

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS  
MEETING OF OCTOBER 24, 2008

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

BOARD MEMBERS PRESENT: Leon Compton, President, Ripon  
Bill Lewis, Woodlake  
Charisse Adams, Arvin  
Jeanna Del Real, Atwater  
Lori Waterman, Atwater  
Esther Strong, Avenal  
Keith Howes, Ceres  
Nancy Red, Chowchilla  
Jeff Cardell, Clovis  
Joyce Venegas, Corcoran  
Nieceia Barton, Delano  
Beth Nunes, Dinuba  
Darrell Fonseca, Dos Palos  
Doug Dunford, Escalon  
Felix Ortiz, Exeter  
Patty Miller, Farmersville  
Roberta Casteel, Gustine  
Joe Donabed, Hughson  
Jack Slota, Huron  
Tim Przybyla, Kerman  
Don Jensen, Kingsburg  
Katie Lemons, Lathrop  
Jarrell Prichard, Lemoore  
Donna Barnes, Livingston  
Martha Brazil, Los Banos  
Sean-Pierre Wilson, Madera  
Bob Wilburn, Maricopa  
Gerald Forde, McFarland  
Bryce Atkins, Mendota  
Deneen Proctor, Merced  
Michael E. Holland, Newman  
Mike Maier, Newman  
Alan Bengyel, Orange Cove  
Cleve Morris, Patterson  
Bryan Whitemyer, Patterson  
John Lollis, Porterville  
Patrice Hildreth, Porterville  
Rocky Rogers, Reedley  
Linda Abid-Cummings, Riverbank  
Cruz Ramos, San Joaquin  
Barbara Mergan, Sanger

Lois Hull, Selma  
Jo Barrick, Shafter  
Greg Applegate, Sonora  
Mike Barrows, Sonora  
Natalie Doyle, Sutter Creek  
Denise Hoffman, Taft  
Louise Hudgens, Taft  
Hannah Chung, Tehachapi  
Maria Olvera, Tracy  
Margee Fallert, Tulare  
John French, Turlock  
James Zervis, Wasco  
Matt Erickson, Waterford

CITIES NOT REPRESENTED  
BY A BOARD OF DIRECTORS  
MEMBER, ALTERNATE, OR  
PRE-AUTHORIZED DELEGATE: None

OTHERS PRESENT:

Jeanette Workman, Administrator  
Kim Schindel, BRS, Administrative Assistant  
Tammy Vitali, Workers' Compensation Program Manager  
Linzie Kramer, Litigation Manager  
Tom Kline, Risk Control Manager  
Charlotte Hemker-Smith, Board Counsel  
Ken Wilkerson, AIMS  
Judy Sullivan, AIMS  
Janine Bowman, AIMS  
Lindsey Jones, AIMS  
Brooke Hurtado, AIMS  
Fran Lammers, AIMS  
Vicki Shannon, AIMS  
Martin Cassell, Chandler  
Dale Mendenhall, Angels Camp  
Odi Ortiz, Firebaugh  
Lola Spain, Hanford  
Tamara Laken, Lindsay  
Robert Conen, Madera  
Albert Avila, Oakdale  
Bertha Augustine, Parlier

1. CALL TO ORDER

The meeting was called to order at 9:04 a.m. by President Leon Compton.

2. INTRODUCTIONS

Introductions took place of those present.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Ms. Jeanette Workman, Administrator, made note of a change to the Agenda. In the Notice section, the next Board of Directors Meeting should state Friday, March 27, 2009.

**Jo Barrick moved to approve the agenda as amended. Seconded by Margee Fallert. Motion passed unanimously.**

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

**Jeff Cardell moved to approve/accept the following items: A) Minutes of the June 27, 2008, Board of Directors' Meeting; B) Pooled Property Program Annual Report Dated June 30, 2008; C) Pooled Auto Physical Damage Program Annual Report Dated June 30, 2008; and D) Pooled Low Value Vehicle Coverage Program Annual Report Dated June 30, 2008. Seconded by Felix Ortiz. Motion passed unanimously.**

6. REPORTS/PRESENTATIONS

A. Report by Tom Kline, Risk Control Manager

Mr. Tom Kline, Risk Control Manager, presented a status overview of the workshops, public works forums, and police liability forums.

B. Presentation of Safety Awards

The Safety Awards Program criteria are based on both activities and performance, with the awards for each program divided into three groups. For the Liability Program the groups are as follows: Group 1 – over 16,000 population; Group II – 7,000-16,000 population; and Group III – under 7,000 population. For the Workers' Compensation Program the groups are as follows: Group I – annual payroll in excess of \$2,000,000; Group II - \$1,000,000-\$2,000,000 annual payroll; and Group III – annual payroll less than \$1,000,000.

Mr. Kline presented the following awards to the following Member Cities:

Pooled Liability, Group I	City of Clovis
Pooled Liability, Group II	City of Kerman
Pooled Liability, Group III	City of Sonora
Pooled Workers' Compensation, Group I	City of Sonora
Pooled Workers' Compensation, Group II	City of Firebaugh
Pooled Workers' Compensation III	City of San Joaquin

7. FINANCIAL MATTERS

A. Reported by Marty Cassell, Chandler Asset Management

Prior to the meeting, the Board received an investment report for the period ending September 30, 2008. Mr. Marty Cassell, Chandler Asset Management, was present and reviewed the CSJVRMA's investment portfolio with the Board.

8. LIABILITY PROGRAM

A. Reports by Staff and Service Providers:

1. Report by Linzie Kramer, Litigation Manager

Prior to the meeting, the Board received a written report for the months of July, August, and September. Mr. Linzie Kramer, Litigation Manager, briefly reviewed the report with the Board.

Mr. Kramer reiterated the importance of submitting claims to AIMS timely.

2. Report on Coverage Matters

Ms. Charlotte Hemker-Smith, Legal Counsel, reported there has been no coverage denials issued since the last Board of Directors' meeting.

3. Report by Claims Administrator (AIMS)

Prior to the meeting, the Board received a written report for the month of August 2008, prepared by Mr. Ken Wilkerson, AIMS. Mr. Wilkerson reviewed the reports with the Board.

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

CARMA is the excess pool through which the CSJVRMA obtains excess liability coverage. Prior to the meeting, the Board received a written report regarding recent activity in CARMA.

The CSJVRMA's current representative serving on CARMA's Board of Directors is Mr. Joe Donabed, City of Hughson. The alternate representative is Ms. Linda Abid-Cummings, City of Riverbank.

Ms. Workman provided the Board with the following additional information:

- CARMA has increased their limits from \$25,000,000 to \$29,000,000;
- CARMA is looking at other excess carrier options; and
- CARMA and ERMA are reviewing the possibility of combining their two programs. A committee has been formed to evaluate this option to determine if it will allow the programs to become more cost effective.

5. 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 ERMA's Board of Directors is Mr. Dave Elias, City of Fowler. The alternate representative is Mr. Gerald Forde, City of McFarland.

Ms. Workman reviewed the following items with the Board:

- New in the packet this month is an ERMA Loss Run which shows any losses incurred by CSJVRMA members participating in the program; and
- ERMA adopted the definition of an employee to match that as defined by the Fair Employment & Housing Commission (FEHA).

B. Pooled Liability Program Annual Report

Prior to the meeting, the Executive Committee received the Pooled Liability Program Annual Report dated June 30, 2008, prepared by staff.

The net amount being refunded for program years being retrospectively adjusted is \$980,904. All but eleven cities are receiving a refund. Ms. Workman stated members can apply their liability refunds to future program year deficits in either the Pooled Liability and/or Pooled Workers' Compensation Program.

**Jeff Cardell moved to approve the Pooled Liability Program Annual Report. Seconded by Tim Przybyla. Motion passed unanimously.**

9. WORKERS' COMPENSATION PROGRAM

A. Reports by Staff and Service Providers:

1. Report by Tammy Vitali, Workers' Compensation Program Manager

Ms. Tammy Vitali, Workers' Compensation Program Manager, briefly discussed claims with the Board and noted that the CSJVRMA had an average of 18 indemnity claims filed in the past three months. With regards to the 5020 form, 40% were late or incomplete. The majority were late due to forms not being dated at the bottom.

Ms. Vitali briefed the Board on upcoming legislative changes including the following:

- The Governor vetoed the bill to double permanent disability benefits over the next 2 years. This would have been an estimated billion dollar benefit increase;
- The Governor also vetoed the bill to prohibit the apportionment due to race, age and other factors. Religion being included; and
- An important bill that passed is called MERSA (a staph infection). It is a presumption for public safety officers. It is applicable to 90 days after term of service to the state.

2. Report on Local Agency Workers' Compensation Excess JPA (LAWCX) by Tammy Vitali

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

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

Prior to the meeting the Board received a written report on recent LAWCX activity; Ms. Vitali reviewed the following items from the report with the Board:

- LAWCX has decided not to charge a premium for volunteers;
- A new President and Vice President were elected for a two year term; and
- There is a strategic planning session scheduled for November 18, 2008, with a Board meeting scheduled for November 19, 2008.

3. Report by Claims Administrator (AIMS)

Prior to the meeting the Board received a written report from Ms. Judy Sullivan, AIMS, regarding claims for September 2008. Ms. Sullivan briefly reviewed the report with the Board.

B. Pooled Workers' Compensation Program Annual Report

Prior to the meeting, the Executive Committee received the Pooled Workers' Compensation Program Annual Report dated June 30, 2008, prepared by Ms. Vitali.

Ms. Vitali reported that the net amount of the years being retrospectively adjusted is - \$697,042. Only seventeen of the fifty-one cities will be receiving refunds. Ms. Vitali noted that members can apply refunds to future deficit years in either the Pooled Workers' Compensation and/or the Pooled Liability Program.

**Tim Pryzybyla moved to approve the Pooled Workers' Compensation Annual Report. Seconded by Jo Barrick. Motion passed unanimously.**

C. Amendment to the Workers' Compensation Claims Adjusting Service Contract

Ms. Workman reported per the direction of the Executive Committee, the Administration and Financial Services Subcommittee recently held several meetings to address opportunities for cost reductions, in addition to other items of business. One of the areas discussed was the Workers' Compensation Claims Adjusting Service Contract wherein AIMS agreed to a cost reduction amendment. The contract was amended as follows:

- Effective September 1, 2008, bill review fees paid to AIMS for negotiated hospital bills and surgical bill audits will be capped at \$15,000 per bill.

10. ADMINISTRATIVE MATTERS

A. Report Concerning Administration and Financial Services Subcommittee's Consideration of Administrative Cost Reductions

Mr. Greg Applegate, Chairperson for the Administration and Financial Services Subcommittee reported that in response to the current economic hardships of some members and at the direction of the Executive Committee, the Administration and Financial Services Subcommittee recently held several meetings to address opportunities for cost reductions.

Initially the Committee looked internally and then at the larger cost from the service providers. Through these meetings the Committee and service providers worked together to find the most effective measures. AIMS and BRS are offering their reductions and contract amendments to provide savings to the CSJVRMA.

B. Amendment to the Agreement for Risk Management, Financial and Administrative Services

Ms. Workman reviewed the changes to the Agreement for Risk Management, Financial and Administrative Services. Ms. Workman noted that a formal letter will go out to all the members and the changes will be effective January 1, 2009. Changes to the agreement are as follows:

- 1.5% reduction in BRS' administration fees for January 1, 2009 – June 30, 2010;
- Effective January 1, 2009, BRS will absorb CSJVRMA storage fees;
- Effective January 1, 2009, eliminate the April, September, and November Executive Committee meetings annually;
- Effective January 1, 2009, move to full electronic agendas;
- Effective January 1, 2009, members will assume responsibility for ordering from the Safety Film Library;
- Effective January 1, 2009, members will be responsible for mailing costs associated with the Safety Film Library use; and
- Effective January 1, 2009, convert to electronic billings to members.

C. Proposed Amendment to the Bylaws Regarding Executive Committee Meetings

As a result of the decision of the Executive Committee to reduce the number of Executive Committee meetings scheduled annually, the Bylaws need to be amended. The amendment being revised is Article VI, Section B, Item 5 of the Bylaws.

“5. Executive Committee Meetings

*All meetings of the **Executive Committee** shall be noticed and held in compliance with the applicable state law. In addition, the following provisions will apply:*

- a. *The business of the **Executive Committee** shall be conducted and exercised only at a meeting of the **Executive Committee** where a quorum is present as defined in paragraph c of this Section.*
- b. *Regular Meetings. Regular meetings of the **Executive Committee** shall be held at least ~~ten~~ seven times per year, unless otherwise provided by the President. No more than ~~two~~ one **Executive Committee** meetings per quarter or ~~six~~ three per year may be omitted under the provisions of this section. The meetings of the **Executive Committee** shall be held, noticed, and conducted in the same manner as the meetings of the **Board**.*
- c. *At least seven (7) members of the **Executive Committee** constitute a quorum and must be present at any meeting before the business of the **Executive Committee** can be transacted. The vote of a majority of the **Executive Committee** present and voting shall be required for any act or decision of the **Executive Committee***

