



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING MINUTES
ZOOM TELECONFERENCE MEETING
March 16, 2023**

MEMBERS PRESENT

Mike Mathiesen, President, Mountain View-Los Altos Union High School District
Delores Perley, Treasurer, Los Gatos-Saratoga Joint Union High School District
Rebecca Westover, Secretary, Mountain View Whisman School District
Wendy Zhang, Member at Large, Milpitas Unified School District

MEMBERS ABSENT

Mark Schiel, Vice President, Santa Clara Unified 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 9:34 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: Wendy Zhang	SECOND: Delores Perley	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

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

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. **Executive Committee Meeting Minutes – December 1, 2022**
2. **Executive Committee Meeting Minutes – January 25, 2023**
3. **Financial Report for Quarter Ending December 31, 2022**
4. **Investment Report for Quarter Ending December 31, 2022**

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



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MOTION: Delores Perley **SECOND:** Rebecca Westover **MOTION CARRIED**
AYES: 4 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 1

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

F. GENERAL ADMINISTRATION

1. Litigation Management Policy

Mr. Matt Gowan said the maximum hourly attorney rate is \$225 for the JPA's approved attorney panel. The law firm Davis, Bengtson & Young, which handles most of the JPA cases, has requested an increase in the hourly rate to \$275. Mr. Gowan said the rate has not been increased since 2018. Staff consulted with PRISM and PRISM pays \$225-\$285 per hour and for more complex cases pays \$300-\$350. The Executive Committee commented the rate increase is reasonable.

A motion was made to increase the maximum hourly attorney rate to \$275.

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

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

2. Update on AB 452

Mr. Gowan said AB 218 had a three year window for adults to file sexual molestation claims that were previously barred by the statute of limitations and that window expired on January 1, 2023. Now the legislature has introduced a new bill, AB 452, that would forever eliminate the statute of limitations on sexual molestation claims. Mr. Gowan said the Liability insurance carriers have already been hit hard by claims filed under AB 218 and things will not improve for the insurance industry as AB 452 will most likely pass.

3. Loss Control-Liability and Property Safety Inspections on Exterior of Buildings to Include Crime Prevention Through Environmental Design

Mr. Gowan said staff obtained an update on the inspections being performed by ESM Insite. Two districts have been inspected, four others are scheduled for March and April, and ESM Insite is working to schedule the remaining members. Mr. Gowan commented ESM Insite will present an overview of the inspection findings at the June Board meeting.



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4. Slate of Officers for June 15, 2023 Meeting

Mr. Mike Mathiesen suggested moving forward with the current slate of officers for the annual term of office beginning July. After discussion, the Executive Committee said the current officers will remain in their existing positions.

G. FINANCIAL

1. Property Settlement Authority Request for Berryessa Union School District

Ms. Joan Crossley said a fire damaged the warehouse at the maintenance yard at Berryessa Union School District on July 18, 2022. The JPA has a \$500,000 Property insurance deductible and has previously paid \$262,038.69. The JPA needs to make one more payment of \$237,961.31 to satisfy the deductible and then the insurance carrier will pay for the remaining building repairs.

A motion was made to authorize payment of \$237,961.31.

MOTION: Delores Perley	SECOND: Rebecca Westover	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

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

2. Preliminary Revenue and Expense Budget for July 1, 2023-2024

Mr. Gowan presented the Preliminary Revenue and Expense budget for July 1, 2023-2024 at 90% confidence level. The Liability funding, which is determined by the actuary, is increasing 4.5%. PRISM provides Liability coverage from \$250,000 to \$5 million and the premium is estimated to increase by 42%. PRISM is still in the underwriting process and negotiating with excess insurance carriers 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. The Liability market is still hard due to social inflation on jury awards and molestation claims filed due to legislation such as AB 218.

The Property funding, which is determined by the actuary, increased by 2%. The Property premium is estimated to increase by 38%. The estimated Property rate increase is 20% and the rest of the increase is due to values being trended by the 7.5% Marshall & Swift inflation trending factor and the addition of buildings by members.

The overall budget is estimated to increase by 25% or approximately \$2,297,655.



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H. COMMENTS FOR THE GOOD OF THE ORDER

Mr. Gowan said he is attending the upcoming CASBO conference where Alliant Insurance Services will be hosting a dinner.

ADJOURNMENT

The meeting was adjourned at 10:24 a.m.

Reviewed and Approved by: _____

Date: _____