



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

March 16, 2000 – 9:30 A.M.

**Holiday Inn
1350 Holiday Lane
Fairfield, CA 94533**

(707) 422-4111

Minutes

I. CALL TO ORDER:

President Davis called the meeting to order at 9:40 a.m.

The General Manager requested that two items be added to the Closed Session. A motion by Director Koch, seconded by Director Kramer, to add Bray v. City of Redding and Melindes v. City of Stockton to the Closed Session, pursuant to Government Code Section 54956.9(a), passed unanimously.

II. ROLL CALL

PRESENT

- | | |
|-----------------------------------|--------------------------------------|
| 1) Bob Koch, <i>Chico</i> | 5) Bill Henderson, <i>Livermore</i> |
| 2) Jake O'Malley, <i>CCCMRMIA</i> | 6) Jeff Davis, <i>REMIF</i> |
| 3) Linzie Kramer, <i>CSJVRMA</i> | 7) Paul Wildermuth, <i>Vacaville</i> |
| 4) Robyn Kain, <i>Fairfield</i> | |

OTHERS PRESENT

- | | |
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| 1) Robert German, <i>CJPRMA</i> | 5) Carolyn Lyons, <i>Roseville</i> |
| 2) Caren White, <i>CJPRMA</i> | 6) Mary Richardson, <i>San Leandro</i> |
| 3) Patricia Born, <i>Fremont</i> | 7) George Bist, <i>Stockton</i> |
| 4) Byrne Conley, <i>Gibbons & Conley</i> | |

III. APPROVAL OF MINUTES

- Minutes of the Executive Committee Meeting held on January 20, 2000.

A motion by Director Henderson, seconded by Vice President O'Malley, to approve the minutes of the January 20, 2000 meeting, 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

- Report From Personnel Committee

President Davis said that the Personnel Committee had met on March 7, 2000, and that Director Koch would discuss the meeting.

Director Koch said that he would be talking about items A-F on the memo he had handed out. He said that the Personnel Committee had started out talking about the Goals and Objectives of the General Manager and that their discussion at the March 7 meeting had also focused on the recruitment procedure for the vacant Accountant position. He said that the committee discussed possible changing the job description. He said that the Personnel Committee didn't have a recommendation regarding changing the accountant position or salary, but that the Executive Committee could discuss those items. He said that the Executive Committee could allocate funds for outside recruitment services if they decided they were necessary and that they could discuss adjusting the salary as well. He said that he Personnel Committee recommended allocating up to \$15,000 for recruitment services. He said that there had been a lot of effort put into recruiting, but that the response had not been good.

The General Manager said that they had received six applications and that with one exception, none warranted interviews. He said that the salary level was an issue and that possibly the position needed to be reclassified as a Senior Accountant. He said that Director Bist had provided job descriptions and salary information for the various accountant positions at the City of Stockton. He said that the current salary range for the vacant position was \$37,000-46,000, which was near the low end when compared with the City of Stockton.

Director Koch said that Director Kain was providing a salary survey. He said that there was also another way to approach the position. He said that he had talked to the Board Treasurer, David Millican, and that he had said that the accountant position could be reclassified and outsourced. He said that Mr. Millican had said that a clerk or bookkeeper with contract analysis background could probably do the job. He said that perhaps they were looking at it as too high a position. He said that the Personnel Committee did not have a recommendation other than to reevaluate the position before spending any more money on recruiting.

The General Manager said that he had had some concerns about the position and that he had discussed it with Ann Adams, who was doing the interim work. He said that he had been concerned about whether it was a full-time position, whether the work was challenging and whether the job description was accurate. He said that Ms. Adams had said that it was definitely a full time position if it included everything listed in the job description. The General Manager said that it was definitely a full time position if it included managing the Property and APD programs. He said that Ms. Adams had said that what differentiated it from a bookkeeper or clerk position was that it required analysis, initiative, creativity and problem-solving skills.

Board Counsel asked if the job required a CPA because that was included in the job description. The General Manager said that it didn't. Director Lyons said that that requirement should be removed from the job description.

Director Kain said that she had spoken with Scott Maze and that he had said that there was a lot of full-time work during the audit. She said that he initially thought that the job couldn't be contracted out but that it was possible to contract out some of the auditing or accounting aspects, such as the member reconciliations, investment tracking and cash receipts, disbursements and general ledger. She said that he said that that was just one part of the job and that there was also the daily work of check-writing, payroll, member billing and balancing the checking accounts. She said that maybe someone else in the organization could do the daily work. She said that he also contacted Cindy, the woman who had covered for Elena Chin during her maternity leave. She said that her thought was that the work could not be contracted out because there was so much daily reconciliation of data. She said that Mr. Maze had said that it was a position that required a high level of skill. She said that, based on what Mr. Maze had

described as the integral aspects of the job, that there should be someone in the position on a regular basis. She said that, prior to having an accountant position, the member accounts were in disarray because the work was contracted out and that there was a risk to contracting out the work again. She said that it was important to have an accountant in the office and that there would be an expense to doing that. She said that the salary range was under-market and that that was probably why there were so few applicants.

President Davis said that when he talked to Scott Maze, Mr. Maze had had a different opinion. He said that Mr. Maze had said that the position should be staffed in-house to avoid the problems that had occurred in the past. He said that contract accountants do work on their own time and that that can be a problem. He said that they had looked at the time frames and that there were tasks being done by the General Manager and the Administrative Analyst that could be included in the accountant functions to broaden it into a more full time job. He said that Dave Millican had never said anything to him about the Accountant being under-utilized. He said that he felt that the accountant should remain in-house. He said that he didn't know of any organization with that much money that would contract out their financial process. He said that he would like to see the position filled by someone who was more of a generalist with an accounting background and the flexibility to do other things such as manage the Property and APD programs.

Board Counsel asked what level of accountant CSJVRMA and CCCMRMIA utilized.

Vice President O'Malley said that his accountant was not a CPA or a Finance Director, but something like a level 2 accountant. He said that it was not an entry-level position and that four years experience was not too much to ask, especially because of the Equity Account Balances. He said that maybe report running could be simplified in order to free up some more time for the accountant.

President Davis said that if they had a generalist with an accounting background, he or she would have a different view of reports. He said that accountants tend to focus solely on the numbers. He said that if the reports were only run quarterly, it would free up more time.

Vice President O'Malley said that the reports were difficult to understand and that, on occasion, his accountant had trouble interpreting them.

The General Manager said that he had discussed with the Administrative Analyst and with Ms. Adams the fact that the accounting and database systems seemed to be too complex for what they were being used for. He said that the office was looking at simplifying things so that problems would be less likely to occur.

Vice President O'Malley said that he thought that that would free up some of the accountant's time.

Director Kramer said that he was receiving three times the necessary financial reports from CJPRMA and that his accountant had said that many of the reports could be produced quarterly, instead of monthly. He said that his organization employed three CPAs and an accounting staff of 4.5 full time employees. He said that an administrative assistant and an accountant worked as a team on the APD and Property programs.

Director Henderson said that he thought that the Personnel Committee was suggesting that the job description, including the responsibilities and salary, be revised and then sent to a recruiting firm. He asked if Ms. Adams was enough help or if it was necessary to hire someone from a temporary agency.

The General Manager said that Ms. Adams was providing sufficient help, especially since she was familiar with the organization. He also said that reports used to be produced quarterly until there were problems and the Board requested them on a monthly basis. He said that he would have the new accountant produce the reports quarterly, but that there would still be the same amount of work to close out the month.

President Davis said that his organization had a finance director who handled claims and health care in-house. He said that his finance director was a CPA and was always very busy. He said that, at his previous JPA, an accountant without a CPA was more than sufficient to get the job done. He said that the skill level required really depended on the process.

Vice President O'Malley said that the treasurer's report, in combination with the Equity Account Balance report, was what created the excess of reports each month.

Director Born asked what had been done so far to recruit a new accountant.

The General Manager said that extensive advertising had been done. The Administrative Analyst said that the advertisement had run in the San Jose *Mercury News* as well as the five Contra Costa County newspapers for four Sundays and for four weeks on the San Jose *Mercury News* classified web site. She said that the ad had also run in *Jobs Available*. The General Manager said that Accountants on Call was contacted and that their fee for recruitment was one-third of the annual salary if an individual was hired through their firm. He said that AOC had said that the salary range didn't seem to be appropriate for the job description and that that could be problematic in filling the position with a qualified candidate.

Director Kramer said that his organization recruited both through the newspaper and through temporary agencies. He said that hiring a temporary employee was a good way to evaluate a new employee while saving money.

Director Koch asked if CJPRMA's recruiting procedures allowed for that. The General Manager said that there were no rules regarding hiring temporary employees.

Director Kain asked the General Manager if he felt a recruitment would be necessary if the salary was increased. The General Manager said that if the salary range was increased, that a better caliber of candidate would respond to the ad. Director Kain said that she didn't think that a recruiter was necessary.

President Davis said that the Executive Committee could give the General Manager the authority to hire a recruiter if necessary after one or two months of advertising. The General Manager said that if the salary were increased, he would only go to a recruiter if one month of advertising was unsuccessful.

Director Born asked what was being thought of in terms of increasing the salary. She said that maybe all that was needed was to change the job description to be more of a generalist with an accounting background.

President Davis said that he thought that the Personnel Committee needed to meet again to revise the job description and create a salary range suitable for it.

Director Kain said that she wanted to change the salary at this meeting and not wait for another Personnel Committee meeting. She said that they could take action to fix a top-end salary and let the Personnel Committee create the range based on that.

Director Kramer asked what Director Kain would suggest as a not-to-exceed figure, based on her salary survey.

Director Kain said that she had looked at salaries in the recruitment area and had come up with a median annual income of \$53,400. She said that the salary for the accountant position might need to be \$55,000. She asked the General Manager if the current medical benefit allowance of \$500 per month was still working because it seemed low in comparison with other cities. He said that it was all right.

Vice President O'Malley said that \$55,000 was an increase of about \$10,000 annually.

Board Counsel pointed out that they were making the upper end of the salary range the same as the median from Director Kain's survey.

Director Bist said that he didn't understand how they could set a salary if they didn't understand what the job was.

The General Manager said that he was concerned about how changing the job description would affect those who had already applied. He said that if they changed the job description then they could be sending out potentially misleading information. He said that if they maintained the job description and raised the salary range to \$55,000, which was the median from Director Kain's survey, it might work better.

Director Kain said that what they were doing was taking the salary up to \$55,000 and that the Personnel Committee would have to meet to adjust the job description and then set the salary accordingly.

Director Koch said that the only part of the job description that could be amended by the Executive Committee was the CPA requirement.

Director Kain said that she didn't think that a CPA was necessary. The General Manager said that it could be deleted.

Vice President O'Malley said that they could also include some of the General Manager's functions and the Administrative Analyst's tasks in the accountant's job description. The General Manager said that it already included "other duties as assigned." Director Koch said that the Personnel Committee could do that.

Vice President O'Malley asked Director Kain how her survey was done. Director Kain said that the City of Fairfield's Senior HR Analyst had completed the survey. She said that it showed the top end salaries and that an Accountant II, in Fairfield, required a BA degree and two years experience with no CPA requirement.

Vice President O'Malley said that they should consider that the people in the survey probably worked with other accountants, both above and below them. He said that the person they hired would have very little oversight and would need to be a self-starter and an independent thinker.

The General Manager asked if the title of the position should be changed, particularly for the advertising.

Vice President O'Malley asked Director Kain what the position above Accountant II was in her city. Director Kain said that it was an Accounting Manager. Vice President O'Malley asked what the salary difference was because he thought that the position was something between an Accountant II and an Accounting Supervisor, such as a Senior Accountant. He said that he had a salary survey of other JPAs, from PARSAC, and that top end salaries for some other organizations were:

ABAG	\$73,500
CalJPIA	\$61,688
CJPRMA	\$45,683
CCCMRMIA	\$52,668
REMIF	\$66,168
Schools Insurance Authority	\$59,781
PARSAC	\$59,874

He said that he didn't have the job descriptions, and that some of the pools were larger or smaller. He said that CCCMRMIA had done a very comprehensive salary survey a year and a half ago and had increased their accountants' salaries based on that, but that it seemed that they may be lagging behind again. He said that \$55,000 seemed competitive, but that he wasn't sure if that should be the top of the range, and that they may want to go even higher to be competitive. He said that it would depend on the amount of responsibility the position had and that it was more than just an accountant was.

Director Henderson suggested that they let the Personnel Committee decide whether \$55,000 should be the top, bottom or middle of the salary range.

President Davis said that it was a number that they could start with and then come back to the General Manager in three months and give him authority to say that \$55,000 is the bottom or the top and move from there.

Director Kramer said that they could use the \$55,000 figure for recruiting purposes.

Board Counsel said that, three months from now, the position should have already been filled for 2 ½ months. He said that they needed to make a decision that day so that they could hire someone as soon as possible.

Director Kramer asked how they could decide what the salary would be if they hadn't decided what the job description would be. He said that he thought that they were trying to accommodate the Personnel Committee by giving them authority to increase the salary without having to come back to the Executive Committee later for approval. He said that if they were concerned that \$55,000 was too low that they could increase it to \$60,000. He said that it seemed to him that \$55,000 was an adequate amount to hire someone who would have the necessary skills.

Director Kain said that it sounded to her like the key components of the job were the accounting skills and knowledge, and that they could add other duties or change the title, but what they were really hiring for was the technical accounting skills. She said that they needed to compensate for that.

President Davis said that they didn't need the CPA requirement but that they did need the experience.

Director Kain said that she thought that four years experience was about right, and that they needed someone who knew what they were doing. She said that even if they added some general duties, she didn't think that it diminished what they would have to pay for the technical skills.

Vice President O'Malley said that when they benchmarked against other cities or governmental agencies that, unlike JPAs, they were on a cash basis. He said that they were recruiting from the private sector because the organization's accounting was on an accrual basis. He asked if that had been emphasized in the recruitment or job description because it was important. He said that if that were emphasized, it would expand the pool of qualified candidates.

Director Kramer said that salaries in the private sector would not be as high as those in the public sector.

Director Henderson asked Vice President O'Malley if someone from an accounting department handling an enterprise account or profit making account would have the same sort of accrual understanding. Vice President O'Malley said that he didn't know. President Davis said that they may have a little understanding but not enough to handle the organization's accounts. Vice President O'Malley said that the organization was accruing equity and premiums and that someone without accrual knowledge could not do the job.

Director Henderson asked if the direction of the motion was to come back to the April meeting or if the Personnel Committee needed to meet again before that.

President Davis said that the Executive Committee would give direction to Director Koch so that the Personnel Committee could move forward.

Director Koch asked if the Personnel Committee could make the changes without meeting. President Davis said that they could teleconference.

A motion by Director Henderson, seconded by Director Kramer, to establish a salary range not to exceed \$55,000, amend the job description, and give the General Manager authority to spend up to \$15,000 for recruiting, if necessary, passed unanimously.

Director Koch said that some other ideas had come out of the review of the General Manager's Goals & Objectives process. He said that item C of his memo suggested that the committee adopt a new evaluation form in order to get a more comprehensive evaluation of the General Manager. He said that he was suggesting something similar to the one used by the Central Coast Cities Self

Insurance Fund. He said that they were looking for a form that would make it easy for member entities to complete the evaluation. He said that they were also suggesting that each member of the Personnel Committee be assigned member entities to ensure that the evaluations were completed in a timely fashion. He said that, in the past, they had received incomplete forms or no forms at all from some members, and that that had made it difficult to complete the evaluation. He said that he was recommending that the Personnel Committee be allowed to create and adopt a new evaluation form to facilitate the evaluation process. He said that they were also requesting that the General Manager's annual review be postponed until June, even though it was required, by contract, to be done in April. He said that the General Manager was agreeable to that, but that he was also asking for approval from the Executive Committee.

Vice President O'Malley said that the evaluation form was good idea. He said that his organization used a similar method and had had a very good response the last time because the Administrative Assistant had called each member to remind them to return the forms. He said that he endorsed the idea.

Director Kramer said that his organization also used an evaluation form and that he would share it with Personnel Committee. He said that they usually had a good response to it.

Director Kain asked that anyone using an evaluation form send her a copy.

A motion by Vice President O'Malley, seconded by Director Henderson, to postpone the General Manager's annual review until June, was approved unanimously.

Director Koch said that the Personnel Committee had reported to the Board at the January 20th meeting and had listed a number of items to be discussed at the April meeting. Among them were General Manager issues and the need to improve communications between the Board and the General Manager. He said that Item F, of his memo, asked for approval for the items on Page 2 to be sent to the Board for discussion in April. He said that these items included project status reports, the establishment of a master calendar and reports to the Board regarding the General Manager's participation in conferences and professional organizations. He said that it all related to the issue of communication between the Board and the General Manager. He said that these items would contribute to a better working relationship with the General Manager. He said that he was asking for the Executive Committee's concurrence to send these items to the Board for approval.

Director Koch said that Item E, on the first page of his memo, discussed the role of the General Manager. He said that in his previous memo, there was a list of all the hours the General Manager used for projects, work, time off, etc. and that it amounted to more hours than were actually available each year. He said that they

needed to figure out what aspects of that list were truly important and what the General Manager's role should be. He said that this was where the issue of General Manager vs. Claims Manager had come up because the General Manager was spending a significant amount of time on claims handling. He said that the Board needed to discuss what they wanted. He said that they had talked about model policies, member entity visits and a number of other things. He said that some things could be transferred to the Administrative Analyst or some things could be dropped altogether. He said that they needed to discuss whether they wanted the Board and General Manager to be more active with the member entities. He said that this had been an ongoing issue and that decisions needed to be made. He said that there was a lot that needed to be discussed by the Board in order to determine where the JPA was headed and what they wanted the General Manager to be doing.

President Davis said that Director Koch had put forth two things. He said that the first thing was the first four items on page 2 of the memo, and that that could be approved by the Executive Committee because they did not affect the role of the General Manager. He said that there were things that should be done. He said that the second thing was the last two items on the second page of the memo, and that they would have to wait until the April Board meeting because the Board would have to decide what they wanted the JPA to be and do.

A motion by Director Henderson, seconded by Vice President O'Malley, to go forward with items A, B, C and D on the second page of Director Koch's memo, dated March 15, 2000, was approved unanimously.

President Davis said that items E and F on page two of Director Koch's memo would have to wait until the April meeting.

Director Bist asked if the suggestion in item E was that the General Manager take a more proactive role. President Davis said that that was something the Board would have to decide in April.

President Davis said that the General Manager was sending out a list of items to be discussed at the April meeting for members to review and make additions to.

The General Manager said that he needed to know what they wanted to discuss with the facilitator at the April meeting. He said that they should expect a full two days at the retreat. He said that the first day would be facilitation and that the second day would be the Board meeting. He said that the facilitator would be Marilyn Snider.

Director Kramer said that he wanted to thank the Personnel Committee for all the time they put in on these matters.

A motion by Director Henderson, seconded by President Davis, to accept the Personnel Committee report passed unanimously.

Board Counsel asked if the Personnel Committee was going to meet to talk about the accountant position. He said that he had hoped that the Executive Committee would have gone through the job description and finished revising it, but that if the Personnel Committee was going to do it, it should be done within a week. He said that it was holding up the recruiting process. He said that it wasn't going to be a major rewrite and that there were only minor changes.

President Davis said that he didn't think that the Personnel Committee could meet that quickly.

Board Counsel said that he was hoping that they could make the changes immediately in order to speed up the recruiting process.

Director Kain said that she wanted to get a list of all the job duties, for the accountant position, from the General Manager.

Board Counsel said that they had the job description and that they could do it right then.

Vice President O'Malley said that the Personnel Committee should make the changes on their own time. He suggested that they teleconference.

President Davis said that the General Manager had indicated that he could wait a few more weeks to fill the position. The General Manager said that he would wait to do more recruiting until the job description was revised.

Vice President O'Malley said that the General Manager didn't have to wait to start recruiting.

Board Counsel said that if the Personnel Committee was going to meet as a committee to change the job description, that they needed to have a formal meeting unless they wanted to give the General Manager authority to change the job description on his own.

Director Kramer suggested that copies of the job description be given to the members of the Personnel Committee and then have an agendaized teleconference to make the changes.

Board Counsel said that that was a good idea because they had done a lot of work already and the job description was the only thing holding them up. He said that what struck him was that the job description required application of complex federal regulations and other things that weren't really a part of the job.

Director Koch asked the General Manager to go through the job description and line out the things that weren't necessary and add the things that should be included.

Director Henderson asked if it was possible to identify the time values for the tasks on the job description, similar to what had been done with the General Manager's job duties.

The General Manager said that that was not possible because the accountant was already gone and it would be pure speculation.

Director Koch said that what the committee needed to do was to look at what they had, decide what they wanted to change and decide on how much experience and training would be necessary. He said that the job description could be changed any time as long as they didn't exceed the training requirements. He said that they could remove the CPA requirement and recruit from that. He said that they weren't going to change the job duties significantly at this time.

Director Koch asked if the position conducted fiscal analysis and prepared financial statements. The General Manager said that it did. Director Koch asked if the position audited the Workers' Compensation payroll reports. The General Manager said that that was a carryover from when the organization offered Workers' Compensation coverage and that auditing for liability premium calculation was not done.

Director Koch said that the quality and level of work required would be the same even with minor changes to the job description.

The General Manager said that this job description had been designed to be comprehensive.

Board Counsel said that it seemed to him that the qualifications were overstated but that the essential job duties seemed accurate.

President Davis asked the General Manager to make the changes he knew of and to fax it to the Personnel Committee members. He said that the Personnel Committee would work on it and get it back to the General Manager by the following Monday afternoon.

There was discussion of pending legislation regarding FEMA. A presentation will be made at the April meeting by the broker.

There was a short discussion of pending legislation regarding Workers' Compensation Reform.

VIII. CLOSED SESSION

1. Government Code Section 54956.9(a)

Conference with Legal Counsel – Pending Litigation

Name of Case: Bray v. City of Redding

Court: United States District Court, Eastern District of California

Case No.: CIV S-98-0509 PAN

2. Government Code Section 54956.9(a)

Conference with Legal Counsel – Pending Litigation

Name of Case: Melindes v. City of Stockton

Court: San Joaquin County Superior Court

Case No.: CV 003055

IX. ACTION ON CLOSED SESSION ITEMS

- None

X. ADJOURNMENT

A motion by Director Kramer, seconded by Director Koch, to adjourn at 11:40 a.m., passed unanimously.