



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
MOUNTAIN VIEW, CA  
December 7, 2023**

**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  
Rebecca Westover, Mountain View Whisman School District  
Nelly Yang, Campbell Union School District  
Erik Walukiewicz, Los Altos School District  
Stephanie Gomez, Santa Clara County Office of Education

**MEMBERS ABSENT**

Kevin Franklin, Berryessa Union School District  
Victoria Knutson, Evergreen School District  
Sean Joyce, Lakeside Joint School District  
Dorothy Reconose, Metropolitan Education District  
Wendy Zhang, Milpitas Unified School District

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
James Marta, James Marta & Company  
Anthony Poston, ESM Insite  
Joyce Fairley Ray, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:08 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.**

<b>MOTION:</b> Mark Schiel	<b>SECOND:</b> Delores Perley	<b>MOTION CARRIED</b>
<b>AYES:</b> 7	<b>NOES:</b> 0	<b>ABSENT:</b> 5
	<b>ABSTAIN:</b> 0	

**AYES:** Mathiesen, Schiel, Perley, Westover, Yang, Walukiewicz, Gomez

**NAYS:** None

**ABSENT:** Franklin, Knutson, Joyce, Reconose, Zhang

**D. PUBLIC COMMENT**

There were no public comments.



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**E. CONSENT CALENDAR**

**1. Board of Directors Meeting Minutes – June 15, 2023**

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

**MOTION:** Delores Perley                      **SECOND:** Stephanie Gomez                      **MOTION CARRIED**  
**AYES:** 7                      **NOES:** 0                      **ABSTAIN:** 0                      **ABSENT:** 5

**AYES:** Mathiesen, Schiel, Perley, Westover, Yang, Walukiewicz, Gomez

**NAYS:** None

**ABSENT:** Franklin, Knutson, Joyce, Reconose, Zhang

**F. FINANCIAL**

**1. Audited Financial Report as of June 30, 2023**

Mr. James Marta of James Marta & Company presented the audited financial report as of June 30, 2023. Mr. Marta advised SBASIA has received an unmodified opinion, which is the best opinion that can be provided. Mr. Marta stated the net position increased by \$834,703 from the prior year bringing the net position to \$3,316,377. Mr. Marta commented the net position has strengthened significantly over the past two years. The JPA's operating revenues increased by 9.5% from the prior year. Total expenses increased by 14.6% and total assets increased by 15.98%.

Mr. Marta advised that claims liabilities increased approximately \$608,000. Mr. Marta noted both Liability claims costs and insurance premiums continue to increase and this is consistent across the school sector.

**A motion was made to accept the Audited Financial Report as of June 30, 2023.**

**MOTION:** Erik Walukiewicz                      **SECOND:** Mark Schiel                      **MOTION CARRIED**  
**AYES:** 7                      **NOES:** 0                      **ABSTAIN:** 0                      **ABSENT:** 5

**AYES:** Mathiesen, Schiel, Perley, Westover, Yang, Walukiewicz, Gomez

**NAYS:** None

**ABSENT:** Franklin, Knutson, Joyce, Reconose, Zhang

**G. LOSS CONTROL**

**1. Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design**



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Mr. Anthony Poston of ESM Insite presented a summary of the results of the remaining exterior inspections. All inspections are now complete. Overall, the districts are in good shape. Mr. Poston commented SB 553 Workplace Violence Prevention is effective July 1, 2024. This law requires inspections to identify vulnerabilities so some of the items in the exterior building inspection reports may help satisfy this requirement. Mr. Poston said he has a workplace violence inspection template if any of the JPA members need one.

**H. CLAIMS**

**1. Claims Stewardship Report**

Ms. Joyce Fairley Ray presented a claims stewardship report for the JPA. The report presents an overview of claims for the last ten years. The top cause of loss by severity is discrimination followed by wrongful termination. The top cause of loss by frequency is discrimination followed by miscellaneous student injuries. The closing ratio for claims is 98%. The litigation rate is 12% which is average. 53% of claims have \$0 paid.

**I. GENERAL ADMINISTRATION**

**1. JPA Treasurer**

Mr. Mike Mathiesen said the JPA's Treasurer, Delores Perley, is retiring this month. The JPA Bylaws require the Board to elect officers. The Executive Committee discussed the open position and Rebecca Westover has offered to serve as Treasurer. Ms. Westover is currently Secretary and will serve in both positions until the officer election at the June Board meeting. The Executive Committee recommends the Board approve the election of Ms. Westover as Treasurer.

**A motion was made to elect Rebecca Westover as Treasurer.**

**MOTION: Mark Schiel                      SECOND: Delores Perley                      MOTION CARRIED**

**AYES: 6                      NOES: 0                      ABSTAIN: 1                      ABSENT: 5**

**AYES:** Mathiesen, Schiel, Perley, Yang, Walukiewicz, Gomez

**NAYS:** None

**ABSENT:** Franklin, Knutson, Joyce, Reconose, Zhang

**ABSTAIN:** Westover

**2. Loss Control Update**

Mr. Matt Gowan said the JPA has a five year loss control plan. The next item on the list is Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. A Request for Proposal (RFP) was issued and the Executive Committee selected ESM Insite to perform the inspections. The inspections will begin in early 2024.



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**3. SELF – Molestation Claims to be reported within 60 days**

Mr. Gowan said this is a reminder that SELF (Schools Excess Liability Fund) requires molestation claims to be reported within 60 days upon receipt of notice of a claim, otherwise the molestation claim won't be covered. Mr. Gowan commented that if the district hasn't received an official claim, but the district is aware of a molestation incident, the district should let him or Joan Crossley at Alliant Insurance know and Alliant will put SELF on notice that a claim is forthcoming.

**4. Insurance Market Update**

Mr. Gowan provided a brief overview of the insurance market. The Liability and Property markets remain hard. Catastrophic losses (hurricanes, typhoons, wildfires, hail) are still increasing. During the 1980s, there was an average of 75 days between billion dollar catastrophic losses, but in the 2020s that number decreased to 18 days.

Liability losses continue to increase mainly due to social inflation (juries are awarding substantial damages to plaintiffs) and legislation eliminating the statute of limitations on molestation claims.

Cyber claims continue to increase in frequency and severity mostly due to ransomware claims. Public entities are considered a soft target by hackers.

**5. Deadly Weapon Response Program**

Mr. Gowan presented a summary of the insurance coverage provided by the Deadly Weapon Response Program. This program covers an event occurring at a school district location where a weapon (gun, knife, car) has been used. The program provides crisis management, counseling services and funeral expenses.

**6. Target Surplus Funding Analysis as of June 30, 2023**

Ms. Joan Crossley stated the JPA established a minimum surplus requirement of \$2.5 million which is five times the JPA's Property SIR of \$500,000. As of June 30, 2023, the JPA's net position is \$3,316,377. This is the first time the net position has been above \$2.5 million in several years.

**J. COMMENTS FOR THE GOOD OF THE ORDER**

Mr. Mathiesen said Alliant Insurance staff are taking Delores Perley out to a retirement lunch and the members are welcome to attend.

**ADJOURNMENT**

The meeting was adjourned at 11:55 a.m.

Reviewed and Approved by:   
Date: 07/30/2024