

## **PIMA COUNTY COMMUNITY COLLEGE DISTRICT**

A Study Session of the Pima County Community College District Governing Board was held on Monday, October 30, 2017 at 4:00 p.m. in the Community Board Room, C-105, at the District Office, 4905 E. Broadway Blvd., Tucson, AZ 85709-1005.

### **Persons in Attendance**

#### **Board Members:**

Mark Hanna, Chair  
Demion Clinco, Secretary/Vice Chair  
Meredith Hay  
Sylvia Lee

#### **General Counsel**

Jeffrey Silvyn

#### **Recording Secretary**

Andrea Gauna

#### **Administration**

Lee Lambert, Chancellor

1. Call to Order  
Mark Hanna called the meeting to order at 4:04 pm.
2. **Review of the College's Risk Coverage**

Trust members, John Flanders, Claims Counsel and Jessica Schuler, Member Services Coordinator, provided a history and explanation of Pima Community College's insurance coverage. The Trust presentation slide can be found on the college website.

Mr. Flanders provided an overview of insurance coverage for PCC, its deductibles and available limits. Mr. Flanders noted that the insurance includes liability coverage for general/professional, cyber, automobile and automobile physical damage, administrative practices, for profit activities, and commercial crime. Other available coverage includes all-risk, course of construction, equipment breakdown, storage tank liability, pre-paid legal indemnity, and unemployment insurance.

The Trust also discussed secondary insurance which makes up about \$50 million for the college.

Mr. Flanders noted that the Governing Board members are included in the definition of a covered party as long as they are exercising their functions in an official capacity as a board member.

Board member Hay asked about coverage for sexual harassment. Mr. Flanders noted that the college is generally covered but some possible elements of damages in a sexual harassment claim are not. He also explained that the Trust will cover the legal defense and some of the

damage elements, such as emotional distress. The contractual damages or wage damages are not covered. Board member Clinco asked about what exclusions exist within the insurance coverage. Mr. Flanders noted that what determines whether the college is covered or not is if the incident arose out of negligence or out of breach or some kind of an intentional act.

Mr. Flanders discussed some of the unique programs available to members. Some of the programs include roof and construction inspection. The program assigns an attorney or engineer to review construction plans. The Trust also offers a leadership academy and risk management summit which is designed strictly for community colleges.

Board member Hay asked how the Trust makes a determination on what to charge its members. Mr. Flanders noted that an actuarial study is conducted, the offering budget is reviewed to see what is needed, and then the Trust Governing Board, which includes a Governing Board member from a community college, approves the rates. Different rates are approved for K12 and community colleges because of their exposures. The college's exposure summary and loss history are also reviewed to make the rate determination.

Mr. Flanders provided the Board members with a comparison of the most common liability claims of other community colleges and Pima's claims.

Mr. Flanders noted that PCC contributed \$383,000 to the Trust last year and the average contribution yearly is \$300,000-\$400,000.

Board member Hay asked if an analysis for self-insured coverage has been done. Dr. Dave Bea, Executive Chancellor for Finance and Administration reported that each year he looks into the option of self-insurance. He is confident that our coverage is a solid price basis for the kind of insurance the college receives.

Mr. Flanders talked about the covered parties. He noted that the Governing Board members, all employees of the school district, ranging from instructors to janitorial staff are covered. Students, volunteers and anyone that the college decides to make an additional insured by contractual agreement is also covered.

Mr. Flanders noted that the Trust has about a hundred employees.

Board Chair Hanna added that he would like the Trust to explain how they come up with a figure that the college must pay after negotiations. He asked who at the Trust is responsible and the process they must follow to get to that decision.

Mr. Flanders noted that Larry Ward is the individual who oversees the litigation at the Trust. Mr. Silvyn also noted that the Trust has an outside firm that does coverage analysis for the Trust.

Board member Clinco suggested moving into executive session to discuss coverage for specific cases related to PCC.

Sylvia Lee motioned to go into Executive Session to discuss the Trust coverage in more detail, Demion Clinco seconded at 4:55 p.m.

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Secretary

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Date