



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

April 27, 2016 - 10:00 A.M.

**City of Lodi
Carnegie Forum
305 West Pine Street,
Lodi, CA 95240
707-449-5101**

**Dial in # 866-866-2244
Participant Code: 1098199**

*City of Livermore, 305 West Pine Street, 95240
City of Lodi, 305 West Pine Street, 95240
NCCSIF, 305 West Pine Street, 95240
City of Richmond, 305 West Pine Street, 95240
City of Roseville, 305 West Pine Street, 95240
SCORE, 305 West Pine Street, 95240
City of Vacaville, 650 Merchant Street, Vacaville, CA 95688
Gibbons & Conley, 305 West Pine Street, 95240*

MINUTES

I. CALL TO ORDER:

- President Hamilton called the meeting to order at 10:12a.m.

II. ROLL CALL

PRESENT

- | | |
|--------------------------------------|---------------------------------|
| 1) Janet Hamilton, <i>Livermore</i> | 5) Janice Magdich, <i>Lodi</i> |
| 2) Paula Islas, <i>NCCSIF</i> | 6) David Rawe, <i>Roseville</i> |
| 3) Kim Greer, <i>Richmond</i> | |
| 4) Celeste Garrett, <i>Vacaville</i> | |

ABSENT

SCORE

OTHERS PRESENT

- | | |
|-------------------------------------|-----------------------------------------------|
| 7) David Clovis, <i>CJPRMA</i> | 10) Byrne Conley, <i>Gibbons & Conley</i> |
| 8) Craig Schweikhard, <i>CJPRMA</i> | 11) Saima Kumar, <i>CJPRMA</i> |
| 9) Dr. William Deeb, <i>Aon</i> | |

III. PRESENTATIONS

- None

IV. APPROVAL OF MINUTES

- A motion was made by Director Rawe and seconded by Director Magdich to approve the minutes of February 12, 2016 Executive Committee meeting. Directors Hamilton, Greer, Islas, Magdich, Garrett and Rawe voted for the approval of the minutes. Director Carroll was absent. Motion passed.

V. COMMUNICATIONS

1. Executive Committee Members
2. General Manager/Secretary
3. Next Scheduled Meetings: Annual Membership Meeting (05/17-05/19/2016) Seascap Executive Committee (7/21/2016) City of Livermore

VI. CONSENT CALENDAR

- None

VII. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE EXECUTIVE COMMITTEE ON MATTERS OF EXECUTIVE COMMITTEE BUSINESS

VIII. ACTION CALENDAR

1. Business Calendar for 2016

The CJPRMA 2016 Business Calendar was provided as a standing agenda item for the Executive Committee. This calendar provides Committee members and staff with a listing of key business items and the required dates for completion.

No action was required on this item.

2. Succession Planning

This is a standing agenda item. The Executive Committee and the general manager have begun preliminary discussions regarding a succession plan for CJPRMA. The general manager stated the he was reviewing North Bay Schools Insurance Groups succession plan to get an example.

No action was required on this item.

3. Discussion on Implementation of Property Program Experience Rating (I)

The general manager presented the proposed experience rating methodology to Executive Committee to provide feedback. The following option was presented:

1. Based upon stated criteria, members with an adverse loss ratio of X (a percentage determined by the program members) would contribute additional premium contributions for other members for the program year.
2. Any member with an experience rating of 250% or greater would be subject to the enhanced deductible. Any single loss or aggregate losses in excess of \$1,000,000 in any program year would be subject to the additional deductible. The amount of the additional deductible in excess of the above losses would be 10%.
3. A member with an adverse loss history would be voted out of the program by the current members.

After discussing the proposed methodology the committee came to the conclusion that placing the vacant and unoccupied clause in the Property Memorandum of Coverage, will fix this from happening in the future. Several committee members' thoughts were that there has only been one catastrophic loss that has impacted the program so greatly. It would not be fair to the rest of the program members to bare the excess cost.

No action was taken by the committee on this item.

No action was required on this item. It was for information only.

4. Discussion of Implementation of Auto Physical Damage Program Experience Rating (I)

The general manager provided the Board of Directors with several options for developing an experience rating program for the auto physical damage program. The three primary options for consideration and discussion were the following:

1. Based upon stated criteria, members with an adverse loss ratio of X (a percentage determined by the program members) would contribute additional premium contributions up to 25% for the program year.
2. A member with an experience rating of 250% or greater would be subject to an enhanced deductible. The loss threshold for this program will be \$250,000, based on any one loss or aggregate losses in any one program year. The enhanced deductible would be in the amount of 20% in addition to the existing deductibles within the program.
3. A member with an adverse loss history would be voted out of the program by the current members.

Executive Committee reviewed all of the items presented at the meeting and discussed numerous options for implementing a loss experience rating factor for 2016-2017 program year. The committee also recognized that any experience rating methodology should be applied to the annual premium contributions for the program. The Board Counsel proposed that for July 1, 2016 renewal a 80/20 split should be utilized. Four years of aggregate losses should be utilized for purpose of allocation. Eighty percent of the contribution will be based upon the actual proposed rate provided by the carrier. The additional twenty percent of the premium contribution will be allocated on the percent of losses.

The committee directed the general manager to present the option for discussion to the Board at the May meeting.

5. Status Update on the Property Program (I)

Dr. William Deeb, Aon was present to discuss the current property program and provide feedback on the costs and options of including a DIC (flood/earthquake) option to the existing program. Data was provided to AON regarding the geographic diversity of the membership. AON used this data to provide a detailed look at the earthquake and flood zones that impact the pricing of these products on the program participants.

Dr. Deeb stated that he has contacted underwriters to determine their willingness to provide a property program with multiple elements that would include property losses and losses caused by quake and/or flood. CJPRMA is also working with underwriters to determine if the current deductibles within the program are the most cost effective. This includes the potential of members pooling the first layer of losses with optional deductibles of \$100,000 or greater.

The general manager stated that he contacted Alliant Risk Services to review the CSAC-EIA Property Program and the Alliant APIP national program. He said that once he receives further information from Alliant and CSAC-EIA about the programs offered he will present that data to the Board for further consideration.

No action was taken by the committee. This item was provided for information.

6. Approval of the Risk Management Analyst Job Description and Compensation Range (A)

The general manager presented a proposed additional staff position for the 2016-2017 program year to the Executive Committee at the February meeting. He said that CJPRMA contracted with CPS-HR Consulting Services to assist with the creation of the job description and to determine the appropriate salary range for the position. The consultant reviewed the job description created by staff and provided recommendations and updates that reflect the proposed duties of the position. CPS-HR

also reviewed the education and skill requirement for the position. A copy of the job description and salary range was provided to the committee. The general manager said if the job was approved the position will start after July 01, 2016.

Director Islas stated that the salary should be increased to provide a 10 percent increase in salary range between the Executive Assistant and the Risk Management Analyst.

A motion by Director Islas, seconded by Director Rawe to approve the Risk Management Analyst Job and Salary with a 10% increase above the Executive Assistant's salary. Directors Hamilton, Greer, Islas, Magdich, Garrett and Rawe voted for the approval of the minutes. Director Carroll was absent. Motion passed.

7. Risk Management Issues (I)

Director Hamilton asked how many members utilize proof of service. Most every member uses proof of service as a best practice.

Director Hamilton asked if CJPRMA could provide premium quotes by January 31. The general manager stated that this would be difficult to do for a July 1, renewals.

IX. CLOSED SESSION

1. Government Code Section 54956.9 (a)

Conference with Legal Counsel - Litigation

Name of Case: Dani, B v. City of Fremont

Court: Superior Court of California, County of Alameda

Case No.: RG14711592

2. Government Code Section 54956.9 (a)

Conference with Legal Counsel - Litigation

Name of Case: Arash Akbarieh v. City of Chico

Court: Superior United States District Court, Eastern District of California

Case No.: 2:13-CV-01816-KJM-DAD

3. Government Code Section 54956.9 (a)

Conference with Legal Counsel - Litigation

Name of Case: Joshua Avila v. City of Roseville

Court: Superior Court of California, County of Placer

Case No.: SCV0035285

4. Government Code Section 54956.9 (a)
Conference with Legal Counsel - Litigation

Name of Case: Gorla Veeru v. City of Sunnyvale

Court: Superior Court of California, County of Santa Clara

Case No.: 114CV262389

X. ACTION ON CLOSED SESSION ITEMS

- The Executive Committee conferred with staff regarding litigated claims and provided direction. There was no reportable action.

XI. ADJOURNMENT

- The president adjourned the meeting at 12:38 p.m. Directors Hamilton, Greer, Islas, Magdich, Garrett and Rawe voted to adjourn the meeting. Director Carroll was absent
Motion passed.