



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

June 22, 2017 10:00 A.M.

**Roseville Civic Center
Old Park and Recreation Conference Room
311 Vernon Street
Roseville, CA 95678
(916) 774-7358**

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

MINUTES

I. CALL TO ORDER:

- President Hamilton called the meeting to order at 9:52 A.M.

II. ROLL CALL

PRESENT

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

ABSENT

- 6) Roger Carroll, *SCORE*

OTHERS PRESENT

- | | |
|--|--------------------------------|
| 7) Peter Urhausen, <i>Gibbons & Conley</i> | 11) Lola Deem, <i>CJPRMA</i> |
| 8) Dr. William Deeb, <i>AON Risk Services</i> | 12) Saima Kumar, <i>CJPRMA</i> |
| 9) Mujtaba Dattoo, <i>AON Risk Services</i> | 13) Marcia Hart, <i>CJPRMA</i> |
| 10) David Clovis, <i>CJPRMA</i> | |

III. CLOSED SESSION

1. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Litigation

Name of Case: Nguyen, Nhan v. City of Roseville

Court: Superior Court of the State of California, County of Placer

Case No.: SCV0038761

IV. ACTION ON CLOSED SESSION ITEMS

- The Executive Committee conferred with staff regarding litigated claims and provided direction.

V. PRESENTATIONS

- None

VI. COMMUNICATIONS

1. Executive Committee Members
2. General Manager/Secretary
3. Next Scheduled Meetings: Board of Directors (08/17/17) CJPRMA
Executive Committee (09/28/2017) CJPRMA

VII. APPROVAL OF MINUTES

- A motion made by Director Rawe and seconded by Director Garrett to approve the minutes of May 3, 2017 Executive Committee meeting. Directors Hamilton, Greer, approved the motion. Director Magdich abstained and Director Carroll was not present. Motion passes.

VIII. CONSENT CALENDAR

- None

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

X. ACTION (A) AND INFORMATION (I) CALENDAR

1. Business Calendar for 2017 (I)

The Business calendar was reviewed and the general manager reviewed three options for the 2018 Annual Meeting. The Executive Committee decided the annual meeting would be held on Wednesday May 30th, 2018 through Friday June 1st, 2018 at Squaw Creek Resort in Tahoe Valley.

2. Development of a CJPRMA Claims Committee and New Board Practices in Developing Loss Mitigation Plans (I)

At the May Board Meeting, the Board of Directors approved the creation of a claims committee and the following concepts. Once the committee is formally approved, the committee will prepare the mission of the committee and will define the roles and responsibilities of the participants. The committee will be charged with creating the

schedule of the committee and developing an approach to provide feedback to the Board of Directors at their meetings.

The following recommendations were approved by the Board of Directors at the May meeting:

1. Develop a standing Claims Committee with seasoned personnel committed to reviewing litigation and participating in discussions that will result in minimizing the impacts of the claim, litigation and where appropriate, an early settlement. The President will appoint five participants for the committee.
2. Utilize the claims committee to evaluate the effectiveness of outside counsel and provide information to the membership based upon the overall review of the committee.
3. Reformat Board of Director Meetings and place the closed session items at the beginning of the meeting as opposed to the end of the meetings. Typically, many Board Members are anxious to depart and prefer that closed sessions items be presented quickly, with minimal impacts on their time. This review of claims and the proposed settlement should have a very high visibility to the Board of Directors and appropriate time and energy should be devoted to the discussions.
4. Staff to conduct post incident de-briefing with members and their assigned staff to discuss learning points from litigation and evaluate policies and procedures that should be implemented to avoid similar occurrences.
5. Require presentations by members in the event of losses that exceed a member's SIR by 150% or greater. The presentation would be provided upon the closure of the claim. The presentation would include but not be limited to the following: causation of the loss, lessons learned from the losses and mitigation efforts implemented by the member to minimize the opportunity for a future loss. This report would not occur until the matter was fully resolved.
6. Develop specific standards and policies providing the general manager with greater flexibility in working with members when evaluating settlement alternatives.
7. Evaluate alternative training delivery systems that will have a significant impact on both the frequency and severity of claims.

The Executive Committee reviewed these recommendations and also determined that the Claims Committee will not be limited to only Board members, and would consist of one Executive Committee member. Peter Urhausen, Gibbons & Conley would be assigned to the Committee. The general manager will send the Board an email so Directors can make suggestions of eligible candidates within their own city, then Director Hamilton will recommend a list of persons to sit on the CJPRMA Claims Committee. This list will be presented to the Board of Directors as requested at the August Board meeting.

- No action was required on this item

3. Development of Loss Allocation for Annual Contributions (I)

The general manager presented numerous options to the Executive Committee and discussed multiple alternatives for determining the adequacy of the current contribution methodology of members and discussed alternative forms of contribution. The general manager discussed multiple options of evaluating the historic losses and how these exposures have impacted the overall contributions on an annual basis. A randomized and blind member loss comparison chart base on 5/10/15/20 years for frequency and severity was examined. The comparison was randomized and blind to eliminate any variances and have a non-biased approach to the data and provide a subjective component of hiding the member name.

Mujtaba Dato and Billy Deeb were present at the meeting to provide insight to the committee. The general manager described options that involve an experience rating formula for annual contribution that establishes contribution based upon exposure data (payroll), severity of losses, and frequency of losses. The annual contribution calculations would be created by the actuary and be included in the annual actuarial report presented to the Board at the November meeting.

- No action was required on this item

4. Status Update on the Development of CJPRMA Excess Workers' Compensation Program (I)

The general manager provided an update on the status of developing a Excess Workers' Compensation program for CJPRMA. He explained that staff has collected data from the members describing the current structure of their respective excess workers' compensation coverage programs. This data has been provided to Dr. William Deeb, Aon Risk Service. Aon and staff are currently working towards developing a tentative structure for the CJPRMA Excess Workers' Compensation program. Once a structure is developed that meets the needs of the membership, this data will be presented to the market for evaluation of reinsurance alternatives. In the event the structure is acceptable to the membership and rates meet expectations, we envision implementing the program effective July 1, 2018.

The proposed structure will be presented to the Board of Directors at the August Meeting. This will provide current members with the opportunity to review the program prior to committing to participation. The vote in August will be directed at the overall structure and no commitment would be required at that time. A vote to implement the program will occur at the November Board Meeting.

Members have been advised that there will be additional data gathering required as this process continues to move forward.

Staff is working with Aon Broker Billy Deeb to develop the program structure. The first draft of the program structure and the resulting data gathering was discussed at this meeting.

Once the program structure is developed, staff will utilize Aon Actuarial Services by Mr. Mujtaba Dato, to create actuarial study based upon predictive modeling. Actuarial data will be used to finalize the primary rate and assist staff in contacting the market for potential reinsurers to complete a finalized product. When final rates and programs structure are developed, Staff will then propose to implement the program start date of July 1, 2018.

- No action was required on this item

5. Review of the Succession Plan for the Replacement of the Retiring General Manager (I)

The general manager discussed the action taken at the May Board meeting when the board approved the succession plan as it was presented to the Executive Committee. The 2017-2018 budget allowing for the hiring of an assistant general manager was also discussed. This will be discussed at all future Executive Committee meetings leading up to the retirement of the general manager and the succession plan for his replacement.

- No action was required on this item

6. Status Update on General Manager's Goals & Objectives 2016-2019 (I)

The Executive Committee was provided a copy of the General Manager's Goals & Objectives. The general manager discussed the 2018 annual meeting and numerous upcoming training courses that will be offered to members.

- No action was required on this item

7. Review of the CJPRMA Litigation Policy (I)

The general manager reviewed with the Executive Committee the proposed Litigation policy as presented to the Board of Directors for approval at the May Meeting. The Board voted to send this policy to the Executive Committee for further review. The Board stated that many of the items within the policy presented potential for improvement of litigation practices for the members. However, the Board expressed a concern that adopting the standards as a policy would create potential conflicts for the members. The Board then referred this item to the Executive Committee for further review and to develop as a guideline.

The Executive Committee discussed the pros and cons of guidelines versus a policy. They decided that all members would benefit from a Litigation Policy because it promotes accountability and commits the members to following the written policy. Although the Board had concerns of billing outside attorneys, the Executive Committee felt members could gain value from the learning experience of an outside attorney. President Hamilton stated that she would like to reintroduce adopting this as a Litigation Policy and not a Litigation Guideline to the Board in August.

- No action was required on this item.

8. Risk Management Issues (I)

This is a standing agenda item. Though there were no items for discussion on this item. Director Magdich asked how members handle cannabis manufacturers and dispensaries in their cities. It was agreed that this topic would be discussed on a larger scale at the August Board meeting.

- No action was required on this item.

XI. ADJOURNMENT

- A motion was made by Director Rawe and seconded by Director Magdich to adjourn the meeting at 12:31 p.m. Directors Hamilton and Garrett, approved the motion. Director Carroll was not present. Motion passed.