

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MINUTES OF THE ADMINISTRATION AND FINANCIAL SERVICES
SUBCOMMITTEE MEETING OF APRIL 8, 2008

A meeting of the Administration and Financial Services Subcommittee of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) was held on April 8, 2008, at the Ripon City Hall, Ripon, California.

SUBCOMMITTEE MEMBERS PRESENT: Greg Applegate, Chairperson, Sonora
Dave Elias, Fowler
Joe Donabed, Hughson
Tim Przybyla, Kerman (arrived during Item 5.)
Leon Compton, Ripon

SUBCOMMITTEE MEMBERS ABSENT: None

OTHERS PRESENT: Jeanette Workman, Administrator
Mary Ann Reilly, Board Secretary
Jim Elledge, Director of Accounting and Finance
Services, Bickmore Risk Services

1. CALL TO ORDER

Meeting was called to order by Greg Applegate at 11:00 a.m.

2. INTRODUCTIONS

Introductions of those present took place.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Leon Compton moved to approve the agenda as posted. Seconded by Dave Elias. Motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. REVIEW OF NON-EQUITY POOL FUND BALANCES

At the Twenty-third Annual Retreat, the Committee reviewed the financial status of each of the CSJVRMA programs. During the review, discussion ensued concerning the pool balances and whether there would be a point in time in which excess funds would revert back to members and a point at which each pool should be examined for potential funding action. The Executive Committee directed staff to work with the Administration and Financial Services Subcommittee in determining whether to establish minimum and maximum levels in each of the non-equity pools.

The following are CSJVRMA non-equity pools, in which the assets of the pool remain in the pool and are not distributed back to the membership:

- Pooled Liability Program Contingency Fund
- Pooled Workers' Compensation Program Contingency Fund
- Pooled Property Program
- Pooled Auto Physical Damage Program
- Pooled Low Value Vehicle Program

With the exception of the Pooled Workers' Compensation Program Contingency Fund, all of the above listed funds have healthy balances and for some, the interest income is covering administrative expenses and claims.

At the meeting, Ms. Jeanette Workman, Administrator, reported that staff created an analysis report of the Pooled Auto Physical Damage Program (APD) to review with the Subcommittee to determine if the report provided the elements the Subcommittee required in order to make a recommendation on pool funding to the Executive Committee. With direction from the Subcommittee, reports for the other non-equity pools could then be created.

Mr. Jim Elledge, Bickmore Risk Services (BRS), was in attendance and reviewed the report with the Subcommittee. Mr. Elledge noted that the analysis of the APD Program included the following steps:

- Review of historical balances
- Analyze proforma balances
- Review self-sufficiency of program
- Project future activity
- Perform stress tests
- Set benchmarks

Mr. Elledge reviewed with the Subcommittee the APD pool background, the proforma analysis assumptions, and the proforma pool balances from 2008/09 to 2019/20.

Mr. Elledge then reviewed with the Subcommittee, the following charts: interest income offset, maximum loss per member, and average member maximum loss; all charts were projected out to 2019/20.

Finally, Mr. Elledge provided the following options for triggering action on a pool balance:

- Maximum Target – five times average member maximum loss.
- Minimum Target – two times average member maximum loss.
- Investment Income – sufficient investment income projected to cover incurred losses for minimum of two years.

Discussion ensued regarding the options for triggering action on a pool balance. The Subcommittee reached consensus to use the third option, Investment Income, with the caveat that the analysis provide two years of retrospective data as well as the two years of projected losses.

The Subcommittee directed staff to provide an analysis report for each of the remaining non-equity pools using the agreed upon format, and to bring them back to the Administration and Financial Services Subcommittee for review. It was agreed that the date of the next meeting of the Subcommittee would be determined once members have the opportunity to review their schedules.

6. EXECUTIVE COMMITTEE SELECTION CRITERIA AND TRAINING

At the Twenty-Third Annual Retreat, the Executive Committee reviewed the CSJVRMA Goals & Objectives. Discussion ensued regarding Goal IV, A and its Objective/Action items 1 & 2, which read as follows:

Goal IV, A: “Enhance the experience and, therefore, improve the effectiveness of the CSJVRMA.”

Objective/Action 1: “Develop criteria for the selection of Executive Committee members.”

Objective/Action 2: “Provide formal training for new Executive Committee members.”

The Executive Committee directed the Administration and Financial Services Subcommittee to meet to address these objectives. Staff was directed to provide a draft of both the Executive Committee Selection Criteria and Executive Committee Training Materials.

Included in the agenda packet was a draft resolution establishing Executive Committee Member Eligibility Criteria and a draft PowerPoint presentation for Executive Committee Member training.

The Subcommittee reviewed the draft resolution and Mr. Joe Donabed, Hughson, requested the insertion of the words “as a Board or Alternate Board Member” in item #1, to read:

1. The member must have represented their Member City as a Board or Alternate Board Member for a minimum of one year on the Central San Joaquin Valley Risk Management Authority Board of Directors.

Tim Przybyla moved to recommend to the Executive Committee adoption of the resolution establishing Executive Committee member eligibility criteria as amended. Seconded by Joe Donabed. Motion passed unanimously.

The Subcommittee next reviewed the Executive Committee training materials. Consensus was reached to bring the training materials to the next Executive Committee meeting for review, with a change to slide two, reflecting the change in Executive Committee criteria as noted above.

7. REVIEW OF RESOLUTION ESTABLISHING A POLICY TO AWARD SCHOLARSHIPS FOR RISK MANAGEMENT CONFERENCES/TRAINING

CSJVRMA Resolution 1-2006 which was adopted by the Executive Committee on April 26, 2007, allows for scholarships to be awarded to Board and Alternate Board Members for various risk management conferences.

This item was brought to the Subcommittee due to recently received requests for scholarships for Member City personnel who are not the CSVJRMMA Board or Alternate Board member. Prior to the meeting, the Subcommittee received a draft resolution which would allow the awarding of scholarships to other Member City personnel in addition to Board or Alternate members.

The Subcommittee reviewed the resolution and a discussion of the scholarship program ensued. A question was raised on the availability of funds for scholarships. Ms. Workman noted that the new Administrative Cost Report which will be presented at the April Executive Committee meeting will provide greater detail on the use of scholarship funds. Ms. Workman reported that as of 12/31/07, approximately 51% of the monies allocated to the scholarship program had been used and this did not include the Public Agency Risk Managers Association (PARMA) or Public Risk Management

Association (PRIMA) conference. Ms. Workman also reported that in the past the annual budget for scholarships was based on the previous year's use of the line item.

All Subcommittee members agreed they did not want to increase the budget for this line item; however, discussion of the value of training other Member City personnel continued. A consensus was reached that since the goal of the CSJVRMA is to encourage Board and Alternate Board member participation, and their attendance at conferences is important to the success of the CSJVRMA, at this time, the Subcommittee is not recommending any changes to the current scholarship policy of the CSJVRMA.

8. REVIEW AND CLARIFICATION OF INTENT REGARDING BOARD MEETING ATTENDANCE/TRAINING REQUIREMENTS

The CSJVRMA Bylaws were amended effective July 1, 2007, to reflect new Board meeting attendance requirements developed to ensure member participation in the CSJVRMA. A mandatory Orientation Training requirement was added to ensure every new Board or Alternate Board Representative attends training prior to voting at a Board meeting.


This item was brought to the Subcommittee as several members have questioned the intent and interpretation of the Bylaws.

Ms. Workman reported that prior to July 1, 2007, the term "non-voting delegate" referred to any Member City personnel other than the appointed Board or Alternate Board Representative. Since the inception of the training provision, staff has received requests for Board or Alternate Board Representatives who have not completed the required training, to attend the Board meetings as a "non-voting delegate." Staff does not believe it was the intent of the Executive Committee to allow Board and/or Alternate Board members to not attend training and attend Board meetings as "non-voting delegates." Therefore, staff suggests adding the following sentence to the Bylaws to clarify the acceptance of a non-voting delegate: "a non-voting 'delegate' is defined as any Member City personnel other than the appointed Board or Alternate Board Representative."

Discussion ensued and the Subcommittee reached consensus to recommend the amendment of the Bylaws, as noted above, to the Executive Committee.

9. ADJOURNMENT

The April 8, 2008, CSJVRMA Administration and Financial Services Subcommittee meeting adjourned at 1:15 p.m.



Mary Ann Reilly, Board Secretary