



ABAG PLAN Corporation
101 Eighth Street
Oakland, CA 94607

Summary Minutes

Executive Committee
Regular Meeting
Tuesday, April 29, 2003
Conference Room B

- Presiding:** Gretchen Conner, Campbell
- Committee Members Present:** Jack Dilles, Morgan Hill
Orry Korb, Los Gatos
Larry Anderson, Burlingame
Jim Steele, South San Francisco
Alex McIntyre, Tiburon, by teleconference
- Committee Members Absent:** Susan George, Woodside
Cecilia Quick, Pacifica
- ABAG Staff Present:** Marcus Beverly, Director of Risk Management
Eugene Leong, ABAG Executive Director
Angela Salsbury, Claims Manager
Brenda Brown, ABAG PLAN Secretary
- 1. Call to Order:** 1:20 p.m. a quorum was present.
- 2. Public Comments:** None
- 3. Approval of Minutes, April 24, 2002:**
/M/Korb/S/McIntyre/C/ to approve minutes as presented.
- 4. Election of Officers, FY 2002-03:**
/M/Anderson/S/Conner/C/ to nominate Jack Dilles Chair and Orry Korb Vice Chair of the Board for upcoming fiscal year. There being no further nominations, Dilles and Korb were elected by acclamation.
- 5. Actuarial & Underwriting Committee Report:**

Marcus Beverly presented and discussed his staff report of April 16, 2003 and the revised actuary report from Bickmore Risk Services. Discussion centered on the differences between the approach used by our prior actuary and the new actuary, John Alltop. The key differences are reflected in the pricing of the \$5 Executive Committee Summary Minutes

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million excess \$5 million layer of coverage, \$90,000 v. \$655,267, and in the calculation of ultimate losses. Our new actuary projects the ultimate losses will be \$5,373,900 less than previously projected.

The committee discussed these differences and the rationale behind them, agreeing with the consensus of the Actuary Committee that we should be conservative in making any decisions based on the new actuary's calculations. The Executive Committee agreed with the recommendations of the Actuary Committee and staff, as outlined in the staff report.

M/Korb/S/Dilles/C to retain all funds in excess of 90% confidence level in the SIR Fund and fund the expected FY 03-04 losses with the \$7 million option unless the \$5 million SIR option can be funded with excess insurance at \$400,000 or less.

6. Loss Prevention Committee Report:

Staff presented a summary of the programs recommended by the Loss Prevention Committee, as outlined in the agenda packet report of April 16, 2003. The committee focused primarily on the Risk Control Assessment proposal from Bickmore Risk Services (BRS). It was revised based on recommendations from the Loss Prevention Committee, and Larry Anderson suggested it be further revised to allow the PLAN to cancel the contract after one year if the members were not satisfied with the results.

/M/Anderson/S/Korb/C to approve the revised BRS proposal to include ability to cancel the contract after one year.

The remaining programs for sewer loss prevention, police risk management, defensive driving, and risk management training were reviewed and discussed as presented in the staff report.

/M/Korb/S/Dilles/C/ to approve the remaining loss prevention programs as presented.

7. Finance Committee Report:

The committee reviewed and approved the audited financial as of June 30, 2003 and the PLAN's Investment Performance Report as presented during the meeting. /M/Anderson/S/Conner/C/ to approve.

8. Planning Meeting Progress and Meeting Schedule:

Marcus Beverly presented a staff report outlining our progress in addressing the goals identified in the most recent planning meeting, a suggested meeting schedule for FY 2003-04, and suggested topics for our next planning meeting. The discussion centered on the "WOTS" analysis from the 10/9/02 meeting and key recommendations to be completed by the next Board meeting. Focus will be on revising the PLAN governing documents and MOC and beginning the process of implementing a loss control approach for members.

The committee requested that suggested revisions to the MOC be sent out ahead of time. Staff will prepare a set of suggested changes prior to the planning meeting.

9. Proposed ABAG PLAN Budget – FY 2003-04

Staff presented the proposed budget for funding administrative expenses of the PLAN, including a comparison of projected expenses v. current expenses. As in the past year, the amount to be billed is slightly under the budgeted expenses due to a surplus created by being under budget in past years.

/M/Korb/S/Steele/C/ to approve the admin budget and funding as presented.

10. Other Business:

None

12. Adjournment

Meeting adjourned at 3:05 p.m.

Respectfully Submitted,

A rectangular area containing a handwritten signature in dark ink, which appears to be "Marcus Beverly".

Marcus Beverly
Risk Manager & Secretary