



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
AGENDA**

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

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

**DATE/TIME:** June 16, 2016  
10:00 A.M.

**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 Board of Directors 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**

**C. APPROVAL OF AGENDA** **A 4**

**D. PUBLIC COMMENT**  
*This time is reserved for members of the public to address the Board of Directors on SBASIA business.* **I 4**

*1* **E. CONSENT CALENDAR** **A 1**

*2-4* **1. Board of Directors Meeting Minutes – December 3, 2015**

**F. FINANCIAL**

*5* **1. Cyber Security Audit Review** **I 4**  
*Representatives from RSM US will review the findings of the Cyber Security Audit that was performed for SBASIA members.*

*6* **2. Excess Liability Renewal** **A 2**  
*Staff will present the Excess Liability renewal for the period of July 1, 2016-2017.*

*7-11* **3. Review and Adoption of Liability Memorandum of Coverage** **A 1**  
*Staff will present the Liability Memorandum of Coverage for July 1, 2016-2017.*



- |       |     |   |   |   |
|-------|-----|---|---|---|
| 12    | 4.  | <b>Excess Property and Boiler &amp; Machinery Renewal</b><br><i>Staff will present the Excess Property and Boiler and Machinery renewal for period of July 1, 2016-2017.</i>                  | A | 2 |
| 13-25 | 5.  | <b>Alliant Property Insurance Program Claims Reporting Acknowledgement</b><br><i>Staff will present claims reporting procedures for the Property, Cyber Liability and Pollution coverage.</i> | A | 1 |
| 26    | 6.  | <b>Crime Policy Renewal</b><br><i>Staff will present the renewal of the Crime Policy for period of July 1, 2016-2017.</i>   | A | 2 |
| 27-32 | 7.  | <b>Review and Adoption of Property Memorandum of Coverage</b><br><i>Staff will present the Property Memorandum of Coverage for July 1, 2016-2017.</i>   | A | 1 |
| 33-38 | 8.  | <b>Accounting Contract</b><br><i>The Accounting Contract expires on June 30, 2016. Staff will present the renewal contract for July 1, 2016–June 30, 2019.</i>                                | A | 1 |
| 39-48 | 9.  | <b>Administration Contract</b><br><i>The Administration Contract expires on June 30, 2016. Staff will present the renewal contract for July 1, 2016–June 30, 2019.</i>                        | A | 1 |
| 49    | 10. | <b>Revenue and Expense Budget for July 1, 2016-2017</b><br><i>Staff will present the Revenue and Expense Budget for July 1, 2016 –2017 for Board approval.</i>                                | A | 1 |

#### G. GENERAL ADMINISTRATION

- |       |    |   |   |   |
|-------|----|---|---|---|
| 50    | 1. | <b>SBASIA Election of Officers and Executive Committee</b><br><i>The Executive Committee will present a slate of officers for July 1, 2016-2017.</i>      | A | 4 |
| 51    | 2. | <b>Investment Authority</b><br><i>Per Government Code, the Board will need to approve the delegation of authority to invest or reinvest SBASIA funds.</i> | A | 4 |
| 52-57 | 3. | <b>Review of Investment Policy</b><br><i>Per Government Code, the Board must review the Investment Policy annually.</i>                                   | A | 1 |



58-61

**4. Review of Conflict of Interest Code**

**A 1**

*Per Government Code, the Board must review the Conflict of Interest Code every even numbered year.*

62-63

**5. Resolution Establishing Meeting Dates for Fiscal Year 2016-2017**

**A 1**

*The Board will need to adopt meeting dates for July 1, 2016-2017.*

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

**ADJOURNMENT**

**NEXT MEETING**

The next Board of Directors Meeting is set for Thursday, December 1, 2016 at 10:00 A.M. at Campbell Union School District, 155 N. Third Street, Campbell, CA 95008.



**Agenda Item E.1**

**CONSENT CALENDAR**

**ACTION ITEM**

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

**1. Board of Directors Meeting Minutes – December 3, 2015**

**ATTACHMENTS:** Board of Directors Meeting Minutes – December 3, 2015



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
CAMPBELL, CALIFORNIA  
December 3, 2015**

**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  
Randy Kenyon, Los Altos School District  
Greg Medici, Los Gatos-Saratoga Joint Union High School District  
Marie dela Cruz, Metropolitan Education District

**MEMBERS ABSENT**

Phuong Le, Member at Large, Berryessa Union School District  
Elizabeth Bozzo, Lakeside Joint School District  
Wendy Zhang, Milpitas Unified School District  
Mike Mathiesen, Mountain View-Los Altos Union High School District  
Robert Clark, Mountain View Whisman School District

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
Kelly Ng, Milpitas Unified School District  
Tracey Smith-Reed, Gilbert Associates, Inc.  
Robin Zane, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:05 a.m.  
Ms. Marie dela Cruz arrived at 10:07 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.**

<b>MOTION:</b> Barbara Coats	<b>SECOND:</b> Mark Allgire	<b>MOTION CARRIED</b>
<b>AYES:</b> 7	<b>NOES:</b> 0	<b>ABSENT:</b> 5
	<b>ABSTAIN:</b> 0	

**AYES:** Crawford, Yang, Allgire, Coats, Kenyon, Medici, dela Cruz  
**NAYS:** None  
**ABSENT:** Le, Bozzo, Zhang, Mathiesen, Clark



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
CAMPBELL, CALIFORNIA  
December 3, 2015**

**D. PUBLIC COMMENT**

There were no public comments.

**E. CONSENT CALENDAR**

- 1. Board of Directors Meeting Minutes – June 18, 2015**
- 2. Unaudited Financial Report for Quarter Ending June 30, 2015**
- 3. Investment Report for Quarter Ending June 30, 2015**
- 4. Financial Report for Quarter Ending September 30, 2015**
- 5. Investment Report for Quarter Ending September 30, 2015**

Ms. Tracey Smith-Reed commented that the JPA is carrying a receivable of \$1 million. The claims adjuster, Carl Warren & Company, is gathering the invoices and calculating the final receivable amount due from the excess insurance carrier, CSAC EIA.

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

**MOTION:** Greg Medici

**SECOND:** Mark Allgire

**MOTION CARRIED**

**AYES:** 7

**NOES:** 0

**ABSTAIN:** 0

**ABSENT:** 5

**AYES:** Crawford, Yang, Allgire, Coats, Kenyon, Medici, dela Cruz

**NAYS:** None

**ABSENT:** Le, Bozzo, Zhang, Mathiesen, Clark

**F. FINANCIAL**

**1. Audited Financial Report as of June 30, 2015**

Mr. Matt Gowan introduced Ms. Robin Zane of James Marta & Company, the JPA's Financial Auditor for the year ending June 30, 2015. Ms. Zane noted the audit is still in draft form pending a written response from two attorneys regarding any pending litigation. Ms. Zane said she was in verbal contact with the attorneys and there will be no change to the numbers in the financial audit. Ms. Zane stated net position decreased by \$162,010 from the prior year. Claims expense increased by 210% from the prior year. The IBNR (incurred but not reported) increased by 26.18%. The JPA's operating revenues increased by 10% from the prior year. Total expenses increased by 34.2% and total assets increased by 12.8%. Total liabilities increased by 35.4%. Ms. Zane noted that assets have been increasing over the last three years and the financial position of the JPA is strong.

**G. CLAIMS**

**1. Claims by Class Code**

Staff presented graphs for each member district showing the frequency and severity of claims incurred (includes both paid and reserves) by class codes such as trip and fall, fire damage to



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
CAMPBELL, CALIFORNIA  
December 3, 2015**

building, etc. Mr. Gowan commented the JPA reviews these annually to see if anything in particular jumps out that would need to be addressed by loss control.

**H. GENERAL ADMINISTRATION**

**1. Target Surplus Funding Analysis as of June 30, 2015**

Mr. Gowan said the target surplus funding analysis shows the surplus at a specific point in time. The JPA funds at a 70% confidence level and has established a minimum surplus requirement of \$2.5 million which is five times the JPA's SIR of \$500,000. As of June 30, 2015, the JPA is above the minimum surplus target by \$82,691. Mr. Gowan said funds above the surplus target are traditionally used for dividends or loss control, but the Executive Committee will be discussing whether to use the surplus for safety credits.

**2. Update on Cyber Security Audit**

Ms. Joan Crossley stated the JPA hired McGladrey to perform cyber security audits for all the members. All the cyber audits have been performed except for Berryessa Union School District and Metropolitan Education District as their staff has postponed the audits. McGladrey is working on the report with findings from the audit and upon completion it will be emailed to the members.

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

There were no comments for the good of the order.

**ADJOURNMENT**

The meeting was adjourned at 10:37 a.m.



South Bay Area Schools Insurance Authority  
Board of Directors  
June 16, 2016

**Agenda Item F.1**

**CYBER SECURITY AUDIT REVIEW**

**INFORMATION ITEM**

**EXPLANATION:** RSM US, formerly McGladrey, performed a Cyber Security audit for the JPA members. The audit reports were emailed to the members on April 4, 2016. Mr. Andy Obuchowski, Jr. and Loras Even from RSM US will present an overview of the Cyber Security audit findings.

**ATTACHMENTS:** None





**Agenda Item F.2**

**EXCESS LIABILITY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Excess Liability insurance for SBASIA for the period of July 1, 2016 – July 1, 2017.

**RECOMMENDATION:** The Executive Committee recommends adoption of the Excess Liability renewal as presented.

**FISCAL IMPACT:** \$834,946 for the period of July 1, 2016 – July 1, 2017. This is the CSAC EIA premium of \$413,869 plus the SELF premium of \$421,077.

**BACKGROUND:** For the 2016-2017 Liability program, the JPA will maintain its self-insured retention (SIR) of \$250,000 and will purchase coverage with CSAC-EIA, the current insurer, to a \$5 million limit, then attach to SELF (Schools Excess Liability Fund) from \$5 million to \$55 million limit. The total liability limit is \$55 million.

CSAC-EIA (California State Association of Counties-Excess Insurance Authority) was formed as a joint powers authority in 1979 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

SELF (Schools Excess Liability Fund) was formed as a joint powers authority in 1986 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

**ATTACHMENTS:** None



**Agenda Item F.3**

**REVIEW AND ADOPTION OF LIABILITY MEMORANDUM OF COVERAGE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2016 to July 1, 2017.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Memorandum of Coverage.

**FISCAL IMPACT:** The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. However, we have an estimate of the costs of liability claims covered under this Memorandum from the actuarial study. The amount is \$604,000 at a 70% confidence level. This is reflected in the proposed budget.

**BACKGROUND:** The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached liability memorandum incorporates the excess insurance policy's terms and conditions provided by CSAC EIA for the period July 1, 2016 to July 1, 2017. The memorandum also defines the exceptions to those terms and conditions. These exceptions are only the terms of liability and the self-insured retention.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

**ATTACHMENTS:** Liability Declarations Page  
Liability Memorandum of Coverage

# **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**

## **LIABILITY**

### **UNDERLYING MEMORANDUM OF COVERAGE**

#### **DECLARATIONS**

##### **MEMORANDUM NO. SBASIALI 001-16**

- 1. Member District:** Berryessa Union School District  
1376 Piedmont Road  
San Jose, CA 95132
- 2. Coverage Period:** July 1, 2016 through June 30, 2017
- 3. Member District Deductible:** \$ 10,000 **Each Occurrence, offense or wrongful act**
- 4. Limits of Liability:**
  - a. Liability Coverage** \$ 250,000 **Each Occurrence, offense or wrongful act\***

\*One limit applies regardless of the number of members involved

**FORMS AND ENDORSEMENTS:** **Form LIAB-1**  
**FORMING PART OF THE POLICY**  
**AT INCEPTION**

\_\_\_\_\_  
President, James Crawford

\_\_\_\_\_  
Date

*It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.*

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
LIABILITY  
UNDERLYING MEMORANDUM OF COVERAGE  
FORM NO. LIAB-1**

**1. INSURING AGREEMENT**

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay on behalf of the Member District **Loss** resulting from any occurrence, offense or wrongful act covered by the terms, except limits of liability and self-insured retentions, of the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 16 EL-80** as that Memorandum of Coverage applies to SBASIA, during the Coverage Period as stated on the Declarations.

**2. MEMBER DISTRICT DEDUCTIBLE**

The Member District deductible stated under Item 3 of the Declarations page applies to each occurrence, offense or wrongful act covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 16 EL-80**.

**3. LIMITS OF LIABILITY**

The Limits of Liability stated under Item 4a of the Declarations applies to each occurrence, offense or wrongful act, regardless of the number of Member Districts involved, covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 16 EL-80**.

**4. COVERAGE PERIOD**

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

**5. DEFINITIONS**

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

**LOSS** – Means the ultimate net loss as defined in the Definitions section of the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 16 EL-80**.

**MEMBER DISTRICT OR MEMBER ENTITY** – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

## **6. OTHER INSURANCE**

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## **7. NOTICE OF OCCURRENCE**

Upon the happening of any occurrence likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time. If legal proceedings are begun, the Member District shall forward to the SBASIA Claims Adjustor each paper therein, or a copy thereof, received by the Member District or the Member District's representative, together with copies of reports or investigations with respect to such claim proceedings.

## **8. DEFENSE**

SBASIA shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member District, which in the opinion of SBASIA may create liability on the part of SBASIA under the terms of this Memorandum of Coverage.

## **9. PAYMENT OF LOSS**

Upon final determination of **Loss**, SBASIA will promptly pay on behalf of the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

## **10. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

#### **11. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

**To be valid, this Memorandum must be signed by SBASIA's President or Vice President.**

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President, James Crawford

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Date



**Agenda Item F.4**

**EXCESS PROPERTY AND  
BOILER & MACHINERY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Excess Property insurance as well as the Boiler & Machinery insurance for SBASIA for the period July 1, 2016 to July 1, 2017.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board.

**FISCAL IMPACT:** \$1,366,986 for the period of July 1, 2016 to July 1, 2017.

**BACKGROUND:** The Excess Property policy, which provides Property coverage and Auto Physical Damage coverage (on premises coverage only), will be expiring on July 1, 2016. APIP (Alliant Property Insurance Program) has quoted the expiring limit of \$1,000,000,000 excess of \$500,000 deductible on the Excess Property.

On the Boiler & Machinery insurance, APIP has quoted the expiring limit of \$100,000,000 excess of \$10,000 self-insured retention.

Primary coverage in APIP is provided by Lexington Insurance which is rated A (Excellent); Financial Size Category XV (\$2 billion or greater) by A.M. Best as of 6/2/16 and A+ (Strong) by Standard & Poors pulled as of 6/3/16.

**ATTACHMENTS:** None



**Agenda Item F.5**

**ALLIANT PROPERTY INSURANCE PROGRAM CLAIMS REPORTING  
ACKNOWLEDGEMENT**

**ACTION ITEM**

**ISSUE:** Alliant Property Insurance Program (APIP) has developed Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. APIP requires its members to sign an acknowledgement form which outlines the steps that should be taken at the time Property, Cyber Liability and Pollution losses occur.

**RECOMMENDATION:** The Program Administrator recommends authorizing the Board President, Mr. James Crawford, to sign the acknowledgement form on behalf of SBASIA.

**FISCAL IMPACT:** None

**BACKGROUND:** The Alliant Property Insurance Program (APIP) includes Property coverage, Cyber Liability coverage and Pollution coverage.

**ATTACHMENT(S):** APIP Claims Reporting Acknowledgement(s) Receipt Form



## ALLIANT INSURANCE SERVICES

### APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

☐

APIP Property Claims Reporting

☐

Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased

☐

Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

#### Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

**In effect:** July 1, 2016 until further notice

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name:** South Bay Area Schools Insurance Authority

**Authorized Signature:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Cathryn O'Meara. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA  
Senior Vice President, Regional Claims Director  
Voice: (415) 403-1445 Cell: (415) 518-8490  
Email: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Diana L. Walizada, AIC, CPIW, RPA, AINS  
Vice President, Claims Unit Manager  
Voice: (415) 403-1453  
Email: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Address:

Alliant Insurance Services, Inc.  
100 Pine St, 11<sup>th</sup> Floor  
San Francisco CA 94111  
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Cathryn O'Meara  
McLaren's Global Claims Services  
1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [cathryn.omeara@mclarens.com](mailto:cathryn.omeara@mclarens.com)

Address:

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond  
Beazley Group  
1270 Avenue of the Americas, Suite 1200  
New York, NY 10020  
Fax: (546) 378-4039  
Email: [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

Address:

Elaine G. Kim, CISR  
Assistant Vice President, Claims Advocate  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1458 Fax: (415) 403-1466  
Email: [ekim@alliant.com](mailto:ekim@alliant.com) & [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

Address:

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (if purchased):

ACE USA Claims  
PO Box 5103  
Scranton, PA 18505-0510  
Environmental Emergency: (888) 310-9553  
Fax: (800) 951-4119  
Email: [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)

Address:

Martin Fox-Foster  
Assistant Vice President, Claims Advocate Lead  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1417 Fax: (415) 403-1466  
Email: [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

Address:

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

## IN THE EVENT OF A

# PROPERTY LOSS:

- 1) Follow your organization procedures for reporting and responding to an incident*
- 2) Alert local emergency authorities, as appropriate*
- 3) Report the incident to Alliant Insurance Services immediately at:*

# 877-725-7695

**All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) Report the incident to McLarens Global Claims Services AND your Alliant representative*

## PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Carbon Copy APIP Claims Administrator: [cathryn.omeara@mclarens.com](mailto:cathryn.omeara@mclarens.com) and your Alliant representative

Today's Date: \_\_\_\_\_

Type of Claim: (check all that apply)

- |  |                                   |
|--|-----------------------------------|
| <input type="checkbox"/> Real Property     | <input type="checkbox"/> Vehicles |
| <input type="checkbox"/> Personal Property | <input type="checkbox"/> Other    |

### Insured's Name & Contact Information

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

### Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey & Diana L. Walizada

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

### Policy Information

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible: \_\_\_\_\_

### Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss:

\_\_\_\_\_  
\_\_\_\_\_

Please list all attached or enclosed documentation: ☐ (check if none provided) \_\_\_\_\_

\_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_

**Per the PEPPI USA Form Master Policy Wording, Section IV General Conditions;**

**J. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

**IN THE EVENT OF A  
CYBER LOSS:**

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

**[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)**

**All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM****SEND TO:** Beazley Group**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020**BY FAX:** (546) 378-4039**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)**CC Alliant Claims Department:**[ekim@alliant.com](mailto:ekim@alliant.com) , [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com) and your Alliant representative

Today's Date: \_\_\_\_\_

**Insured's Name & Contact Information**

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine Kim & Martin Fox-FosterAddress: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111Phone #: 877-725-7695 Fax #:415-403-1466**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation: ☐ (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_

#### A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the **Insured**. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
  - b. the injury or damage which may result or has resulted from the circumstance; and
  - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

(Cyber)





ACE Environmental Risk

## IN THE EVENT OF AN ENVIRONMENTAL EMERGENCY:

- 1) Follow your organization procedures for reporting and responding to an incident***
- 2) Alert local emergency authorities, as appropriate***
- 3) Report the incident to ACE Environmental Risk immediately at:***

**888-310-9553 or use ACE Alert App**

- 4) Report the incident to Alliant***

Martin Fox-Foster  
Assistant Vice President, Claims Advocate-Lead  
415-403-1417  
415-403-1466 – fax  
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away  
  
DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification



## ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

**SEND TO:** ACE Environmental Risk Claims Manager

**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

**BY FAX:** (800) 951-4119

**BY EMAIL:** [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)

**CC Alliant Insurance:** [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com) and your Alliant Representative

**Today's Date:** \_\_\_\_\_

**Notice of: (check all that apply)**

- ☐ Pollution Incident
 ☐ Potential Claim
 ☐ Other \_\_\_\_\_
- ☐ Third-Party Claim
 ☐ Litigation Initiated

### Insured's Name & Contact Information

**Company Name:** \_\_\_\_\_ **Point of Contact:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

### Broker/Agent's Name & Contact Information

**Company Name:** Alliant Insurance Services - Claims **Point of Contact:** Martin Fox-Foster

**Address:** 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

**Phone #:** 1-877-725-7695

### Policy Information

**Policy Number:** \_\_\_\_\_ **Policy Period:** \_\_\_\_\_

**Limits of Liability:** \_\_\_\_\_ per \_\_\_\_\_ agg **Self-Insured Retention/Deductible** \_\_\_\_\_

### Loss Information

**Date of Incident/Claim:** \_\_\_\_\_ **Location:** \_\_\_\_\_

**Claimant Name/Address:** \_\_\_\_\_

**Description of Loss:** \_\_\_\_\_

**Please list all attached or enclosed documentation:** ☐ (check if none provided) \_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

## VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.



## APIP Pollution: Claim Reporting Fact Sheet

This page outlines the steps that should be taken BY YOUR ORGANIZATION, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through APIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

**III. DEFENSE AND SETTLEMENT** C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

### V. DEFINITIONS

**F. “Emergency response”** means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

**T. “Pollution condition”** means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**V. “Remediation costs”** means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

### VII. REPORTING AND COOPERATION

**A.** The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

**B.** The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

**C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

**D.** Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is if there is a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.



**Agenda Item F.6**

**CRIME POLICY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Crime insurance for SBASIA for the period July 1, 2016 to July 1, 2017.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board.

**FISCAL IMPACT:** \$29,800 for the period of July 1, 2016 to July 1, 2017

**BACKGROUND:** The Crime policy will be expiring on July 1, 2016. The Executive Committee has decided to increase the Crime insurance limit from \$1 million per occurrence to \$3 million per occurrence. The deductible is \$5,000. Coverage is provided by the Alliant Crime Insurance Program (ACIP) with National Union Fire Insurance Company of Pittsburgh, PA as the insurance carrier.

The Crime policy provides coverage for Employee Theft-Per Loss, Forgery or Alteration, Inside the Premises-Theft of Money & Securities, Inside the Premises-Robbery or Safe Burglary of Other Property, Outside the Premises, Computer Fraud, Funds Transfer Fraud and Money Orders & Counterfeit Money

National Union Fire Insurance Company of Pittsburgh, PA is rated A (Excellent); Financial Size Category XV (\$2 billion or greater) by A.M. Best as of 6/2/16 and A+ (Strong) by Standard & Poors pulled as of 6/3/16.

**ATTACHMENTS:** None



**Agenda Item F.7**

**REVIEW AND ADOPTION OF PROPERTY MEMORANDUM OF COVERAGE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2016 to July 1, 2017.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Memorandum of Coverage.

**FISCAL IMPACT:** The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. However, we have an estimate of the costs of property claims covered under this Memorandum from the actuarial study. The amount is \$321,000 at a 70% confidence level. This is reflected in the proposed budget.

**BACKGROUND:** The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached property memorandum incorporates the excess insurance policies' terms and conditions provided by APIP for the period July 1, 2016 to July 1, 2017. The memorandum also defines the exceptions to those terms and conditions. These exceptions are the limits of liability, sub-limits of liability, deductible and Auto Physical Damage coverage.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

**ATTACHMENTS:** Property Declarations Page  
Property Memorandum of Coverage

# **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**

## **PROPERTY**

### **UNDERLYING MEMORANDUM OF COVERAGE**

#### **DECLARATIONS**

##### **MEMORANDUM NO. SBASIAPR 001-16**

- 1. Member District:** Berryessa Union School District  
1376 Piedmont Road  
San Jose, CA 95132
- 2. Coverage Period:** July 1, 2016 through June 30, 2017
- 3. Member District Deductible:**
  - a. Property or Auto Physical Damage \$ 10,000 **Each Occurrence**
  - b. Crime \$ 1,000 **Each Occurrence**
- 4. Limits of Liability:**
  - a. Property \$ 500,000 **Each Occurrence**
  - b. Auto Physical Damage \$ 500,000 **Each Occurrence**
  - c. Crime \$ 5,000 **Each Occurrence**
- 5. Sub-limits of Liability:**
  - a. Claim Preparation Expenses \$ 20,000 **Each Occurrence**

**FORMS AND ENDORSEMENTS:** **Form PROP-1**  
**FORMING PART OF THE POLICY**  
**AT INCEPTION**

\_\_\_\_\_  
President, James Crawford

\_\_\_\_\_  
Date

*It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.*

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
PROPERTY  
UNDERLYING MEMORANDUM OF COVERAGE  
FORM NO. PROP-1**

**1. INSURING AGREEMENT**

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay the Member District for **Loss** covered by the terms, except limits of liability and deductibles, of the **Alliant Property Insurance Program (APIP) Policy No. 16-17** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-330-98-06**, as those Policies apply to SBASIA, during the Coverage Period as stated on the Declarations.

**2. MEMBER DISTRICT DEDUCTIBLE**

The Member District Deductible stated under Item 3 of the Declarations page applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 16-17** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-330-98-06**.

**3. LIMITS OF LIABILITY**

The Limits of Liability stated under Item 4 of the Declarations applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 16-17**, except those Sub-Limits of Liability stated under Item 5, and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-330-98-06**.

**4. COVERAGE PERIOD**

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

**5. AUTO PHYSICAL DAMAGE**

- A. The terms and conditions of the APIP policy are amended to include **Auto Physical Damage Coverage**.
- B. As respects **Auto Physical Damage Coverage**, the most SBASIA will pay for **Loss** is the lesser of the actual cash value of the damaged **auto** or the cost of repairing or replacing the damaged **auto** with other property of like kind and quality.



- C. As respects **Auto Physical Damage Coverage**, the following are excluded:
- (1) Towing
  - (2) Diminution in Value
  - (3) Wear and tear, freezing, mechanical or electrical breakdown
  - (4) Blowouts, punctures or other road damage to tires
  - (5) Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment

## 6. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

**LOSS** – means direct physical loss or damage to covered property and loss resulting from interruption of business, services or rental value caused by direct physical loss or damage to covered property as defined in the **Alliant Property Insurance Program (APIP) Policy**. As respects **Auto Physical Damage Coverage**, **Loss** means direct and accidental physical loss or damage to an **auto**. As respects **Crime**, **Loss** means loss or damage to money, securities and **other property** which results directly from theft by an employee, forgery or alteration of checks, theft, disappearance or destruction inside the premises or outside the premises in the care of a messenger, robbery or safe burglary inside the premises; loss directly related to the use of any computer to fraudulently cause a transfer; fraudulent instruction to a financial institution; money orders and counterfeit money.

**AUTO** – means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

**AUTO PHYSICAL DAMAGE COVERAGE** – covers **Loss** of an owned or hired **auto** under **Collision** and **Comprehensive Coverage**.

**COLLISION COVERAGE** – covers **Loss** caused by an **auto's** collision with another object or **auto's** overturn.

**COMPREHENSIVE COVERAGE** – covers **Loss** from any cause except **Collision**.

**OTHER PROPERTY** – as respects **Crime**, means any tangible property other than money or securities that has intrinsic value but does not include any property excluded under the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 01-330-98-06**.

**MEMBER DISTRICT OR MEMBER ENTITY** – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

## **7. OTHER INSURANCE**

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## **8. NOTICE OF LOSS**

Upon the happening of any **Loss** likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time.

## **9. PAYMENT OF LOSS**

Upon final determination of **Loss**, SBASIA will promptly pay the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

## **10. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

## **11. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

**To be valid, this Memorandum must be signed by SBASIA's President or Vice President.**

---

President, James Crawford

---

Date



**Agenda Item F.8**

**ACCOUNTING CONTRACT**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and, if appropriate, approve the three year accounting contract with Gilbert Associates, Inc.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board of Directors.

**FISCAL IMPACT:** \$23,500 for period of July 1, 2016 to June 30, 2017  
\$24,000 for period of July 1, 2017 to June 30, 2018  
\$24,500 for period of July 1, 2018 to June 30, 2019

**BACKGROUND:** Gilbert Associates, Inc. is the current SBASIA accountant. Their contract expires on June 30, 2016.

**ATTACHMENTS:** Accounting Contract for July 1, 2016 – June 30, 2019

# ACCOUNTING SERVICES AGREEMENT BETWEEN SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY AND GILBERT ASSOCIATES, INC.

This Agreement is made this 1st day of July 2016, by and between the South Bay Area Schools Insurance Authority ("SBASIA") and Gilbert Associates, Inc. ("Accountant") concerning services.

WHEREAS, SBASIA desires to retain the services of Accountant to provide accounting services and Accountant desires to perform such services on the terms and conditions set forth below,

NOW, THEREFORE, the parties agree as follows:

A. *Description of Work* - Accountant agrees to perform the following services:

	Monthly	Quarterly	Annually
<b>Bookkeeping Services</b>			
Prepare & distribute annual contribution invoices			X
Prepare & distribute deductible reimbursement invoices	X (or as otherwise directed)		
Maintain detailed record of all income, expenditures, deposits & withdrawals	X		
Verify payment demands & print checks as necessary (average of approximately 10 per month)	X (or as otherwise directed)		
Respond to requests for confirmation made by member agencies' financial auditors			X
Reconcile bank statements	X		
Reconcile payments to loss runs	X		
Administer accounts payable & receivable	X		
Maintain financial records in accordance with Generally Accepted Accounting Principles	X		
Prepare & submit to SBASIA Treasurer for approval a Treasurer's report detailing all funds on hand, classified by depository		X	
Data Entry into QuickBooks	X		
Preparation of dividend checks to members, if applicable			X
<b>Financial Statements</b>			
Compiled Financial Statements			
Assistance with Management's Discussion & Analysis			X
Statement of Net Assets		X	
Statement of Revenues, Expenses & Changes in Net Assets		X	
Statement of Cash Flows	X		
Footnotes			X
Supplementary information			X
Prepare Supporting Schedules for Auditor			X
Prepare & file State Controller's Report of Financial Transactions			X

- B. *Compensation* - In exchange for the services rendered hereunder, Accountant shall be compensated in the amount of \$23,500 for period of July 1, 2016 - June 30, 2017; \$24,000 for period of July 1, 2017 – June 30, 2018 and \$24,500 for period of July 1, 2018 – June 30, 2019. The fee estimate is based on anticipated cooperation from SBASIA’s representatives and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, Accountant will discuss it with SBASIA representatives and arrive at a new fee estimate before Accountant incurs additional costs. Accountant invoices are payable upon presentation.
- C. *Term* – The term of this agreement shall commence on July 1, 2016 and terminate on June 30, 2019.
- D. *Compliance with Laws* - Accountant agrees that the work will be conducted and the services will be performed in compliance with all laws and regulations, with the policies, procedures and directives of SBASIA, particularly those related to fiscal and management matters, and with generally accepted accounting principles applicable to governmental entities.
- E. *Termination* - This Agreement may be terminated at any time by either party upon ninety days advance written notice to the other party. Upon termination by either party, Accountant shall be compensated for all work performed through the date of termination.
- F. *Disclosures of Conflicts* – Accountant shall be responsible for disclosing financial interests that may be a conflict. Disclosure may be satisfied through completion of the related Fair Political Practices Commission form on an annual basis.
- G. *Insurance* – Accountant shall maintain Commercial General Liability on an occurrence basis with limits no less than \$1,000,000 per occurrence and general aggregate limit no less than \$2,000,000; Auto Liability with limit no less than \$1,000,000 per accident; Workers’ Compensation with Statutory limits and Employer’s Liability with limits of no less than \$1,000,000 per accident for bodily injury or disease; Professional Liability insurance with limit no less than \$1,000,000 per occurrence or claim and aggregate no less than \$2,000,000 and Crime coverage with limit of no less than \$500,000.
- H. *Indemnification* – Accountant agrees to indemnify, defend and hold harmless SBASIA, its officers, directors and member agencies from any liability arising from Accountant’s negligence or willful misconduct or omissions in the performance of this agreement. SBASIA, its officers, directors and member agencies agree to indemnify, defend and hold harmless Accountant from any liability arising from the negligence, willful misconduct or omissions of SBASIA, its officers, directors and member agencies.

- I. *Independent Contractor* – It is expressly agreed by the parties that Accountant's relationship to SBASIA is that of an independent contractor. As such, SBASIA will not be providing any Workers' Compensation coverage or benefits to Accountant.
- J. *Other Obligations of Parties* – SBASIA is responsible for making management decisions and performing management functions and for designating an individual with suitable skill, knowledge or experience to oversee any bookkeeping services or other services the Accountant provides. SBASIA is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. SBASIA is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

None of the accounting services rendered can be relied on to disclose errors, fraud or illegal acts that may exist. However, Accountant will inform SBASIA of any material errors and of any evidence or information that comes to Accountant's attention during the performance of Accountant's compilation procedures that fraud may have occurred. In addition, Accountant will report to SBASIA any evidence or information that comes to Accountant's attention during the performance of Accountant's compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. Accountant has no responsibility to identify and communicate the deficiencies in SBASIA's internal control as part of this engagement.

Accountant will compile the financial statements on a quarterly basis in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to present, in the form of financial statements, information that is the representation of management without undertaking to express any assurance on the financial statements.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Therefore, a compilation does not provide a basis for expressing any level of assurance on the financial statements being compiled.

- K. *Entire Agreement* - This writing constitutes the entire agreement between the parties relative to the services specified herein, and no modifications shall be effective unless and until such modification is evidenced by a writing signed by both parties.
- L. *Successors and Assignment* - Accountant agrees that it will not assign, transfer, convey, or otherwise dispose of this Agreement or any part thereof, or its rights, title, or interest therein, without the prior written consent of SBASIA.
- M. *Waiver* - The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either of the same or a different provision of this Agreement.
- N. *Severability* - Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this agreement, which shall continue in full force and effect; provided that the remainder of this contract can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.
- O. *Headings* - The descriptive headings used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- P. *Title to Documents* - All original calculations, files, records, studies and other material or documents developed or used in connection with the performance of this Agreement shall be the property of SBASIA.

If working papers or product include computer generated material, Accountant shall provide the material including the database upon which it is based to SBASIA in a mutually agreed upon computer machine-readable format and media.



IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

BY \_\_\_\_\_

DATE \_\_\_\_\_

TITLE \_\_\_\_\_

GILBERT ASSOCIATES, INC.

BY \_\_\_\_\_

DATE \_\_\_\_\_

TITLE \_\_\_\_\_



**Agenda Item F.9**

**ADMINISTRATION CONTRACT**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and, if appropriate, approve the three year administration contract with Alliant Insurance Services, Inc.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board of Directors.

**FISCAL IMPACT:** \$160,000 annually for period of July 1, 2016 - June 30, 2019 with an option to extend the contract for two more years at annual fee of \$164,800.

**BACKGROUND:** Alliant Insurance Services is the current SBASIA general administrator. Their contract expires on June 30, 2016.

**ATTACHMENTS:** Alliant Insurance Services Administration Contract for  
July 1, 2016 – June 30, 2019

## **BROKERAGE, RISK MANAGEMENT AND PROGRAM ADMINISTRATION CONTRACT**

This Agreement, made and entered into effective July 1, 2016, between South Bay Area Schools Insurance Authority, a Joint Powers Authority, hereinafter referred to as SBASIA, and Alliant Insurance Services, Inc. hereinafter referred to as "Program Administrator."

### **WITNESSETH**

WHEREAS, this Agreement supersedes all previous agreements between SBASIA, prior Brokers, Administrators, and the Program Administrator, and

WHEREAS, SBASIA requires insurance brokerage, risk management and Joint Powers Authority (JPA) program administration services, and

WHEREAS, the Program Administrator specializes in public entity risk management and program administration services, and

WHEREAS, SBASIA desires to engage the Program Administrator to administer SBASIA's programs.

NOW THEREFORE, the parties hereto, for and in consideration of the promises and covenants hereinafter contained to be kept and performed do agree as follows:

- A. **PROGRAM ADMINISTRATION SERVICES:** Program Administrator agrees to provide the following services to the satisfaction of the Board of Directors of SBASIA:
1. Act as "key contact" for all SBASIA Members. Act upon request as a liaison for communications among or between all parties involved in the Programs including SBASIA, its participating Members, insurance carriers and others;
  2. Provide to the Members ongoing review of coverages provided by SBASIA programs, insurance carriers or other joint powers authorities;
  3. Meet with Members as requested and necessary;
  4. Issue, modify as directed, and maintain memorandum of coverage forms and policy forms;
  5. Develop, issue and maintain certificates of coverage/insurance on behalf of SBASIA. Deliver binders and other evidences of insurance within ten (10) calendar days after the placement of any insurance under the Programs to be effective until such time as the policy or policies for the placement are received by SBASIA from the insurance carriers and coverage providers. Such binders shall be signed by an authorized agent or employee of the insurance carrier. The Program Administrator shall use best efforts to secure a correct policy or policies within ninety (90) days of placement of any insurance under the Programs. The Program Administrator shall not be responsible for the failure of Members of

SBASIA to make premium payments. Negotiate broad coverages, utilizing special forms and endorsements where required. Provide SBASIA with renewal premium information at least sixty (60) days prior to expiration (given that the insurers have provided that information to the Program Administrator);

6. Provide ongoing information on the status of the insurance industry and other public entity risk management providers;
7. Provide advice on appropriate risk retention versus risk transfer. Advise SBASIA regarding current property appraisals and inventory;
8. Prepare and distribute Executive Committee and Board of Directors agendas, arrange for meetings facilities and other general administration functions;
9. Attend Board of Director and Committee meetings;
10. Record and distribute minutes of Board or Committee meetings to Members of the Board or Committee;
11. Maintain the SBASIA Website;
12. Act as a central “clearing house” for dissemination of information. Answer the Members’ questions and explain the various clauses in policy contracts. Counsel SBASIA regarding its contractual relationships and legislation, ordinances, or filing affecting its interests as they relate to risk and insurance matters;
13. Request, when appropriate, and maintain copies of, Conflict of Interest Form No. 700 from the Directors and Alternates of SBASIA and any other consultants required to file such forms;
14. Assist Members in use of insurance requirements in contracts. Assist districts in developing and implementing appropriate risk management programs for identified exposures;
15. Coordinate claims administration with SBASIA and third party administrators. Assist SBASIA and, where applicable, SBASIA’s third party administrator in settlement issues with excess pools or insurance carriers. However, it is understood and agreed that the Program Administrator is not providing claims management services under this Agreement;
16. Assist, as may be required, with annual financial audits conducted by SBASIA’s auditors;
17. Monitor loss runs of SBASIA programs and advise SBASIA of apparent trends;
18. Provide assistance in arranging an independent actuarial study as directed by SBASIA. The actuarial study will assist in providing loss and funding estimates.

19. Coordinate matters of safety/loss control and in the development of loss prevention materials. Identify, review and comment on loss-control activities. At Members' expense, provide Loss Control spot checks and inspections for Member Districts;
20. Assist in development of new programs, but limited to Program Administrator's expertise and resources;
21. Perform underwriting evaluations and recommendations on Districts/Agencies applying for membership to SBASIA. Assist in solicitation of new Member Districts/Agencies;
22. Maintain a suitable back-up and recovery system for data and implement processes for the protection of electronic data including a written policy with respect to:
  - a. Disaster recovery
  - b. Physical and electronic data security
  - c. Electronic data retention

B. DESIGNATION OF BROKER AND BROKERAGE SERVICES: SBASIA hereby engages and designates Program Administrator to act as SBASIA's insurance broker and fiduciary and perform all customary duties of an insurance broker for SBASIA's Programs including without limitation:

1. Develop marketing specifications based upon an evaluation of SBASIA's loss exposures and which address such exposures;
2. Evaluate quotations as to the adequacy of coverages, appropriate retention levels and restrictions in coverage, the existence of warranties, concurrency of coverage, and suitability of forms;
3. Evaluate the financial status and service capabilities of insurers making quotations of coverage under the Programs, based upon available data. SBASIA recognizes and agrees that Program Administrator is not responsible for any change in the financial condition of any insurance carrier or Joint Powers Authority after an insurance placement is made;

C. COMPENSATION:

SBASIA shall pay annual compensation to Program Administrator for services rendered under Sections A and B of this Agreement. Except as otherwise expressly provided in this Section C, the compensation payable during this Agreement shall be in accordance with the provisions of Addendum A to this Agreement.

If at any time during this Agreement, a new member joins SBASIA, Program Administrator's compensation shall be adjusted at a rate to be determined based on the Average Daily Attendance (ADA) of the new member and the effective date the member joins SBASIA.

If at any time during this Agreement, new programs are developed and implemented or new services provided, Program Administrator's compensation shall be adjusted as negotiated between the parties.

With respect to insurance and other coverage placed by the Program Administrator acting as SBASIA's insurance broker under Section B above, and as a part of Program Administrator's compensation under this Agreement, Program Administrator shall, to the extent it is legally entitled to do so, endeavor to collect commissions and placing fees from insurers and other coverage providers with whom Program Administrator places SBASIA's insurance and/or other forms of coverage.

For the purposes of this Agreement, the term "commissions and placing fees" refers to monetary consideration paid to Program Administrator by an insurer or coverage provider with respect to a specific placement of insurance and/or other forms of coverage with the insurer/coverage provider. The term does not include:

1. Payments made to Program Administrator or its affiliates with respect to the indirect consequences of the placement of insurance and/or other coverage on behalf of SBASIA such as, for example, contingent payments or allowances based on the overall levels of premiums for insurance/other coverage placed by Program Administrator with an insurer/coverage provider.

D. TAXES AND FEES, INDIRECT INCOME AND USE OF INTERMEDIARIES:  
Surplus Lines Fees and Taxes: In certain cases, placements made by the Program Administrator on behalf of SBASIA may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards or associations. Such assessments, taxes and/or fees will be charges to SBASIA and identified separately on invoices covering these placements. The Program Administrator shall not be responsible for the payment of any such fees, taxes or assessments except to the extent such taxes or fees have been collected by the Program Administrator from SBASIA.

During the time of this Agreement, Program Administrator will annually disclose all Compensation received by Program Administrator in connection with any insurance placements on behalf of SBASIA under the Program Administrator's Transparency and Disclosure policy:

“Transparency and Disclosure – Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of our brokerage clients. We adhere to an established conflict of interest code that rejects any form of broker incentives that would result in business being placed with carriers in conflict with our clients’ interests. We operate with full transparency and disclosure and regard all aspects of our broker services and compensation arrangements to be appropriate topics for discussion. Clients are encouraged to contact us with any questions regarding our policies and practices.”

In addition to the Compensation that Program Administrator receives, its related entity, Alliant Underwriting Services (“AUS”) may receive compensation from Program Administrator and/or a carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services and/or Strategic HR may receive compensation from Program Administrator and/or a carrier for providing designated, value-added services. Services contracted for by SBASIA directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Program Administrator and/or the carrier.

- E. TERM: The term of this Agreement shall commence on July 1, 2016 and terminate on June 30, 2019. SBASIA shall have an option to extend this Agreement for up to two additional annual periods, exercisable by SBASIA by notifying Program Administrator of such request for an extension 60 days prior to the anniversary date. This Agreement shall then have an anniversary date each July 1<sup>st</sup>, for the purpose of renewing compensation, services and extensions.
  
- F. OBLIGATIONS OF SBASIA: The Board of Directors of SBASIA are responsible for directing the operations of SBASIA to assure proper management and financial solvency, including the establishment of underwriting and rating guidelines. SBASIA is responsible for its compliance with all-applicable statutes and regulations. SBASIA should consult its own professionals regarding legal, financial auditing, tax and investment matters that may arise in the formation and operation of SBASIA. SBASIA will reasonably cooperate with the Program Administrator in the performance of the Program Administrator’s brokerage, risk management and program administration duties by providing the Program Administrator, where available, reasonably complete and accurate information as to SBASIA’s loss experience risk exposures and any other pertinent information that the Program Administrator requests. SBASIA shall promptly review coverage documents concerning the Programs delivered by the Program Administrator for consistency with SBASIA’s specifications. SBASIA shall designate one or more officers or committees of SBASIA or an outside consultant to receive and provide significant intervening substantive review, and independently evaluate any and all recommendations or proposals made to SBASIA by the Program Administrator which are significant, substantive in nature and under which any benefit shall accrue to the

Program Administrator or the Program Administrator's affiliates. Such committees and/or outside consultants shall then provide their own recommendations concerning such matters to the Board of Directors of SBASIA, having ultimate decision making authority on such matters.

Notwithstanding any other provision herein, SBASIA shall be entitled to rely upon any information or representations made by the Program Administrator in the performance of any of its obligations.

- G. NON-ASSIGNABILITY: Both parties hereto recognize that this Agreement is one for personal services and cannot be assigned in whole or in part by either party without the prior written consent of the other party. Prior to a change in Account Officers, assigned to provide service to SBASIA in program administration, the Program Administrator shall endeavor to provide 45 days written notice. SBASIA shall retain the right to reject the assignment of new account officers.
- H. NOTICES: All notices hereunder shall be given in writing and mailed, postage prepaid, be certified mail, addressed as follows:

TO SBASIA:	The Then Current President of SBASIA at the address on file with SBASIA
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TO PROGRAM ADMINISTRATOR:	Mr. Matthew Gowan Senior Vice President Alliant Insurance Services, Inc. 2180 Harvard St, Suite 460 Sacramento, CA 95815
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- I. ENTIRE AGREEMENT; MODIFICATION; INTERPRETATION: This Agreement sets forth the full and final understanding of the parties as respects the matters described herein, and supersedes any and all prior Agreements and understandings between them, whether written or oral with respect to the subject matter hereof. This Agreement may be amended but then only in a written addendum to this Agreement executed by the parties. This Agreement shall be governed by the law of the State of California. If any term of this Agreement is rendered invalid or unenforceable by judicial, legislative or administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Nothing in this Agreement is intended or shall be construed to confer upon or to give any person, firm or corporation other than the parties hereto their parents, subsidiaries, successors and assigns, any rights or remedies by reason of this Agreement.



- J. TERMINATION OF CONTRACT: SBASIA or the Program Administrator can terminate this Agreement at any time by giving the other party 90 days written notice. Should this Agreement be terminated pursuant to this Section prior to the end of this Agreement's term, the Program Administrator shall be entitled to retain as earned compensation for its program services, a prorated portion of the fees paid pursuant to Section C by SBASIA. Fees and commissions charged by the Program Administrator for all other compensation shall be considered fully earned upon termination of the Agreement.

In the event of termination, Program Administrator shall promptly deliver to SBASIA all products, files, records, computations, quotations, studies, minutes, and other data and records, prepared or obtained in connection with this Agreement, which is the permanent property of SBASIA.

K. INDEMNIFICATION AND INSURANCE:

1. Program Administrator agrees to indemnify, hold harmless, reimburse and defend SBASIA, its officers, directors, employees and volunteers at all times against any claim, costs, expense, liability, obligation, loss or damage (including reasonable legal fees) of any nature incurred by or imposed upon SBASIA, and based upon any error or omission of Program Administrator, its agents or employees, with respect to the services provided by Program Administrator under this Agreement, provided that Program Administrator shall not be required to indemnify, hold harmless, reimburse and defend to the extent that the error or omission arises from Alliant Insurance Services' reliance on information provided by SBASIA or from Alliant Insurance Services' following instructions from SBASIA. In the event that SBASIA tenders its defense in any such claim, etc., to Program Administrator, and Program Administrator accepts such tender, the defense of SBASIA shall be conducted by counsel selected and paid by Program Administrator.
2. Program Administrator shall maintain Professional Liability insurance coverage sufficient to fulfill its obligations.
3. Program Administrator shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of the work by the Program Administrators.
4. The Program Administrator shall maintain limits no less than:
  - a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be twice the required occurrence limit.
  - b. Workers' Compensation as required by the State of California.
  - c. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

d. Errors and Omissions Liability: \$1,000,000 per occurrence or claim.

Any deductible or self-insured retention must be declared to and approved by SBASIA.

IN WITNESS WHEREOF, SBASIA has caused this contract to be executed by its President, and Program Administrator has caused the same to be executed by its duly authorized officer, all as of the day and year first above written.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY,  
A JOINT POWERS AUTHORITY

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ALLIANT INSURANCE SERVICES, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **ADDENDUM A - COMPENSATION FOR SERVICES**

### **COMPENSATION FOR SERVICES UNDER SECTION A AND B OF THE RISK MANAGEMENT AND PROGRAM ADMINISTRATION CONTRACT**

Pursuant to Section C of this Agreement, effective July 1, 2016 through June 30, 2019, as annual compensation to the Program Administrator for the services rendered hereunder, the Program Administrator may collect the compensation set forth below.

The Program Administrator shall be paid a fee of \$160,000 annually.

Program Administrator compensation will be adjusted proportionally for any additions in membership or additional services.

If this Agreement is extended (see Section E. Term), the annual fee will be as follows:

2019-2020      \$164,800

2020-2021      \$164,800

IN WITNESS WHEREOF, SBASIA has caused this contract to be executed by its President, and Program Administrator has caused the same to be executed by its duly authorized officer, all as of the day and year first above written.

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY,  
A JOINT POWERS AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANT INSURANCE SERVICES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Agenda Item F.10**

**REVENUE AND EXPENSE BUDGET FOR JULY 1, 2016-2017**

**ACTION ITEM**

**ISSUE:** The Board of Directors should adopt a Budget as well as review and approve the member contributions based on the allocation of anticipated expenses for the fiscal year July 1, 2016-June 30, 2017.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board of Directors.

**FISCAL IMPACT:** To be determined. The final effect on SBASIA's financial condition is unknown due primarily to the unforeseen actual costs of claims assumed during the 16-17 fiscal year. However, funding of these claims at a 70 percent confidence level is conservative and in accord with general joint powers authority sound funding practices. Using the 70% confidence level, the anticipated loss funding is \$925,000. Last year the anticipated loss funding was \$821,000 with a 70% confidence level.

The administrative expenses are projected to be \$329,800.

**BACKGROUND:** Government Code Section 6508 requires the governing board of a joint powers authority to adopt an annual budget prior to the inception of the fiscal year.

**ATTACHMENTS:** None



**Agenda Item G.1**

**SBASIA ELECTION OF OFFICERS AND EXECUTIVE COMMITTEE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the slate of Officers and Executive Committee Member at Large presented by the Executive Committee and take nominations from the floor. The Board should elect officers and the Executive Committee Member at Large.

**RECOMMENDATION:** The Executive Committee presents the following slate of officers for consideration by the Board:

President: Mr. James Crawford, Campbell Union School District  
Vice President: Ms. Nelly Yang, Evergreen School District  
Treasurer: Mr. Mark Allgire, Santa Clara Unified School District  
Secretary: Ms. Barbara Coats, Santa Clara County Office of Education  
Member at Large: Ms. Phuong Le, Berryessa Union School District

**FISCAL IMPACT:** None

**BACKGROUND:**

**Under the Bylaws – Article III - Officers reads as follows:**

- A. The officers of the Authority shall be elected at a regular meeting of the Board of Directors immediately preceding July 1<sup>st</sup> of each year. The Executive Committee may offer a slate of officers for the Board to adopt, but only after accepting and considering the nominations from the floor for each office.

**Under the Bylaws – Article IV – Executive Committee reads as follows:**

- A. An Executive Committee shall consist of the President, Vice President, Treasurer/Fiscal Agent, Secretary, and one Member at Large elected by and from the Board of Directors at the time of the election of officers.

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Board of Directors  
June 16, 2016

## **Agenda Item G.2**

### **INVESTMENT AUTHORITY**

#### **ACTION ITEM**

**ISSUE:** The Board of Directors should renew the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer for the period July 1, 2016 to June 30, 2017.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board regarding the delegation of authority to invest funds to the Treasurer.

**FISCAL IMPACT:** None.

**BACKGROUND:** Government Code 53607 provides for the delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year so the Board will need to authorize the newly elected/appointed treasurer to invest the funds of SBASIA.

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Board of Directors  
June 16, 2016

**Agenda Item G.3**

**REVIEW OF INVESTMENT POLICY**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the Investment Policy and make any changes, if necessary.

**RECOMMENDATION:** The Program Administrator recommends the Investment Policy as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The JPA adopted an investment policy in 2003. Government Code 53646 requires annual review of the investment policy by the governing body of a local agency. There are no recommended changes to the Investment Policy.

**ATTACHMENTS:** Investment Policy

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
(SBASIA)**

**INVESTMENT POLICY**

Adopted March 27, 2003

**I. POLICY STATEMENT**

The Policy of the South Bay Area Schools Insurance Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

**II. SCOPE OF POLICY**

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

**III. AUTHORITY**

The Authority's Treasurer is responsible for the investment activities for those funds under his/her control. The Authority may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

**IV. OBJECTIVES**

- A. Safety: The primary objective of this policy is to protect, preserve and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return on the three-month Treasury Bill.
- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.



## V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

## VI. INVESTMENT INSTRUMENTS AND MATURITIES

### A. Included Investments:

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding*
1. U.S. Treasury		5 years	100%	100%
2. Government Agency		5 years	100%	100%
3. California Municipals	AAA	5 years	20%	20%
4. Negotiable Certificates of Deposit	A-1 or P-1/AA	3 years	30%	\$1,000,000
5. Bankers Acceptances	A-1 or P-1	180 days	30%	\$1,000,000
6. Commercial Paper	A-1, P-1, or F-1	270 days	25%	\$1,000,000
7. Local Agency Investment Fund (LAIF)			100%	100%***
8. Santa Clara County Investment Pool			100%	100%
9. Repurchase Agreements		1 year	100%	\$1,000,000
10. Medium Term Notes	AA	5 year	30%	\$1,000,000

\* Excluding U.S. Government, agency securities, LAIF and the County Investment Pool no more than 10% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.

\*\*Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code ☐53601)

\*\*\* Subject to a deposit limit imposed by LAIF of \$40,000,000.

### B. Excluded Investments: The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options
4. Guaranteed Small Business Administration (SBA) Notes
5. Government National Mortgage Association (GNMA) Notes
6. Mutual Funds

### C. The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Agency may invest in U.S. Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Agency obligations.

3. Obligations issued by the State of California or any local agency within the state which are rated "AAA" by Moody's Investors Service, Inc. (Moody's) or Standard & Poor's Corporation (Standard & Poor's). Purchases of California Municipals may not exceed 5 years in maturity or 20% of the Agency's portfolio.
4. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of two years or less, issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's. Maximum maturity is restricted to three years from date of purchase.

Purchases or negotiable certificates of deposit may not exceed three years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's (P-1) or by Standard & Poor's (A-1).

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30 percent of the Authority's investment portfolio. No more than \$1 million or 40 percent of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

6. Commercial Paper rated in the highest short-term rating category, as provided by Moody's Investors Services, Inc. (P-1), Standard & Poor's (A-1), or Fitch Financial Services (F-1). The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by Moody's, Standard & Poor's, or Fitch.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25 percent of the Authority's investment portfolio. No more than \$1 million may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

7. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases or repurchase agreements may not exceed one year in maturity and no more than \$1 million may be invested in any one issuer.

8. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "AA-" or its equivalent or better by a nationally recognized rating service.

Purchases or medium term corporate notes may not exceed five years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

9. Local Agency Investment Fund (*L.A.I.F.*) - There are no limits on the dollar amount or percentage that the Agency may invest in LAIF.
10. Santa Clara County Investment Pool – There is no limit on the dollar amount or percentage that the Agency may invest in the County Pool.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

## **VII. INTERNAL CONTROLS**

The system of internal control shall be established and maintained in written form. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

## **VIII. TRANSFER OF FUNDS**

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations.

## **IX. BANKS AND SECURITIES DEALERS**

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Agency funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

## **X. INVESTMENT RISKS**

- A. **General Policy:** The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. As needed, the Treasurer shall periodically meet with the Board of Directors to establish guidelines and strategies to control credit risk, market risk, and liquidity.
- B. **Specific Policy:** In addition to these general policy considerations, the following specific policies will be followed:
1. All transactions will be executed on a delivery versus payment basis
  2. A competitive bid process, when practical, will be used to place all investments

## **XI. SAFEKEEPING AND CUSTODY**

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks will be held in the Authority's name in the bank's Trust Department of the Federal Reserve Bank.

## **XII. REVIEW OF INVESTMENT POLICY**

The objectives and the performance of the portfolio will be reviewed annually by the Executive Committee, which will submit to the Board of Directors recommendations for changes, if any, to the Investment Policy.



**Agenda Item G.4**

**REVIEW OF CONFLICT OF INTEREST CODE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the Conflict of Interest Code and make any changes, if necessary.

**RECOMMENDATION:** The Program Administrator recommends the Conflict of Interest Code as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Political Reform Act, Government Code Sections 81000, et. Seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Conflict of Interest Code for the public agency must be reviewed by the governing Board every even numbered year. Any changes, or a statement that it has been reviewed and no changes required, must be filed with FPPC prior to October 1<sup>st</sup>.

**ATTACHMENTS:** Conflict of Interest Code

## **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**

### **CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000, et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of the standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating officials and employees and establishing disclosure categories, shall constitute the conflict of interest code of the **South Bay Area Schools Insurance Authority (Authority)**.

Individuals holding designated positions shall file their statements of economic interests with the **Authority**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) Upon receipt of the statements, the **Authority** shall make and retain copies and forward the originals to the **Fair Political Practices Commission**. All original statements will be retained by the **Fair Political Practices Commission**.

## SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

### APPENDIX A-DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members and Alternates of the Board of Directors	1, 2, 3, and 4
Administrator	1, 2, 3, and 4
Accountant	1, 2, 3, and 4
Consultants/New Positions	*

**Note:** The positions of Administrator and Accountant are filled by outside consultants, but act in a staff capacity.

\*Consultants/New positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following:

The Administrator may determine in writing that a particular consultant/new position, although in a “designated position”, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant/new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Administrator’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.(Gov. Code Sec. 81008)

The following positions are not covered by the conflict-of-interest code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

## SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

### APPENDIX B-DISCLOSURE CATEGORIES

#### DISCLOSURE CATEGORIES:

##### Disclosure Category 1

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities of the type to contract with the Authority to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the Authority.

##### Disclosure Category 2

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that are contractors engaged in the performance of work or services of the type utilized by the Authority, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents or accounting firms.

##### Disclosure Category 3

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that have filed claims, or have claims pending against the Authority.

##### Disclosure Category 4

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities that are banks or savings and loans institutions.





**Agenda Item G.5**

**RESOLUTION ESTABLISHING MEETING DATES  
FOR FISCAL YEAR 2016-2017**

**ACTION ITEM**

**ISSUE:** The Board of Directors should adopt a resolution establishing regular meetings for the 2016-2017 fiscal year as presented in the attachment or as amended.

**RECOMMENDATION:** The Executive Committee will make a recommendation regarding the adoption of the resolution establishing meeting dates.

**FISCAL IMPACT:** None.

**BACKGROUND:** Section 54954(a) of the Government Code states that regular meetings of the governing body of a local agency be established by the bylaws or resolution.

The Bylaws do not establish days or dates for the regular meetings. Although the Bylaws require that the Board hold at least 1 regular meeting a year, it is intended to have more meetings than the minimum as required to facilitate the business of the JPA. Thus, the Board should adopt the attached Resolution establishing the 2 meeting dates as proposed or as amended.

**ATTACHMENTS:** Resolution Establishing Meeting Dates for the Fiscal Year 2016 – 2017



RESOLUTION NO.: **R16-01**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
ESTABLISHING MEETING DATES  
FOR THE FISCAL YEAR THROUGH JUNE 2017**

BE IT RESOLVED THAT:

The following Board of Directors meeting dates are hereby established for the Fiscal Year through June 2017:

**December 1, 2016 10:00 A.M.**

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

**June 15, 2017 10:00 A.M.**

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

**This Resolution of the Board of Directors was adopted this 16th day of June 2016 in Campbell, California by the following vote:**

Votes In Favor	_____
Votes Against	_____
Votes Abstaining	_____
Votes Absent	_____

Signed:

Attest:

\_\_\_\_\_  
James Crawford, President

\_\_\_\_\_  
Barbara Coats, Secretary