



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING  
REVISED AGENDA**

**LOCATION:** Campbell Union School District  
155 N. Third Street  
Campbell, CA 95008

**DATE/TIME:** December 5, 2019  
9:00 A.M.

**A - Action**  
**I - Information**

**1 - Included**  
**2 - Hand Out**  
**3 - Separate**  
**4 - Verbal**

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services, in order to participate in the meeting are requested to contact Joan Crossley at Alliant Insurance Services, Inc. at (916) 643-2708.

Documents and material relating to an open session agenda item that are provided to the SBASIA Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard St, Suite 460, Sacramento, CA 95815.

*Page*

- A. CALL TO ORDER**
- B. ROLL CALL** A 4
- C. APPROVAL OF AGENDA** A 1
- D. PUBLIC COMMENT**  
*This time is reserved for members of the public to address the Executive Committee on SBASIA business.*
- E. CLAIMS** A 4
- 1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**
  - a. Azarcon, Jomar vs. Los Gatos-Saratoga Joint Union High School District and Milpitas Unified School District
  - b. Khazei vs. Los Gatos-Saratoga Joint Union High School District
- F. PRESIDENT'S REPORT ON ACTION FROM CLOSED SESSION**



2        **G. CONSENT CALENDAR** **A    1**

- 3-5        1. **Executive Committee Meeting Minutes - June 13, 2019**
- 6-7        2. **Executive Committee Teleconference Minutes - August 30, 2019**
- 8-9        3. **Engagement Letter for SBASIA Actuarial Study as of 12/31/19**

**H. GENERAL ADMINISTRATION**

- 10        1. **Property Appraisal** **I    1**  
*Staff and the Executive Committee will discuss whether to issue a RFP for Property Appraisal.*

- 11        2. **Review of Board Agenda Items** **A    3**  
*Staff will review the Board agenda items with the Executive Committee.*

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

**ADJOURNMENT**

**NEXT MEETING**

The next Executive Committee Meeting is set for March 12, 2020 at 10:00 a.m. The Location will be at Campbell Union School District, 155 N. Third Street, Campbell, CA 95008.



**Agenda Item E.1.**

**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 claims:

1. Azarcon, Jomar vs. Los Gatos-Saratoga Joint Union High School District and Milpitas Unified School District
2. Khazei 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



**Agenda Item G.**

**CONSENT CALENDAR**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review the Consent Calendar and pull any items that need discussion. Otherwise, the Executive 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 Executive Committee may accept the Consent Calendar as posted, or pull any item for discussion and separate action while accepting the remaining items.

- 1. Executive Committee Meeting Minutes - June 13, 2019**
- 2. Executive Committee Teleconference Minutes - August 30, 2019**
- 3. Engagement Letter for SBASIA Actuarial Study as of 12/31/19**

**ATTACHMENTS:** Executive Committee Meeting Minutes – June 13, 2019  
Executive Committee Teleconference Minutes – August 30, 2019  
Engagement Letter for SBASIA Actuarial Study as of 12/31/19



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE 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

**MEMBERS ABSENT**

Robert Clark, Secretary, Mountain View Whisman School District  
Wendy Zhang, Member at Large, Milpitas Unified School District

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
Rosemarie Pottage, Los Gatos-Saratoga Joint Union High School District

**A. CALL TO ORDER**

The meeting was called to order at 9:07 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 as presented.**

<b>MOTION:</b> Mike Mathiesen	<b>SECOND:</b> Megan Reilly	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSENT:</b> 2
	<b>ABSTAIN:</b> 0	

**AYES:** Crawford, Reilly, Mathiesen  
**NAYS:** None  
**ABSENT:** Clark, Zhang

**D. PUBLIC COMMENT**

There were no public comments.

**E. CONSENT CALENDAR**

- 1. Executive Committee Meeting Minutes – May 2, 2019**
- 2. Executive Committee Teleconference Minutes – May 29, 2019**

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

<b>MOTION:</b> Mike Mathiesen	<b>SECOND:</b> Megan Reilly	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSENT:</b> 2
	<b>ABSTAIN:</b> 0	



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
CAMPBELL, CALIFORNIA  
June 13, 2019**

**AYES:** Crawford, Reilly, Mathiesen

**NAYS:** None

**ABSENT:** Clark, Zhang

**F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**1. Ironteeth vs. Santa Clara County Office of Education**

The Executive Committee went into closed session at 9:08 a.m.

The Executive Committee returned from closed session at 9:13 a.m.

Mr. James Crawford reported that the closed session item was discussed and appropriate action was taken.

**G. GENERAL ADMINISTRATION**

**1. Executive Committee Meeting Dates for Fiscal Year 2019 – 2020**

Mr. Matt Gowan said that the Executive Committee needs to schedule meeting dates for fiscal year 2019-2020. The Executive Committee reviewed the following meeting dates prepared by staff:

- October 3, 2019
- December 5, 2019
- March 12, 2020
- May 7, 2020
- June 11, 2020

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

**MOTION:** Mike Mathiesen

**SECOND:** Megan Reilly

**MOTION CARRIED**

**AYES: 3**

**NOES: 0**

**ABSTAIN: 0**

**ABSENT: 2**

**AYES:** Crawford, Reilly, Mathiesen

**NAYS:** None

**ABSENT:** Clark, Zhang

**2. Review of Board Agenda Items**

Mr. Gowan said Mr. Anthony Poston, CEO of ESM Solutions, will present a final overview to the Board on the Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include Chemical Inspection. Mr. Gowan said Mr. Poston will discuss loss control trends and also some of the difficulties he encountered in scheduling the inspections.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
CAMPBELL, CALIFORNIA  
June 13, 2019**

Mr. Gowan said staff will update the Board on training for coaches and the upcoming infrared inspections. Mr. Gowan stated staff solicited input from the JPA members on providing Liability training for coaches, but most of the members said the training is already being provided.

Mr. Gowan noted that Mr. Poston had scheduling challenges with the recent inspection; although the inspections were scheduled in advance, sometimes school staff were not present and Mr. Poston had to leave and re-schedule for another date. Mr. Gowan said the contract with Allied Reliability for infrared inspections has a \$250 penalty fee for not giving 72 hours notice of cancellation before the start of an inspection. Staff and the Executive Committee discussed the possibility that the JPA could be charged penalty fees. The Executive Committee suggested that staff communicate to the JPA members to make sure the employee who will take the inspector to the electrical panels at each school site is aware of the date and time of the scheduled inspection and also make sure any keys needed to unlock electrical panels are available on the day of the inspection.

Mr. Gowan said he will review the insurance renewal items and the budget with the Board and noted that since the Executive Committee previously reviewed the accounting contract and administration contract, they will recommend approval to the Board

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

There were no comments for the good of the order.

**ADJOURNMENT**

The meeting was adjourned at 9:50 a.m.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE TELECONFERENCE MINUTES  
August 30, 2019**

**MEMBERS PRESENT**

James Crawford, President, Campbell Union School District  
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District  
Wendy Zhang, Member at Large, Milpitas Unified School District

**MEMBERS ABSENT**

Eric Dill, Vice President, Santa Clara Unified School District  
Position Vacant, Secretary

**GUESTS & CONSULTANTS**

Joan Crossley, Alliant Insurance Services  
Mark Davis, Davis & Young  
Eric Bengtson, Davis & Young

**A. CALL TO ORDER**

The meeting was called to order at 1:02 p.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: Mike Mathiesen      SECOND: Wendy Zhang      MOTION CARRIED**

**AYES: 3      NOES: 0      ABSTAIN: 0      ABSENT: 1**

**AYES:** Crawford, Mathiesen, Zhang

**NAYS:** None

**ABSENT:** Dill

**D. PUBLIC COMMENT**

There were no comments from the public.

**E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

- 1. Jane Doe vs. Mountain View-Los Altos Union High School District**
- 2. Schroeder vs. Santa Clara County Office of Education**
- 3. Davilla vs. Santa Clara County Office of Education**

The Executive Committee went into closed session at 1:03 p.m.

The Executive Committee returned from closed session at 1:21 p.m.





**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE TELECONFERENCE MINUTES  
August 30, 2019**

**AYES:** Crawford, Mathiesen, Zhang  
**NAYS:** None  
**ABSENT:** Dill

**F. PRESIDENT’S REPORT ON ACTION FROM CLOSED SESSION**

Mr. James Crawford reported that the closed session items were discussed and appropriate actions were taken.

**G. SETTLEMENT AUTHORITY REQUEST FOR LOS ALTOS SCHOOL DISTRICT**

Ms. Joan Crossley said there was a fire at Egan Intermediate School at Los Altos School District. It was a four classroom building; one classroom was destroyed and the others were damaged. It’s an arson fire, but the culprit was never caught.

**A motion was made to authorize payment of \$490,000 (loss of \$500,000 less \$10,000 deductible).**

**MOTION: Mike Mathiesen                      SECOND: Wendy Zhang                      MOTION CARRIED**

**AYES: 3                      NOES: 0                      ABSTAIN: 0                      ABSENT: 1**

**AYES:** Crawford, Mathiesen, Zhang  
**NAYS:** None  
**ABSENT:** Dill

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

None

**ADJOURNMENT**

The meeting was adjourned at 1:23 p.m.

DRAFT



September 6, 2019

Ms. Joan Crossley  
South Bay Area Schools Insurance Authority  
c/o Alliant Insurance Services  
2180 Harvard Street, Suite 460  
Sacramento, CA 95815

RE: Actuarial Services Engagement Letter – South Bay Area Schools Insurance Authority Actuarial Study 2019

Dear Ms. Crossley:

Thank you for the opportunity to provide actuarial services to the South Bay Area Schools Insurance Authority (SBASIA). The SBASIA is seeking professional actuarial advice with regard to its self-insured property and liability program. The following is a brief outline of our understanding of the scope of work to be performed and our fees.

We understand that the objective of the study is to provide estimated program reserves and expected costs for the program. Our report will include the following information:

- Estimate of the program's expected required loss reserves as of June 30, 2020 and June 30, 2021.
- Allocation of the estimated "expected" loss reserves as of June 30, 2020 and June 30, 2021, into short-term liability and long-term liability.
- Estimate of the program's required loss reserves as of June 30, 2020 and June 30, 2021, at a 70%, 80%, and 90% confidence level.
- Loss and claim count projection for the SBASIA's property and liability program losses expected to be incurred in fiscal years 7/1/20-21 and 7/1/21-22.
- Loss and claim count projection for the SBASIA's property and liability losses expected to be incurred in fiscal years 7/1/20-21 and 7/1/21-22 at the 70%, 80%, and 90% confidence level.
- Estimate the SBASIA's property and liability losses expected to be paid in fiscal years 7/1/20-21 and 7/1/21-22.

**SBASIA  
DRAFT**

- Written report documenting results of the analyses and providing other significant information such as loss rates, frequency and severity trends, etc. As long as the data is provided to us on a timely basis, the final written report will be completed by March 15, 2020.

We will include sufficient documentation, details, and descriptions to enable the SBSIA to evaluate the actuarial methodology, indexes, and mathematical approaches we use to estimate claims costs. All exhibits in our reports are footnoted to enable our clients to trace calculations back to the original source. In addition, at the end of our text we include a glossary of actuarial terms. We present an executive summary at the front of our report, a section detailing our conclusions and recommendations, and our exhibits and appendices begin with summary exhibits and increase in level of detail throughout the appendices.

We will agree to complete the scope of work discussed above for \$7,700. This represents an annualized increase of 2.0% from our 2017 fee of \$7,400. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

<u>Consultant</u>	<u>Hourly Rate</u>
Director	\$335
Senior Manager	230
Actuarial Staff	155
Administrative Staff	70

Our target delivery date for the draft report is four weeks after the receipt of complete data. Please call Mark Priven at (916) 244-1161 with any questions you may have with regard to our proposal.

Respectfully Submitted,

**DRAFT**

---

Mark Priven, FCAS, MAAA  
VP – Specialty Actuarial, Bickmore Actuarial

---

SBASIA



**Agenda Item H.1**

**PROPERTY APPRAISAL**

**INFORMATION ITEM**

**EXPLANATION:** The JPA's last property appraisal was performed in 2013. Property appraisals are recommended every five to seven years to provide current replacement cost values for buildings. The JPA has traditionally had an appraisal performed every seven years. Although property values have been trended annually using Marshall & Swift inflation factors, values can vary somewhat between the inflation factor value and the physically appraised value. In addition, schools may have remodeled or added new buildings that may not have been reported on the property schedules maintained by staff. Staff and the Executive Committee will discuss whether to issue a RFP for Property Appraisals.

**ATTACHMENTS:** None



**Agenda Item H.2**

**REVIEW OF BOARD AGENDA ITEMS**

**ACTION ITEM**

**ISSUE:** The Executive Committee should make recommendations to the Board of Directors for those items on their agenda that require action.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Various. See the Board of Directors December 5, 2019 agenda.

**BACKGROUND:** The Board of Directors should take action on the following items:

Audited Financial Report as of June 30, 2019

Resolution to Approve Amendment to the Schools Excess Liability Fund (SELF)

JPA Agreement

**ATTACHMENTS:** None