



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

**July 16, 2009
9:30 A.M.**

**Livermore City Hall
1052 S. Livermore Avenue
Livermore, CA 94550**

(925) 960-4000

AGENDA

I. CALL TO ORDER: 9:30 A.M.

II. ROLL CALL

III. APPROVAL OF MINUTES

- Minutes of the Executive Committee Meeting held on April 23, 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. General Manger's Proposed Goals & Objectives
2. Risk Management Issues

VIII. CLOSED SESSION

- 1. Government Code Section 54957**
Public Employee Performance Evaluation

Title: General Manager

IX. ACTION ON CLOSED SESSION ITEMS

X. ADJOURNMENT



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

**April 23, 2009
9:30 A.M.**

**CJPRMA Office
2333 San Ramon Valley Blvd, Suite 250
San Ramon, CA 94583**

(925) 837-0667

Minutes

I. CALL TO ORDER:

President Henderson called the meeting to order at 9:40 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) Dixon Coulter, <i>NCCSIF</i> |
| 3) Bill Henderson, <i>Livermore</i> | 6) Chris Carmona, <i>Redding</i> |

ABSENT

Jeff Tonks, *YCPARMIA*

OTHERS PRESENT

- | | |
|--------------------------------|--|
| 7) Bob German, <i>CJPRMA</i> | 9) Charlie Wilson, <i>Roseville</i> |
| 8) David Clovis, <i>CJPRMA</i> | 10) Kathleen Williams, <i>Stockton</i> |

III. APPROVAL OF MINUTES

A motion by Director Henry, seconded by Director Carmona, to approve the minutes of the Executive Committee meeting held on January 20, 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

- No one addressed the Executive Committee

VII. ACTION CALENDAR

1. Status update on building acquisition

The General Manager stated that escrow had been opened on April 2, 2009. The final agreed upon purchase price was \$2,046,000.

He said that we were currently engaged in the due diligence period and had contracted with experts for inspections on structure review, soil, civil and property. He also said that we were in the process of finalizing our title objection letter and confirming the assignment of warranties.

He said that the tenant improvement plans were continuing to be modified and that the contracting of the work would follow the close of escrow.

The anticipated completion date of the project was September or October.

2. Proposed modification to job title of Risk Manager

The General Manager said that he was proposing a change to the job title of Risk Manger.

He said that David Clovis had been managing his risk management functions in an exemplary manner and that he had also taken on additional responsibilities, including special projects, such as the two year property appraisal program. In addition, he had absorbed functions relating to human resources and information systems.

The General Manger also pointed out that David acted as the General Manager in the General Manager's absence.

The General Manager stated that, for these reasons, he was recommending that the job title of the position of Risk Manager be changed to Assistant General Manager/Risk Manager.

He was also recommending changes to the job description.

However, he said that, due to the economic climate, he was not recommending an adjustment to either the current salary or the range, at this time.

A motion by Director Handy, seconded by Director Hamilton, to forward this matter to the full Board, along with a recommendation for approval, passed unanimously.

3. Proposed policy on vacation accrual

The General Manager explained that CJPRMA did not have a policy on vacation accrual.

He said that, in order to avoid having an extensive future financial obligation and to encourage employees to utilize vacation time, he was proposing the following policy:

- 1) Commencing on 07/01/2010, employees will be permitted to roll over a maximum of 320 hours of vacation into the next fiscal year.
- 2) Employees that have accrued vacation time in excess of the 320 hour cap will be offered the opportunity to schedule vacation leave in an amount that will bring them below the cap or to utilize the cash out option in order to bring them below the cap.
- 3) The cash out option provides that employees may cash out up to 50% of the amount of their accrued vacation leave, in excess of 80 hours, during the months of June and December each year.
- 4) Since this is a new policy, employees will be permitted to utilize it immediately in order to bring the amount of their accrued vacation leave into compliance by the 07/01/2010 implementation date for the rollover cap.

He said that adoption of the policy would encourage employees to schedule vacations on a regular basis and place a limitation on the future financial obligation of CJPRMA. In addition, the cash out option would provide additional flexibility to employees in the way in which they chose to manage their accrued vacation time.

He said that he thought that it was a policy that achieved its stated goal while being fair to all concerned.

After an extensive discussion, Director Coulter said that it was obvious that no consensus could be reached at the Executive Committee level and that it was an issue that would have to be decided by the Board.

The General Manager recommended that copies of vacation accrual policies be collected from all of the members and that, when completed, the matter be brought directly to the Board. The Executive Committee agreed.

4. Status update on Strategic Plan

David Clovis presented the summary of the input from all committees on the Strategic Plan.

In addition, he presented recommendations for modifying the Mission Statement.

After extensive an discussion, the Executive Committee recommended some minor modifications to the plan and directed staff to forward the completed plan to the full Board for its consideration.

VIII. CLOSED SESSION

- None

IX. ACTION ON CLOSED SESSION ITEMS

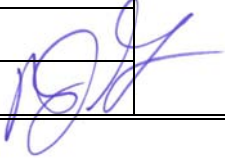
- None

X. ADJOURNMENT

President Henderson adjourned the meeting at 12:30 p.m.

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 1	<u>Title:</u> GENERAL MANAGERS PROPOSED GOALS & OBJECTIVES
Meeting: 07/16/2009	
Agenda Bill #: 1089	
General Manager: 	
<u>Recommended Action:</u> Approval of the General Manager's proposed Goals & Objectives.	
<u>Item Explanation:</u> At its meeting of May 6-8, 2009, the Board of Directors approved the organizational goals that had been developed for the Strategic Plan. A copy has been attached as an exhibit. At its meeting of June 18, 2009, the Board reviewed the proposed Goals and Objectives of the General Manager and was advised that they would be presented to the Executive Committee, at its July meeting, for further discussion. A copy has been attached as an exhibit. The purpose of this review is to finalize them and weight them in terms of priority.	
<u>Fiscal Impact:</u> Unknown	
<u>Exhibits:</u> 1) Strategic Plan, including goals, as approved by the Board 2) General Manager's Proposed Goals & Objectives	

Executive Committee Action:

California Joint Powers Risk Management Authority Strategic Plan 09-10

Priority	Long Range Goals	Initiatives to achieve goals	Fiscal Year	Assignment	Date completed
Strategic Direction					
High	Maintain an effective strategic plan	Review strategic plan annually, update as necessary and formally review at annual meeting.	Ongoing	BOD & GM	
		Provide status update of strategic initiatives at all board of director meetings	Ongoing	GM & Staff	
		Conduct strategic planning workshop annually	2009-2010	GM & Staff	
High	Evaluate the General Manager annually based upon goals and objectives.	Create an evaluation tool to be utilized by BOD and GM.	2008-2009	BOD & GM	
		Establish agreed upon goals and objectives for fiscal year.	2008-2009	BOD & GM	
		Identify and agree upon weighting of objectives.	2008-2009	BOD & GM	
		Create a process with timelines for the annual evaluation of the General Manager.	2008-2009	BOD & GM	
		Conduct an evaluation of the General Manager and review compensation based upon board adopted policy.	2009-2010	BOD & GM	

Internal Excellence					
High	Establish a governance approach which includes involvement of multiple board members.	Establish a policy for the creation of and performance guidelines for board committees.	2009-2010	BOD & GM	
		Identify core business areas that will be assigned to committees for oversight.			
High	Enhance the agenda deliverables to members.	Agenda review by President.	2009-2010	President/GM	
		Create a board agenda calendar including the dates for development and preparation of board agendas.	2009-2010	GM & Staff	
		Enhance the written materials included within the agenda packet and modify board agenda format.	2009-2010	GM & Staff	
Low	Review the continuing performance of the Insurance Broker.	Prepare and distribute an RFP for Broker of Record to qualified brokerage firms.	2010-2011	GM & Staff	
		Staff review of RFP submissions, including oral interviews, reference checks and program review.			
		Recommendation to Board of Directors for adoption at October Board Meeting.	2010-2011	GM & Staff	
		Award Broker of Record and begin marketing process for 2010-2011 program year.	2010-2011	BOD	
High	Establish a permanent office site with meeting space	Purchase a building for office space	2008-2009	BOD	
		Design the internal improvements	2008-2009	GM & Staff	
		Award contract and manage construction	2008-2009	GM & Staff	
		Purchase furniture and equipment for office space	2009-2010	GM & Staff	
		Relocation of staff and equipment to new facility	2009-2010	GM & Staff	
		Terminate existing facility lease	2009-2010	GM & Staff	
		Complete project within allocated budget	2009-2010	GM & Staff	
		Provide ongoing project status update to Board of Directors.	Duration of project	GM & Staff	
		Schedule grand opening celebration of new facility.	2009-2010	GM & Staff	
		Develop usage policy of facility for members and outside parties.	2009-2010	BOD & GM	

Marketing					
High	CJPRMA optimum membership	Determine optimal size parameters for the organization	2009-2010	GM & Staff	
		Perform actuarial review to determine minimum and maximum organizational limits	2009-2010	GM & Staff	
		Create a marketing program for new membership based upon identified needs of the organization.	2009-2010	GM & Staff	
		Establish a prioritized list of potential new members and market as necessary.	2009-2010	GM & Staff	
		Maintain the size of the organization that provides optimal pricing and delivery of service.	Ongoing	GM & Staff	

Core Services					
High	Policy creation and development	Develop model risk management policies for members	2009-2010	GM & Staff	
		Adopt risk management/best practice standards for membership	2009-2010	GM & Staff	
High	Affordable Premiums	Maintain affordable premiums for members	Ongoing	BOD & GM	
		Develop programs that enhance benefits to members	Ongoing	BOD & GM	
		Provide high level of service to members meeting their expectations	Ongoing	BOD & GM	
Medium	Auditing Standards	Develop a model for the performance of risk management audits for members	2009-2010	GM & Staff	
		Develop an organizational policy on the frequency of member audits	2009-2010	GM & Staff	
High	Products and Services	Develop optional individual services for members	2009-2010	GM & Staff	
		Create a CJPRMA approved vendor pool that provides discounted rates to members	2009-2010	GM & Staff	
High	Risk Management Information Services	Develop a standard on the reporting of loss information by member to CJPRMA	2009-2010	GM & Staff	
		Collect data from all members	2009-2010	GM & Staff	
		Create a reporting mechanism to deliver information to members	2009-2010	GM & Staff	
		Identify losses by frequency, severity and type.	2009-2010	GM & Staff	
		Create a member report card to effectively manage risks.	2009-2010	GM & Staff	
Low	Service enhancement deliverables	Service delivered based upon identified frequency and severity.	2009-2010	GM & Staff	
		Targeted service to members based upon individual loss history	2009-2010	GM & Staff	
Medium	Maintain data on offerings from comparable pools	Conduct ongoing assessment of programs offered by alternative JPA's and identify services to benefit membership.	Ongoing	GM & Staff	
Low	Explore expansion of claims audit to include evaluation of primary level work	Identify resources for claims audits and determine fiscal impact for expansion of services.	2009-2010	GM & Staff	
Med	Coverage audits for members	Audit of members insurance programs for adequa	2009-2010	GM & Staff	
High	Communication to membership	Provide ongoing information to members from Jury Verdicts, Appellate Cases and legislative developments	2009-2010	GM & Staff	
		Provide detailed case closure summary to BOD	2009-2010	GM & Staff	
High	Litigation Management Policy	Develop a litigation management policy	2009-2010	GM & Staff	

	Core Services Continued				
		Claims and litigation management support for membership.	2009-2010	GM & Staff	
Medium	Member Accreditation Standards	Create a system for accrediting the performance of members based upon sound risk management practices and performance.	2009-2010	GM & Staff	

Education and Training					
Medium	Identify training needs and delivery methods	Develop a curriculum of standard board member training topics	2009-2010	GM & Staff	
		Establish minimum risk management competencies for Board Members and alternates	2009-2010	GM & Staff	
		Evaluate alternative methodologies for the delivery of training to member agencies	2009-2010	GM & Staff	
		Implement a training plan that optimizes member involvement and minimizes impact on member resources	2009-2010	GM & Staff	
		Create a training plan that includes delivery focusing on frequency and severity of losses	2009-2010	GM & Staff	
Medium	Training and Education	Provide members with a detailed training plan based upon frequency and severity of losses.	2009-2010	GM & Staff	
		Collect loss data from membership and develop a trending analysis based upon frequency and severity.	2009-2010	GM & Staff	
		Develop loss data evaluation for each members based upon performance to entire membership.	2009-2010	GM & Staff	
		Conduct new Board Member/Alternate Board Member orientation training programs at least semi-annually.	2009-2010	GM & Staff	
Medium	Establish a RM value for members	Identify the key components of an effective risk management program	2010-2011	GM & Staff	
		Develop a standard for comparison of programs for each member	2009-2010	GM & Staff	
Medium	Define additional program deliverables.	Develop core programs to market to existing members and non-members.	2009-2010	GM & Staff	

Coverage Options					
High	Market the foundation programs for CJPRMA	Annually market the GL/Auto/D&C reinsurance product	Ongoing	GM & Staff	
		Market the property,APD, and B&M Products	Ongoing	GM & Staff	
		Market the Special Event Program and focus on the development of a blanket special event coverage.	2009-2010	GM & Staff	
		Conduct a member survey to identify all CJPRMA exposures.	2009-2010	GM & Staff	
High	Identify coverage options for members and explore alternative products and services	With assistance of broker, evaluate optional coverage programs that include multiple exposures to members.	2009-2010	GM & Staff	



GENERAL MANAGER GOALS & OBJECTIVES FOR 2009-2010

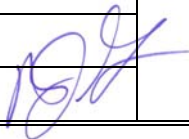
GOALS	ACTION STEPS
<p>1. Improve the agenda process by creating policies and procedures for agenda preparation and distribution.</p>	<ul style="list-style-type: none"> A. Create an agenda calendar which addresses dates for development and preparation of agendas. B. Increase the amount of background information provided in agenda bills. C. Review preliminary agenda with the Board President at least 14 days prior to each meeting.
<p>2. Establish a permanent office site with meeting space.</p>	<ul style="list-style-type: none"> A. Award contracts for construction of improvements. B. Purchase furniture and equipment for new facility. C. Relocate staff and equipment to new facility. D. Sublease/terminate lease for existing office space. E. Complete the new facility within allocated budget. F. Schedule an Open House for new facility. G. Develop policy for use of the facility by members and outside parties. H. Provide periodic status updates to the Board and Executive Committee.
<p>3. Conduct an organizational analysis to determine optimum membership size for CJPRMA.</p>	<ul style="list-style-type: none"> A. Conduct an actuarial analysis. B. Create a marketing program based upon organizational needs. C. Identify potential new members, create a priority list, and market accordingly. D. Maintain an organizational size that provides optimal pricing and delivery of services. E. Develop marketing plan for members and non-members.

<p>4. Create a training program that addresses member needs.</p>	<ul style="list-style-type: none"> A. Establish a process for collecting member loss data. B. Analyze loss data for categorical frequency and severity. C. Develop a comparative analysis for member to member experience. D. Create a training program focused on frequency and severity of losses. E. Implement a training program that optimizes member involvement and minimizes impact on member resources. F. Evaluate alternative methods for delivery of training programs.
<p>5. Create a training program for Board Members.</p>	<ul style="list-style-type: none"> A. Identify essential core competencies for Board members and alternates. B. Develop a training curriculum focused on identified core competencies. C. Conduct New Board Member Orientation twice annually.
<p>6. Create standards for member Risk Management programs.</p>	<ul style="list-style-type: none"> A. Develop minimum standards for member Risk Management programs. B. Develop organizational standards (benchmarks) for comparing member programs.
<p>7. Identify coverage options, alternative products and potential additional services.</p>	<ul style="list-style-type: none"> A. Conduct member survey to identify additional exposures. B. Evaluate optional coverage programs for common member exposures. C. Develop an enhanced special event program
<p>8. Define parameters of Risk Management program.</p>	<ul style="list-style-type: none"> A. Explore alternative Risk Management programs. B. Provide enhanced Risk Management services to members.

	<ul style="list-style-type: none"> C. Create a member Risk Management audit policy and procedure. D. Create a member Risk Management accreditation program. E. Create model policies and procedures. F. Establish minimum standards for best practices. G. Provide enhanced communication to members including jury verdicts, legislative developments and other industry related developments. H. Provide enhanced briefings on closing cases.
<p>9. Maintain financial strength and solvency.</p>	<ul style="list-style-type: none"> A. Maintain affordable premiums for members. B. Provide enhanced services at affordable costs. C. Monitor organizational spending for budget compliance. D. Establish a vendor pool providing discounted services to members. E. Develop a method for comparing programs and services provided by other organizations.
<p>10. Effectively manage litigated matters in order to minimize adverse financial impact on the organization.</p>	<ul style="list-style-type: none"> A. Monitor, review and evaluate all claims. B. Monitor the use of outside counsel services in order to ensure that they are cost effective and efficient. C. Negotiate settlements that minimize the financial impact on organizational resources.

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: 2	<u>Title:</u> RISK MANAGEMENT ISSUES
Meeting: 07/16/2009	
Agenda Bill #: 1090	
General Manager: 	

Recommended Action:

None

Item Explanation:

This item is reserved for the discussion of risk management issues that are of concern to the members and for the provision of status updates on the risk management program.

Issues that have been requested to be listed for discussion are set forth below.

- 1) Status update on new building (Bob German, *CJPRMA*)
- 2) Target Safety/CSRMA Online (David Clovis, *CJPRMA*)
- 3) Special Events Coverage (Bob German, *CJPRMA*)

Fiscal Impact:

None

Exhibits:

None

Executive Committee Action: