

**Cardinal Local School District  
Special Meeting  
June 27, 2016**

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The **Special Meeting** of the Cardinal Board of Education held at 5:00 p.m. on June 27, 2016, was attended by Ken Klima, Wendy Anderson, Linda Smallwood and Katie Thomas. Greg McClain arrived a little late.

**Treasurer's Report:**

**Insurance Renewal**

Ms. Knuckles provided the Board members with a summary of liability insurance coverages from the three companies that submitted proposals for the new contract year beginning July 1, 2017. We have had very good service with Todd Associates and have heard good things about Love Insurance in Willoughby. Wollan-Grand Valley is a new vendor to approach us this year. They are with SORSA, a consortium-type insurance, at Grand Valley Schools. Their coverage amounts are much higher than the other two as most hold \$15,000,000 liability limits – the basic limit for SORSA, and this leads to a higher premium as well. She tried to match up the coverage as best as she could; sometimes things are separated out or named different from the other agencies. She did ask the other two agencies what they thought of the higher limits and they both thought it was excessive since there are not very many high dollar value claims. We are currently number two at Todd Associates for good standing and low claims. We seem to have vehicle accidents while most of them were not our fault. We had seven van accidents in one year and not one of them was our fault. This morning she received an updated proposal from Todd Associates who previously asked if they could try to meet or beat the lowest bid since we have been with them for over twenty years. Love Insurance requested their bid to be kept confidential so she only provided estimated figures and Todd Associates came back with a bid about \$1,500 lower and only \$1,000 higher than Love Insurance. The biggest difference was the umbrella policy with Todd Associates that Love Insurance does not have. Their limits were higher than Love in certain areas. She opened it for questions.

*Mr. McClain asked for an explanation on the change in premium and if Ms. Knuckles let Todd know the bid from Love. Ms. Knuckles replied she only gave them a ballpark figure and not an exact figure. Mr. McClain asked if they gave a reason why they didn't give a better bid at the beginning. Ms. Knuckles stated they based their bid on their actuary process and they were willing to go back and see if the amount could be dropped to keep our business. It's no different than going to a car dealership. They give you a price and then you discuss what can be done. They did not give any specific reasons for their initial bid or for the change. Mrs. Thomas asked how many years have we been with Todd Associates. Ms. Knuckles said over twenty. Mrs. Thomas asked if there have been any issues over the years. Ms. Knuckles replied no. They have gone to bat for us in a recent claim and questioned the costs associated with the repairs. And they looked out for our interests in another accidents as well. Mrs. Smallwood asked if these went out for sealed bids. Ms. Knuckles replied no, there are not many insurance companies that deal with school districts in our area. We have been contacted at different times during the year for our information and she will give it to them to make a proposal. This is the first year we had three companies submit proposals, normally it is only Todd and Love or just Todd. Mr. Klima stated since he has been around there has not been any issues with how they do things. Mr. McClain asked if they are local. Ms. Knuckles stated Wollman is in Orwell, Todd Associates is in Beachwood and Love is in Willoughby. Schools and governmental entities are different and not many insurance companies cover those areas.*

Ms. Knuckles also needs to know if the Board is interested in Cyber Liability as that is the new item being suggested for computer hacking and information breaches. We do have \$50,000 on computers and this is more along the line of hacking and data recovery. This insurance would cover the costs of the crash and data recovery and any associated liability. Ms. Anderson asked if we have anything like this already. Ms. Knuckles replied we have some but not to this extent in the event of a system hack. Mr. Klima asked if it covers the online programs at the high school. Mrs. Smallwood stated it depends on what is covered by the IT services. Dr. Hunt said we are covered to some extent at LGCA and they filter the data and store it. They provide a stand-alone service to the districts. Mrs. Smallwood added the deductible is \$10,000 so we would have to have substantial damage before we would use it. Dr. Hunt asked if it can be added later. Ms. Knuckles said it is \$1,100 and is

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included in the \$45,000 figure quoted earlier. She just needs to know if we would like to add this or not. *Dr. Hunt thought we could add it later after seeing what LGCA covers.* The Board decided against the Cyber Liability insurance at this time, but they may add it later if they decide we need it. Ms. Knuckles asked for a motion.

Mr. Klima moved and Mrs. Smallwood seconded a motion to approve Property, Fleet, and Casual Insurance renewal with Todd Associates. Premium costs are \$24,589 for Property and General Liability, \$13,055 for Fleet, \$4,382 for Umbrella, and \$2,326 for Boiler & Machinery, for a total of \$44,352. (An increase of \$546 over FY 2015 due to a slight increase in premium costs.)

Roll call vote:

Ken Klima, aye Wendy Anderson, aye Greg McClain, aye Linda Smallwood, aye Katie Thomas, aye

**Final Certifications and Resolutions**

Mrs. Anderson moved and Mrs. Thomas seconded a motion to adopt the Final Certifications and Appropriations for FY 2016.

FINAL	Beginning of Year		
	<u>Unencumbered Cash</u>	<u>Certified Revenues</u>	<u>Appropriations</u>
General Fund	\$178,385.04	\$13,804,778.00	\$13,933,499.00
Special Revenue Funds	(\$69,679.03)	\$1,729,142.25	\$1,625,215.69
Debt Service Funds	\$983,895.26	\$976,657.00	\$1,031,424.00
Capital Projects Funds	\$32,578.96	\$617,342.00	\$603,712.00
Enterprise Funds	\$13,388.23	\$535,272.00	\$533,982.00
Fiduciary Funds	\$51,107.58	\$107,829.00	\$123,275.00
<b>TOTALS</b>	<b><u>\$1,189,676.04</u></b>	<b><u>\$17,771,020.25</u></b>	<b><u>\$17,851,107.69</u></b>

*Ms. Knuckles stated these figures have changed some from the figures provided on Friday as some money was received today that was not previously included in the budget. Mr. Klima asked how much was received. Ms. Knuckles said about \$11,900 for the general fund and then some of the special revenues funds received small amounts as well. Mr. Klima asked where this leaves us ending the year. Ms. Knuckles replied she is still waiting on some money from the state that was to be dispersed by June 30<sup>th</sup> and has yet to be received. If this money is not received as expected then we will have a negative cash balance due to the timing of the receipt of the money not coming in this fiscal year. At this time the exact amount is not known. \$89,000 of the money to be received by June 30<sup>th</sup> will not be received until July 1<sup>st</sup>. Mr. McClain stated unfortunately it is what it is.*

Roll call vote:

Wendy Anderson, aye Greg McClain, aye Linda Smallwood, aye Katie Thomas, aye Ken Klima, aye

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**Executive Session:**

Mrs. Smallwood moved and Mrs. Thomas seconded a motion to retire to executive session for the purpose of discussion of Negotiations, Potential Litigation (with Attorney), Superintendent Evaluation and Employee Contracts.

Roll call vote:

Greg McClain, aye    Linda Smallwood, aye    Katie Thomas, aye    Ken Klima, aye    Wendy Anderson, aye

Motion Approved at 5:22 P.M.

Time Retired: 5:25 P.M.

Time Returned from Executive Session at 8:00 P.M.

**Adjournment:**

Mr. Klima moved and Mrs. Anderson seconded a motion to adjourn the meeting.

Meeting adjourned at 8:00 P.M.

Roll call vote: unanimous yes.

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Kenneth Klima, President

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Merry Lou Knuckles, Treasurer