



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
June 13, 2019**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Megan Reilly, Vice President, Santa Clara County Office of Education
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District
Randy Kenyon, Los Altos School District
Rosemarie Pottage, Los Gatos-Saratoga Joint Union High School District
Ron Lebs, Metropolitan Education District
Eric Dill, Santa Clara Unified School District

MEMBERS ABSENT

Kevin Franklin, Berryessa Union School District
Delores Perley, Evergreen School District
Sean Joyce, Lakeside Joint School District
Wendy Zhang, Member at Large, Milpitas Unified School District
Robert Clark, Secretary, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Ron Wheelahan, Mountain View Whisman School District
Rebecca Westover, Mountain View Whisman School District
Brandon Schlenker, Carl Warren & Company
Anthony Poston, ESM Solutions, Inc.

A. CALL TO ORDER

The meeting was called to order at 10:01 a.m.

B. ROLL CALL

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA

Mr. James Crawford suggested items G.1 through G.7 and G.10 be approved in one motion as they all relate to the insurance renewal and the budget.

A motion was made to approve the agenda as amended.

MOTION: Randy Kenyon	SECOND: Mike Mathiesen	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill

NAYS: None

ABSENT: Franklin, Perley, Joyce, Zhang, Clark



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D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

- 1. Board of Directors Teleconference Minutes – December 19, 2018**
- 2. Investment Report for Quarter Ending March 31, 2019**

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

MOTION: Randy Kenyon	SECOND: Megan Reilly	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill

NAYS: None

ABSENT: Franklin, Perley, Joyce, Zhang, Clark

F. LOSS CONTROL

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

Mr. Matt Gowan stated the Executive Committee developed a five year loss control plan. The loss control item for year one was completed. For year two, a Request for Proposal (RFP) was issued for Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. ESM Solutions, Inc. was selected to perform the inspections. Mr. Gowan introduced Mr. Anthony Poston, CEO of ESM Solutions. Mr. Poston presented an overview of the inspections performed including loss control findings by category as well as loss control findings by district. Mr. Poston commented that two school districts were not inspected as those districts did not return phone calls or emails trying to schedule the inspections.

2. Loss Control-Infrared Inspections and Training for Coaches

Mr. Gowan said the JPA issued an RFP for infrared inspections and the Executive Committee selected Allied Reliability. The inspections look for electrical hotspots and will begin in the fall. Mr. Gowan said the Executive Committee also discussed training for coaches that would include the topics of bullying, molestation, Title IX and heat index. Staff polled the JPA members to gauge interest in this training, but most schools said the training is already being provided.



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G. FINANCIAL

Mr. Matt Gowan said he will go through the budget which will address action items G.1. through G.7 and G.10 of the agenda.

Mr. Gowan stated the Liability market is extremely hard due to an increase in molestation claims and settlement awards. The Liability funding has increased by 23.4%. The funding amount is determined by the actuary. The Excess Liability coverage with CSAC EIA from \$250,000 to \$5 million is increasing by 31.8%. The Excess Liability coverage with SELF from \$5 million to \$55 million is increasing by 13.7%. The JPA's loss ratio for the last six years in the Excess Liability insurance layer is 201.7%. The total Liability cost increased by 23.2% compared to last year.

The Property market is also hard due to losses from hurricanes in 2017 and wildfires in 2018. The Property funding has increased by 33.3%. The funding amount is determined by the actuary. The Property rate increased by 8.42% plus an increase in total insured values caused the Property premium to increase by 18.2%. The total Property cost increased 21.5% compared to last year.

The Crime premium is flat. The Deadly Weapon Response Program premium increased by 10%. The admin fees increased by 42%; this is due to an increase in loss control fees. The inspection performed last year on the interior of buildings cost \$69,594 and the cost this year is \$198,000 for the infrared inspections.

Mr. Gowan noted the Executive Committee has increased the confidence level for loss funding from 70% to 80% in order to be conservative and help protect the JPA from the increase in claims and settlement awards.

The overall budget increased by 24% from last year.

A motion was made approve items G.1 Excess Liability Renewal, G.2 Resolution Rescinding Previously Submitted Notice of Withdrawal from Schools Excess Liability Fund (SELF), G.3 Review and Adoption of Liability Memorandum of Coverage, G.4 Excess Property and Boiler & Machinery Renewal, G.5 Review and Adoption of Property Memorandum of Coverage, G.6 Crime Policy Renewal, G.7 Deadly Weapon Response Policy Renewal and G.10 Revenue and Expense Budget for July 1, 2019-2020.

MOTION: Ron Lebs

SECOND: Mike Mathiesen

MOTION CARRIED

AYES: 7

NOES: 0

ABSTAIN: 0

ABSENT: 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill

NAYS: None

ABSENT: Franklin, Perley, Joyce, Zhang, Clark



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June 13, 2019**

8. Accounting Contract

Mr. Gowan said Gilbert Associates, Inc. has been the JPA's accountant since 2011. The Executive Committee reviewed the accounting contract and recommends approval. The fees are as follows:

\$32,000 for period of July 1, 2019 to June 30, 2020
\$33,000 for period of July 1, 2020 to June 30, 2021
\$34,000 for period of July 1, 2021 to June 30, 2022

A motion was made to approve the Accounting Contract with Gilbert Associates, Inc. for the period of July 1, 2019– June 30, 2022.

MOTION: Randy Kenyon **SECOND:** Megan Reilly **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill

NAYS: None

ABSENT: Franklin, Perley, Joyce, Zhang, Clark

9. Administration Contract

Mr. Gowan said the Executive Committee reviewed the administration contract and is recommending approval of the contract. The renewal fee is remaining flat at \$160,000 per year for a three year term. There is an option to extend the contract for an additional two years at fee of \$164,800 per year.

A motion was made to approve the Administration Contract with Alliant Insurance Services, Inc. for the period of July 1, 2019 – June 30, 2022.

MOTION: Ron Lebs **SECOND:** Megan Reilly **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill

NAYS: None

ABSENT: Franklin, Perley, Joyce, Zhang, Clark

H. GENERAL ADMINISTRATION

1. SBASIA Election of Officers and Executive Committee

Mr. Crawford presented the slate of officers recommended by the Executive Committee for the 2019-2020 program year. They are as follows:

President: Mr. James Crawford, Campbell Union School District
Vice President: Mr. Eric Dill, Santa Clara Unified School District
Treasurer: Mr. Mike Mathiesen, Mountain View-Los Altos Union High School District



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
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June 13, 2019**

Secretary: Ms. Megan Reilly, Santa Clara County Office of Education
Member at Large: Ms. Wendy Zhang, Milpitas Unified School District

A motion was made to elect the Officers and Executive Committee per the slate presented.

MOTION: Randy Kenyon **SECOND:** Megan Reilly **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill
NAYS: None
ABSENT: Franklin, Perley, Joyce, Zhang, Clark

2. Investment Authority

Mr. Gowan stated that Government Code requires the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer. The delegation cannot exist beyond one year so the Board will need to authorize the delegation for the period of July 1, 2019 to June 30, 2020.

A motion was made to adopt the Investment Authority as presented.

MOTION: Megan Reilly **SECOND:** Ron Lebs **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill
NAYS: None
ABSENT: Franklin, Perley, Joyce, Zhang, Clark

3. Review of Investment Policy

Mr. Gowan said that Government Code requires annual review of the Investment Policy. There have been no changes to the policy since it was adopted in 2003.

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

MOTION: Ron Lebs **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill
NAYS: None
ABSENT: Franklin, Perley, Joyce, Zhang, Clark



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BOARD OF DIRECTORS MEETING MINUTES
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June 13, 2019**

4. Resolution Establishing Meeting Dates for Fiscal Year 2019-2020

Per Government Code, the Board should adopt a resolution establishing regular meeting dates for the fiscal year.

The following dates are proposed as Board meeting dates for the fiscal year 2019-2020:
December 5, 2019, 10:00 a.m., Campbell Union School District
June 11, 2020, 10:00 a.m., Campbell Union School District

A motion was made to adopt the 2019-2020 Board meeting dates as presented.

MOTION: Mike Mathiesen **SECOND:** Ron Lebs **MOTION CARRIED**
AYES: 7 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 5

AYES: Crawford, Reilly, Mathiesen, Kenyon, Pottage, Lebs, Dill
NAYS: None
ABSENT: Franklin, Perley, Joyce, Zhang, Clark

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:06 a.m.

Reviewed and Approved by: _____

Date: 12/5/19

A large, handwritten signature in blue ink, appearing to be "JR", written over a horizontal line.