



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

January 21, 2010 - 10:00 A.M.

Lodi City Hall
221 W. Pine Street
Lodi, CA 95240

(209) 333-6800

AGENDA

I. CALL TO ORDER: 10:00 a.m.

II. ROLL CALL

III. APPROVAL OF MINUTES

- Minutes of the Executive Committee Meeting held on November 12, 2009

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. Status Update on General Manager's Goals & Objectives
2. Proposed Location for Annual Meeting
3. Succession Planning

VIII. CLOSED SESSION

- None

IX. ACTION ON CLOSED SESSION ITEMS

X. ADJOURNMENT



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

**November 12, 2009
10:05 a.m.**

**City of Chico
Council Chambers
Conference Room 1
421 Main Street
Chico, CA 95928**

(530) 879-7903

Minutes

I. CALL TO ORDER:

President Henderson called the meeting to order at 10:05 a.m.

II. ROLL CALL

PRESENT

- | | |
|-------------------------------------|---------------------------------------|
| 1) Jessica Henry, <i>Chico</i> | 5) Kathleen Williams, <i>Stockton</i> |
| 2) Bill Henderson, <i>Livermore</i> | 6) Harry Maurer, <i>Vallejo</i> |
| 3) Janet Hamilton, <i>Lodi</i> | 7) Jeff Tonks, <i>YCPARMIA</i> |
| 4) Chris Carmona, <i>Redding</i> | |

ABSENT

None

OTHERS PRESENT

- | | |
|--|--------------------------------|
| 8) Byrne Conley, <i>Gibbons & Conley</i> | 9) David Clovis, <i>CJPRMA</i> |
|--|--------------------------------|

Byrne Conley, Board Counsel requested that the committee add a closed session item to this agenda for discussion of Attari v. Alameda.

A motion by Director Maurer, seconded by Director Williams, to add Attari v. Alameda as a Closed Session Item to this Agenda, passed unanimously.

III. APPROVAL OF MINUTES

A motion by Director Henry, seconded by Director Carmona, to approve the minutes of the Executive Committee meeting held on September 8, 2009, 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

VII. ACTION CALENDAR

1. General Manager's Goals & Objectives

The General Manager's goals and objectives were presented to the Committee for review and modification by the Assistant General Manager/Risk Manager, David Clovis. The modified matrix is attached to these minutes. Director Maurer stated he wanted to insure that the goals listed were quantifiable and capable of being measured.

The committee reviewed each item individually, modified the wording of items and referred items to the ad-hoc Committees for further discussion and development. The modified goal matrix reflects all of the comments provided by the Committee. The Committee will review the goal matrix for adoption at the January Executive Committee Meeting.

2. Committee Appointments

President Henderson discussed the importance of the ad-hoc Committees in assisting staff with evaluating alternative programs for CJPRMA. The committee chairs discussed their plans for their first meetings. The Risk Management Committee will meet prior to the Board of Directors Meeting on December 10, 2009. The Education and Training Committee will conduct their first meeting telephonically on January 14, 2010. The Coverage & Claims Committee will be scheduling their first meeting in January 2010.

President Henderson requested that the Committees' first meeting focus on developing a mission statement, scheduling of meetings and identifying priorities of the Committee. The Committees will be provided with a copy of the General Manager's Goals and Objectives Matrix to review items that have been assigned to their Committee. The Committee Chairs will report on their progress at the Executive Committee Meeting on January 21, 2010.

3. Risk Management Issues

The group discussed the ongoing evolution of the MSA Reporting requirements and their impact on CJPRMA and its members. Based upon the diversity of CJPRMA members and the type and claims reported, it appears that the majority of members are receiving services from alternative providers for the purpose of Medicare Reporting. Members of the Committee commented on the diversity of services being provided by their TPA's and noted that if CJPRMA were to contract for this type of service, it would not be providing added value to the majority of members. CJPRMA will continue to update Committees on Medicare Reporting and will join the MARC Foundation to continue to monitor the evolving reporting requirements.

Board Counsel, Byrne Conley, provided the Committee with two handouts related to the deployment and use of Tasers. He stated that Taser International has modified their recommended policy regarding the altered target zone. In addition, the Committee was provided with a copy of the latest Lexipol, LLC recommendations for policy adoption. Board Counsel recommended that all members review their policies and training practices to insure they comply with practices recommended by Lexipol and Taser International. Additional material on the use of Tasers will be provided to the Board of Directors at the December Board Meeting.

4. Succession Planning

This item was deferred for discussion to the January 21, 2010 Executive Committee Meeting.

VIII. CLOSED SESSION

- 1. Government Code Section 54956.9 (a)**
Conference with Legal Counsel – Pending Litigation

Name of Case: Attari v. Alameda
Court: Alameda County Superior Court
Case No.: RG-06-296719

IX. ACTION ON CLOSED SESSION ITEMS

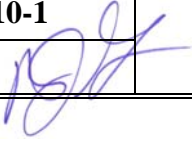
None

X. ADJOURNMENT

The meeting was adjourned at 2:37 p.m.

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 1	<u>Title:</u> STATUS UPDATE ON GENERAL MANAGER'S GOALS & OBJECTIVES
Meeting: 01/21/2010	
Agenda Bill #: EC 10-1	
General Manager: 	

Recommended Action:

None. This item is being provided for information purposes only.

Item Explanation:

Subsequent to completing the organizational goals and objectives under the strategic plan, the General Manager prepared his own goals and objectives, incorporating everything that the Board had approved.

At its meeting of June 18, 2009, the Board approved the General Manager's goals and objectives.

At its meeting of September 8, 2009, the Executive Committee approved the "weighting" of the goals and objectives for evaluation purposes.

At its meeting of October 15, 2009, the Board of Directors received and approved the final goals and objectives plan.

At its meeting of November 12, 2009, The Executive Committee reviewed and further modified the Goals and Objectives.

The General Manager will provide a status update on specific goals and objectives at the meeting.

Fiscal Impact:

None.

Exhibits:

- 1) General Manager's Goals & Objectives for 2009/2010

Executive Committee Action:



GENERAL MANAGER GOALS & OBJECTIVES FOR 2009-2010

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
1. Maintain financial strength and solvency. 50%	A. Maintain affordable premiums for members.	Reinsurance Liability premiums will be maintained at the current level through June 2011. Reinsurance Property premiums will be the same for two consecutive years through June 2011.	Completed for 2010.	The General Manager provided the Board with a two year fixed premium annual renewal for all commercial programs. The Board adopted the program at the 2009 Annual Meeting.
	B. Explore and evaluate enhanced services at affordable costs.	Refer to coverage committee to review alternative coverage programs for members.	April 2010	
	C. Monitor organizational spending for budget compliance.	Ongoing	April 30, 2010	
	D. Establish a vendor pool providing discounted services to members.	Work with committees in defining vendor needs for members.	February 2010	
	E. Compare programs and services provided by other organizations.	Ongoing. To be discussed with Risk Management Committee.	June 2010	
	F. Monitor, review and evaluate all claims.	Ongoing. Report to Claims and Coverage Committee.		
	G. Monitor the use of outside counsel services in order to ensure that they are cost effective and efficient.	Ongoing. To be discussed with Claims and Coverage Committee.		
	H. Negotiate settlements that minimize the financial impact on organizational resources.	Ongoing. To be discussed with Claims and Coverage Committee.		
	I. Develop annual budget for approval.	Budget to be prepared for adoption at the annual meeting.	April 2010	

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
2. Establish training programs for Board Members, staff and member entities. 10%	A. Identify essential core competencies for Board members and alternates.	Open, To be discussed with Education and Training Committee.		
	B. Develop a training curriculum focused on identified core competencies.	Open, To be discussed with Education and Training Committee.		
	C. Conduct New Board Member Orientation twice annually.	Schedule additional Board Member Orientations and consider a session at CAJPA.	December 3, 2009	Staff created a program for Board Member Orientation. First training of this fiscal year completed.
	D. Create a training program focused on frequency and severity of losses.	Open, To be discussed with Education and Training Committee.		Claims auditor to gather loss data during audit process.
	E. Implement a training program that optimizes member involvement and minimizes impact on member resources.	Open, To be discussed with Education and Training Committee.		
	F. Evaluate alternative methods for delivery of training programs.	Open, To be discussed with Education and Training Committee.		
	G. Create training program for professional development of staff.	Staff members attending CAJPA and PARMA Conferences. Additional programs being researched.	September 09 and February 10	Two staff members attended the 2009 CAJPA Conference. Three staff members to attend the 2010 PARMA Conference.

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
3. Create standards for member Risk Management programs. 15%	A. Develop minimum standards for member Risk Management programs.	To be discussed with Risk Management Committee.		
	B. Develop organizational standards (benchmarks) for comparing member programs.	To be discussed with Risk Management Committee.		
	C. Provide enhanced Risk Management services to members.	To be discussed with Risk Management Committee.		
	D. Create a member Risk Management audit policy and procedure.	To be discussed with Risk Management Committee.		
	E. Create a member Risk Management accreditation program.	To be discussed with Risk Management Committee.		
	F. Create model policies and procedures.	Ongoing		
	G. Establish minimum standards for best practices.	To be discussed with Risk Management Committee.		
	H. Provide enhanced communication to members including jury verdicts, legislative developments and other industry related developments.	Open		
	I. Provide enhanced briefings on closing cases.	To commence with December Board Meeting.	December 10, 2009	
	H. Establish a process for collecting member loss data.	Open. The CJPRMA Claims Auditor will be collecting loss data. The data will be transferred to CJPRMA for analysis.	April 2010	

	I. Analyze loss data for categorical frequency and severity.	Open	April 2010	
	J. Develop a comparative analysis for member to member experience.	Open	April 2010	

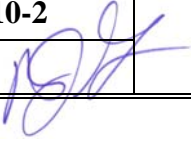
GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
<p>4. Improve the agenda process by creating policies and procedures for agenda preparation and distribution.</p> <p>10%</p>	<p>A. Create an agenda calendar which addresses dates for development and preparation of agendas. Agendas will be delivered via email one week prior to Board Meetings.</p>	<p>Completed December 10, 2009</p>	<p>December 10, 2009</p>	<p>A CJPRMA Annual Calendar was created and has been added as a standing agenda item. Completed December 10, 2009</p>
	<p>B. Increase the amount of background information provided in agenda bills.</p>	<p>Ongoing</p>		
	<p>C. Review preliminary agenda with the Board President at least 14 days prior to each meeting.</p>	<p>Commence in October 2009</p>		

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
5. Establish a permanent office site with meeting space. 5%	A. Award contracts for construction of improvements.	Complete		Contracts for Construction, furniture, cabling, exterior signage and audio visual have been executed.
	B. Purchase furniture and equipment for new facility.	Complete		A contract for new furniture for the facility has been executed. The equipment is currently on order with a delivery date in late January.
	C. Relocate staff and equipment to new facility.		February 2010	An RFP for mover services has been issued. Responses for the RFP were received on December 14, 2009.
	D. Sublease/terminate lease for existing office space.	Open until move completed.		Preliminary discussions with broker have started. The broker is in the process of creating advertising for existing space.
	E. Complete the new facility within allocated budget.	In progress.	February 2010	
	F. Schedule an Open House for new facility.		March 2010	
	G. Develop policy for use of the facility by members and outside parties.		March 2010	
	H. Provide periodic status updates to the Board and Executive Committee.	Ongoing		The General Manager will report the status of the new building at all Executive Committee Meetings and Board Meetings. The GM provided status reports in October and November.

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
<p>6. Conduct analysis to determine optimum organizational size and explore options for the provision of additional coverages, products and services.</p> <p>10%</p>	A. Conduct member survey to identify additional exposures.	Ongoing. To be discussed with Claims and Coverage Committee.	February 2010	
	B. Evaluate optional coverage programs for common member exposures.	Ongoing. To be discussed with Claims and Coverage Committee.	March 2010	
	C. Develop an enhanced special event program.	Complete. Continued development of the coverage to be discussed with Claims and Coverage Committee.	July 1, 2009	The Board adopted the special event program in June 2009.
	D. Conduct an actuarial analysis.	ARM Tech to review existing data to make recommendations for optimum size of organization based upon exposures.	April 2010	
	E. Create a marketing program based upon organizational needs.	Open		
	F. Identify potential new members, create a priority list, and market accordingly.	Open		
	G. Maintain an organizational size that provides optimal pricing and delivery of services.		April 2010	
	H. Develop marketing plan for members and non-members.	Open		

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 2	<u>Title:</u> PROPOSED LOCATION FOR ANNUAL MEETING
Meeting: 01/21/2010	
Agenda Bill #: EC 10-2	
General Manager: 	
<u>Recommended Action:</u> To be provided at the meeting.	
<u>Item Explanation:</u> At its meeting of December 10, 2009, the Board was provided with a status update on the tenant improvements for CJPRMA's new building. After receiving information on specific construction and timing issues, the Board decided that the annual meeting should be held at an alternate location. Staff was instructed to explore specified options and to present them to the Executive Committee, at its meeting on January 21, 2010, for its consideration and a final determination. A report on the most viable alternatives has been attached hereto as an exhibit. Staff will be conducting site inspections of specific facilities on January 15, 2010. Their final recommendation will be presented to the Executive Committee at the meeting.	
<u>Fiscal Impact:</u> To be determined.	
<u>Exhibits:</u> 1) Report on Costs for Holding the Annual Meeting at Six Alternative Sites	

Executive Committee Action:

Monterey Plaza Hotel and Spa

www.montereyplazahotel.com

400 Cannery Row
Monterey, CA 93940-1438



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$179 x 40 x 2 =	Waived* \$20 parking per car	Waived		
\$14,320	\$1,200	\$0	\$2,000	\$12,330

Total \$ 29,850

Seascape Resort

www.seascaperesort.com

One Seascape Resort Drive
Aptos, CA 95003



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$139 x 40 x 2 =	\$18 x 40 =	Included	Included	
\$11,120	\$720	\$0	\$0	\$13,920

Total \$ 25,760

Bodega Bay Lodge & Spa

<http://www.bodegabaylodge.com/>

103 Coast Highway One
Bodega Bay, CA 94923



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$169 x 40 x 2 =	N/A	Waived		
\$13,520		\$0	\$1,000	\$9,780

Total \$ 24,300

Hyatt Vineyard Creek Hotel & Spa
<http://vineyardcreek.hyatt.com/hyatt/hotels>

170 Railroad Street,
 Santa Rosa, California, USA 95401



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$129 x 40 x 2 =	N/A	Waived		
\$10,320		\$0	\$1,120	\$11,600

Total \$ 23,040

Wine and Roses
<http://www.winerose.com/>

2505 W Turner Rd.
 Lodi, CA 95242



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$129 x 40 x 2 =	N/A		Waived	
\$10,320		\$2,100	\$0	\$10,980

Total \$ 23,400

Hilton Sonoma Wine Country
http://www.winecountryhilton.com/hilton_sonoma_wine_country.html

3555 Round Barn Boulevard
 Santa Rosa, CA 95403



Room Rate	Resort Fee	Meeting Room	A/V	F & B
\$99 x 40 x 2 =	N/A	Included	Included	
\$7,920		\$0	\$0	\$11,460

Total \$19,380

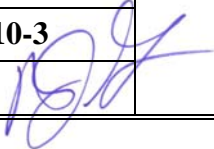
Location	Room Rate	Resort Fee	Meeting Room	A/V	Food & Beverage	Total
Monterey Plaza Hotel & Spa	14,320	1200		2000	12,330	29,850
Seascape Resort	11,120	720	0	0	13,920	25,760
Bodega Bay Lodge & Spa	13,520	0	0	1000	9,780	24,300
Hyatt Vineyard Creek Hotel & Spa	10,320	0	0	1,120	11,600	23,040
Wine and Roses	10,320	0	2100	0	10,980	23,400
Hilton Sonoma Wine Country	7,920	0	0	0	11,460	19,380

* Room rate based on 80 nights (40 people x 2 nights)

* F&B based on lunch and dinner Wednesday; breakfast, lunch, dinner and a break Thursday;
and breakfast and boxed lunch Friday

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 3	<u>Title:</u> SUCCESSION PLANNING
Meeting: 01/21/2010	
Agenda Bill #: EC 10-3	
General Manager:	

Recommended Action:

Approval of the proposed succession plan and a recommendation to the Board for its adoption.

Item Explanation:

This item was agendized at the request of Directors Janet Hamilton (Lodi) and Kathleen Williams (Stockton).

It was originally scheduled to be discussed at the Executive Committee meeting held on November 12, 2009, but was deferred to the January 21, 2010, meeting because of the absence of the General Manager.

In reviewing the organization's history, it should be noted that the General Manager was hired on March 2, 1992. During his tenure, CJPRMA's assets have increased from \$25 million to \$94.2 million. The average annual cost of providing coverage to the entire organization has been \$984,000 per year. This includes all claims costs and administrative expenses. In addition, over \$91 million has been returned to the members in the form of redistributions. That represents 44.7% of their initial contributions. Over \$90 million remains as equity within CJPRMA. The success has been substantial and is self-evident.

However, as with any organization, CJPRMA has evolved from one that was solely focused on litigation management to one that has expanded its focus to include a greater level of administrative services, expanded Risk Management services, and the provision of services that are more typically provided by a primary level JPA. These expanded services are largely the result of a recognized need to supplement services/programs that have been reduced or eliminated at the member level because of severe economic constraints.

In order to more specifically identify and address these issues, CJPRMA embarked on a journey to develop a long term Strategic Plan in 2008.

This plan is moving CJPRMA from its original creation as an excess liability JPA to more of a hybrid organization. This has been necessitated because of the need to expand services and directly supplement programs which have been reduced or eliminated.

This environmentally friendly, energy efficient model will take CJPRMA to new heights and

greater achievements in this decade.

As a result of this organizational evolution, three factors have emerged which indicate that the time is right for the development of a transition plan for CJPRMA's administrative future.

First, it is the General Manager's intention to retire on December 31, 2012, approximately three years from now.

Second, CJPRMA is preparing to move into a new, permanent facility in March/April of 2010 as a part of this new era.

Third, specific Board members have recognized the need to address this issue as a part of the long term planning process.

In an effort to assist with this process and provide a stable environment for the orderly transition to a new administration, the General Manager has developed a transition plan for the Executive Committee's consideration. The specifics are set forth below.

- 1) The General Manager and CJPRMA would mutually agree to terminate the General Manager's current employment contract on March 31, 2010.
- 2) The General Manger and CJPRMA would enter into a consulting agreement commencing on April 1, 2010 and terminating June 30, 2011, a period of 15 months.

The General Manager would become the litigation management consultant to CJPRMA. He would assume full responsibility for the management of the litigation program, just as he does now, but as a consultant rather than as an employee.

The contract would be guaranteed for 15 months at an hourly rate of \$140. However, the number of hours to be worked would be reduced to 24 per week unless otherwise needed. With reference to the guarantee, only the number of hours actually worked would be billed. This would amount to \$174,720 per annum. This would be a reduction of approximately \$10,000 per year from his current salary and benefit package. In addition, since these costs would be directly related to claims, they would be billed directly to the program years rather than as an administrative cost in the current operating budget. This is the same procedure used for Board Counsel on litigated matters.

- 3) Assistant General Manager, David Clovis, would be appointed as the interim General Manager for a period of six months or until such time as the organization determines who it will hire as a permanent administrator. His salary would be \$135,000 per year for the period of his appointment. That is the bottom of the approved range.

As interim General Manager, he would assume full responsibility for all administrative functions, including Risk Management, but exclusive of the day to day management of claims. The litigation management consultant would report directly to the interim general manager.

There are a number of benefits to the proposed plan.

- 1) It provides an extended period of time for the organization to select and appoint a new General Manager.
- 2) It provides for an orderly transition to a new administration.
- 3) It provides for the retention of organizational memory/history during the transition period by having the former General Manager available in a consulting, supportive role, as needed.
- 4) It reduces administrative costs in the operating budget by the amount of the Risk Manager's salary and benefit package (approximately \$150,000 per year).
- 5) It eliminates the controversy and financial exposure of the severance clause in the General Manager's current contract (approximately \$108,000).
- 6) It provides for an orderly transition to the new facility.
- 7) It enhances and improves the service level on the administrative side by removing the burden of litigation management.
- 8) It enhances and improves litigation management by having the consultant focus only on those issues.
- 9) It improves the level of service on litigation matters by providing time for the consultant to focus on transitioning from the old claims system to the new one, and by having the consultant focus on creating a litigation reference library for pleadings, and evaluations of both plaintiff and defense counsel.
- 10) It provides the organization with a stable interim administrator whose success in handling assigned areas of responsibility outside of Risk Management have provided him with the experience necessary for this position.

The General Manager recommends approval of the proposed transition plan and a recommendation from the Executive Committee to the Board of Director's for its adoption.

Fiscal Impact:

A reduction of approximately \$150,000 in the administrative budget.

Exhibits:

None.

Executive Committee Action: