

NOVA ACADEMY

Board of Directors Special Meeting Minutes – December 14, 2017, 12:15 PM

CONFERENCE MEETING SITES:

NOVA Academy-Santa Ana 500 W Santa Ana Blvd Santa Ana, CA 92701	NOVA Academy-Coachella 52780 Frederick Street Coachella, CA 92236
4720 Avenida De Los Arboles Yorba Linda, CA 92886	80244 Royal Dornoch Dr Indio, CA 92201
18282 Fernando Circle Villa Park, CA 92861	21792 Contento Mission Viejo, CA 92691

CALL MEETING TO ORDER: 12:23 PM

The meeting was called to order by Board Co-Chair, Dr. Susan Garrett, who was filling in for Board Chairman, Dr. Sanford Otsuji.

Members Present:

Dr. Susan Garrett, Co-Chair
Norm Lester, Secretary
Karen Lester, Treasurer
Gloria Grana, Member

Members Present via Conference Line:

Brenda Gonzalez, Member

Members Not Present

Dr. Sanford Otsuji, Chairman

Staff Present

John Bowen, Director of Operations
Karin Schaefer, Business Services Manager
Angie Dillon, Executive Assistant

Staff Present via Conference Line:

Renee Lancaster, CEO/Founder

Dr. Sanford Otsuji arrived to the meeting at 12:30 PM. Brenda Gonzalez left the meeting at 12:30 PM.

RISK MANAGEMENT VENDOR

John Bowen, Director of Operations, presented a resolution for changing the risk management vendor to Charter Safe for NOVA Academy-Santa Ana. Santa Ana Unified School District (SAUSD) requires that the school

have a minimum of \$20 million in excess liability. Mr. Bowen noted that it is a challenge to find a risk management vendor that provides this much insurance coverage. Charter Safe provides the excess liability insurance coverage the school needs in order to meet compliance. Charter Safe increased their excess liability coverage to \$30 million, which is above and beyond what SAUSD requires. NOVA Academy-Santa Ana previously had insurance coverage with Charter Safe before switching to Hanover for 2017-2018.

Mr. Bowen asked that the school complete a mid-year change of its risk management vendor from Hanover back to Charter Safe in order to meet SAUSD's insurance requirement. If approved, Charter Safe can provide evidence of coverage as of today, December 14, 2017. Billing will be pro-rated with payment terms from December 2017 until the end of the fiscal year. There will be a two-year contract with Charter Safe. There may be a slight rate increase for the second year, 2018-2019, but it should not be significant.

Dr. Sanford Otsuji, Board Chairman, asked if there will be consequences from Hanover Insurance for terminating their coverage during the year. John Bowen said Hanover requires a 30-day notice and there will be an overlap of coverage. The school may be eligible for a partial deposit from Hanover.

Dr. Susan Garrett asked if it was possible to get insurance coverage for \$20 million excess liability instead of \$30 million if \$30 million is not needed. John said it was not possible from Charter Safe. \$30 million is their minimum coverage.

Dr. Susan Garrett asked what the financial impact will be on the school's budget with the new insurance. John Bowen said the rate will be the same as it was under Charter Safe for 2016-2017. The school was saving \$17,000 for 2017-2018 when it switched to Hanover. With the change back to Charter Safe, the school will pay approximately \$8,500 more for the second half of the school year.

John Bowen noted the other benefits of switching to Charter Safe. They specialize in insuring charter schools.

The Board asked what the net difference is. Renee Lancaster, CEO/Founder, said the total increase will be \$8,500 plus the overlap from Hanover, which is around \$4,000 to \$5,000.

Karen Lester, Board, Treasurer, asked how much of the deposit is NOVA Academy getting back. John Bowen said the school should get some of it back. Hanover did not state how much. The school risks losing some of the premium it paid. Mr. Bowen said the school paid a 20 percent deposit at the beginning of the school year.

Norm Lester, Board Secretary, said the school does not have a choice. Dr. Sanford Otsuji said he agreed. He said the school needs to meet compliance.

Karen Lester added that there are funds in the budget for the insurance increase.

Motion to Approve Resolution for Charter Safe for Risk Management Vendor.

Motion: Susan Garrett

Second: Norm Lester

Vote	Yes	No	Abstain
S. Otsuji	X		
S. Garrett	X		
N. Lester	X		
K. Lester	X		
G. Grana	X		

Motion to Approve Resolution for Charter Safe for Workers Compensation Insurance.

Motion: Susan Garrett

Second: Karen Lester

Vote	Yes	No	Abstain
S. Otsuji	X		
S. Garrett	X		
N. Lester	X		
K. Lester	X		
G. Grana	X		

Adjournment

The meeting was adjourned at 12:52 PM.

A handwritten signature in black ink, appearing to be 'Norm Lester', written over a horizontal line.

Norm Lester