greg Medici

SECOND: Mark Allgire

MOTION CARRIED

AYES: 7

NOES: 0

ABSTAIN: 0

ABSENT: 5

AYES: Crawford, Yang, Allgire, Coats, Kenyon, Medici, dela Cruz

NAYS: None

ABSENT: Le, Bozzo, Zhang, Mathiesen, Clark

F. FINANCIAL

1. Audited Financial Report as of June 30, 2015

Mr. Matt Gowan introduced Ms. Robin Zane of James Marta & Company, the JPA's Financial Auditor for the year ending June 30, 2015. Ms. Zane noted the audit is still in draft form pending a written response from two attorneys regarding any pending litigation. Ms. Zane said she was in verbal contact with the attorneys and there will be no change to the numbers in the financial audit. Ms. Zane stated net position decreased by \$162,010 from the prior year. Claims expense increased by 210% from the prior year. The IBNR (incurred but not reported) increased by 26.18%. The JPA's operating revenues increased by 10% from the prior year. Total expenses increased by 34.2% and total assets increased by 12.8%. Total liabilities increased by 35.4%. Ms. Zane noted that assets have been increasing over the last three years and the financial position of the JPA is strong.

G. CLAIMS

1. Claims by Class Code

Staff presented graphs for each member district showing the frequency and severity of claims incurred (includes both paid and reserves) by class codes such as trip and fall, fire damage to



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building, etc. Mr. Gowan commented the JPA reviews these annually to see if anything in particular jumps out that would need to be addressed by loss control.

H. GENERAL ADMINISTRATION

1. Target Surplus Funding Analysis as of June 30, 2015

Mr. Gowan said the target surplus funding analysis shows the surplus at a specific point in time. The JPA funds at a 70% confidence level and has established a minimum surplus requirement of \$2.5 million which is five times the JPA's SIR of \$500,000. As of June 30, 2015, the JPA is above the minimum surplus target by \$82,691. Mr. Gowan said funds above the surplus target are traditionally used for dividends or loss control, but the Executive Committee will be discussing whether to use the surplus for safety credits.

2. Update on Cyber Security Audit

Ms. Joan Crossley stated the JPA hired McGladrey to perform cyber security audits for all the members. All the cyber audits have been performed except for Berryessa Union School District and Metropolitan Education District as their staff has postponed the audits. McGladrey is working on the report with findings from the audit and upon completion it will be emailed to the members.

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 10:37 a.m.

Reviewed and Approved by: Barbara J. Coats
Date: 6/16/16