



**SCHOOLS EXCESS LIABILITY FUND
BOARD OF DIRECTORS MEETING
MINUTES**

Time: Tuesday, September 11, 2018, 3:00 P.M.

Location: Lake Tahoe Resort Hotel, Flying Cloud Room, 4130 Lake Tahoe Blvd., South Lake Tahoe, CA

**Teleconference Location: Shasta UHSD, 2200 Eureka Way, Suite B, Redding, CA
Orange County Dept. of Ed., 200 Kalmus Dr., Costa Mesa, CA
ABC USD, 16700 Norwalk Blvd., Cerritos, CA
Sutter UHSD, 2665 Acacia Ave., Sutter, CA
Foothill-De Anza CCD, 12345 El Monte Rd., Los Altos Hills, CA
Los Rios CCD, 1919 Spanos Court, Sacramento, CA**

MEMBERS

Dave George, Chair	Area V Representative
Peter Hardash, Vice Chair	Southern California Community Colleges Representative
Renee Hendrick, Comptroller *	Area VI Representative
David Flores *	Area II Representative
Ryan Robison *	Area III Representative
Craig Schweikhard	Area V Representative
Nancy Anderson	Area VI Representative
Tony Nahale	Area VI Representative
Toan Nguyen *	Area VI Representative
Karla Rhay (joined at 3:04 p.m.)	Area VI Representative
Steven Salvati	Area VI Representative
Kevin McElroy *	Northern California Community Colleges Representative
Mario Rodriguez * (joined at 3:22 p.m.)	Northern California Community Colleges Representative

ALTERNATES

Cindy Wilkerson	Area III Representative
Kris Kamandulis	Area V Representative
George Landon	Area VI Representative
Wael Elatar	Area VI Representative
Robert Chacon	Area VI Representative
Janet King *	Area VI Representative
Christina Aragon *	Area VI Representative
Phil Hillman *	Area VI Representative
Susan Harrison	Northern California Community Colleges Representative

* via teleconference

GUESTS

John Falappino
Bill Harris
Michelle Murphy (via teleconference)
Steven Zarandona
Corrine Kelsch

Consultant
Guy Carpenter
InnoPro Performance Solutions
Guy Carpenter
Santa Clara County SIG

SELF STAFF

Debra Fisher
Lois Gormley
Jimmy Rowe
Susan Casey

Chief Fiscal Officer
Director of Communications and Member Services
Director of Claims
Executive Assistant

I. CALL TO ORDER

Board Chair Dave George called the meeting to order at 3:00 p.m. Executive Assistant Susan Casey called the roll and confirmed the presence of a quorum.

II. AGENDA – September 11, 2018

A. Amendments/Adjustments

None.

B. Approval

Hardash made a motion, seconded by Anderson, to adopt the agenda as proposed.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – absent during voting

Motion carried.

Board members, alternates, guests, and staff took turns introducing themselves.

III. PUBLIC COMMENTS

There were no members of the public who wished to address the Board.

IV. PRESENTATION

A. Project Updates: Performance Evaluation and Strategic Planning

Michelle Murphy, InnoPro Performance Solutions, drew attention to the scenario planning document she circulated before the meeting. She said the strategic planning session last January was tactically focused on details of rate-setting and financial considerations, while the upcoming session will provide an opportunity to update the strategic planning initiatives that were established in 2016.

Murphy reviewed the four key initiatives established by SELF in 2016 and the goals developed in relation to each initiative. Murphy observed that since 2016, there have been some noteworthy changes pertaining to joint powers authorities and excess insurance, so SELF needs to discuss ways to adapt to these changing conditions. She recommended looking at how SELF can achieve its goals and work on the four initiatives going forward.

Murphy said that she would be contacting Board members individually before the strategic planning session in October to solicit comments and suggestions.

George commented that the purpose of scenario planning is to focus on specific topics and provide real-world hypotheticals for participants to work through during the time available.

Rhay stated that she participated in a scenario planning exercise a few years ago in San Diego to encourage forward thinking and long-term planning so that her JPA's year-to-year goals and activities could be adjusted according. She said she found the experience beneficial and effective.

Murphy noted that she would be meeting with John Falappino to identify financial metrics and issues for the strategic planning session.

Murphy discussed the performance evaluation and review process for SELF's chief executive officer. She indicated that she has a background in researching and teaching on this topic and was pleased to assist SELF in this area. She recommended that the Board develop a series of metrics related to the strategic plan and specific results, and implement a system of ongoing feedback between the CEO and the Board.

Murphy said she was in the process of gathering additional feedback and would then provide the Board with an overview and summary of the results, as well as some ideas for tying results to an evaluation and review process for the CEO position.

George noted that there will be further discussion of this topic at the October Board meeting.

George thanked Murphy for her presentation. Murphy said she looked forward to talking with Board members individually, and she encouraged Board members to contact her with comments and suggestions for the strategic planning session.

B. Excess Liability Reinsurance Report

Bill Harris, Guy Carpenter, reported that Guy Carpenter representatives were meeting with reinsurers regarding the 2019-2020 renewal. He reported on the issues that would be discussed.

Harris discussed the key players and pricing trends for each of the excess layers.

Hardash asked how reinsurers were reacting to the proposed legislation that would change the statute of limitations for repressed memory cases. Harris responded that all reinsurers are very concerned about molestation claims, and some are considering excluding these kinds of claims.

Falappino advised that he and Guy Carpenter representatives have been talking to reinsurers about a number of options for coverage going forward.

Hardash stressed the importance of coordinating with underlying JPAs.

George thanked Harris for his report.

V. CHAIR'S REPORT

George reported that he conferred with legal counsel about changing SELF's policy regarding naming a successor entity, but nothing has been decided yet. He said this topic will be discussed further at the October meeting.

George asked Falappino to provide an update on the CAJPA accreditation process. Falappino noted that CAJPA gave SELF conditional approval in June, subject to compliance with other requirements within six months to attain an "excellence" rating. He discussed the plan to meet those requirements.

VI. CLOSED SESSION

Hardash made a motion, seconded by Salvati, to adjourn to closed session for the purpose of discussing personnel matters.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried. The Board adjourned to closed session at 3:43 p.m.

A. Personnel: Conference with Labor Negotiators (Pursuant to Gov't. Code §54957.6)
Unrepresented Employee: CEO
Agency Designated Representative: Dave George, SELF Board Chair

At the conclusion of the closed session, Hardash made a motion, seconded by Rhay, to resume the open meeting.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye

Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried. The open meeting was resumed at 4:14 p.m.

George said no reportable action was taken in closed session.

VII. ACTION ITEM

A. Executive Committee Appointments

George noted that this matter was discussed when Rhay stepped down from the Executive Committee. He said Rhay had agreed to come back to the Executive Committee to fill the vacancy left by Diane Crosier's retirement, and he recommended Board approval.

Hardash made a motion, seconded by Anderson, to appoint Rhay to the Executive Committee as proposed.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried.

B. Appoint Interim Chief Executive Officer

George recommended appointing Falappino as interim chief executive officer.

Hardash made a motion, seconded by Rhay, to appoint Falappino as interim chief executive officer as recommended.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye

Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried.

C. LAIF Resolution

Salvati made a motion, seconded by Nahale, to approve the LAIF resolution as proposed.

Chief Fiscal Officer Debra Fisher explained that the purpose of the resolution was to change the signers on the account.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye
Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried.

VIII. FUTURE MEETINGS

The Board reviewed the schedule of upcoming meetings.

IX. ADJOURNMENT

There being no further business, Hardash made a motion, seconded by Salvati, that the meeting be adjourned.

Vote: George – aye
Hardash – aye
Hendrick – aye
Flores – aye
Robison – aye
Schweikhard – aye
Anderson – aye
Nahale – aye
Nguyen – aye

Rhay – aye
Salvati – aye
McElroy – aye
Rodriguez – aye

Motion carried. The meeting was adjourned at 4:20 p.m.