

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MINUTES OF THE EXECUTIVE COMMITTEE  
MEETING OF OCTOBER 23, 2008

A meeting of the Executive Committee of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) was held on October 23, 2008, at the Piccadilly Inn-Shaw, Fresno, California.

COMMITTEE MEMBERS PRESENT: Bill Lewis, First Vice President, Woodlake  
Jeff Cardell, Second Vice President, Clovis  
Dave Elias, Past President, Fowler  
Joe Donabed, Hughson  
Tim Przybyla, Kerman  
Linda Abid-Cummings, Riverbank  
Lois Hull, Selma  
Jo Barrick, Shafter  
Greg Applegate, Sonora  
Bob Wilburn, Maricopa  
Felix Ortiz, Exeter

COMMITTEE MEMBERS ABSENT: Leon Compton, President, Ripon  
Ken Walker, Treasurer, Lindsay  
Wendy Silva, Madera

ALTERNATE MEMBERS PRESENT: Mike Barrows, Sonora  
Cruz Ramos, San Joaquin  
Margee Fallert, Tulare

ALTERNATE MEMBERS ABSENT: None

OTHERS PRESENT: Jeanette Workman, Administrator  
Kim Schindel, BRS, Administrative Assistant  
Linzie Kramer, Litigation Manager  
Tammy Vitali, Workers' Compensation Manager  
Charlotte Hemker-Smith, Board Counsel  
Darrel Pyle, Past President, Tulare  
Judy Sullivan, AIMS  
Ken Wilkerson, AIMS  
Dave Whiteside, AIMS  
Dominic Russo, AIMS  
Natalie Doyle, Sutter Creek

1. CALL TO ORDER

First Vice President, Bill Lewis called the meeting to order at 2:04 p.m.

2. INTRODUCTIONS

Introductions of those present took place.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Bob Wilburn moved to approve the agenda as posted. Seconded by Mike Barrows. Motion passed unanimously.**

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

**Bill Lewis requested clarification on item F, the Update Regarding the Public Self Insurer's Annual Report.**

**Jeff Cardell moved to approve/accept the following items: A) Minutes of the Executive Committee Meeting of August 28, 2008; B) Warrants for August 26, 2008 – September 5, 2008; C) Pooled Property Program Annual Report Dated June 30, 2008; D) Pooled Auto Physical Damage Annual Report dated June 30, 2008; E) Pooled Low Value Vehicle Coverage Program Annual Report dated June 30, 2008; G) Evaluation Summary for CSJVRMA “Hazard and Threat Assessment” Workshop; H) Evaluation Summary for CSJVRMA “Effective Report Writing” Police Liability Forum; I) Q1 2008 and Q2 2008 EAP Utilization Summary Reports; and J) Chandler Bond Market Review - August 2008. Seconded by Felix Ortiz. Motion passed unanimously.**

Item F, Update Regarding the Public Self Insurer's Annual Report

Ms. Jeanette Workman reported that every year the CSJVRMA files a Public Self Insurer's Annual Report with the state. On August 11, 2008, the Office of Self Insurance Plans (SIP), Department of Industrial Relations (DIR) sent out a letter providing three options on how to report Labor Code (LC) 4850 benefits. The CSJVRMA submitted their report on September 10, 2008, using option 1, which is to report all 4850 benefits. This is the option used in all of the past filings. An email was received on September 29, 2008, from California Association of Joint Powers Authorities (CAJPA) and the DIR providing further clarification on the LC 4850 reporting, which stated that only the temporary disability should be reported to the state, versus all 4850 benefits. Based on this new information, the CSJVRMA sent a letter to the DIR notifying them that an amended report would be filed once the new data was received from the TPA. Ms. Workman received a phone call from Mr. James Ware, Workers' Compensation Manager, DIR and he agreed to accept the revised report. This amended report will affect the assessments received by the CSJVRMA

members. Ms. Tammy Vitali, Workers' Compensation Program Manager, noted that staff has reviewed the revised data from AIMS and the numbers to be reported to the DIR will be reduced by 8%. The assessment billing will be based on these revised numbers and processed through the retrospective adjustments.

**Greg Applegate moved to approve/accept the items listed above in the Consent Calendar. Seconded by Margee Fallert. Motion passed unanimously.**

6. LEXIPOL

A. Presentation and Contract Proposal

Ms. Workman introduced Mr. Dan Merkle, CEO, Lexipol. Mr. Merkle presented an overview of Lexipol and the services and programs available. Lexipol provides policy development and update tools to enable the participants Police Departments the ability to have up-to-date policies and procedures. Also available are Daily Training Bulletins that provide scenario-driven training focused on topics of high risk, low frequency and policy changes.

Mr. Merkle reviewed contract pricing and expressed a willingness to hold current rates for the next three years, but noted that Lexipol would require additional participation in the Daily Bulletins before entering into a five year contract. Discussion ensued regarding the need and benefit of each member subscribing to the Daily Bulletins provided by Lexipol and it was noted that at this time only five members subscribe. This program is purchased directly by the Cities, not by the CSJVRMA.

The Committee discussed bringing this topic back to the next Executive Committee Meeting to allow Ms. Workman and Mr. Merkle to define the contract terms Lexipol is willing to offer for the five year contract.

7. FINANCIAL MATTERS

A. Audited Financial Statements for the Year Ended June 30, 2008

Prior to the meeting, the Executive Committee received a copy of the Audited Financial Statements for the year ended June 30, 2008. Ms. Workman apologized to the Committee for the late distribution of the Audited Financial Statements; however, staff and Sampson & Sampson were making a concerted effort to have them completed and approved at this meeting, otherwise, they would not be approved until the January meeting. The management discussion and analysis was emailed on October 22, 2008, for review. At the meeting, Mr. Bill Patterson, Sampson & Sampson, reviewed the Audited Financial Statements with the Committee.

**Greg Applegate moved to accept the Audited Financial Statements for the Year Ended June 30, 2008. Seconded by Jo Barrick. Motion passed unanimously.**

8. LIABILITY PROGRAM

A. Reports by Staff and Service Providers

1. Oral Report by Litigation Manager

Mr. Linzie Kramer, Litigation Manager, stated there were 56 new claims/incidents reported during the month of September 2008.

Mr. Kramer also provided a review of a Medicare program that will require reporting of any workers' compensation or liability injuries that could lead to future care covered by Medicare. Mr. Kramer reported there are questions regarding the procedures of how and when to report these claims. Mr. Kramer further noted that there will be a \$1,000 per claim, per day fine for non-compliance. The tentative effective date for this program is July 1, 2009.

2. Report on Coverage Matters

Ms. Charlotte Hemker-Smith, Legal Counsel, informed staff that there has been no coverage denials issued since the last Executive Committee meeting.

3. 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.

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

Ms. Workman informed the Committee that Mr. Joe Donabed, City of Hughson, and Ms. Linda Abid-Cummings, City of Riverbank, are the CSJVRMA's representatives serving on CARMA's Board of Directors.

At the request of Mr. Donabed, two presentations were provided to the Committee. One presentation was a historical overview of the CARMA program and the second presentation was a review of the 2008/09 CARMA program renewal.

Included with the agenda was a report of action items from the last meeting of the CARMA Board. Ms. Workman reviewed some of the more important action items from the meeting.

- CARMA has directed Alliant, the insurance broker, to obtain a price indication from California State Association of Counties Excess Insurance Authority

(CSAC-EIA). CSAC-EIA is a very competitive program in the state with extremely competitive pricing due to their size.

- Some CARMA members have noted intent to leave CARMA and participate in CSAC-EIA due to the favorable pricing available. CARMA is considering the possibility of purchasing excess liability coverage through CSAC-EIA.
- 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.
- CARMA approved to participate in the California Asset Management Program (CAMP). CAMP is a joint powers authority set up for investment purposes.

B. Pooled Liability Program Annual Report Dated June 30, 2008

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 Program and/or Pooled Workers' Compensation Program.

9. WORKERS' COMPENSATION PROGRAM

A. Reports by Staff and Service Providers

1. Report by Workers' Compensation Manager

Prior to the meeting, the Executive Committee received written reports pertaining to claims for June, July, and August 2008 as prepared by Ms. Tammy Vitali, Workers' Compensation Program Manager. Ms. Vitali noted that in September there were nineteen new indemnity claims opened.

2. Report by Claims Administrator (AIMS)

Prior to the meeting, the Executive Committee received a written report pertaining to claims for September 2008 as prepared by Ms. Judy Sullivan. Ms. Sullivan reviewed the report with the Committee.

B. Pooled Workers' Compensation Program Annual Report Dated June 30, 2008

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

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 Program and/or the Pooled Liability Program.

Ms. Workman noted that the Workers' Compensation Contingency Fund is again in a deficit position. This issue will be addressed with the Executive Committee at the February 2009 Retreat.

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

At 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. A written amendment to the contract was sent to the Committee prior to the meeting. The amendment to the contract is as follows:

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

**Greg Applegate moved to approve the Amendment to the Workers' Compensation Claims Adjusting Service Contract. Seconded by Felix Ortiz. Motion passed unanimously.**

10. ADMINISTRATIVE MATTERS

A. Appointment of Treasurer

The Executive Committee must appoint the CSJVRMA's Treasurer annually. Ms. Workman noted it was brought to her attention during the recent CAJPA Accreditation renewal process that until a provision can be added to the governing documents granting the Treasurer the authority to "buy, sell, trade, and reinvest securities," such language should be included in the motion to appoint.

**Jeff Cardell moved to appoint Ken Walker as the Treasurer with the authority to buy, sell, trade, and reinvest securities as directed by the Board and in compliance with the Investment Policy. Seconded by Dave Elias. Motion passed unanimously.**

B. Proposed Amendment to the Bylaws Regarding Executive Committee Meetings

As a result of the decision of the Executive Committee on August 28, 2008, to reduce the number of Executive Committee meetings scheduled annually, the Bylaws need to be amended. The amendment under review is to 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 except as specified in the Joint Exercise of Powers Agreement or herein otherwise specifically provided.*
- d. The President, Treasurer, and Administrator, acting together, may conduct minor necessary business whenever in the opinion of the President there is no reason to conduct such business at a regularly scheduled Executive Committee meeting.”*

**Jeff Cardell moved to recommend the Board approve the amendments to Article VI, Section B, Item 5 of the Bylaws. Seconded by Dave Elias. Motion passed unanimously.**

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

At the direction of the Executive Committee, the Administration and Financial Services Subcommittee recently held several meetings to address opportunities for cost reductions. One of the areas discussed was the Agreement for Risk Management, Financial, and Administrative Services wherein Bickmore Risk Services (BRS) agreed to amend their contract in an effort to reduce costs to the CSJVRMA. A written amendment to the contract was sent to the Committee prior to the meeting. The amendments to the contract 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;

