

**SCHOOLS EXCESS LIABILITY FUND
EXECUTIVE COMMITTEE MEETING
Friday, August 4, 2006 - 10:00 A.M.**

**SELF Office - 1531 "P" Street, Suite 300
Sacramento, CA 95814**

MINUTES

COMMITTEE MEMBERS PRESENT

Michael Gregoryk, Chair	SCC
Charlene Minnick, Vice Chair	CSU
Denise Smith, Comptroller	Area VI
Paula Tanguay, Secretary	Area VI
Lynn April Hartline, Member at Large	Area VI

COMMITTEE CHAIRS

Wes Combes, Chair, Workers' Compensation Claims	Area II
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SELF STAFF

John Wilson	Acting Executive Director
Pat Moody	Chief Fiscal Officer
Steve Schempp	Workers' Compensation Claims Examiner
Lois Gormley	Director of Communications

SELF CONSULTANTS

Heather Renschler	Ralph Andersen & Associates
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OTHERS PRESENT

Kimberly Kinney	SCRMA
Michael Landa	SCRMA
Bill Poland	Keenan & Associates
Domenic Spinelli	LaPlante, Spinelli & Donald

I. **CALL TO ORDER**

Gregoryk called the meeting to order at 10:00 a.m.

II. **AGENDA - AUGUST 4, 2006**

A. **AMENDMENTS/ADJUSTMENTS**

None.

B. **APPROVAL**

Minnick made a motion, seconded by Smith, to approve the agenda as proposed.

Vote: Unanimous.

III. EXECUTIVE COMMITTEE MINUTES – JUNE 2, 2006

A. AMENDMENTS/ADJUSTMENTS

None.

B. APPROVAL

Smith made a motion, seconded by Minnick, to approve the June 2 minutes as presented.

Vote: Unanimous.

IV. CONSENT CALENDAR

A. APPROVE MEMBERSHIP - EXCESS LIABILITY PROGRAM

1. California Charter Schools Association JPA
 - International School of Monterey
 - College Ready Academy #4
 - College Ready Academy #6
 - Math & Science School
 - St. Hope Public Schools
2. Chrysalis Charter School
3. Sundale Union Elementary School District
4. Willow Creek Academy

Tanguay made a motion, seconded by Hartline, to approve the proposed new members.

Vote: Unanimous.

V. PUBLIC COMMENTS

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

Gregoryk proceeded with other agenda items until the appointed time for the "Time Certain" item.

X. ACTION ITEMS (Out of Order)

A. APPROVE COMMITTEE ASSIGNMENTS

Gregoryk provided a handout showing proposed committee assignments. He noted that Tanguay is now on the Executive Committee, so she cannot serve as chair of the Liability Claims and Coverage Committee. He proposed asking Johnston to move from the Workers' Compensation Claims and Coverage Committee to chair the Liability Claims and Coverage Committee. Committee members expressed support for this choice. Gregoryk said Steagall will be asked to move to the Workers' Compensation Claims and Coverage Committee.

Gregoryk reported that Hardash expressed interest in serving on the Finance Committee. He noted a new vice chair needs to be appointed. Committee members agreed to ask Lueck to serve as vice chair.

Minnick made a motion, seconded by Hartline, to approve the committee assignments as proposed.

Vote: Unanimous.

B. UPDATE SIGNATORY AUTHORITY - UNION BANK

Moody said that the signatories on SELF's Union Bank account need to be changed to Michael Gregoryk, Denise Smith, John Wilson, Pat Moody, and John Falappino as the director available locally. She advised that Falappino's signature will be added immediately, and the Board will execute the new signature cards at the next meeting. She recommended that the Board approve these changes.

Minnick made a motion, seconded by Tanguay, to approve the signatories proposed.

Vote: Unanimous.

IX. INFORMATION/DISCUSSION ITEMS

A. FINANCIAL STATEMENTS - MAY 2006

Moody drew attention to the May statement. She said the staff is working on the June statements now. She reported that a Gilbert representative had been helping her that week.

Moody noted that the auditors will be arriving on August 21, and the audit process is expected to take four days.

Tanguay noted the statements show both the annual budget and an adjusted version. She observed that many of the adjustments seem minor. Moody asked how often the Board wanted to see an adjusted budget, or if there should be a dollar threshold.

Hartline recommended providing an adjusted budget every time the full Board meets. Moody said reserves are adjusted twice a year, or when actuarial data and IBNR figures become available. Tanguay recommended factoring IBNR in the adjustments. Minnick commented that IBNR is a moving target. Tanguay advocated reserving a percentage for IBNR.

Hartline suggested that the staff provide the Board with an adjusted budget at least quarterly, in advance of Board meetings.

Combes questioned whether the monthly financial reports should be going to the Board. Moody said the monthly reports can be approved by the Finance Committee, with the Board receiving a report for the current month. Committee members expressed support for this approach.

VI. TIME CERTAIN

A. EXECUTIVE DIRECTOR RECRUITMENT

Gregoryk welcomed Heather Renschler, Ralph Andersen & Associates, and invited her to discuss her firm's recruitment proposal. Committee members introduced themselves.

Renschler introduced herself and described her firm's background and experience. She provided a proposal and samples of Ralph Andersen & Associates' work products.

Renschler said she would start by developing a profile based on joint input regarding how best to market SELF as an organization and the qualities and characteristics of the individual sought. She proposed using basically the same format as the last time she worked with SELF. Renschler noted that once a profile is developed, the position will be advertised and publicized nationwide, and specific candidates will be invited to respond.

Renschler advised that SELF can expect the recruitment process to take three to four months.

Gregoryk recommended having the Executive Committee serve as an interviewing and screening committee, with one to three top candidates going to the Board. Renschler said meeting times and dates will be planned well in advance, and she promised to keep the Executive Committee and Board informed.

Gregoryk commented that three or four months sounded like an acceptable timeline. He proposed interviewing candidates in conjunction with the December Board meeting, if possible, and having someone on board by next Strategic Planning Session in February. He encouraged Renschler to get started as soon as possible.

Renschler welcomed assistance in developing the profile, skill set, and criteria.

Wilson suggested referring this task to the *Ad Hoc* Committee on Personnel. Smith advised that the committee would be meeting on August 24 in Orange County, and she offered the committee's assistance.

Renschler asked to be provided with an updated contact list. She proposed that Wilson review the material from the last recruitment and make appropriate revisions. She welcomed feedback from Gormley regarding the text and layout of the written recruitment materials. Renschler said she would work to provide a draft position profile before the September 8 Board meeting. She noted that if candidates are interviewed in December, some may need a 30- or 45-day notice period for their current employers; she observed that Wilson might need to fill in for up to six months.

Gregoryk recommended performing background checks before the top candidates are presented to the Board. Renschler said her firm can do general background screening and checking, but many candidates will want to keep negotiations confidential, so information from current

employers might not be available until near the end of the process. Renschler said many publications have a 45-day cutoff for advertising. She suggested looking at the materials used last time and discussing the schedule at the August 24 committee meeting.

Gregoryk observed that it might be best to have a special Board meeting in January to select an executive director.

Hartline expressed her opinion that the goal should be to invite the chosen candidate to participate in the February Strategic Planning Session. Other committee members agreed.

Renschler suggested taking two hours at the August 24 committee meeting for this item. Committee members decided to start the August 24 meeting at 10:00 a.m.

Hartline recommended developing guidelines regarding the voting status of Executive Committee alternates in the selection process. She supported including those who participated in the development of the profile in the selection process. Renschler suggested adding the topic of ground rules to the committee's August 24 agenda. Committee members agreed.

Renschler asked to be provided with salary range and benefits information.

X. ACTION ITEMS (Continued) (Out of Order)

D. APPROVE RECRUITMENT PROPOSAL

Minnick recommended approving the option including payment for candidate travel.

Minnick made a motion, seconded by Tanguay, to approve the recruitment proposal, not to exceed \$50,000, as proposed.

Vote: Unanimous.

VII. CLOSED SESSION

At 10:48 a.m., Minnick made a motion, seconded by Tanguay, to adjourn to closed session for the purpose of discussing pending claims and personnel matters.

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Vote: Unanimous.

A. EXCESS LIABILITY CLAIMS

None.

B. EXCESS WORKERS' COMPENSATION CLAIMS

1. Almaraz v. Alhambra Unified School District
2. Blake v. Ocean View School District
3. Vosler v. Fullerton Joint Union High School District
4. Wichert v. Long Beach Unified School District
5. Garden Grove Unified School District v. SELF
6. CCCSIG v. SELF

D. PERSONNEL: PUBLIC EMPLOYEE APPOINTMENT/CONFERENCE WITH LABOR NEGOTIATORS

At the conclusion of the closed session at 1:05 p.m., a motion was made and seconded to resume the open session.

Vote: Unanimous.

IX. INFORMATION/DISCUSSION ITEMS (Continued)

B. INVESTMENT REPORT - MONTH ENDING JUNE 30, 2006

Moody drew attention to the May and June investment reports. She described a transaction that was not included in the May financial statement.

C. FULL ACCREDITATION - CAJPA

Minnick congratulated SELF for achieving accreditation. She said she was disappointed to lose the "excellent" rating.

Wilson noted there are issues besides the deficit that led to the rating. Moody clarified that SELF was funded, but was not planning for the total deficit, and that was the major problem.

D. BOARD ALTERNATE RESIGNATION - JON SHARPE, NCC

Committee members expressed disappointment at losing Mr. Sharpe.

E. BOARD ALTERNATE VACANCIES - AREAS I, IV, V (2), AND NCC (2)

Gregoryk proposed sending a letter to Board members asking them to identify potential alternates in their areas.

Gormley advised that Larry Risinger, Area IV, has identified an alternate.

Wilson asked Gormley to prepare a letter to Board members in the areas with vacant alternate positions.

F. FINANCIAL AUDIT PROCESS

Moody informed the committee that the auditors plan to arrive on August 21. She said she expects to receive the latest actuary report within the next week.

Moody commented that she feels comfortable about the state of SELF's financial reporting and expects the audit to go smoothly.

G. USE OF BOARD ROOM

Wilson noted that when SELF constructed the Board room, it anticipated making the room available to other organizations, but that practice is becoming more disruptive for the staff. He said people often want to use SELF's computers, faxes, and phones, and users of the room sometimes request food service or leave trash.

Hartline recommended enforcing the cleanup policy and limiting use to educational entities and members of the school community.

Committee members discussed providing a separate computer workstation for public use.

Wilson proposed that the staff circulate the current policy and rules.

X. CHAIRS' REPORTS/COMMITTEE MEMBERS' REPORTS

Gregoryk and committee members welcomed Wilson back to SELF. Wilson reported that the transition has been smooth, and he expressed his appreciation to the staff.

XI. AGENDA ITEMS/NEXT MEETING

September 8, 2006

Board of Directors

SELF Office

October 6, 2006

Executive Committee

SELF Office

November 3, 2006

Executive Committee

SELF Office

December 1, 2006

Board of Directors

SELF Office

January 5, 2007

Executive Committee

SELF Office

February 2, 2007

Executive Committee

SELF Office

March 2, 2007

Board of Directors

SELF Office

April 6, 2007

Executive Committee

SELF Office

May 4, 2007

Executive Committee

SELF Office

June 1, 2007

Executive Committee

SELF Office

June 22, 2007
Board of Directors
SELF Office

IX. ADJOURNMENT

There being no further business, Smith made a motion, seconded by Hartline, that the meeting be adjourned. The motion was carried unanimously and the meeting was adjourned at 1:20 p.m.