

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MINUTES OF THE EXECUTIVE COMMITTEE
MEETING OF JANUARY 24, 2008

A meeting of the Executive Committee of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) was held on January 24, 2008, at the Piccadilly Inn-Shaw, Fresno, California.

COMMITTEE MEMBERS PRESENT: David Elias, President, Fowler
Leon Compton, First Vice President, Ripon
Joe Donabed, Hughson
Linda Abid-Cummings, Riverbank
Greg Applegate, Sonora
Jeff Cardell, Clovis
Lois Hull, Selma
Tim Przybyla, Kerman (arrived during Item 6.)
Bill Lewis, Woodlake
Felix Ortiz, Exeter
Jo Barrick, Shafter
Bob Wilburn, Maricopa

COMMITTEE MEMBERS ABSENT: Darrel Pyle, Past President, Tulare

ALTERNATE MEMBERS PRESENT: Wendy Silva, Madera
Mike Barrows, Sonora
Margee Fallert, Tulare

ALTERNATE MEMBERS ABSENT: None

OTHERS PRESENT: Jeanette Workman, Administrator
Mary Ann Reilly, Board Secretary
Ken Walker, Treasurer, Lindsay
Linzie Kramer, Litigation Manager
Gerald Forde, McFarland
Judy Sullivan, AIMS
Ken Wilkerson, AIMS
Dave Whiteside, AIMS (arrived during Item 5.)
Bill Patterson, Sampson & Sampson (left after Item 6.)

1. CALL TO ORDER

President Dave Elias called the meeting to order at 10:06 a.m.

2. INTRODUCTIONS

Introductions of those present took place.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Jeff Cardell moved to approve the agenda as posted. Seconded by Felix Ortiz. Motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Jo Barrick moved to approve/accept the following items: A) Minutes of the Executive Committee Meeting of October 25, 2007; B) Warrants for September 27, 2007 ~ October 24, 2007; October 25, 2007 ~ November 20, 2007; November 20, 2007 ~ December 5, 2007; and December 5, 2007 ~ December 13, 2007; C) Treasurer's Report as of September 30, 2007; D) Financial Statements as of September 30, 2007; E) Workers' Compensation Program Reports for October and November 2007; F) CAJPA Journal – Fall 2007; G) Chandler Bond Market Review – November and December 2007, and January 2008; H) Evaluation Summary for CSJVRMA “Emergency Preparedness” Workshop; I) Evaluation Summary for CSJVRMA “Field Ergonomics Awareness” Public Works Forum; J) Evaluation Summary for CSJVRMA “Lockout, Tagout, and Blockout Awareness: Public Works Forum; K) Evaluation Summary for CSJVRMA “Trenching and Shoring Safety Awareness” Public Works Forum; and L) Evaluation Summary for CSJVRMA “Brown Act” Workshop. Seconded by Bill Lewis. Motion passed unanimously.

6. FINANCIAL MATTERS

A. Audited Financial Statements for the Year Ended June 30, 2007

Prior to the meeting, the Executive Committee received a copy of the Audited Financial Statements for the year ended June 30, 2007. At the meeting, Mr. Bill Patterson, Sampson & Sampson, reviewed the Audited Financial Statements with the Committee.

Bill Lewis moved to accept the Audited Financial Statements for the year ended June 30, 2007. Seconded by Greg Applegate. Motion passed unanimously.

7. LIABILITY PROGRAM

A. Reports by Staff and Service Providers

1. Oral Report by Litigation Manager

Mr. Linzie Kramer, Litigation Manager, stated there were 49 new claims/incidents reported during the month of December 2007; three of these were serious claims. Mr. Kramer briefly discussed some of the claims with the Executive Committee.

Mr. Kramer also previewed an article he authored for the next issue of the CAJPA Journal, with the Committee.

2. Report by Claims Administrator (AIMS)

Prior to the meeting, the Committee received a written report from Mr. Ken Wilkerson, AIMS. Mr. Wilkerson reviewed the report with the Committee.

B. Review of Litigation Management Program Resolution

Ms. Jeanette Workman, Administrator, reviewed with the Committee that at their June 2007 meeting Mr. Linzie Kramer, Litigation Manager, provided the Committee with a draft Litigation Management Resolution to replace Litigation Management Resolution No. 9-91. At that time, the Committee asked Mr. Kramer to revise the draft resolution to include suggestions from Ms. Charlotte Hemker-Smith, Legal Counsel, and Executive Committee members.

Prior to the meeting, the Committee received the revised draft resolution in underline/strikeout format. Ms. Workman directed the Committee to the section of the resolution regarding the appeals process for selection of legal counsel, noting that in the previous draft resolution the final appeal rested with the Executive Committee; however, at the request of Mr. Jeff Cardell, Clovis, the final appeal authority was changed to the Board of Directors.

Discussion ensued regarding the ramifications of changing the final appeals process for the selection of legal counsel. In addition, Mr. Kramer suggested adding the word "covered" prior to the word "liability" to the last sentence in Section A.

Leon Compton moved to leave the final appeal for the selection of legal counsel with the Executive Committee. Seconded by Joe Donabed. A roll call vote was taken and the motion failed. Dave Elias, Bill Lewis, Joe Donabed, Linda Abid Cummings, Jeff Cardell, Lois Hull, Felix Ortiz, Jo Barrick, and Bob Wilburn all voted no.

Jo Barrick moved to recommend the Board approve the proposed Resolution of the Board of Directors, Outlining the Guidelines of the Litigation Management Program with the addition of the word “covered”, as recommended by Mr. Kramer. Seconded by Joe Donabed. Motion passed unanimously.

C. Report on Employment Risk Management Authority (ERMA)

ERMA provides employment practices liability coverage to the members and is an optional program of the CSJVRMA. The CSJVRMA's current representative on the ERMA Board of Directors is Dave Elias, Fowler. The alternate representative is Gerald Forde, McFarland.

Ms. Workman reviewed the written report received by the Committee prior to the meeting regarding the penalty that the CSJVRMA incurred due to late payment of their annual deposit premium.

Ms. Workman noted that due to an internal Bickmore Risk Services (BRS) error, the payment was eight days late, resulting in a penalty of \$31,648. The CSJVRMA requested a waiver of the penalty at the October 2007 ERMA Board of Directors' meeting. The ERMA Board decided to waive the two percent (2%) of premium penalty and charge the interest of seven percent (7%) per annum, for the number of days from the date payment was due, to the time ERMA had obtained access to the funds. This resulted in a total interest penalty due from the CSJVRMA of \$1,872.

Ms. Workman further noted that she contacted the CSJVRMA President, Mr. Dave Elias, and a determination was reached that the CSJVRMA would pay the \$1,219 it earned in interest on the delayed payment and BRS would pay the balance of the penalty, in the amount of \$652.

Ms. Workman assured the Committee that BRS has addressed the error to ensure it does not happen again. President Elias noted that ERMA is considering changing their penalty process as several other members were late with their payments, but since their deposit premiums were so much less, their proposed penalties were also far less, even if the payments were received considerably later.

D. Report on California Affiliated Risk Management Authorities (CARMA)

CARMA is the excess pool through which the CSJVRMA obtains excess liability coverage. The CSJVRMA's current representative serving on CARMA's Board of Directors is Mr. Joe Donabed, Hughson. Ms. Workman noted that the alternate representative position is currently vacant and will be addressed later in the meeting.

Prior to the meeting, the Board received a written report regarding recent activity in CARMA. Ms. Workman reviewed the following items with the Committee:

- The CARMA Board is investigating the cost of purchasing another \$5M in coverage, bringing the limits of coverage up to \$30M;

- CARMA is reviewing their underwriting policies;
- Several prospective members have contacted CARMA regarding joining the program; and
- CARMA is reviewing their Target Equity Policy.

Mr. Donabed relayed to the Committee that very few claims have ever reached the current \$25,000,000 limit, and therefore, he believes that higher limits are currently unnecessary. Mr. Kramer stated that he also believes the current limits of \$25,000,000 are adequate. A question was raised whether or not members would be able to choose their own limits, and Ms. Workman noted that CARMA is looking into the possibility of offering limit options.

8. WORKERS' COMPENSATION PROGRAM

A. Reports by Staff and Service Providers

1. Report by Claims Administrator (AIMS)

Prior to the meeting, the Executive Committee received written reports pertaining to claims for October, November, and December 2007, as prepared by Ms. Judy Sullivan. Ms. Sullivan reviewed the reports with the Committee.

Ms. Sullivan also reviewed several legislative changes with the Committee.

President Elias inquired if AIMS has any new programs to present at the Retreat. Mr. Dave Whiteside, AIMS, noted that AIMS is developing a Return to Work program as well as running an analysis of the cost of backfilling positions while an employee is on Temporary Disability.

B. Report on Local Agency Workers' Compensation Excess JPA (LAWCX)

The Local Agency Workers' Compensation Excess JPA (LAWCX) provides excess workers' compensation coverage to the CSJVRMA.

The CSJVRMA's representative serving on the LAWCX Board is Mr. Leon Compton, Ripon, and the alternate Board representative is Mr. Greg Applegate, Sonora.

Prior to the meeting the Committee received a written report from LAWCX regarding items discussed at their November Board meeting. Ms. Workman reviewed the following items with the Committee:

- LAWCX's Board of Directors directed staff to prepare an analysis of the request that LAWCX consider a mechanism for responding to legislation on behalf of all LAWCX members;

- LAWCX reported an increase in rates in the \$1M-\$2M layer, a small decrease in the other rates, and the excess pool indicated a preliminary 10% rate increase with the hope that the actual rates will be lower than 10%;
- The LAWCX Board approved the LAWCX Performance Standards; and
- The LAWCX Board directed staff to investigate the issue of dividends relating to the \$3 million in excess of \$2 million pool.

Mr. Compton noted that the City of Roseville, the City of Gilroy, Monterey Bay Area Self Insurance Authority (MBASIA), and the California Housing Workers' Compensation Authority (CHWCA) submitted notices to withdraw from LAWCX. Ms. Workman stated that each member has various reasons for providing a notice of intent to withdraw, and all have the opportunity to rescind their withdrawal notice if they so choose.

Mr. Greg Applegate, Sonora, commended Mr. Jeff Cardell, Clovis, the current President of LAWCX, for his representation of the CSJVRMA as a whole and his time and effort put into LAWCX.

9. ADMINISTRATIVE MATTERS

A. State Building Code Changes Effective January 1, 2008

This item was added to the agenda at the request of Mr. Cardell who noted that the City of Clovis' Planning Development Department had been made aware that some cities and builders are not planning to adhere to the building code standard changes which became effective January 1, 2008. Mr. Cardell wanted to bring this to the attention of members to ensure they do not expose themselves to possible losses occurring from the failure to adhere to the change in building standards.

B. Request from the City of Sutter Creek to Waive Their Penalty for Non-attendance at the October 2007, Board Meeting

Prior to the meeting, the Executive Committee received a letter from the City of Sutter Creek requesting a waiver of their fine for Non-Board Attendance regarding the October 2007 Board of Directors' meeting.

Bill Lewis moved to deny the waiver of the City of Sutter Creek's Non-Board Attendance Fine. Seconded by Felix Ortiz. Motion passed unanimously.

C. Appointment of the Alternate Representative to CARMA's Board of Directors

The CSJVRMA was recently notified that the current alternate representative on the CARMA Board of Directors, Mr. Harjit Randhawa, Wasco, is no longer employed with the City. The CSJVRMA's current representative on CARMA's Board of Directors, Mr. Donabed, polled interest in the alternate position from members.

Greg Applegate moved to appoint Ms. Linda Abid-Cummings, Riverbank, as the CARMA Alternate Board Member. Seconded by Joe Donabed. Motion passed unanimously.

D. Review of the Annual Service Provider Surveys

Ms. Workman noted that at the 2007 Annual Retreat a request was made to review the questions included in the Annual Service Provider Surveys. Staff reviewed the CSJVRMA survey, as well as surveys provided to other BRS clients and online service provider surveys. Staff had no suggested changes to the survey questions as they are appropriate and in line with those used by other companies; however, staff did suggest that perhaps the President would like to receive the survey results directly, instead of responses being sent to staff, to ensure responders feel comfortable with their submissions.

Discussion ensued regarding the survey and a consensus was reached to leave the survey as is, with responses continuing to be sent to staff. The current survey process allows for members to submit responses anonymously.

E. Report from the Southern Region Regarding Executive Committee Elections

Mr. Bill Lewis, Woodlake, Second Vice President, reported on the outcome of the Southern Region Meeting held January 16, 2008, to fill the vacant Southern Region Representative and Alternate Representative positions on the Executive Committee. Mr. Lewis announced that Mr. Bob Wilburn, Maricopa, has been elected to the Representative position and Ms. Margee Fallert, Tulare, has been elected to the Alternate position. The Executive Committee welcomed both representatives.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB) JPA (GASB 45)

A. Appointment of a Board Representative to the OPEB JPA

At the October 2007 Board of Directors' meeting the Board took action to join the GASB 45 Investment Trust JPA (now known as the Other Post Employment Benefits (OPEB JPA) as an optional program to the CSJVRMA members. The Executive Committee was therefore asked to appoint a representative to serve as the Board member on behalf of the CSJVRMA.

Prior to the meeting Ms. Workman inquired regarding interest in serving on the Board of the OPEB JPA and reported that Ms. Jo Barrick, Shafter, had expressed interest in serving.

Joe Donabed moved to appoint Jo Barrick as the CSJVRMA Representative to the OPEB JPA Board. Seconded by Greg Applegate. Motion passed unanimously.

Mr. Ken Walker, Lindsay, offered to serve as the alternate representative. Ms. Workman noted that this appointment would be placed in a future agenda for formal action by the Committee.

11. CLOSING COMMENTS

A. Executive Committee

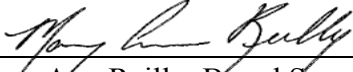
None

B. Staff

Ms. Workman noted staff brought blank FPPC Annual Filing Forms as well as registrations forms for the 2008 Annual Retreat, for those wishing to fill out forms after the meeting.

12. ADJOURNMENT

The January 24, 2007, CSJVRMA Executive Committee meeting adjourned at 11:42 a.m. by general consent.



Mary Ann Reilly, Board Secretary