



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

**January 20, 2009
1:00 P.M.**

**Hotel Sierra
Canyon Creek Conference Room
2323 San Ramon Valley Blvd.
San Ramon, CA 94583**

(925) 743-1182

AGENDA

I. CALL TO ORDER: 1:00 p.m.

II. ROLL CALL

III. APPROVAL OF MINUTES

- Minutes of the Executive Committee Meeting held on November 4, 2008

IV. PRESENTATIONS

- None

V. CONSENT CALENDAR

- None

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

VII. ACTION CALENDAR

1. Development of Evaluation Process for General Manager
2. Review and Update of Strategic Plan

VIII. CLOSED SESSION

- None

IX. ACTION ON CLOSED SESSION ITEMS

X. ADJOURNMENT



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

**November 4, 2008
9:30 A.M.**

**The Clubhouse at Las Positas Golf Course
915 Club House Dr.
Livermore, CA 94551**

(925) 443-3122

Minutes

I. CALL TO ORDER:

President Henderson called the meeting to order at 9:38 a.m.

II. ROLL CALL

PRESENT

- | | |
|-------------------------------------|----------------------------------|
| 1) Darrell Handy, <i>Alameda</i> | 4) Janet Hamilton, <i>Lodi</i> |
| 2) Jessica Henry, <i>Chico</i> | 5) Chris Carmona, <i>Redding</i> |
| 3) Bill Henderson, <i>Livermore</i> | 6) Jeff Tonks, <i>YCPARMIA</i> |

ABSENT

Dixon Coulter, *NCCSIF*

OTHERS PRESENT

- | | |
|--|--------------------------------------|
| 7) Byrne Conley, <i>Gibbons & Conley</i> | 9) David Clovis, <i>CJPRMA</i> |
| 8) Bob German, <i>CJPRMA</i> | 10) Charlie Wilson, <i>Roseville</i> |

III. APPROVAL OF MINUTES

A motion by Vice President Tonks, seconded by Director Henry, to approve the minutes of the Executive Committee meeting held on September 4, 2008, passed unanimously.

IV. PRESENTATIONS

- None

V. CONSENT CALENDAR

- None

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

- No one addressed the Executive Committee

VII. ACTION CALENDAR

1) Proposed Acquisition of Building for Permanent Location of Organization

The General Manager provided the historical background on the search for a permanent facility for CJPRMA headquarters.

He then discussed an opportunity to purchase a new building, at a project called Montevina, in the City of Livermore. He explained that the project was composed of 16 new, stand alone building shells, ranging in size from 3600 to 13,200 square feet. He said that one of the reasons that the project was attractive was that the interiors were left to be finished by the new owners.

The General Manager discussed, in depth, a number of factors that made the potential acquisition attractive from both a fiscal and business stand point.

He explained why the specific building has been selected and discussed the asking price.

After an extensive discussion regarding the need for specific information relating to the fiscal advantages and disadvantages of transitioning from securities to real estate, the Executive Committee recommended bringing the matter to the Board for further discussion.

A motion by Director Handy, seconded by Director Carmona, to take the plan forward to the Board of Directors, including a discussion of the option of buying a larger building, passed unanimously.

2) Proposed Salary Increase for General Manager

Pursuant to the direction of the Board of Directors, the General Manager was to be provided with a salary increase equivalent to the average cost of living adjustment of the members.

The Risk Manager provided the survey data to the Executive Committee and stated that the average was 3.47%.

A motion by Vice President Tonks, seconded by Director Handy, to give the General Manager a 3.47% salary increase, retroactive to July 1, 2008, passed unanimously.

3) Review and Update on the Strategic Plan

The four committees, established at the Strategic Planning session held in September, provided updated status reports.

In addition, the Executive Committee members discussed issues relating to the mission statement and the vision statement.

Due to time constraints, all further discussion was continued to the next Executive Committee meeting in December.

4) Development of Evaluation Process for General Manger

Mr. Barry Newton, of Creative Management Solutions, Inc., provided a preliminary report on the development of an evaluation process for the General Manager.

After a discussion of several issues, Mr. Newton stated that he would return with finalized recommendations at the next Executive Committee meeting.

VIII. CLOSED SESSION

- None

IX. ACTION ON CLOSED SESSION ITEMS

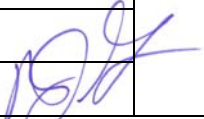
- Direction was provided to Legal Counsel

X. ADJOURNMENT

A motion by Director Handy, seconded by Vice President Tonks, to adjourn the meeting at 4:50 p.m., passed unanimously.

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 1	<u>Title:</u> DEVELOPMENT OF EVALUATION PROCESS FOR GENERAL MANAGER
Meeting: 01/20/2009	
Agenda Bill #: 1051	
General Manager: 	

Recommended Action:

None

Item Explanation:

At its Strategic Planning session, held on September 15&16, 2008, the Board directed that Barry C. Newton, of Creative Management Solutions, Inc., be retained to assist with the development of an evaluation process for the General Manager,

Mr. Newton will be present to discuss the process and his approach.

Fiscal Impact:

The contract for these consulting services is capped at \$3,750.00

Exhibits:

- 1) Contract with Creative Management Solutions, Inc.

Executive Committee Action:



October 27, 2008

David Clovis, Risk Manager
California Joint Powers Risk Management Authority
2333 San Ramon Valley Boulevard
Suite 250
San Ramon, CA 94583-4456

CJPRMA Compensation and Performance Management Plan- General Manager

Dear David:

Pursuant to your request, attached is a work agreement with our firm to conduct a compensation and benefits analysis and to establish a performance management plan for the General Manager.

Our firm is well qualified to perform this work. CMS has worked with SANDPIPA, the California Joint Powers Insurance Authority, and other third party administrators and local governments to create and maintain these types of compensation and benefits plans and performance management programs.

This proposal contains an overview of the study goals, methodology, and timeline, as well as our qualifications, sample references, and consulting fees. Please contact us with any questions that you might have concerning our proposal at (714) 281-7300 or barrycms@adelphia.net.

Sincerely,

Barry C. Newton

Barry C. Newton, CCP and Managing Director
Creative Management Solutions, Inc. (CMS)

A. WORK PLAN

1. Study Orientation: Conduct initial review of CJPRMA plan documents, including employment agreement, Personnel Policies, General Manager responsibilities, and salary and benefit plan elements and coordinate study documents with CJPRMA staff representatives.
2. Board Planning Discussion: Administer on-site discussion with Board members to review the compensation and benefits plan goals and outcomes; discuss the organization's labor market definition, major elements of compensation and benefits, and desired features associated with the performance appraisal plan.
3. Compensation and Benefits Definition: Define labor market consisting of other risk management authorities within California and local cities, as well as compensation and benefit data elements for Executive Compensation Committee approval.
4. Compensation and Benefits Study: Conduct labor market survey of accepted agencies and collect data related to base salary and incentive pay, health and welfare benefits, paid time off, long-term contributions, services and perquisites.
5. Performance Appraisal Document Development: Create performance appraisal forms, calendar, guidelines and pay increase tables that can be used by the General Manager for planning performance and the Board for evaluating results; create sample goals and objectives for General Manager to facilitate the work of the Board Executive Committee.
6. Final Plan Review and Adoption: Hold preliminary teleconference with Board Executive Committee to review plan documents and study recommendations; incorporate appropriate changes and conduct follow-up discussion with General Manager and Board Executive Committee final comments and modifications for plan implementation.

B. SCHEDULE, FEES AND ADMINISTRATION

If this work agreement is approved by October 28, 2008, work would be initiated immediately and would be completed by December 30, 2008.

The rates shown above include all labor, telecommunications, local travel, administrative, and minor reproduction costs. The total cost of the program would not exceed \$3,750, and the consultant would provide pay structure adjustment data for use by the Board Executive Committee for the next two years.

Study invoices would be submitted following the completion of Task 2, Task 4, and Task 6. Payment would be due and payable within 30 days of receipt of each invoice.

C. ACCEPTANCE OF FEE AND ADMINISTRATIVE TERMS

These fees and administrative terms are acceptable to both parties as signified below:

Barry C. Newton, CCP and Managing Director
Creative Management Solutions, Inc.

Date

ROBERT GERMAN

Name of Authorized Board Representative
CJPRMA

Date

[Signature]

Signature of Authorized Board Representative
CJPRMA

10/30/08

Date

D. ADDITIONAL PROPOSAL DATA

- a. Creative Management Solutions, Inc. is a California Corporation that specializes in classification, compensation and performance management services. The organization staff consists of four employees with operations centered in Anaheim, California. The organization has been in business since 1989 and was originally founded as a sole proprietorship. The firm has served over 200 clients in the public, private and non-profit sectors. The firm has conducted similar studies for cities such as Anaheim, Azusa, Brea, Buena Park, Corona, Costa Mesa, Covina, El Monte, Encinitas, Fairfield, Glendora, Huntington Beach, Lake Forest, Long Beach, Mission Viejo, National City, Newport Beach, Ontario, Orange, Palo Alto, Paso Robles, San Clemente, San Dimas, San Jose, Santa Ana, Santa Maria, Stanton, Tustin, Vista, Whittier, and Yorba Linda.

b. **Additional Proposal Data: Recent References**

SANDPIPA Board Representative:

Teri A. Enos, Risk Manager, ARM
CITY OF CHULA VISTA
276 Fourth Avenue
Chula Vista, CA 91910
(619) 691-5284
tenos@ci.chula-vista.ca.us

City of Lake Forest

Marsha Davis, Human Resources/Risk Manager
23161 Lake Center Drive, Suite 100
Lake Forest, CA 92630
(949) 461-3455

Transportation Corridor Agencies

Carolyn LeBail, Administrative Services Manager
125 Pacifica, Suite 100
Irvine, CA 92618-3304
(949) 754-3448

SUMMARY OF QUALIFICATIONS:

BARRY C. NEWTON, CCP, MANAGING DIRECTOR

CREATIVE MANAGEMENT SOLUTIONS, INC. (CMS)

As founder of Creative Management Solutions, Inc., Mr. Newton specializes in organization design, compensation management and performance assessment systems. Mr. Newton, and other associates of the firm, develop and implement customized plans, strategies and training programs for a diverse range of clients. The firm was originated in 1989 and has served over 150 clients in the private, public and non-profit sectors since that time.

Mr. Newton has a broad variety of corporate, administrative and consulting experience, including human resources management and compensation specialist positions with General Dynamics Corporation, Hay Management Consultants, California Institute of Technology and the Los Angeles Metropolitan Transportation Authority.

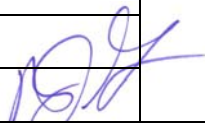
As a human resources consultant with about 30 years of experience in the field, Mr. Newton has worked with a diverse range of private and public sector clients. Examples of private sector clients include Behr Process Corporation, Kingston Technology, Epicor Corporation, Knott's Berry Farm, Kwikset Corporation, Matria Healthcare, McGaw, Inc., National Bank of Southern California, National Education Corporation, Princess Cruises, Ricoh Electronics, Inc., and ViewSonic Corporation.

Illustrations of public and non-profit sector clients include the Riverside County Transportation Commission, Transportation Corridor Agencies, County Sanitation Districts of Orange County, California State University at Fullerton, California Baptist University, Compton Community College, El Camino Community College, Cities of Anaheim, Corona, Encinitas, National City, Palo Alto, San Jose, and Vista as well as the California JPIA, Goodwill Industries of Orange County, North Orange County ROP, Orange County Head Start.

Mr. Newton holds a Master's degree with a specialization in management from the University of Southern California and a Bachelor's degree in the behavioral sciences from the University of California, Berkeley. He is a Certified Compensation Professional (CCP) as designated by the World At Work (formerly known as the American Compensation Association). He has been an instructor in Compensation Administration, Performance Appraisal and Human Resources Management classes at the U.C. Irvine and U.C. Riverside Extension Programs for over 20 years. He has also served as a guest lecturer in the human resources practices with the Employers Group, PIHRA, NHRA, SCPMA, School Personnel Commissioners, and various professional organizations.

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 2	<u>Title:</u> REVIEW AND UPDATE OF STRATEGIC PLAN
Meeting: 01/20/2009	
Agenda Bill #: 1052	
General Manager: 	

Recommended Action:

None

Item Explanation:

At its Strategic Planning session, held on September 15&16, 2008, the Board directed the Executive Committee to continue working on the Strategic Plan that had been developed. That work includes a revision of the organizational mission statement, the creation of a vision statement, and development of organizational goals and objectives.

Several committees were formed to address specific areas of concern. The committee chairs will be present to report on their progress.

Fiscal Impact:

None.

Exhibits:

- 1) Report from Risk Manager on Strategic Planning Session

Executive Committee Action:

To: Executive Committee
From: David Clovis
RE: Strategic Planning Update
Date: November 4, 2008

Pursuant to Board direction, the Executive Committee will continue working on the 2008 Strategic Plan at the November 4, 2008 Executive Committee Meeting. The Committee will review the CJPRMA Mission Statement, create a vision statement and prepare 08/09 organizational goals and objectives. The finished work of the committee will be presented to the Board of Directors in December for adoption. The itinerary for this work session will be as follows:

1. Review and modify the CJPRMA Mission Statement
2. Presentation by ad hoc committee chairpersons
3. Development of vision statement
4. Creation of organizational goals and objectives

Background material from the previous session has been attached to this memorandum for reference. It is recommended that you review the current Mission Statement prior to your arrival at the meeting.

Please let me know if you have any questions.



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

To: Board of Directors
Via: Robert German, General Manager
From: David Clovis
Re: Strategic Planning

California Joint Powers Risk Management Authority Strategic Planning 2008 kicked off in South Lake Tahoe on September 15 and 16 prior to CAJPA 2008. The Strategic Planning Session included several exercises focused on developing and identifying the key issues which weighed heaviest on our members. The brainstorming activities focused both on customer/client needs and the needs of CJPRMA as an organization. Complete lists of all items identified during this process were forwarded to all CJPRMA Board Members and Alternates via e-mail and have been attached to this memorandum.

Mission

“The California Joint Powers Risk Management Authority is a public agency pool dedicated to protecting its members from catastrophic losses by providing:

- comprehensive property and excess liability insurance
- financial stability
- quality risk management support”

Those in attendance reviewed the current mission statement of CJPRMA. The group recognized that the statement as written required an update to reflect the current practices of the organization. Comments were provided by the group that will be forwarded to the Executive Committee for revision. The Executive Committee will review the Mission Statement at its November Meeting and will forward a revised statement to the Board of Directors for their consideration.

Vision

“Vision without action is a daydream.
Action without vision is a nightmare.”

Goals and objectives are a critical measure in objectively evaluating the performance of an organization. It is also clear that without Vision, an organization will create goals and objectives without the benefit of a clearly defined roadmap to assist in the voyage. In an effort to define those items that should be used to create a vision for CJPRMA, the group participated in two exercises to define key issues for the organization. The group participated in a client/customer focus group discussion and a SWOT exercise.

Based upon the broad spectrum of interests developed during the two exercises, President Henderson recognized the need to appoint ad-hoc committees. Those committees are charged with exploring several key areas of concern. The ad-hoc committees are:

- Training/ Education, chair person Charlie Wilson
- Coverage, chairperson Darrell Handy
- Member Services, chairperson Jeff Tonks
- Marketing/Communication, chairperson Ron Blanquie

The chair person of each committee is charged with; a)evaluating the critical items presented by the group, b) identifying products and services that will respond to and satisfy the items articulated by the group and c) presentation of key items to the Executive Committee for finalization and presentation to the Board of Directors. The chairpersons of these committees will apprise the Board of Directors of the members of their committee members, scheduled meeting dates and the status of any projects currently underway.

The Executive Committee meeting scheduled for November 13th has been moved up to Wednesday, November 5th. The Executive Committee will focus on several key strategic issues at this meeting. They will review and finalize a recommended mission statement and develop a vision statement based upon the input received from the ad-hoc committees. They will also review the process for evaluating the General Manger and create a methodology for compensation. In addition, the Executive Committee will begin discussing a core set of organizational goals and objectives for the remainder of the Fiscal Year 2008/2009 and the development of long term goals for the Fiscal Years 2009, 2010, and 2011. The work of the Executive Committee will be presented to the Board of Directors for approval at the December 11, 2008 meeting.

The schedule of events is ambitious and will require an ongoing commitment from Board members and Staff. A Strategic Plan Update will be added as a standing agenda item for all future Board meetings. The Board will discuss and determine the need for ongoing strategic planning and define the frequency for reviewing the strategic plan once created.

The commitment to developing both an updated mission statement and a vision statement will define the organizational philosophy for the future growth and development of CJPRMA. Continued support and commitment to the process, by the Board, will significantly impact the ongoing success of the organization.



Strategic Planning Session

Monday Morning Customer Focus Session

CJPRMA customers/clients identified the following items as key areas of concern for their organizations.

- Training/Education
- Broad Protection – Fewer exclusions
- No low cost DIC
- Industry wide perspective
- Sharing of members P&P
- Leader in specific loss/risk mitigation
- Safety Services, DOT, etc.
- Growth vs. how much
- Risk Analysis of member agencies
- Protect individual member agencies against cherry picking
- Peace of Mind
- Coverage Option/Analysis of coverage
- Sound financial structure
- Training programs
 - Back to basics
 - Contract req. Matrix
 - Mentoring
- Assistance within organization
 - consolidation of success
 - coverage
 - education
 - model annual report
- Certificates of Coverage training/modification
- RMIS system available to Members
- Models of various programs (model policies)
 - Blood borne pathogens, etc.
- Cutting Edge JPA
- Fast timely communication (example, AIG notice)
- Risk Management Matrix
- Health Insurance Help
- Actuarial
- Model Policies
- Easy certificates of insurance program
- Insurance coverage:
 - crime policies
 - marine liability

- more competitive property policy
- more choices/variable limits
- tailored policies/programs
- Airport/Transit
- Environmental insurance
- Comprehensive Coverage
- Expansion of Coverage
- Smooth the costs
- Reasonable cost
- Long-term stability
- Feedback on how members are doing
- Timely response/timely agendaizing on items
- No surprises
- Good explanation of value
- Board representation expertise
- Networking mechanisms
- Security/confidentiality
- Info on types of claims during a bad economy
- Security of funds/investments
- Protection against raids against
- Ensuring that coverage/reserves are adequate
- Proactive
- Training/education (including conf.)
- Expansion to fill in member gaps

CJPRMA customers/clients identified 8 key critical problem areas for consideration:

- 1) training/education
- 2) Security of funds/investments
- 3) Expansion of coverage
- 4) Safety services. P.O.T., etc.
- 5) RIMIS system available to members
- 6) Be a cutting edge JPA
- 7) Risk Analysis of members
- 8) Model Policies



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

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SWOT Exercise 9/15/2008

The following items were identified as key issues and concerns based upon weighted voting by the attendees. These items will be considered by the four ad hoc Committees created by President Henderson.

Strengths

- 1) Financial /Reserves
- 2) Legal expertise
- 3) Claims handling
- 4) Late setting methodology, review of methodology and changes to adapt to needs of members
- 5) Commitment to the organization in a long-term way

Weaknesses

- 1) Lack of current member entity quality control
- 2) Lack of direction/disconnect between Board and CJPRMA management
- 3) Lack of Risk Management audits
- 4) Limited training opportunities
- 5) Lack of progressive thinking
- 6) Lack of thought and succinct analysis of agenda items
- 7) Untrained or inappropriate Board Members

Opportunities

- 1) Providing Risk Management expertise to new members (mentoring)
- 2) Expansion of coverages
- 3) Create fee for risk Management services
 - Training
 - Special projects
 - Program analysis
- 4) To help members find solutions for not having a Risk Manager
- 5) Participate more actively in legislation through other organizations we are in

Threats

- 1) Economic climate/political climate
 - Short term v long term thinking
 - Loss of risk management resources

- Investment
- Insurance Market
- 2) Devaluation of risk management function
 - not involved in enterprise Risk management
- 3) A whole lot of talk and not a lot of action
- 4) Pools not recognizing individual members' needs
- 5) Competition from other JPA's
- 6) Be proactive vs. reactive
- 7) Acts of nature