

# GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

Trust Board Regular Meeting

June 13, 2016, 4:30 p.m.

## Public Notice - Meeting Agenda

Notice of this meeting has been posted consistent with the requirements of A.R.S. §38-431.02. The meeting's location is the East Board Room in the District Office, 7301 N. 58<sup>th</sup> Avenue, Glendale.

The Board reserves the right to change the order of items on the agenda, with the exception of public hearings, which are scheduled for a specific time. Board members may participate via telephone conference call if necessary. At the chair's discretion, the Board may carry over consideration of any business not concluded by 6:00 p.m. to the next regular meeting's agenda.

---

### **1. Call to Order**

### **2. Board and Staff Introductions**

### **3. Call to the Public**

The public is invited to address the Board on any issue within its jurisdiction, subject to reasonable time, place and manner restrictions. Trust Board members are not permitted to discuss or take legal action on matters raised during open call to the public unless the matters are properly noticed for discussion and legal action. However, the law permits Trust Board members to do the following at the conclusion of the open call to the public: (a) Respond to criticism made by those who have addressed the Board; (b) Ask staff to review a matter; or (c) Ask that a matter be put on a future agenda.

Those wishing to address the Trust Board should complete a "Call to the Public" form and submit it to the Trust Board Secretary prior to the start of the meeting. Each speaker will be provided three (3) minutes to address the Trust Board, unless provided other direction by the Board. At the outset of the speaker's remarks, the speaker should state their name and the Trust Board requests that the speaker provide his/her address.

### **4. Approval of Agenda**

### **5. Consent Agenda**

#### **a. Approval of Minutes**

The minutes of the June 8, 2016 Regular Trust Board Meeting are submitted for approval.

### **6. Action Item**

#### **a. Self-Insurer Workers' Compensation Guaranty Bond**

#### **b. Property, Casualty, and Liability Insurance**

### **7. Adjournment**

GLENDALE ELEMENTARY SCHOOL DISTRICT  
TRUST BOARD

**ACTION AGENDA ITEM**

AGENDA NO: 5.a TOPIC: Approval of Minutes

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: June 13, 2016

RECOMMENDATION:

The minutes of the June 8, 2016 Regular Meeting are submitted for approval.

---

The minutes of the June 8, 2016 meeting are attached.

**MINUTES OF THE REGULAR TRUST BOARD MEETING**  
Glendale Elementary School District No. 40 of Maricopa County, Arizona  
District Office Superintendent's Conference Room 4:30 p.m.  
June 8, 2016

Present:	<u>Board Members</u>	<u>Other Attendees</u>
	Mr. Lee Peterson	Mr. Mike Barragan
	Ms. Bernadette Bolognini	Ms. Jodi Finnesy
	Ms. Cathey Mayes	Mr. Rod Petricek
	Ms. Mary Ann Wilson (telephonically)	Ms. Davita Solter
		Ms. Darlene Kracht

Absent: None

**CALL TO ORDER**

Mr. Peterson acknowledged a quorum was present and the meeting was called to order at 4:30 p.m.

**BOARD AND STAFF INTRODUCTIONS**

Mr. Peterson welcomed any new attendees and sought introductions.

**VISITOR COMMENTS**

None

**APPROVAL OF AGENDA**

Ms. Bolognini moved to accept and approve the agenda as presented Ms. Mayes seconded. Motion passed 4 - 0

**CONSENT AGENDA**

Approval of Minutes

Ms. Bolognini sought approval of the May 11, 2016 Regular Trust Board Meeting; motion seconded by Ms. Mayes. The motion passed 4 – 0.

**INFORMATIONAL ITEM**

Assistant Superintendents Update

Mr. Barragan stated that GESD administrators attended a three day PLC training on academic achievement. The training focused on implementing effective Professional Learning Communities in order to improve academic achievement for all students.

Mr. Barragan spoke about several renovations occurring throughout the district; Landmark installation of new gym floor and restrooms. Restroom renovations are also planned at American and Challenger.

The district is holding a ground breaking ceremony June 16, 2016 in honor of the new transportation building that was approved by voters in the last bond authorization.

Mr. Barragan talked about the summer meal program feeding anyone one-year to 18-years of age. Meals are served at 17 sites. Dr. Katie Wilson, deputy undersecretary for the United States Department of Agriculture visited our Summer Meal program. Dr. Wilson served lunch, and met with parents and children and later ate lunch with more than 100 children who attended the event at Ocotillo Rose Park.

Mr. Barragan informed the Trust Board of voters approving proposition (prop.) 123 and referred to Attorney General Mark Brnovich's opinion related to prop. 123 and how it was beneficial to Arizona public schools.

Claims Experience Review - Medical

Mr. Barragan stated in April, GESD incurred \$469,932 in medical claims which represents a monthly loss ratio of 75%.

GESD has incurred \$5,639,087 year-to-date in claims or a monthly average of \$592,129.

There are 12 claimants over \$75,000 and three that have exceeded the stop loss level of \$150,000; the projected refund is \$201,526.

Based on the trend we anticipate incurring approximately \$6,766,908 in medical claims or a loss ratio of 92% by June 30, 2016.

#### Claims Experience Review – Dental

Mr. Barragan stated in April GESD incurred \$32,262 in dental claims or a monthly loss ratio of 76%.

GESD has incurred \$427,892 year-to-date in claims or a monthly average of \$42,789.

Based on the trend we anticipate incurring approximately \$513,468 in dental claims or a loss ratio of 103% by June 30, 2016.

#### Self-Insurer Workers' Compensation Guaranty Bond

Mr. Petricek discussed the premium, related cost and bond value for Willis Tower Watson (self-insured worker compensation) effective July 1, 2016 – June 30, 2017 as presented below.

	<u>Premium</u>	<u>Bond Value</u>
Prior year	\$3,755	\$250,303
Fiscal Year 2016-2017 Renewal	\$5,999	\$399,936
Audit	\$ 500	

The bond value has increased due to a couple of larger claims that have not been closed at this time.

Note: Due to a mid-term audit conducted by Travelers, it is possible that there could be an additional charge of up to \$500, i.e. unexpected large claims, etc.

#### Property, Casualty, and Liability Insurance

Mr. Petricek discussed the premium and related cost for the Arizona School Risk Retention Trust, Inc. (ASRRT) annual planning document (APD) renewal premiums, including the Trust administration fee for property, casualty and liability insurance effective July 1, 2016 – June 30, 2017 as presented below.

Renewal quote	\$669,714
Trust Administration Fee	25,000
Authorized Insurance Rep (AIR) Fee	9,950
Fiscal Year 2016-2017 Grand Total	\$704,664

Last year's total amount was \$689,311; an increase of \$15,353.

#### Financial Review

Mr. Barragan presented the Trust Board with a Financial Report from Fester & Chapman, P.C., Certified Public Accountants. The "Ending net position reserved for claims and expenses" as of April 30, 2016 are \$7,402,784.67.

#### Wellness Update

Ms. Davita Solter, Wellness Specialist, presented the Trust Board with an update on the current Wellness Program and events taking place within the district.

### **ADJOURNMENT**

Ms. Mayes motioned to adjourn; Ms. Bolognini seconded; the motion carried. The motion passed 4 – 0. There being no further business, the meeting was adjourned at 5:11 p.m.

GLENDALE ELEMENTARY SCHOOL DISTRICT

**ACTION AGENDA ITEM**

AGENDA NO: 6.a TOPIC: Self-Insurer Workers' Compensation Guaranty Bond

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: June 13, 2016

RECOMMENDATION:

It is recommended that the Trust Board approve the self-insurer workers' compensation guaranty annual bond renewal and premium effective July 1, 2016 - June 30, 2017 with Willis Towers Watson in the amount of \$6,499 for a \$399,936 bond, as presented.

---

	<u>Premium</u>	<u>Bond Value</u>
Prior year	\$3,755	\$250,303
Fiscal Year 2016-2017 Renewal	\$5,999	\$399,936
Audit	\$ 500	

The bond value has increased due to a couple of larger claims that have not been closed at this time.

Note: Due to a mid-term audit conducted by Travelers, it is possible that there could be an additional charge of up to \$500, i.e. unexpected large claims, etc.

From: Rodney Petricek  
Sent: Thursday, June 02, 2016 3:11 PM  
To: Mike Barragan; Barbara Renfro  
Subject: FW: Bond Renewal quote

Here you go!

Thanks,

Rod

From: Thurber, Kristin [mailto:Kristin.Thurber@WillisTowersWatson.com]  
Sent: Friday, April 29, 2016 10:40 AM  
To: Rodney Petricek  
Subject: RE: Bond Renewal quote

Hi Rod,

The new premium for the 7-1-16 to 7-1-17 renewal term will be \$5,999.00 for the increased bond amount of \$399,936.00. Please email your approval to renew the bond at this amount when you receive the approval by the Trust Board.

Thank you!  
Kristin

Kristin D. Thurber  
Senior Client Services Specialist – Surety

Willis Towers Watson  
Willis of Arizona, Inc. | 16220 N. Scottsdale Road, Suite #600 | Scottsdale, AZ 85254

D (602) 787-6052  
C (602) 300-4324  
F (602) 787-8040  
Email: kristin.thurber@willistowerswatson.com  
Website: www.willistowerswatson.com

Follow Willis Towers Watson on social media

From: Rodney Petricek [mailto:rpetricek@gesd40.org]  
Sent: Friday, April 29, 2016 9:56 AM  
To: Thurber, Kristin  
Subject: RE: Bond Renewal quote

Thank you!

Rod

From: Thurber, Kristin [mailto:Kristin.Thurber@WillisTowersWatson.com]  
Sent: Friday, April 29, 2016 9:55 AM  
To: Rodney Petricek

Subject: RE: Bond Renewal quote

Hi Rod,

It just came through.

Thanks!  
Kristin

Kristin D. Thurber  
Senior Client Services Specialist – Surety

Willis Towers Watson  
Willis of Arizona, Inc. | 16220 N. Scottsdale Road, Suite #600 | Scottsdale, AZ 85254

D (602) 787-6052  
C (602) 300-4324  
F (602) 787-8040  
Email: [kristin.thurber@willistowerswatson.com](mailto:kristin.thurber@willistowerswatson.com)  
Website: [www.willistowerswatson.com](http://www.willistowerswatson.com)

Follow Willis Towers Watson on social media

From: Rodney Petricek [<mailto:rpetricek@gesd40.org>]  
Sent: Friday, April 29, 2016 9:40 AM  
To: Thurber, Kristin  
Subject: Bond Renewal quote

Here you go! I hope this helps.

Thanks,

Rod

---

For information pertaining to Willis' email confidentiality and monitoring policy, usage restrictions, or for specific company registration and regulatory status information, please visit [http://www.willis.com/email\\_trailer.aspx](http://www.willis.com/email_trailer.aspx)

We are now able to offer our clients an encrypted email capability for secure communication purposes. If you wish to take advantage of this service or learn more about it, please let me know or contact your Client Advocate for full details. ~W67897

---

GLENDALE ELEMENTARY SCHOOL DISTRICT  
TRUST BOARD

**ACTION AGENDA ITEM**

AGENDA NO: 6.b TOPIC: Property, Casualty, and Liability Insurance

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: June 13, 2016

RECOMMENDATION:

It is recommended that the Trust Board approve Arizona School Risk Retention Trust, Inc. (ASRRT) annual planning document (APD) renewal premiums, including the Trust administration fee for property, casualty and liability insurance effective July 1, 2016 - June 30, 2017 up to the maximum renewal amount of \$704,664 as presented.

---

Renewal quote	\$669,714
Trust Administration Fee	25,000
Authorized Insurance Rep (AIR) Fee	9,950
Fiscal Year 2016-2017 Grand Total	\$704,664

Last year's total amount was \$689,311; an increase of \$15,353.



## Contribution Comparison 2015 to 2016 for Glendale ESD No. 40

	ADM	TIV	SQFT	TIV/Sqft	Vehicles	Vehicles All	Employees	Tanks	For Profit Activities	No Fault Mold
2015/16	12,880	234,619,728	1,497,703	\$157	131	131	1,576	4	0	
2016/17	12,801	232,399,862	1,497,703	\$155	131	131	1,573	4	0	0
Diff	-79	-2,219,866	0	-1	0	0	-3	0	0	
% Diff	-0.61%	-0.95%	0.00%	-0.95%	0.00%	0.00%	-0.19%	0.00%	0.00%	

## District Contribution Comparison 2015 to 2016 for Glendale ESD No. 40

	GLPL	ATOL	APL	FP	XS	Prop	NF Mold	COC	APHD	EB	Crime	UST	PPL	STotal	AIR	Admin	Ch	GTotal
2015/16	183,967	70,282	19,000	0	35,838	269,226	0	0	23,645	7,084	7,409	4,620	33,290	654,361	9,950	25,000	0	689,311
2016/17	195,346	74,998	19,000	0	35,618	273,651	0	0	23,645	7,037	7,395	4,620	28,404	669,714	9,950	25,000	0	704,664
Diff	11,379	4,716	0	0	-220	4,425	0	0	0	-47	-14	0	-4,886	15,353	0	0	0	15,353
% Diff	6.19%	6.71%	0.00%	0.00%	-0.61%	1.64%	0.00%	0.00%	0.00%	-0.66%	-0.19%	0.00%	-14.68%	2.35%	0.00%	0.00%	0.00%	2.23%

Alliance Policy Number:

Contribution Paid:

**General Liability (including School Governing Board and Teachers Professional Liability)**

Limit:	\$10,000,000/Occurrence, Offense, or Wrongful Act \$2,000,000 Employers Liability/Accident or Disease \$1,000,000 Professional Liability for Clinical Practicum Students/Occurrence/Student \$1,000,000 Cyber Liability/Occurrence		
Aggregate Limit:	\$10,000,000 Employee Benefit Administration Liability \$10,000,000 Professional Liability \$2,000,000 Employers Liability/Accident or Disease \$3,000,000 Professional Liability for Clinical Practicum Students/Student \$15,000,000 Cyber Liability/Annual Aggregate shared with all Trust Members		
Deductible:	No deductible/Occurrence, Offense, or Wrongful Act \$500,000 Employers Liability/Accident or Disease \$5,000 Cyber Liability/Occurrence		
		<b>Contribution:</b>	\$195,346

**Automobile Liability**

Limit:	\$10,000,000/Occurrence \$15,000 each Person/\$250,000 each Accident Uninsured Motorist (Appendix A.1, Endorsement No. 4) \$15,000 each Person/\$250,000 each Accident Underinsured Motorist (Appendix A.1, Endorsement No. 5)		
Deductible:	No deductible/Occurrence	<b>Contribution:</b>	\$74,998

**Administrative Practices Liability (Appendix A.1, Endorsement No. 6A)**

Coverage A and B:			
Limit:	\$150,000/Claim:	Administrative Practices Liability	
Aggregate Limit:	\$300,000:	Administrative Practices Liability	
Coverage C:			
Limit:	\$100,000/Claim:	Criminal Legal Defense	
Aggregate Limit:	\$200,000:	Criminal Legal Defense	
Deductible:	No deductible/Occurrence		
		<b>Contribution:</b>	\$19,000

**For Profit Activities (Appendix A.1, Endorsement No. 8)**

Limit:	\$1,000,000/Occurrence (0 Activities)		
Deductible:	No deductible/Occurrence	<b>Contribution:</b>	Available, but Not Accepted

**Excess Liability**

First Excess:	\$10,000,000 excess of \$10,000,000/Occurrence and underlying aggregate limit, where applicable	<b>Contribution:</b>	\$26,882
Second Excess:	\$5,000,000 excess of \$20,000,000/Occurrence and underlying aggregate limit, where applicable	<b>Contribution:</b>	\$4,704
Third Excess:	\$10,000,000 excess of \$25,000,000/Occurrence and underlying aggregate limit, where applicable	<b>Contribution:</b>	\$4,032
Fourth Excess:	\$15,000,000 excess of \$35,000,000/Occurrence and underlying, \$50,000,000 aggregate limit, where applicable	<b>Contribution:</b>	Included at no charge

**All Risk Property (including Flood and Earthquake)**

Limit:	Total Insurable Value: \$232,399,862		
Flood Limit:	\$100,000,000/Occurrence, Annual Aggregate shared with all Trust members		
Earthquake Limit:	\$100,000,000/Occurrence, Annual Aggregate shared with all Trust members		
Deductible:	\$1,000/Occurrence	<b>Contribution:</b>	\$273,651

**Mold Coverage Reinstatement of Limit Program (Appendix A.3, Endorsement No. 1)**

Limit:	\$25,000/Occurrence of Fungus, Bacteria, or Wet or Dry Rot Remediation by Location		
Aggregate Limit:	\$75,000/Agreement Period (Coverage Year)		
Deductible:	\$1,000/Occurrence	<b>Contribution:</b>	Available, but Not Accepted



Trust Agreement Number: 219-2016

**Course of Construction (Appendix A.3, Endorsement No. 3)**

Limit: Total Insurable Value of the renovation project  
 Deductible: \$1,000/Occurrence  
**Contribution:** Available, but Not Accepted

**Automobile Physical Damage**

Limit: Actual Cash Value  
 Deductible: Comprehensive: \$250/Accident/Vehicle  
 Deductible: Collision: \$250/Accident/Vehicle  
**Contribution:** \$23,645

**Equipment Breakdown**

Limit: \$100,000,000/Accident, Property Damage and Extra Expense Combined  
 Deductible: \$1,000/Accident  
**Contribution:** \$7,037

**Commercial Crime**

Limits: \$1,500,000/Occurrence: Employee Theft  
 \$1,500,000/Occurrence: Forgery or Alteration  
 \$1,500,000/Occurrence: Inside Premises - Theft of Money and Securities  
 \$1,500,000/Occurrence: Inside Premises - Robbery or Safe Burglary of Other Property  
 \$1,500,000/Occurrence: Outside the Premises  
 \$1,500,000/Occurrence: Computer Fraud  
 \$1,500,000/Occurrence: Funds Transfer Fraud  
 \$1,500,000/Occurrence: Money Orders and Counterfeit Money  
 Deductible: \$100/Occurrence  
**Contribution:** \$7,395

**Storage Tank System Third Party Liability and Cleanup**

Limit: \$2,000,000 each Claim (0 AST, 4 UST)  
 Aggregate Limit: \$2,000,000 Annual Aggregate  
 Defense cost expires upon exhaustion of the liability limit  
 Deductible: \$10,000/Claim  
 Retroactive Date: Per Schedule  
**Contribution:** \$4,620

**Pre-Paid Legal Services Indemnity**

Aggregate Limit: \$300,000  
 Deductible: None  
**Contribution:** \$28,404

Annual Contribution Subtotal: \$669,714  
 Authorized Insurance Representative (AIR) Fee: \$9,950  
 TRUST Administration Fee: \$25,000

**Annual Trust Contribution Grand Total: \$704,664**

I, the undersigned, as the District Authorized Representative of Glendale Elementary School District No. 40 do hereby accept, on behalf of the above-named District, the coverage indicated above. I understand that for any type of coverage listed above that states "Available, but not accepted," no coverage is being provided by the Trust in connection therewith for the applicable coverage period. In addition, no coverage, even if accepted, is in place if the corresponding annual contribution has not been paid to the Trust by the due date established by the Trust. I further represent and confirm that all information previously provided to the Trust by the District in the Exposure Summary for the applicable coverage period is accurate and complete.

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

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

The Trust reserves the right to modify coverage limits, terms and conditions, including overall coverage structure, based on the results of reinsurance negotiations. The District will be notified if any such modifications result in a reduction in coverage or an increase in contribution. Nothing in this document is intended to expand the coverage provided pursuant to the Trust's Coverage Agreements, and the terms, limits, conditions, definitions, and exclusions of such Coverage Agreements will control the scope of coverage provided by the Trust.

Trust Agreement Number: 219-2016

**Optional Coverages Offered by the Trust**

**For Profit Activities (Appendix A.1, Endorsement No.8)**

For Profit Activities is an optional coverage. It provides liability coverage for the member's for profit activities for operations that are not ordinary educational operations.

Limit: \$1,000,000/Occurrence/Annual Aggregate (1 Activity)

Deductible: No deductible/Occurrence

Annual Contribution (excludes AIR and Admin. fees): \$2,500

Please mark the box and return this form to the Trust, if you wish to participate in the coverage program.

**Mold Coverage Reinstatement of Limit Program (Appendix A.3, Endorsement No. 1)**

Mold Coverage Reinstatement of Limit Program is an optional coverage. It offers \$25,000 of additional no fault mold coverage for a specific location.

Limit: \$25,000/Occurrence of Fungus, Bacteria, or Wet or Dry Rot Remediation by Location

Aggregate Limit \$75,000/Agreement Period (Coverage Year)

Deductible: \$1,000/Occurrence

Annual Contribution (includes AIR and Admin. fees): \$24,500

Please mark the box and return this form to the Trust, if you wish to participate in the coverage program.

**Course of Construction (Appendix A.3, Endorsement No. 3)**

Course of Construction is an optional coverage. It covers new construction and/or renovations to a building or structure, namely the materials in transit, materials at the worksite, and materials affixed to or a part of the construction and/or renovation, while at the risk of the district. The district is required to notify the Trust in writing in advance of all construction or renovation projects in excess of \$100,000 as a precondition to coverage.

Limit: Total Insurable Value of the new construction and/or renovation project

Deductible: \$1,000/Occurrence

Please mark the box and return this form to the Trust, if you wish to participate in the coverage program.

The annual contribution subtotal will be provided upon receipt of the Total Insurable Value of the project.

**NOTE: Please refer to the Coverage Agreements for a complete description of the coverages offered.**