



Agenda Item E.

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Executive Committee should review the Consent Calendar and pull any items that need discussion. Otherwise, the 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 – June 16, 2016**
- 2. Unaudited Financial Report for Quarter Ending June 30, 2016**
- 3. Investment Report for Quarter Ending June 30, 2016**

ATTACHMENTS: Executive Committee Meeting Minutes – June 16, 2016
Unaudited Financial Report for Quarter Ending June 30, 2016
Investment Report for Quarter Ending June 30, 2016



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING MINUTES
CAMPBELL, CALIFORNIA
June 16, 2016**

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

MEMBERS ABSENT

Phuong Le, Member at Large, Berryessa Union School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services

A. CALL TO ORDER

The meeting was called to order at 9:01 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: Barbara Coats	SECOND: Nelly Yang	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

AYES: Crawford, Yang, Allgire, Coats
NAYS: None
ABSENT: Le

D. PUBLIC COMMENT

There were no comments from the public.

E. CONSENT CALENDAR

- 1. Executive Committee Meeting Minutes – May 5, 2016**
- 2. Executive Committee Teleconference Minutes – June 2, 2016**

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

MOTION: Barbara Coats	SECOND: Nelly Yang	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	



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AYES: Crawford, Yang, Allgire, Coats
NAYS: None
ABSENT: Le

F. GENERAL ADMINISTRATION

1. Executive Committee Meeting Dates for Fiscal Year 2016 – 2017

Mr. Matt Gowan stated that the Executive Committee needs to schedule meeting dates for fiscal year 2016-2017. The Executive Committee reviewed the following meeting dates prepared by staff:

- October 6, 2016
- December 1, 2016
- March 2, 2017
- May 4, 2017
- June 15, 2017

A motion was made to adopt the schedule of meeting dates as presented.

MOTION: Nelly Yang **SECOND:** Barbara Coats **MOTION CARRIED**
AYES: 4 **NOES: 0** **ABSTAIN: 0** **ABSENT: 1**

AYES: Crawford, Yang, Allgire, Coats
NAYS: None
ABSENT: Le

2. Review of Board Agenda Items

Mr. Gowan said representatives from RSM US, the cyber security audit firm, will make a presentation at the Board meeting. Mr. Gowan noted the cyber security audit reports were emailed to the JPA members in April.

Mr. Gowan said he will go through the insurance renewal items and the budget with the Board. Mr. Gowan noted the Liability market is hard and some public entities are seeing premium increases of 50%. The JPA is renewing its Excess Liability insurance with CSAC EIA and SELF. The CSAC EIA premium increased by only 2.5% and the SELF premium increased by 22.5%. However, the Property market is soft and the Property premium has decreased by 9.9%. Mr. Gowan noted that the Executive Committee approved increasing the Crime insurance limit from \$1 million to \$3 million effective July 1, 2016.

The Executive Committee previously reviewed the accounting contract and administration contract and will recommend approval to the Board. Mr. Gowan said Tracey Smith-Reed is leaving Gilbert Associates and will no longer be the JPA's accountant. Gilbert Associates has already hired a replacement and is training her on the JPA's account. Mr. Kevin Wong from Gilbert Associates is attending the Board meeting.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING MINUTES
CAMPBELL, CALIFORNIA
June 16, 2016**

G. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 9:40 a.m.

South Bay Area Schools Insurance Authority
Statement of Net Position
As of June 30, 2016 and June 30, 2015

	<u>Jun 30, '16</u>	<u>Jun 30, '15</u>
ASSETS		
Current Assets		
Checking/Savings		
WFB - Santa Clara County	3,735,397.19	3,711,409.09
WFB - Transfer Account	3,164.36	10,000.00
B of A Claims Trust Account	1,004,162.48	8,786.28
B of A - General Checking	451,395.61	920,026.48
Total Checking/Savings	<u>5,194,119.64</u>	<u>4,650,221.85</u>
Accounts Receivable		
Accounts Receivable		
Claim Recovery Receivable	862,202.38	788,849.54
Claims Deductibles	284,825.73	209,698.89
Total Accounts Receivable	<u>1,147,028.11</u>	<u>998,548.43</u>
Total Accounts Receivable	<u>1,147,028.11</u>	<u>998,548.43</u>
Total Current Assets	6,341,147.75	5,648,770.28
Other Assets		
Interest Receivable	7,567.32	5,091.38
Prepaid Expenses	450.00	-
Total Other Assets	<u>8,017.32</u>	<u>5,091.38</u>
TOTAL ASSETS	<u><u>\$ 6,349,165.07</u></u>	<u><u>\$ 5,653,861.66</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 719,617.70	\$ 9,844.98
Claims Reserves	1,146,573.00	633,574.00
Total Current Liabilities	<u>1,866,190.70</u>	<u>643,418.98</u>
Total Current Liabilities	1,866,190.70	643,418.98
Long Term Liabilities		
IBNR	952,489.93	2,160,750.93
Unallocated Loss Adjustment	210,000.00	267,000.00
Total Long Term Liabilities	<u>1,162,489.93</u>	<u>2,427,750.93</u>
Total Liabilities	3,028,680.63	3,071,169.91
NET ASSETS		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Assets	82,691.75	244,700.97
Net Revenue Over Expenditures	737,792.69	(162,009.22)
Total Net Assets	<u><u>\$ 3,320,484.44</u></u>	<u><u>\$ 2,582,691.75</u></u>

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year Ended June 30, 2016 and June 30, 2015

	<u>Apr '16 - Jun '16</u>	<u>Jul '15 - Jun '16</u>	<u>Jul '14 - Jun '15</u>
Revenue			
Member Contributions			
Liability Contributions	\$ 185,745.75	\$ 742,982.99	\$ 709,326.00
Property Contributions	379,342.75	1,517,371.00	1,691,005.00
Crime Policy	3,239.43	12,957.72	12,919.99
Administration	68,067.50	272,270.03	253,284.96
Loss Funding	205,250.01	821,000.07	782,999.89
Total Member Contributions	<u>841,645.44</u>	<u>3,366,581.81</u>	<u>3,449,535.84</u>
Interest Income	7,567.32	26,464.04	17,210.10
Total Income	<u>849,212.76</u>	<u>3,393,045.85</u>	<u>3,466,745.94</u>
Expense			
General & Administrative			
General Expenses			
Accounting Services	5,750.00	23,000.00	22,000.00
Accreditation Fee	-	4,500.00	-
Actuarial Study	-	5,200.00	-
Appraisal Services	-	-	-
Audit Expense - Claims	-	-	3,210.00
Audit Expense - Financial	-	12,110.00	11,870.00
Bank Service Charges	35.16	207.31	-
Conference	-	740.46	1,476.59
Dues & Membership	-	450.00	450.00
Legal Expense - JPA	-	18,366.90	-
Loss Control	22,500.00	55,000.00	-
Supplies, Postage, Misc Expense	-	-	40.40
Total Administration	<u>28,285.16</u>	<u>119,574.67</u>	<u>39,046.99</u>
Program Administration			
Claims Management Fees	26,469.11	78,667.36	56,966.92
Contract Administration	37,500.00	150,000.00	150,000.00
Total Program Administration	<u>63,969.11</u>	<u>228,667.36</u>	<u>206,966.92</u>
Total General and Administrative Expenses	<u>92,254.27</u>	<u>348,242.03</u>	<u>246,013.91</u>
Insurance Expense			
Excess Liability Policy	99,874.50	399,498.00	651,715.00
SELF Contributions	85,872.33	343,489.35	-
Excess Liability MOC/CSAC/EIA	-	-	57,611.00
Excess Property Policy	379,342.81	1,517,371.21	1,691,004.62
Crime Policy	3,239.50	12,958.00	12,920.00
Total Insurance Expense	<u>568,329.14</u>	<u>2,273,316.56</u>	<u>2,413,250.62</u>
Claims Expenses			
Claims Payments	557,600.88	909,700.46	643,581.69
Claims Adjustment Account	(804,203.89)	(876,005.89)	325,908.94
Total Claims Expenses	<u>(246,603.01)</u>	<u>33,694.57</u>	<u>969,490.63</u>
Dividends	-	-	-
Total Expenses	<u>413,980.40</u>	<u>2,655,253.16</u>	<u>3,628,755.16</u>
Net Revenue Over (Under) Expenses	<u>\$ 435,232.36</u>	<u>\$ 737,792.69</u>	<u>\$ (162,009.22)</u>
Net Postion, Beginning		<u>\$ 2,582,691.75</u>	<u>\$ 2,744,700.97</u>
Net Position, Ending		<u>\$ 3,320,484.44</u>	<u>\$ 2,582,691.75</u>

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual
For the Year to Date Ended June 30, 2016

	<u>Jul '15 -Jun '16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Revenue				
Member Contributions				
Liability Contributions	\$ 742,982.99	\$ 742,983.00	-0.01	100.0%
Property Contributions	1,517,371.00	1,517,371.00	0.00	100.0%
Crime Policy	12,957.72	12,958.00	-0.28	100.0%
Administration	272,270.03	272,270.00	0.03	100.0%
Loss Funding	821,000.07	821,000.00	0.07	100.0%
Total Member Contributions	<u>3,366,581.81</u>	<u>3,366,582.00</u>	<u>-0.19</u>	<u>100.0%</u>
Interest Income	26,464.04	0.00	26,464.04	100.0%
Total Revenue	<u>3,393,045.85</u>	<u>3,366,582.00</u>	<u>26,463.85</u>	<u>100.79%</u>
Expense				
General and Administrative Expenses				
General Expenses				
Accounting Services	23,000.00	23,000.00	0.00	100.0%
Accreditation Fees	4,500.00	4,500.00	0.00	100.0%
Actuarial Study	5,200.00	7,210.00	-2,010.00	72.12%
Audit Expense - Financial	12,110.00	12,110.00	0.00	100.0%
Bank Service Charges	207.31	0.00	207.31	100.0%
Conference	740.46	2,500.00	-1,759.54	29.62%
Contingency	0.00	5,000.00	-5,000.00	0.0%
Dues & Membership	450.00	450.00	0.00	100.0%
Legal Expense - JPA	18,366.90	2,000.00	16,366.90	918.35%
Loss Control	55,000.00	100,000.00	-45,000.00	55.0%
Meeting Expense	0.00	500.00	-500.00	0.0%
Total General Expenses	<u>119,574.67</u>	<u>157,270.00</u>	<u>-37,695.33</u>	<u>76.03%</u>
Program Administration				
Claims Management Fees	78,667.36	65,000.00	13,667.36	121.03%
Contract Administration	150,000.00	150,000.00	0.00	100.0%
Total Program Administration	<u>228,667.36</u>	<u>215,000.00</u>	<u>13,667.36</u>	<u>106.36%</u>
Total General and Administrative Expenses	<u>348,242.03</u>	<u>372,270.00</u>	<u>-24,027.97</u>	<u>93.55%</u>
Insurance Expense				
Excess Liability Policy	742,987.35	742,983.00	4.35	100.0%
Excess Property Policy	1,517,371.21	1,517,371.00	0.21	100.0%
Crime Policy	12,958.00	12,958.00	0.00	100.0%
Total Insurance Expense	<u>2,273,316.56</u>	<u>2,273,312.00</u>	<u>4.56</u>	<u>100.0%</u>
Claims Costs				
Claims Payments	909,700.46	821,000.00	88,700.46	
Claims Adjustment Account	-876,005.89	0.00	-876,005.89	
Total Claims Costs	<u>33,694.57</u>	<u>821,000.00</u>	<u>-787,305.43</u>	<u>4.1%</u>
Total Expense	<u>2,655,253.16</u>	<u>3,466,582.00</u>	<u>-811,328.84</u>	<u>76.6%</u>
Net Revenue Over Expenses	<u>\$ 737,792.69</u>	<u>\$ (100,000.00)</u>	<u>\$ 837,792.69</u>	<u>-737.79%</u>

South Bay Area Schools Insurance Authority
Transactions by Account
April 1, 2016 - June 30, 2016

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America - 61312								927,263.89
Check	04/16/2016			Service Charge	Bank Service Charges		9.46	927,254.43
Check	05/04/2016	10203	Carl Warren & Company	February & March 2016	Claims Management Fees		9,202.68	918,051.75
Check	05/04/2016	10204	Santa Clara County Office of Education	Reimbursement for PARMA - Barbara Coats	Conference		740.46	917,311.29
Check	05/04/2016	10205	Carl Warren & Company	Replenishment	Replenishment		58,696.15	858,615.14
Deposit	05/13/2016			Deposit	-SPLIT-	22,067.20		880,682.34
Check	05/31/2016			Service Charge	Bank Service Charges		11.66	880,670.68
Deposit	06/13/2016			Deposit	Undeposited Funds	5,000.00		885,670.68
Bill Pmt -Check	06/14/2016	10206	Carl Warren & Company	Replenishment	Replenishment		98,709.62	786,961.06
Bill Pmt -Check	06/14/2016	10207	Gilbert Associates, Inc.	Second Quarter 2016	Accounting		5,750.00	781,211.06
Bill Pmt -Check	06/14/2016	10208	RSM US LLP	Information Security	Loss Control		22,500.00	758,711.06
Bill Pmt -Check	06/14/2016	10209	CAJPA	2016/2017 CAJPA Membership Renewal	Prepaid Expenses		450.00	758,261.06
Check	06/14/2016	10210	Carl Warren & Company		Claims Management Fees		6,851.41	751,409.65
Check	06/28/2016	10215	Carl Warren & Company	Prefund / Claim #1859899	B of A Claims Trust Account		300,000.00	451,409.65
Check	06/30/2016			Service Charge	Bank Service Charges		14.04	451,395.61
Total Bank of America - 61312						27,067.20	502,935.48	451,395.61
TOTAL						27,067.20	502,935.48	451,395.61

South Bay Area Schools Insurance Authority
Check Register - Carl Warren Trust Account
April 1, 2016 - June 30, 2016

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount	Loss	Expense
10777	KATHRYN DAVIS & ASSOCIATES	04/05/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	1,845.05	-	1,845.05
10778	SAMUELSON, WILSON & ROES G.J.M. & Corsiglia, McMahon & Allard, LLP as his	04/05/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	8,236.96	-	8,236.96
10779	attorneys of record & Trustees for GJ McElroy	04/07/16	07/31/12	1859899	LPI	MCELROY, GEORGE	Payment	50,000.00	50,000.00	-
10780	KATHRYN DAVIS & ASSOCIATES	04/07/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	417.10	-	417.10
10781	SACRAMENTO LEGAL VIDEO CENTER, LLC	04/21/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	1,291.00	-	1,291.00
10782	ENTERPRISE RENT A CAR	04/25/16	12/11/15	1927819	APD	MILLER, KIRA	Payment	97.14	97.14	-
10783	DAVIS & YOUNG, APLC	04/25/16	07/31/12	1859899	LPI	MCELROY, GEORGE	Payment	23,512.08	-	23,512.08
10784	DAVIS & YOUNG, APLC	04/25/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	10,389.32	-	10,389.32
10785	DAVIS & YOUNG, APLC	04/25/16	09/15/15	1924030	LPI	DOE-SPARKS, JANE	Payment	742.20	-	742.20
10786	DAVIS & YOUNG, APLC	04/25/16	01/27/15	1908841	LPI	URIZAR, ISMAEL	Payment	499.50	-	499.50
10787	DAVIS & YOUNG, APLC	04/25/16	03/04/15	1905223	LPI	MEHTA, KAMAL	Payment	780.00	-	780.00
10788	DAVIS & YOUNG, APLC	04/25/16	11/10/13	1886281	LPI	CRANDALL, CRAIG	Payment	145.60	-	145.60
10789	CASSANDRA SPACEK	04/27/16	01/25/16	1929701	LPD	SPACEK, CASSANDR	Payment	2,820.42	2,820.42	-
10782	ENTERPRISE RENT A CAR	05/26/16	12/11/15	1927819	APD	MILLER, KIRA	Stop Payment	(97.14)	(97.14)	-
10790	James Eric Carrubba & Sandra Carrubba	05/06/16	10/29/15	1924896	LPD	Carruba, Eric	Payment	1,062.06	1,062.06	-
10791	ABRAHAM GARCIA	05/10/16	02/17/16	1931662	APD	GARCIA, ABRAHAM	Payment	1,482.35	1,482.35	-
10792	Jeff Gafford & Nicole Gafford as parent & guardian of Kaleb Gafford a minor	05/19/16	10/07/15	1927800	LBI	GAFFORD, KALEB	Payment	2,016.47	2,016.47	-
10793	GAGAN BAINS	05/19/16	11/01/15	1932386	LPD	BAINS, GAGAN	Payment	1,264.86	1,264.86	-
10794	SAMUELSON, WILSON & ROES	05/19/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	11,740.00	-	11,740.00
10795	KATHRYN DAVIS & ASSOCIATES	05/25/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	540.60	-	540.60
10796	DAVIS & YOUNG, APLC	05/31/16	09/15/15	1924030	LPI	DOE-SPARKS, JANE	Payment	490.00	-	490.00
10797	DAVIS & YOUNG, APLC	05/31/16	01/27/15	1908841	LPI	URIZAR, ISMAEL	Payment	1,152.78	-	1,152.78
10798	DAVIS & YOUNG, APLC	05/31/16	10/25/14	1924414	LBI	SANTOS, NANCY	Payment	647.50	-	647.50
10799	DAVIS & YOUNG, APLC	05/31/16	01/27/15	1908841	LPI	Quevedo, Emiliano	Payment	821.83	-	821.83
10800	DAVIS & YOUNG, APLC	05/31/16	01/27/15	1908841	LPI	Maldonado, Adrian	Payment	941.34	-	941.34
10801	DAVIS & YOUNG, APLC	05/31/16	05/01/14	1901060	LPI	Paredes, Angelina	Payment	1,560.00	-	1,560.00
10802	DAVIS & YOUNG, APLC	05/31/16	05/02/13	1860712	LBI	PACHECO,	Payment	224.88	-	224.88
10803	DAVIS & YOUNG, APLC	05/31/16	09/23/12	1867378	LBI	DOE, JANE	Payment	9,621.39	-	9,621.39
10804	DAVIS & YOUNG, APLC	05/31/16	07/31/12	1859899	LPI	MCELROY, GEORGE	Payment	7,537.97	-	7,537.97
10805	DAVIS & YOUNG, APLC	05/31/16	12/19/12	1858406	LBI	PETITO, ARIEL	Payment	173.48	-	173.48
10806	DAVIS & YOUNG, APLC	05/31/16	12/19/12	1858406	LBI	PETITO, ARIEL	Payment	3,069.38	-	3,069.38
10807	ENTERPRISE RENT A CAR	05/31/16	12/11/15	1927819	APD	MILLER, KIRA	Payment	97.14	97.14	-
10808	SACRAMENTO LEGAL VIDEO CENTER, LLC	05/31/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	1,002.00	-	1,002.00
10809	KAMERON HANDY	05/31/16	11/12/15	1931928	APD	HANDY, KAMERON	Payment	2,584.36	2,584.36	-

10810	DAVIS & YOUNG, APLC	06/28/16	07/31/12	1859899	LPI	MCELROY, GEORGE	Payment	1,553.65	-	1,553.65
10811	DAVIS & YOUNG, APLC	06/28/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	9,719.31	-	9,719.31
10812	DAVIS & YOUNG, APLC	06/28/16	01/27/15	1908841	LPI	URIZAR, ISMAEL	Payment	332.20	-	332.20
10813	VERITEXT WESTERN REGIONAL	06/28/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	1,177.55	-	1,177.55
10814	KATHRYN DAVIS & ASSOCIATES	06/28/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	467.00	-	467.00
10815	City of San Jose	06/30/16	12/19/14	1901169	SUB	Herrera, Jaime	Payment	16.00	16.00	-
10816	DAVIS & YOUNG, APLC	06/30/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	17,260.42	-	17,260.42
10817	DAVIS & YOUNG, APLC	06/30/16	10/25/08	P039-08-00	LBI	AVILA, RACHEL	Payment	15,240.00	-	15,240.00
10818	DAVIS & YOUNG, APLC	06/30/16	09/23/12	1867378	LBI	DOE, JANE	Payment	16,857.64	-	16,857.64
10819	SAMUELSON, WILSON & ROES	06/30/16	09/21/13	1894367	LPI	PERRIZO, KAYDEN	Payment	9,887.84	-	9,887.84
10820	DAVIS & YOUNG, APLC	06/30/16	07/31/12	1859899	LPI	MCELROY, GEORGE	Payment	537.50	-	537.50
10821	DANNIS WOLIVER KELLEY	06/30/16	09/25/14	1904142	LEP	MAZDEH, SHAHLA	Payment	100.00	-	100.00
10822	DANNIS WOLIVER KELLEY	06/30/16	09/25/14	1904143	LEP	ABRAHAMIAN, ASAF	Payment	240.00	-	240.00
10823	DAVIS & YOUNG, APLC	06/30/16	01/27/15	1908841	LPI	URIZAR, ISMAEL	Payment	300.00	-	300.00
10824	DAVIS & YOUNG, APLC	06/30/16	08/04/14	1935623	LPI	GIBBS, JAMES	Payment	2,108.74	-	2,108.74
10825	DAVIS & YOUNG, APLC	06/30/16	05/01/15	1932786	LBI	SUMMIT TAHOMA H	Payment	2,022.50	-	2,022.50
10826	DAVIS & YOUNG, APLC	06/30/16	09/15/15	1924030	LPI	DOE-SPARKS, JANE	Payment	385.00	-	385.00
10827	DAVIS & YOUNG, APLC	06/30/16	09/23/12	1867378	LBI	DOE, JANE	Payment	30,539.85	-	30,539.85
								257,454.82	61,343.66	196,111.16

Claims Checking Account

Beginning Bank Balance @ 4/1/16	\$ 104,211.53
Deposits - Transfers from general account	457,405.77
CSAC Excess Insurance Deposit (Doe, Jane)	700,000.00
Recoveries	-
Claim payments	-\$257,454.82
Ending Bank Balance @ 6/30/16	\$ 1,004,162.48

County of Santa Clara



Finance Agency Controller-Treasurer Department


County Government Center
70 W. Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5200 FAX (408) 288-9237

September 8, 2016

Submitted by:


Alan Minato, Controller-Treasurer

TO: BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM: EMILY HARRISON, DIRECTOR OF FINANCE 

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the June 30, 2016 Detailed Investment Portfolio Listing.

DISCUSSION

In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of June 30, 2016 is submitted for your review and acceptance.

The attached detailed investment reports list each investment of the County Treasury Pool as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

	Cost	Market Value	Increase (Decrease)	Percent
Commingled Investments	\$6,262,622,531	\$6,281,466,969	\$18,844,438	0.30%

The yield of the pool on June 30, 2016 was 0.90%. As a comparison, on June 30, 2016 the yield of a 6-month Treasury Bill was 0.35%. A two-year Treasury Note was .58%. The State of California Local Agency Investment Fund (LAIF) yield was 0.58%.

Attached with the current investment strategy is a schedule that lists the average weighted maturities and yield for the Commingled Treasury Pool. Charts outlining investment concentration and distribution of bond maturities are provided for the Pool. Also included is a chart showing the one-year history of the Pool along with interest rates offered by selected comparable instruments.

Securities are purchased with the expectation that they will generally be held to maturity, hence unrealized gains or losses are not reflected in the yield calculations.

The market values of Pool securities were taken from pricing services provided by Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

If any Board member would like further information on this report, please let me know.

Attachments:

June 2016 Quarterly Investment Summary



South Bay Area Schools Insurance Authority
Executive Committee Meeting
October 6, 2016

Agenda Item F.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Executive Committee will hold a Closed Session to discuss the following claim:

1. Perry vs. Los Gatos-Saratoga Joint Union High School District

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time as the subject matter is confidential.

FISCAL IMPACT: To be determined

ATTACHMENTS: None



Agenda Item G.1

CLAIMS AUDIT

ACTION ITEM

ISSUE: The Executive Committee should decide whether to obtain a quote for a claims audit from the previous auditor or issue a Request for Proposal.

RECOMMENDATION: None

FISCAL IMPACT: To be determined.

BACKGROUND: California Association of Joint Powers Authorities (CAJPA) recommends a claims audit on self-funded programs every two years. The JPA's last claims audit was performed by Risk Management Services in February 2015.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Executive Committee Meeting
October 6, 2016

Agenda Item G.2

ADA USED FOR LIABILITY POLICY UNDERWRITING AND BUDGET

INFORMATION ITEM

BACKGROUND: Liability insurance underwriters use ADA as an exposure basis to determine risk and develop a rate. In addition, staff uses ADA to allocate the Liability premium among the member districts.

The JPA currently obtains ADA from Santa Clara County. ADA is also available from the California Department of Education. The JPA is a member of SELF (Schools Excess Liability Fund) which obtains its ADA from the California Department of Education in order to determine annual premium. Staff and the Executive Committee will discuss where to obtain ADA.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Executive Committee Meeting
October 6, 2016

Agenda Item G.3

FIVE YEAR LOSS CONTROL PLAN

INFORMATION ITEM

BACKGROUND: At its May 5, 2016 meeting, the Executive Committee suggested developing a five year loss control plan. For example, a five year plan could be developed that would schedule facility inspections one year, playground inspections another year, etc. Staff and the Executive Committee will discuss establishing a loss control plan.

ATTACHMENTS: None



Agenda Item G.4

AMENDMENT TO JOINT POWERS AGREEMENT

ACTION ITEM

ISSUE: The Executive Committee should review the proposed changes to the Joint Powers Agreement in preparation for presentation to the Board of Directors for adoption.

RECOMMENDATION: The Program Administrator recommends amending the Joint Powers Agreement as presented.

FISCAL IMPACT: None.

BACKGROUND: CAJPA requires the Joint Powers Agreement to meet Government Code 6509 which states the agreement shall specify the member which restricts the manner of exercising the power of the JPA. The text of Government Code 6509 is:

6509. Such power is subject to the restrictions upon the manner of exercising the power of one of the contracting parties, which party shall be designated by the agreement.

The proposed amendment appears in bold lettering on the attached Joint Powers Agreement.

ATTACHMENTS: Joint Powers Agreement

JOINT POWERS AGREEMENT
SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

TABLE OF CONTENTS

1. Creation of the Joint Powers Entity
2. Powers and Manner of Exercising Them
3. Accounting and Accountability
4. Term of the Agreement
5. Bylaws
6. Membership in the Authority
7. Withdrawal from or Termination of Membership
8. Termination of Agreement
9. Surplus Reserve Funds
10. Disposition of Property and Funds
11. Amendments
12. Severability
13. Liability
14. Enforcement
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16. Counterparts

JOINT POWERS AGREEMENT
TO ESTABLISH, OPERATE, AND MAINTAIN
A SELF-INSURANCE PROGRAM
FOR LIABILITY AND PROPERTY DAMAGE PROTECTION

Original Adoption Date: April 1, 1985
As Amended: December 4, 2008

THIS AGREEMENT is entered into pursuant to the provisions of Title I, Division 7, Chapter 5, Article I (Sections 6500, et seq.) of the California Government Code, relating to the joint exercise of powers, between the public educational agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as "South Bay Area Schools Insurance Authority" hereinafter designated as the "Authority."

WITNESSETH:

WHEREAS, it is to be the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Power Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization, and implementation of such an Authority is of such magnitude that it is desirable for aforesaid parties to join together in this Joint Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, it has been determined by such signatories that self-insurance for liability and property damage protection is of value on an individual and mutual basis; and

WHEREAS, a self-insurance system for liability and property damage protection can adequately serve the needs of all such signatories; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to study and possibly incorporate other forms of risk management into a self-insurance program such as that described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC EDUCATION AGENCIES, each of the parties hereto does agree as follows:

1. CREATION OF THE JOINT POWERS ENTITY

A Joint Powers Entity, separate and apart from the public educational agencies signatory hereto, shall be and is hereby created and shall hereafter be designated as the “South Bay Area Schools Insurance Authority” (hereinafter referred to as the “Authority”).

2. POWERS AND MANNER OF EXERCISING THEM

(a) General.

The Authority is established for the purposes of administering this Agreement, pursuant to the Joint Powers provisions of the California Government Code, and to provide the services and other items necessary and appropriate for the establishment, operation, and maintenance of a self-insurance program for liability and property damage claims against the public educational agencies who are members thereof, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other programs of self-insurance. The Authority shall have the power and authority to exercise any power common to the public educational agencies which are parties to this Agreement, providing that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of the Authority shall be subject to the restrictions upon the manner of exercising such powers by a public educational agency having the same status as the public entities participating in the Authority, except as otherwise provided in this Agreement, and the designated member entity shall be: Santa Clara Unified School District.

(b) Powers. The powers of the Authority include but are not limited to:

(1) To provide a self-insurance plan and system, as stated in the memorandum of coverage and given to each member, for liability and property damage claims against the members of the Authority and, as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other development as necessary for the payment and handling of all liability and property damage protection claims against members. Said payment and handling for any member shall be for all liability and property damage claims filed and arising out of facts occurring during the period of membership in the Authority. The Authority shall not pay or handle for a member any liability and property damage protection claims which arise out of facts occurring before membership or after termination of membership in this Authority.

(2) To pursue any member’s right of subrogation against a third party when in the discretion of the Board of Directors the same is appropriate. Any and all proceeds resulting from the assertion of such subrogation rights shall accrue to the benefit of the member district against which the claim is charged.

(3) To enter into contracts.

(4) To obtain primary and/or excess insurance coverage in the amount to be determined by the Board of Directors.

(5) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of a self-insurance program for liability and property protection including, but not limited to, the acquisition of facilities and equipment necessary, the employment of personnel, and the operation and maintenance of a system for the handling of the self-insurance plan.

(6) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this Agreement.

(7) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.

(8) To invest surplus reserve funds as deemed appropriate by the Board of Directors.

(9) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other programs of self-insurance.

(10) To sue and be sued in the name of the Authority.

(11) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any federal, state, or local law and not otherwise inconsistent with the terms of this agreement.

(12) Pursuant to Government Code Section 6509, the Authority shall be restricted in the exercise of its powers in the same manner as the _____ School District.

3. ACCOUNTING AND ACCOUNTABILITY

The Authority shall be strictly accountable for all funds received and disbursed by it and, to that end, shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles, or by any provision of law or any resolution or policy of the Authority. Pursuant to Government Code 6505.6, the Board of Directors may appoint one of its officers or employees to either or both the position of Treasurer and Auditor.

4. TERM OF THE AGREEMENT

This Agreement shall become effective on April 1, 1985; except that the self-insurance plan for liability and property damage claims against members of the Authority shall become operative on a date specified by the Bylaws. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the public educational agencies participating in this Agreement, the successor in interest or successors in interest to the obligations of any such reorganized public educational agency may be substituted as a party or as parties to this Agreement, with the express consent and approval of the other participating school districts.

5. BYLAWS

(a) The Authority shall be governed pursuant to those certain Bylaws, and by such amendments to the Bylaws as may from time to time be adopted. Each party to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that the Authority shall be operated pursuant to this Agreement and said Bylaws.

(b) Procedures for amending the Bylaws shall be as provided in the Bylaws so long as they are not inconsistent with this Agreement. All amendments must be approved by members of the Board of Directors before the amendment shall become effective. Such amendments shall be binding upon all members of the Authority. An amendment shall specify the date upon which it becomes effective.

6. MEMBERSHIP IN THE AUTHORITY

(a) Each party to this Agreement must be eligible for membership in the Authority as defined in the Bylaws and shall become a member of the Authority on the effective date of this Agreement, except as provided herein below. Each party, which becomes a member of the Authority shall be entitled to the rights and privileges of, and shall be subject to the obligations of, membership as provided in this Agreement and in the Bylaws.

(b) Upon the approval of a majority of the Board of Directors of the then members of the Authority, any school district, community college district, county superintendent of schools or board of education, regional occupation center or program, or other public educational agency that is not a party hereto but that desires to join the Authority created hereby, may become a member hereof by executing a copy of this Agreement whereby said school district, community college district, county superintendent of schools or board of education, regional occupational center or program, or other public educational agency agrees to comply with the terms of this Agreement and of the Bylaws effective as of the date of such execution.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

(a) Any party to this Agreement which has completed three complete consecutive years as a member of the Authority may voluntarily rescind this Agreement and terminate its membership in the Authority, provided it gives notice of its intention to withdraw in the manner and subject to the conditions set forth in the Bylaws. Provided, however, termination by any party or parties involving less than a majority under Section 8 shall not be construed as completion of the purpose of the Agreement and shall not require the return to the terminating party or parties of all or any part of contributions, advances or payments made. Withdrawn members shall not be eligible to reapply for membership for three years following the effective date of their withdrawal.

8. TERMINATION OF AGREEMENT

This Agreement may be terminated effective any June 30 by the affirmative vote of a majority of the public educational agencies then members of the Authority; provided, however, that the Authority and this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority. After the completion of the purpose of this Agreement any surplus money on hand shall be returned in proportion to the contributions made and the claims or losses paid.

9. SURPLUS RESERVE FUNDS

The Authority may invest surplus reserve funds in the same manner and with the same limitations as placed upon participating member school districts under the California Education Code and other applicable laws.

10. DISPOSITION OF PROPERTY AND FUNDS

(a) In the event of the dissolution of the Authority, the complete recision, or other final termination of this Agreement by all public educational agencies then a party hereto, any property interest remaining in the Authority following a discharge of all obligations shall be disposed of as provided for in section 8.

(b) In the event a member withdraws from this Agreement, any property interest of that member remaining in the Authority following discharge of all obligations attributable to that member and its officers and employees shall be retained by the Authority until completion of the purposes of this Agreement.

(c) "Obligations," as referred to herein, shall include, but not be limited to, all payments required by law, together with all reserves which have been established for the purpose of

paying claims together with any other legal obligations incurred by the Authority pursuant to this Agreement.

(d) Upon withdrawal of a member the Board shall establish one or more reserve accounts to fund the disposition of actual and potential claims against that member, using funds supplied by the withdrawing member.

11. AMENDMENTS

This Agreement may be amended at any time with a subsequent written agreement signed by a majority of the public educational agencies then members of the Authority. Any such amendment shall be effective upon the date of final execution thereof, unless otherwise provided in this amendment.

12. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

13. LIABILITY

(a) Pursuant to the provisions of Sections 895, et seq. of the California Government Code, the members are jointly and severally liable upon any liability which is otherwise imposed by law upon any one of the members or upon the Authority for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement. If a member of the Authority is held liable upon any judgment for damages caused by such an act or omission and makes payments in excess of its pro rata share on such judgment, such member or the Authority is entitled to contribution from each of the other members that are parties to the Agreement. A member's pro rata share shall be determined in the same manner as for the disposition of property and funds as provided in the Agreement and the Bylaws.

(b) The Authority may insure itself, to the extent deemed necessary or appropriate by the Board of Directors, against loss, liability, and claims arising out of or connected with this Agreement. Said insurance to be purchased in the name of the Authority for the benefit of the Authority and the participating public agencies.

14. ENFORCEMENT

The Authority is hereby given authority to enforce this Agreement. Any dispute

between the Authority and a member or members shall be resolved by binding arbitration pursuant to Code of Civil Procedure section 1280 et seq., with the non-prevailing party responsible for the arbitrators fee, but with each side to otherwise bear all of its own costs and fees

15. DEFINITIONS

Unless the context requires otherwise, the terms used herein shall have the following meanings:

(a) “Authority” shall mean the South Bay Area Schools Insurance Authority created by this Agreement.

(b) “Board of Directors” shall mean the governing board of the Authority established by the Bylaws to direct and control the Authority.

(c) “Bylaws” shall mean the rules, policies and procedures adopted by the Authority and its members in order to implement this Agreement.

(d) “Claims Adjuster” shall mean a claims adjuster as may be engaged by the Board of Directors for the purpose of determining losses and payments with respect to the Claims Fund.

(e) “Contribution” shall mean money, including, but not limited to, deposit premiums and special assessments, paid by a member to the Authority in return for the handling of liability and property damage claims.

(f) “Liability” shall mean comprehensive general liability, automobile liability, personal injury liability, and errors and omissions liability as further defined in the memorandum of coverage.

(g) “Loss Reports” shall mean a report showing a members liability and property damage claims in detail including current status.

(h) “Member” shall mean an individual school district, community college district, regional occupational center or program, or the county board of education or county superintendent of schools which belongs to the Authority.

(i) “Memorandum of Coverage” shall mean the document stating the scope of liability and property damage protection coverage as adopted by the Board of Directors. Unless otherwise provided by action of the Board the memorandum of coverage shall follow form with the terms of the then applicable excess insurance policy.

(j) “Public Educational Agency” shall mean a school district, community college

district, regional occupational center or program, or county board of education or superintendent of schools.

(k) "Property Damage" shall mean damage to real or personal property owned or held by a member as further defined in the memorandum of coverage.

(l) "Reserves" shall mean that part of the members contribution held by the Authority to make future liability and property damage payments as respects claims that have been incurred but are unpaid.

(m) "Self-Insurance" shall mean setting aside funds and reserves to pay for losses not covered by insurance.

16. COUNTERPARTS

This Agreement may be executed in counterparts and thereupon shall be effective to the same extent as if said signatures were obtained simultaneously on the same page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

District:

Date:

By:

Title:



Agenda Item G.5

JPA MISSION STATEMENT

ACTION ITEM

ISSUE: The Executive Committee should consider adopting a mission statement for the JPA.

RECOMMENDATION: The Program Administrator recommends adopting a mission statement.

FISCAL IMPACT: None.

BACKGROUND: CAJPA strongly recommends the adoption of a mission statement for JPAs. At the JPA's CAJPA re-accreditation meeting on March 15, 2016, the CAJPA committee stressed that all JPAs should have a mission statement.

ATTACHMENTS: None