



**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS MEETING**

**October 11, 2007 – 9:30 A.M.**

**Concord Hilton  
1970 Diamond Blvd.  
Concord, CA 94520**

**(925) 827-2000**

**Minutes**

**I. CALL TO ORDER:**

Director Henderson called the meeting to order at 9:31 a.m.

**II. ROLL CALL**

***PRESENT***

- |                                     |                                      |
|-------------------------------------|--------------------------------------|
| 1) Darrell Handy, <i>Alameda</i>    | 10) Jeff Davis, <i>REMIF</i>         |
| 2) Jessica Henry, <i>Chico</i>      | 11) Charlie Wilson, <i>Roseville</i> |
| 3) Robyn Kain, <i>Fairfield</i>     | 12) Jesse Baloca, <i>San Leandro</i> |
| 4) Steve Schwarz, <i>Fremont</i>    | 13) Gus Guinan, <i>San Rafael</i>    |
| 5) Bill Henderson, <i>Livermore</i> | 14) Roger Carroll, <i>SCORE</i>      |
| 6) Janet Hamilton, <i>Lodi</i>      | 15) Steven Somsen, <i>Stockton</i>   |
| 7) Dixon Coulter, <i>NCCSIF</i>     | 16) Rebecca Moon, <i>Sunnyvale</i>   |
| 8) Jerry Gebhardt, <i>Petaluma</i>  | 17) Rob Stout, <i>Vallejo</i>        |
| 9) Chris Carmona, <i>Redding</i>    | 18) Jeff Tonks, <i>YCPARMIA</i>      |

***ABSENT***

*PERMA, Pomona, Santa Rosa, Vacaville*

***OTHERS PRESENT***

- |  |  |
|--|--|
| 1) Susan Adams, <i>Alliant Insurance Services</i>  | 6) Caren Frykland, <i>CJPRMA</i>             |
| 2) Mujtaba Dato, <i>ARM Tech</i>                   | 7) Robert German, <i>CJPRMA</i>              |
| 3) Marty Cassell, <i>Chandler Asset Management</i> | 8) Byrne Conley, <i>Gibbons &amp; Conley</i> |
| 4) David Clovis, <i>CJPRMA</i>                     | 9) Janice Magdich, <i>Lodi</i>               |
| 5) Lola Deem, <i>CJPRMA</i>                        | 10) Brian Cooney, <i>Marsh</i>               |
|  | 11) Jim Pinckney, <i>Marsh</i>               |
|  | 12) Amy Meyer, <i>Maze &amp; Associates</i>  |

### **III. APPROVAL OF MINUTES**

A motion by Director Kain, seconded by Director Davis, to approve the minutes of the Board of Director's meeting held on June 21, 2007, passed unanimously.

### **IV. PRESENTATIONS**

None.

### **V. CONSENT CALENDAR**

- 1. Financial Reports of CJPRMA for the periods ending May 31 and June 30, 2007**
- 2. Additional Covered Party Certificates Approved by the General Manager**
- 3. Notification of New Claims Received**
- 4. Notification of Claims Closed**
- 5. Appointment of New Board Members/Alternates**
- 6. Proposed Meeting Calendar for 2008**
- 7. Proposed Holiday Calendar for 2008**

A motion by Director Handy, seconded by Director Carroll, to approve the consent calendar, passed unanimously.

### **VI. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS**

### **VII. ACTION CALENDAR**

- 8. Report from Investment Manager and Annual Approval of Investment Policy**

Marty Cassell, of Chandler Asset Management, was present to discuss the CJPRMA investment portfolio and investment strategy. He also commented on specific economic factors that have had a direct impact on the rates of return.

A motion by Director Carroll, seconded by Director Stout, to approve the CJPRMA Investment Policy, passed unanimously.

**9. 2007 Financial Audit**

The 2007 Financial Audit was conducted by Maze & Associates. Ms. Amy Meyer was present to discuss the results of the audit. She said that it was an unqualified report and that no recommendations were made.

A motion by Director Hamilton, seconded by Director Stout, to approve the 2007 Financial Audit, passed unanimously.

**10. 2007 Actuarial Study**

ARM Tech conducted the 2007 Actuarial Study. Mr. Mujtaba Datoos was present to discuss the results of the study, including the proposed rates for 2008/2009 and a redistribution plan.

Mr. Datoos gave a thorough explanation of the methodology used to complete the actuarial study and determine the proposed rates for the coming year.

A motion by Director Tonks, seconded by Director Somsen, to approve (1) the 2007 actuarial study, (2) the proposed rates for 2008/2009, and (3) the proposed redistribution of approximately \$5.4 million, passed unanimously.

The General Manager advised the Board that the redistribution would take place in December after the Board had a chance to consider any proposed premium stabilization plan.

**11. Proposed Policy on Notice of Withdrawal from Pooled Coverage Programs**

The General Manager said that the JPA Agreement contained a notice requirement for withdrawal from the liability program, and allowed the Board to create a notice requirement for withdrawal from the other programs but that, currently, there was no notice requirement for withdrawal from the other pooled coverage programs. He said that he was recommending that the Board set a policy requiring 180 days notice for withdrawal from all pooled coverage programs. He said that such a policy would insure that the data utilized for the marketing and renewal of those programs remained stable.

Director Wilson asked if there was a provision for allowing a member to rescind their notice of withdrawal. The General Manager said that there had never been a policy on rescission. He said that members had given conditional notice of withdrawal and that the Board had considered and allowed that on a case by case basis. He said that the problem with that was that it could have a negative impact on rates. Board Counsel said that there was no provision for conditional withdrawal, but that the Board

could readmit a member with a 2/3 affirmative vote.

Director Kain said that she would suggest members be required to provide conditional notice 6 months prior and final notice 3 months prior to the end of the program year.

Mr. Pinckney, of Marsh, said that in order to have bindable quotes in time for the April meeting, they needed to market in January, and required stable data in order for that to happen.

A motion by Director Somsen, seconded by Director Guinan, to approve the proposed policy requiring notice for withdrawal from all pooled coverage programs other than the liability program be submitted by December 31, passed unanimously.

The General Manager said that Staff would send out a notice in November to remind the Board they had until December 31 to make changes to their SIR.

## **12. Proposed Adjustment to General Manager's Salary Range and Auto Allowance**

The General Manager said that at its meeting of September 13, 2007, the Executive Committee had reviewed salary and benefit survey data for the general managers of several other JPAs. He said that after reviewing that data, the Executive Committee had decided to make two recommendations to the Board of Directors. He said that the first recommendation was to increase the salary range of the General Manager from the current level of \$125,000 to \$135,000, to \$135,000 to \$162,000. He said that the second recommendation was to increase the auto allowance of the General Manager to \$500/month plus mileage at the IRS rate for miles in excess of 50 per trip. He said that the current auto allowance was \$325/month plus mileage at the IRS rate.

The Board had extensive discussions regarding the Executive Committee's recommendations and the General Manager's evaluation process.

A motion by Director Handy, seconded by Director Coulter, to approve the proposed salary range of \$135,000 - \$162,000 and to increase the auto allowance to \$500 per month plus mileage at the IRS rate for miles in excess of 50 miles per trip for the General Manager, passed unanimously.

The Board directed that issues relating to the evaluation, the evaluation process, and the policy on the evaluation of the General Manager be brought back for review at the December meeting.

### 13. Risk Management Issues

The Board discussed the following risk management issues, at length, but took no action:

- 1) Coverage for Ropes Courses
- 2) California Playground Safety Regulations (AB 1144)
- 3) CJPRMA Group Purchase of Sanitary Sewer Overflow and Backup Response Plan Builder
- 4) Other issues

## VIII. CLOSED SESSION

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

**Name of Case:** Carnahan v. City of Pomona  
**Court:** Los Angeles County Superior Court  
**Case No.:** KC 047651

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

**Name of Case:** Bachor v. City of St. Helena  
**Court:** N/A  
**Case No.:** N/A

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

**Name of Case:** BNSF Railroad v. City of Victorville  
**Court:** San Bernardino Superior Court  
**Case No.:** SCVSS 132213

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

**Name of Case:** CJPRMA v. AVS  
**Court:** Contra Costa County Superior Court  
**Case No.:** 07-00686

**IX. ACTION ON CLOSED SESSION ITEMS**

- None

**X. BOARD MEMBER PRESENTATIONS**

- None

**XI. ADJOURNMENT**

A motion by Director Davis, seconded by Director Kain, to adjourn the meeting at 2:00 p.m., passed unanimously.