



Approved
2/15/06

**Executive Committee
Regular Meeting
Summary Minutes**

**May 10, 2005
ABAG Conference Room B
101 Eighth Street, Oakland, CA**

Presiding

Orry Korb, Presiding Chairman

Jurisdiction

Los Gatos

Committee Members Present

Jim Steele

Larry Anderson

Julie Carter

Alex McIntyre

Jack Dilles

So. San Francisco

Burlingame

Dublin

Tiburon

Morgan Hill

Members Not Present

Cecilia Quick

Pacifica

Staff Present – ABAG PLAN Corporation

Marcus Beverly, ABAG Risk Manager

Henry Gardner, Deputy Executive Director

Ken Moy, ABAG Plan Legal Counsel

Angela Salsbury, Plan Manager

Carol Johnson, Recording Secretary

1. CALL TO ORDER:

Meeting was called to order at 10:05 a.m.

2. PUBLIC COMMENTS:

None

3. APPROVAL OF MINUTES OF MINUTES, APRIL 27, 2005:

Minutes for April 27, 2005 were not available for committee's approval and was tabled until the next meeting.

4. ELECTION OF OFFICERS FOR FY 05-06 & APPROVAL OF COMMITTEE SCHEDULES:

After a brief discussion Jim Steele was nominated as Chair and Larry Anderson as Vice Chair for the next fiscal year.

/M/Dilles/S/Steele/C/unanimously approved

Marcus Beverly announced that Sandy Abe will be leaving her position as Claim Committee member and a replacement will be needed. If the position is not filled in advance of the May 25, 2005 Annual Board of Directors meeting an attempt will be made to fill the position at the meeting.

In order to better coordinate the Board of Directors annual meeting date with the yearly insurance quotes for the PLAN, Marcus Beverly requested making adjustments to the Annual Board of Directors meeting date from the end of May to the first or second week in June starting next fiscal year. Committee Members unanimously agreed to request and to present before the Board of Directors for discussion and approval.

5. RISK MANAGEMENT COMMITTEE REPORT:

Marcus Beverly, Risk Manager, presented an update regarding the risk management assessments and a review of the committee's activities. The committee had made several recommendations related to the Board's strategic objective of implementing risk management policies for its Members. The following were included for review and recommendation to the Board.

- **Risk Management Policy and Framework**

After a brief discussion and review Risk Management Policy and Framework was approved as presented.

/M/Steele/S/Carter/C/unanimously approved

- **Funding Options for Risk Management Services**

After discussion and review recommendation to implement as presented and by majority vote of the Board of Directors to make funding retrospective/due June 30th or prospective/due July 1st 2006.

/M/Korb/S/Steele/C/unanimously approved with exception of Alex McIntyre who favors prospective funding.

- **Grant Program Assessment and Proposals**

After discussion and review approved as presented.

/M/Anderson/S/Korb/C/unanimously approved.

6. Actuary Committee Report:

Marcus Beverly presented and discussed Bickmore Risk Services' draft report regarding the PLAN's Self Funded Excess Liability Program as of June 30, 2005. The committee was provided the latest funding options for 2005-06 based on several pending factors, including potential withdrawal of Pacifica. The committee was requested to give direction for the final report to be presented to the Board.

Peter Urhausen from Gibson and Conley presented questions in reference to the Actuary Report for clarification by Marcus Beverly.

The Actuary Committee Report was limited to discussion and review, no action was taken by committee members.

7. Finance Committee Report:

Jim Steele and Marcus Beverly presented an overview of the Finance Committee Report, including the revised Investment Policy, audited financials as of June 30, 2004, and PLAN's Investment Performance Report.

Finance Committee Report was approved as presented with revised wording in section 13 of report.
/M/McIntyre/S/Anderson/C/unanimously approved

Copies of the Audited Financials and the Investment Report were provided. No action was taken by Committee Members. Action for approval was withheld for the Board of Directors meeting May 25, 2005.

8. Claim Committee Report:

Marcus Beverly presented a brief update on the activities of the Claims Committee, including selection of Lextech, a new vendor to electronically audit legal bills for Members, and the implementation of new reporting software. Planned activities for FY 05-06 included a claim audit to take place in the fall of 2005. The Claim Committee Report was limited to discussion and review no action was taken by Committee Members.

9. Proposed ABAG PLAN Budget – FY 2005-06:

Marcus Beverly presented the proposed budget for funding administrative expenses of the PLAN. Administrative expenses total approximately \$2.3 million, an increase of 9.4 percent from last year's funding. Payroll, miscellaneous contingencies, purchasing of reporting software, legal expenses and the replacement of a vehicle were the main contributors giving rise to premium cost.

The ABAG PLAN budget was approved as presented. /M/McIntyre/S/Korb/C/unanimously approved.

10. Conference with Legal Counsel – Anticipated or Existing Litigation

***Pacifica vs. ABAG PLAN**

Item 10 was discussed in closed session pursuant to the requirements of the Ralph M. Brown Act. All actions taken were announced in open session prior to the adjournment of the meeting.

11. Announcements: Open Session:

Ken Moy announced no reportable action taken in closed session.

12. Other Business:

Marcus Beverly presented a verbal update regarding Portola Valley's mitigation of its Earthquake risk and recommended changes to the Memorandum of Coverage.

Marcus Beverly asked Committee Members if they were interested in giving a presentation at the Annual Board Meeting regarding their Committees and activities. Committee members will take it under Consideration and will respond before the Annual Board Meeting.

13. Adjournment: Meeting was adjourned at 2:03.p.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager & Secretary
ABAG PLAN Corporation

/cj