

Approved
12/15/04



**Loss Prevention Committee Regular Meeting
Summary Minutes**

**Wednesday, March 3, 2004
ABAG Conference Room B
101 Eighth Street, Oakland, CA**

Presiding

Larry Anderson, Chairman

Jurisdiction

Burlingame

Committee Members

Present

Kristi Chappelle

Foster City

Joni Pattillo

Dublin

Ed San Diego

Belvedere

Committee Members

Absence

Barbara Lathrop, Vice Chair

Newark

Jeff Maltbie

San Carlos

Jeff Killian

Millbrae

Staff Present – ABAG PLAN Corporation

Marcus Beverly, ABAG PLAN Risk Manager

Henry Gardner, ABAG Deputy Executive Director

Angela Salsbury, ABAG PLAN Claims Manager

Carol Johnson, ABAG PLAN Secretary

1. CALL TO ORDER Chairman Larry Anderson called the meeting to order at 10:35 a.m.

WELCOME AND INTRODUCTIONS:

Marcus Beverly welcomed Joni Pattillo, Assistant City Manager of Dublin, as the newest member of the Loss Prevention Committee, attending her first meeting. Committee members and staff introduced themselves.

2. PUBLIC COMMENTS:

There were no public comments.

3. APPROVAL OF MINUTES OF FEBRUARY 26, 2003 LP COMMITTEE MEETING:

Committee meeting minutes of February 26, 2003, Loss Prevention Committee meeting approved as presented. /M/ San Diego/S/Anderson/C Approved.

4. LOSS PREVENTION REPORTS:

Marcus Beverly provided various loss prevention reports and presented an overview of them. The reports break down losses by cause, member and department. Emphasis is placed on those causes that produce the highest frequency and/or severity. Marcus also mentioned specific claims that proved to be expensive, including one road design case that was just over \$2 million.

Kristi Chapelle questioned cost/losses of sewer claims. Marcus confirmed they have become the most frequent and costly type of claim, with 2002-03 being the worst year ever. The average that year is the highest ever because of the various changes in the clean-up process and a few major claims. However, addition of claims specialist, Bruce Carey, has had an impact in keeping these claims under control, as reflected in early results for 2003-04. In addition to managing claims aggressively, the PLAN needs to emphasize prevention via capital improvements, regular maintenance, and backflow prevention requirements in city ordinances. Other options include raising deductible for sewer claims for members with a high frequency of losses.

5. SEWER LOSS PREVENTION PROGRAM UPDATE:

Marcus Beverly presented to the Loss Prevention Committee an update on the program, including a request for continued funding for training, grants and consulting services. The success of the current sewer loss prevention program is reflected in the website traffic and number of mentions in the press, including several airings of a comprehensive report on KTVU, channel 2. We currently have public service announcements (PSAs) out to radio and TV stations. Staff presented the video PSAs to the committee during the break. Larry Anderson suggested advertising at movie theatres.

Staff has met resistance to the pop-up from some jurisdictions because they are not UPC-approved, so we are working on having them approved. Joni Pattillo suggested a sewer loss presentation at Home Depot during back flow month. Staff is interested in pursuing this based on outcome of the approval process. Staff is also planning additional "first responder" training for public works personnel in the fall.

Committee agreed to recommend continued funding of the program. Motion was made to replenish budget balance to \$60,000 as of July 1, 2004, to include funding for training, grants, public education, and consulting services for the sewer loss prevention program.

/M/Pattillo/S/Chapelle/C/Approved

6. LOSS PREVENTION PROGRAMS – UPDATE AND FUNDING:

Staff provided an update of current loss prevention programs, suggestions for future programs and recommended funding levels for FY 04-05. The defensive driving and risk management training grants have been utilized by a number of members this year, with eight board members attending the PARMA conference and providing positive feedback on the value of the program.

Motion was made to continue funding of the programs as presented in the staff report.
/M/Chapelle/San Diego/C/Approved.

7. POLICE STEERING COMMITTEE REPORT:

Staff presented an update from the most recent Police Chiefs meeting, including a recommendation to fund risk management training for next year, continue the video camera matching grant program, and include tasers in a matching grant program. The pros and cons of tasers were discussed and the committee questioned funding of tasers by ABAG PLAN. Marcus explained that the use of tasers would possibly minimize excessive force claims. The committee's response was a need for more explanation and compelling reasons for the use of tasers and the need for funding of tasers by ABAG PLAN.

Staff also presented an update on the risk management training conducted in the past year and plans for training in FY 04-05. After discussion staff suggested funding both the video camera grant program and risk management program for next year, with an increase in the matching camera grant from \$5,500 to \$7,000.

Motion was made to replenish budget of both programs as of July 1, 2004, to \$103,000 for the video grants and \$25,000 for the training program. /M/San Diego/S/Chappelle/C/Approved.

8. BYLAW REVISIONS:

Marcus Beverly presented proposed revisions to the PLAN Bylaws to describe the activities of the committee, for committee recommendation to the Board. The Loss Prevention Committee is not referenced in the current Bylaws, having been created since they were last updated in 1992. However, there is reference to a Risk Management Program in the Revised Risk Coverage agreement, including member obligations to implement a program based on recommended policies and practices. Staff suggested renaming this committee the Risk Management Committee and delegating the responsibility for creating, maintaining, and monitoring compliance with the Risk Management Program.

After a brief discussion it was recommended to add the committee to the Bylaws as the Risk Management Committee as presented in the staff report. /M/Pattillo/S/Chappelle/C/Approved.

9. RISK CONTROL POLICY & BENCHMARKS:

Marcus Beverly presented an outline for a Risk Control Policy and suggested benchmarks to guide the committee, members and staff in making decisions. The benchmarks will become the policies and procedures of the Risk Management Program, and the Policy will outline the role and responsibilities of the members and Risk Management Committee in implementing and maintaining the standards. The program will likely include minimum mandatory requirements and recommended best practices reflecting higher standards. A reward and sanction system will be implemented to help members achieve at least minimum standards.

The committee discussed various aspects of the report and the benchmarks, including enforcement, and provided additional direction to staff for further revision. The committee will

receive a revised copy the Risk Management Policy and Best Practice Matrix at the next meeting, with goal to have both approved by the Board in 2005.

10. RISK MANAGEMENT ASSESSMENTS:

Marcus Beverly provided an update from Bickmore Risk Services (BRS) on the status of our ongoing risk management assessments (RMAs). BRS provided an update on the scheduling of the assessments and an outline of a number of issues they discovered and concerns raised by the members. Many of the issues raised in the outline and discussed by the committee will have an impact on the Risk Management Policy and Program being developed by staff. In particular, the standards used in the RMAs and uncovered through discovery of best practices by the members will become the foundation of our ongoing program.

Marcus also provided an overview of the assessment for Saratoga and Colma, with particular focus on two of the recommendations for Saratoga. He suggested the committee begin enforcing the requirement that members respond in writing to recommendations made by PLAN by requesting a written response to any recommendation in the RMA Best Practice Matrix with a priority of 3 or 4. Committee members suggested the City Manager and/or City Attorney sign off on the response.

Motion was made to require written response to priority 3 or 4 recommendations as suggested by staff. /M/Anderson/S/San Diego/C/Approved

11. OTHER BUSINESS:

None

12. ADJOURNMENT:

Meeting was adjourned at 1:55 p.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager and Secretary

/cj