CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS STRATEGIC PLANNING MEETING
Tuesday October 22, 2019 – 9:00 a.m.
Wednesday October 23, 2019 – 9:00 a.m.

CJPRMA Office
3201 Doolan Road, Suite 285
Livermore, CA 94551
(925) 837-0667

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. CLOSED SESSION

- None

IV. ACTION ON CLOSED SESSION ITEMS

V. PRESENTATIONS

- None

VI. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

VII. COMMUNICATIONS

A. Board Members
B. General Manager/Secretary
C. Next Scheduled Meetings: Board of Directors (11/21/2019) CJPRMA
Executive Committee (01/16/2020) Loomis, CA

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

VIII. APPROVAL OF MINUTES

- None

IX. CONSENT CALENDAR

- None

X. ACTION *(A)* AND INFORMATION *(I)* CALENDAR

1. Strategic Planning Session ***(I)*** (Pages 3 -19)

XI. ADJOURNMENT

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 1	**TITLE: STRATEGIC PLANNING SESSION**
MEETING: 10/22/2019 – 10/23/2019	
GENERAL MANAGER: ABG	

Recommended Actions
None.

Strategic Direction
This item addresses all the strategic goals adopted by the organization.

Item Explanation
The Board of Directors adopted the current Strategic Plan at December 15, 2016 Board of Directors meeting. Rick Brush of Brush Strokes Consulting will facilitate a strategic planning review session to help the Board of Directors update the Strategic Plan for the next three years.

Please note that all materials for the strategic planning session will be provided at the meeting.

Fiscal Impact
None.

Exhibits
1. Brush Strokes Consulting Brochure
2. Strategic Planning Agenda and Survey Results

STRATEGIC PLANNING FACILITATION SERVICES

Rick Brush
Brush Strokes Consulting
r_brush@comcast.net
916.206.4048

INTRODUCTION

They say that many golf bets are won or lost on the first tee . . . it's what is negotiated prior to the first tee shot that will determine the outcome of the day. The same applies to successful strategic planning session outcomes!

With nearly thirty years of working in organizational management, fourteen years with local, state and national associations, and fifteen years with self-insured risk management pools, Rick Brush has been a part of many strategic planning sessions that ranged from excellent to not very productive. These experiences fueled his passion to create the "Perfect" strategic planning session and to provide this service to organizations.

He has spent his career working with groups of individuals and engaging them for the collective benefit of their group – in other words, getting board members to take off their individual hats, wear the hat of the organization, and figure out how they can best work together to plan the organization's future. His style is personal and collaborative, creating an environment that is comfortable to openly share information, debate in a constructive manner, and come to specific agreed upon goals.

THREE PARTS TO A SUCCESSFUL STRATEGIC PLANNING SESSION

BEFORE THE MEETING

Work that happens prior to the strategic planning meeting sets the stage for the day. Before the meeting, Rick will work with staff to establish a timeline to interview staff and key board members, create a survey to be sent to all participants, and make sure the table is set for a productive meeting. This is the foundation that enables the group to dive into matters swiftly and head on, so that on the day of the meeting, they will be engaged right from the start.

DURING THE MEETING

The best facilitators are simply that – facilitators of discussion. Rick does not impose his opinions into your process and deliberations, but will artfully lead discussions, recognize sticking points, know how to overcome them, and work to build consensus towards setting goals. This is the "*What*" phase, meaning "*What*" should be the organization's focus.

AFTER THE MEETING

He will work with your staff to build a report that is clear and concise, creating a useful document to implement the "*How*" phase. The report will document Strategic Goals, Outcomes, and Milestones. It will be used by staff to establish priorities, build timelines, identify responsible parties, and determine any necessary additional resources.

FACILITATOR BIO

Rick Brush is the President and Principal Consultant with Brush Strokes Consulting. He is also the Chief Member Services Officer for the CSAC Excess Insurance Authority (EIA), one of the largest self-insurance pools in the nation with approximately 2,000 public agency members. Rick is responsible for strategic initiatives for both the EIA and its captive insurance company, the Excess Insurance Organization. He is an integral part of the Senior Management team and is responsible for the delivery of professional and reliable risk management services to EIA members.

Previously, Rick worked at Bickmore, a risk management consulting firm, where he led the formation of five self-insurance groups (was the Administrator for one of them), and was the Administrator of a schools district joint powers authority.

Prior to that, Rick was the CEO of the California Society of Association Executives (CalSAE), the third largest society of association executives in the nation.

Perspective

Having been the CEO, Administrator and staff liaison of an organization, working with many strategic planning facilitators, Rick is well aware of the needs and expectations of staff. Having been a board member of many organizations, he also knows what it is like to sit in the seat of a board member. This gives him a unique perspective and understanding of the roles of each person in the room during a strategic planning session.

Specialties

- Strategic Planning
- Board Leadership
- Board Management
- Risk Management
- Relationship Building
- Strategic Partnerships

Contact Information

Rick Brush, President & Principal Consultant
Brush Strokes Consulting
r_brush@comcast.net
(C) 916.206.4048

References are available upon request.

CJPRMA

Strategic Planning Retreat

October 22 - 23, 2019

A G E N D A

Tuesday, October 22nd

8:30am *Breakfast Available*

9:00am **Introduction: Focusing on the Task**

- Welcome
- Session focus and outcomes
- Session format and groundrules
- Warm up Discussion

9:15am **The Changing Environment (External focus – Opportunities/Threats)**

- Understand the factors that are shaping the self-insurance/joint powers authorities industry and public agency environments
- Assess the impact on public agency needs
- Define opportunities for CJPRMA

10:00am **CJPRMA's Position and Performance (Internal focus – Strengths/Weaknesses)**

- Assess performance in key result areas, and identify areas for further development

[Break: 10:45am-11:00am]

11:00am **REVIEW Mission Statement**

- Affirm the mission statement
- Discuss and determine direction around key questions or issues that would impact CJPRMA purpose and direction

11:30am **Vision for the Future**

- Affirm the Vision Statement of CJPRMA

[Lunch: 12noon-1:00pm]

1:00pm **Focusing on the Task**
- Mission and Vision confirmation

1:15pm **Goal Setting**
- Based on the mornings discussion establish goals

[Break: 2:45pm - 3:00pm]

3:00pm **Development of Priorities**

4:30pm **Adjourn**

6:00pm **Dinner at Cattlemen's**
2882 Kitty Hawk Road, Livermore, CA 94551

Day Two
Wednesday, October 23rd

[Breakfast available at the hotel: 6:30am - 8:30am]

9:00am **Reflecting on Day 1**
- Established Priorities

9:15am **Prioritization and Milestones**
- Set Milestones to reach for each goal by end of planning cycle and consider implications upon resources

[Break: 10:30am-10:45am]

10:45am **Finalization of Milestones**
- Discuss first year priorities of the plan

11:45am **Looking Back**
- A brief reflection on the meeting

Noon Lunch provided after adjournment

Mission Statement

The California Joint Powers Risk Management Authority is a member-directed excess liability risk retention pool that is dedicated to protecting its members from catastrophic losses and meeting the needs of its members by:

- Providing comprehensive, stable, and affordable excess liability coverage
- Offering competitive and flexible coverage programs
- Delivering quality risk management services
- Preserving financial strength and solvency

Vision Statement

CJPRMA continually exceeds expectations and ensures organizational vitality.

Q1 What is changing at your agency that CJPRMA might be able to assist you with?

#	RESPONSES
1	More if the same within our agency. A priority of projects over risk transfer.
2	Top leadership (City Manager) is changing, along with complete reorganization. Also, Police Chief change. Would like assistance with cultural change with new leadership.
3	Constant replacement of board members
4	Lots of new employees without historical knowledge
5	Less budget for training and risk management resources.
6	New City Manager and new department directors so it's important to introduce CJPRMA, staff and the programs available to members.
7	We see growth occurring in the next few years as well as a new City Manager - strategies to help contain our risk costs as we grow and to be robust in meeting the new City Manager's goals.
8	N/A
9	Our agency is being faced with significant insurance premium increases. We need to look at other programs such as captives and buy down options. For budgetary purposes, we need our quotes earlier. I understand this is out of our hands but I feel the underwriters don't really understand public entity budgetary processes and making us guess and attempt to forecast numbers. We did not have actual numbers until a few days before renewal on the property program this year.
10	Increased public agency construction.
11	I am responding as CJPRMA general manager. I want CJPRMA to assist members with the changing insurance environment; the litigation environment and a general decline in available risk management talent.
12	Increased overall effects due to Camp Fire
13	Unknown
14	Retirement of those with institutional knowledge and lots of new people who have to be trained.
15	Risk tolerance and different ways to finance risk
16	Renewal increases. Out of the box programs such as captives. Buy down programs.

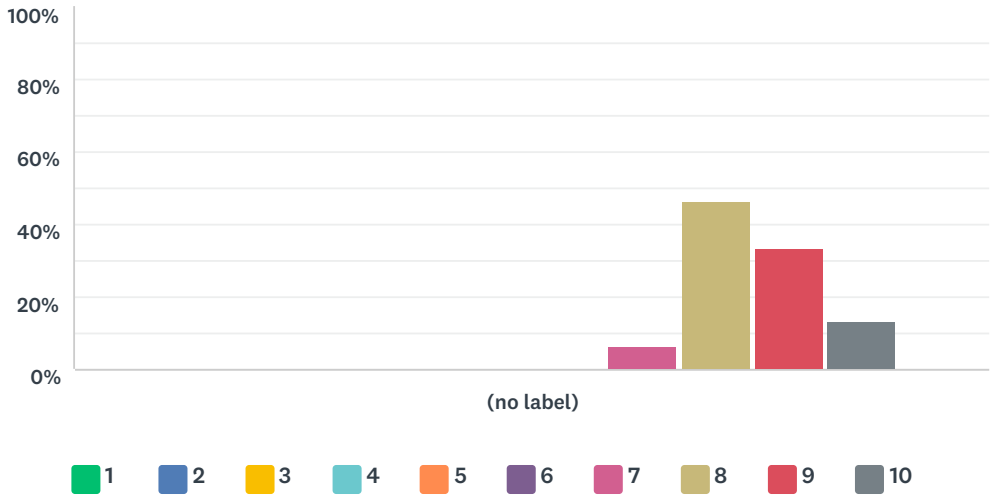
Q2 From your perspective, what are the top trends in the self-insurance industry that you believe will significantly impact CJPRMA over the next 5

#	RESPONSES
1	Property coverage, captive insurance, mental health issues in the WC space.
2	The size at the settlements and awards. It is not sustainable.
3	High jury verdicts, rising costs of insurance (due to high jury verdicts, cost of defense), market capacity, low interest rates
4	More exclusions
5	Dwindling resources and City Councils unwilling to spend more $$ on risk management
6	Increased jury awards and broader negligence standards will lead to price crunch and lack of availability
7	The difficulty in obtaining competitive rates for liability, property and other programs.
8	Jury awards on police cases continue to rise, homeless problem and the City being tagged for damages (BI/PD) that arise from this; infrastructure issues (no maintenance/repairs on public areas); workers comp which may not hit CJPRMA directly but who knows
9	claims costs rising rapidly; insurance premiums rising; trying to keep costs affordable and competitive
10	Insurance Costs. The number one trend is hardening of the insurance market and astronomical premium increases. We will possibly experience members leaving as a result. We need to be prepared for this and capitalize on the opportunities to possibly acquire new members. Cyber. Another trend is Cyber losses and the ransomware attacks. Police. Increase in police verdicts, judgments and attorney fees. PRA requests, media relations and other items are responsible for the skyrocketing judgement/verdicts/settlements.
11	Crazy legislation and regulation from the legislature; liability claims involving excessive force, sexual abuse and molestation, wild fires, floods, and named storms.
12	Captive insurance formation; insurance market volatility; insurance market capacity problems; increasingly difficult litigation environment
13	Increased premiums.
14	Hard market, increased rates, larger group purchases, impact of SAM claims, impact of police cases, collaboration with other JPAs/cities, consolidation as retirements happen, succession planning concerns, turn over at the member agencies/board level
15	Premiums rising at astronomical levels
16	Losses and premiums
17	Property coverage, captive insurance, mental health issues in the WC space.
18	Insurance/Premium Renewals, Attorney Fee Exposure cases, changes in police litigation,

Q3 What new programs or services will members be expecting from CJPRMA in 3-5 years?

#	RESPONSES
1	WC pool, increased training opportunities
2	Training tools we can use to educate our staff, options for better insurance coverage ((although I expect this to be fruitless given the environment)
3	We need to get through to our LE personnel.
4	Higher limits
5	Programs focusing on cyber security and social media use
6	Training, claims and litigation management, encouraging best practices in RM
7	airport liability, marina liability and workers' compensation
8	technical training (POST, utilities); PTSD counseling for safety officers; financial tools to avoid big spikes in premiums
9	risk management assistance and information clearinghouse
10	New programs and Buy-Down Options. Create new programs and seeking out new members drive our costs down. Agencies that are not practicing sound RM should pay higher premiums or have higher SIR. For example, if an agency does not have BWC, they should have at least a $1M SIR.
11	Increased member retentions for certain types of losses; restructuring CJPRMA's excess coverage layer; explore implementing a captive; explore increasing premiums to strengthen capital reserves.
12	Captive insurer; more training programs; cyber security loss prevention; loss prevention services; pass-through contracts for risk services
13	More training options outside of in-person sessions, drones included in liability
14	Increased needs for cyber and ransomware protections
15	Maybe Workers' Comp
16	WC pool, increased training opportunities
17	New programs, buy downs/captives.

Q4 On a scale of 1-10, 10 being best, how effective is CJPRMA at meeting its mission?



	1	2	3	4	5	6	7	8	9	10	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	6.67% 1	46.67% 7	33.33% 5	13.33% 2	15	8.53

Q5 Give an example of where CJPRMA is effective and where improvements can be made.

#	RESPONSES
1	CJPRMA provides excellent customer service. I like the proposal to offer more pass through service options such as Belfor and Marshburn.
2	I like that CJPRMA is as partner from day 1 claims if needed. We are not just a reimbursement organization. I HATE, yes HATE our website.
3	Settling claims and targeted training. Getting training out to the farthest reaches of the State is difficult.
4	CJPRMA is great at communcations and offering educational services. It could improve by offering more educational sessions in areas closer to its remote members.
5	Good sharing of resources and training at BOD meetings. Communicaton of coverage and pricing could improve. May need to get creative and/or prepared to pay more to obtain higher limits.
6	Always looking for the best rates for the members and working with brokers to accomplish this task.
7	Small enough JPA that the board has say in the JPA's work; more fine tuning on cost allocation based on losses
8	I feel CJPRMA has always done a great job of listening to our members and responding quickly to our needs. I feel staff should be increased to address areas where some of our members struggle. Examples would be to adding a RM position, possibly a primary claims administration, insurance certificates programs or other programs to assist the membership. I would like to see earlier insurance quotes at renewal. The APD and Property Programs should be handled with more involvement from CJPRMA. This is not a negative comment toward the current staff. To the contrary, they have always been super responsive. The program was set up this way and continues to run without a true lead adjuster. McClarens/ Hanover are great but there is frequent breakdown in communication, especially with the pools. I would like to see the claims managed from the CJPRMA level. Our member entities staff dealing with insurance brokers/adjusters are not as knowledgeable and unless the members have experienced RMs or adjusters, things fall through the cracks.
9	Effective = training, board member engagement, managing the liability pool. Improvement = the property program; and automation/IOT.
10	CJPRMA is effective in providing coverage programs at the best price available. Members probably would like to see more services.
11	Customer Service, great programs. A better premium structure might be worth exploring.
12	CJPRMA is great at providing organized information on their website. Improvements can be made in the way communications are sent to the members, maybe a newsletter instead of individual e-mails.
13	Propety Program

Q6 How is CJPRMA different than other JPAs?

#	RESPONSES
1	Because it is not run by an administrative firm that services multiple pools, members get more attention.
2	I really feel the partnership, and member participation exceeds many other organizations.
3	I don't know much about other JPA's. We do, I think, get better involvement from the members.
4	Group cohesiveness/friendships of its memberships. Folks genuinuely like one another
5	Excess with focus on liability. Knowledgeable Board of people who mostly do risk management.
6	Small enough that all members have a voice.
7	The Board is aware of who each member is and can be fairly open during meetings
8	Having worked for most all public entity Liability JPA's in Northern California, CJPRMA is absolutely the best because we remain small and our members are uniquely similar including the four pools. The larger JPA's are really not pools and they have too much red tape to accomplish what CJPRMA can do quickly and efficiently.
9	Streamlined staff, in-house claims adjustment/administration, training for members and agency staff, innovative with new products.
10	The size is good for direct member participation and decision-making. Large enough to be a sustainable pool and small enough for each member to have a real voice.
11	Intimacy and customer service.
12	Cost effective, friendly and helpful staff, involved staff, transparent
13	No Workers' Comp

Q7 Is the vision statement of CJPRMA still relevant? If not, how would you change it?

#	RESPONSES
1	It's very vague and doesn't really convey a purpose
2	It sounds a bit generic, as if it could be for any agency. Perhaps up for discussion
3	I think this needs work. the pool does not exist for its own purpose. I think the vision statement ought to include something about the members
4	I like it, it is short. People overwork their Vision Statements.
5	The vision is generic and will most likely always be relevant.
6	Not sure I get it as a vision of what CJPRMA wants to be, v. what is does.
7	Yes.
8	Not sure I would use the word "continually" - maybe "strives to"
9	I would shorten it to the first four words
10	yes
11	No. A vision statement should articulate a desired end state. If "Organizational vitality" means "fiscal vitality", or "financially viable", etc., then we should so state. I believe that "continually exceeds expectations" should be redefined, but I have no current suggestions for improvement. If everyone's expectations are variable, do we really exceed expectations?
12	I know that a vision statement should be about our "reach goals," but I have never like "continually exceeds expectations." If that is the case, then the expectations are too low! I would like to see something like "CJPRMA meets the needs of its members and ensures organizational and financial stability."
13	Yes.
14	Yes
15	Yes
16	It's very vague and doesn't really convey a purpose

Q8 What is your differentiator or competitive advantage?

#	RESPONSES
1	If third would was meant to be “our “....same as answer 6
2	small enough to be selective about risks and cost containment. Our homogeny helps protect us against unforeseen risk..Again, the partnership iwith the organization is extremely valuable.
3	Longevity.
4	Experience
5	Being extremely responsive with needed expertise
6	Except for 1 high EPL claim, our claims history has been going down in frequency and severity
7	Overall good solid risks in the pool
8	lets members control their own claims and maintains cost effectiveness
9	Our advantage is being a small boutique JPA. We have more control and our small organization creates a family-style atmosphere where information, experiences and needs is easily shared among our group.
10	When I stack other JPAs up to CJPRMA, I really do not see much differentiation nor competitive advantage.
11	For now, size. Direct regular contact with GM. All members have a seat on the Board. Strong sense of all being it it together.
12	Cost and coverage

Q9 What do you see as the biggest opportunities that CJPRMA has to increase its impact for members over the next several years?

#	RESPONSES
1	leveraging the members knowledge and expertise for risk control and best practices
2	Using some of the PR services to get ahead of social media disinformation.
3	LE training
4	Targeted training.
5	Seeking competitive quotes from different vendors and evaluating which has the best products
6	Help address EPL, police, and auto accident exposures.
7	Revisit the model in which we allocate rates among the members
8	rate/cost stabilization
9	New members through better programs, marketing and possibly a primary claims administration.
10	Market the pool; grow the pool; strengthen our financial position.
11	Captive insurer; look at increased retentions; prepare for a time when the reinsurance market might abandon the public entity sector; hire a risk manager
12	Reducing overall agency risk, better premium structure.
13	Webinars, over in-person training. I'd also like to see CJPRMA explore a larger group purchase of certain coverages (collaboration with other super-pool JPAs)
14	Ex-mod for premiums

Q10 What do you see as the greatest threats to CJPRMA's success?

#	RESPONSES
1	members not realizing the value of CJPRMA
2	The size of settlements and awards, political climate, projected economic downturn
3	Adverse losses
4	Incompetent judges, greedy lawyers and stupid juries.
5	Rising costs of insurance and dwindling resources for members
6	Increasing settlement/jury costs and lack of affordable options. Public perception is changing toward government liability and "free" stuff.
7	losing membership
8	Not looking at alternate ways of reducing risk costs
9	being undercut on pricing by insurers or other pools; while trying to collect enough for prudent reserves and target equity
10	Losing members as a result of shopping for lower prices due to the hardening of the insurance market. Pooling is supposed to be a group experience where we share in the good times and in the bad. Losing members threatens us, especially the four pools.
11	A continued hard insurance market driven by natural, uncontrollable losses.
12	The litigation environment; potential loss of members; insurance market challenges
13	Agencies beign allowed to run wild and affecting the overall pool.
14	Hard market (UGH!)
15	Losses and member retention

Q11 If you could look five years into the future, what has changed about CJPRMA?

#	RESPONSES
1	Higher retentions and contributions . It's the only way we will survive.
2	Member experience
3	It will look about the same.
4	I don't expect much to change in five years
5	Higher limits but higher SIR as well. Partnerhsip with others in purchaing coverage to make it more affordable. Possible fewer members
6	Staffing changes, although Tony and Marinda have done an exceptional jobs in their respective positions
7	They have a captive; there is an excess workers comp facility
8	probably need to be creative with corridor deductibles or partnerships with other pools to manage risk
9	Increase staff to add a Risk Manager and have additional smaller programs. Some ideas are the following: Primary Claims Administration (PCA) as opposed to a TPA. Quick Insurance programs such as Gales Creek and the Alliant program to cover recreation instructors, small events, lower level encroachment permits, etc… A Risk Manager who knows our members, liability programs and can provide trainings, client services like David Clovis did while Bob German was GM. We may want to seek another $10 Million in limits. We have passed some large ones this year. Is $40 enough? CSAC is at $50M.
10	Increased membership by five (or more) agencies; restructured member retentions for certain losses; restructured the pool's excess layer; increased capital reserves.
11	Captive insurer in place and thriving. Increased number/types of services; maybe a risk manager hired; higher member SIRs; higher attachment point for reinsurance; overall, retaining more risk.
12	Agency accountability.
13	Hopefully current staff is still there - they are great! I'd see more technology based services.
14	Risk knowledge