



**ABAG PLAN CORPORATION
Risk Management Committee Regular Meeting
Summary Minutes**

**Wednesday, May 7, 2008
101 Eighth Street
Oakland, CA 94607
Conference Room B**

Presiding

Laura Allen, Chairman

Jurisdiction

Colma

Committee Members Present

Yulia Rasulova, for Jeff Maltbie
Julie Carter

San Carlos
Dublin

Committee Members Present via Teleconference

Lee Ann McPhillips
Kristi Chappelle
Jeff Killian
Sandy Abe

Gilroy
Foster City
Millbrae
Cupertino

Committee Members Absent

Larry Anderson

Burlingame

Staff Present – ABAG PLAN Corporation

Marcus Beverly, Risk Manager
Angela Salsbury, Claim Manager
Gertruda Luermann, Risk Management Analyst
Carol Taylor, Recording Secretary

1. Call to Order

Laura Allen called the meeting to order at 10:10 a.m. A quorum was present.

2. Public Comments:

None

3. Approval of Minutes:

Minutes of January 30, 2008, meeting approved as submitted.
/M/Carter/S/McPhillips/C/unanimously approved

4. Risk Management Policy Implementation

Gertruda Luermann, Risk Management Analyst, provided an update on the implementation of the PLAN's Risk Management Policy (RMP), including an updated scorecard for each member, current activities and issues, and recommendations for future activities.

The most recent member to qualify for the Best Practices recognition is Los Altos Hills, with seven members in total qualifying during the fiscal year. Of the remaining seven members who have not yet met the threshold, we expect all but three to complete the process by the end of the fiscal year.

An upward trend was reported in participation by the members and implementation of Risk Management procedures, including a number of members who have recently passed sidewalk ordinances. Newark was cited as the most improved in completing the RMP and it was suggested special recognition be made at the Board for a variety of achievements.

The budgets and expenses for each program and member were reviewed and discussed. Overall the members are increasing their use of the funds, with defensive driving, sewer, and police maintaining good interest. Training attendance continues to grow, with new resources in the areas of ADA compliance, AED implementation, and special events. Foster City's Wiki program was cited as a best practice for sharing resources internally.

Luermann also suggested members consider another a risk assessment survey now that most members have implemented the Risk Management Policy.

5. Risk Management Programs – Update & Funding 08-09

Marcus Beverly, Risk Manager, provided an overview of the Risk Management Programs and recommended funding based for FY 08-09. He recommended continuing the FY07-08 method of budgeting up to 5% of total funding for services and another 5% for matching grants, with additional funds for police, sewer, and training.

The committee and staff reviewed and discussed the recommendations, including whether or not to increase the matching grant for the Police Risk Management Program. The reasons for increases in the Sewer Loss Prevention Program from \$60,000 to \$80,000 and Defensive Driving from \$25,000 to \$40,000 were also discussed.

Julie Carter suggested we schedule cash handling training and increase the training budget from \$2,000 to \$3,000 per member. Members agreed to the increase and staff will put the cash handling training on the schedule for 08-09. Members will be requested to provide results from 07-08 and updated goals for 08-09 as a prerequisite for the grants.

After further discussion and review funding was recommended for the Risk Management Programs as presented with the exception of an increase to \$3,000 in training budget per member. /M/Carter/S/McPhillips/C/approved.

6. Risk Management Policy Review and Additions

Staff presented a report with recommended additional operational best practices for managing employment practices liability. The Committee members discussed the proposed best practices in detail, especially the desire to focus on select personnel policies that tend to be the source of most claims rather than all policies. For example, the recommendations regarding pre-employment screening and handling complaints could include what's in the procedure and provide sample language as a guide.

LeeAnn McPhillips offered to contact the attorney she uses to assist in reviewing the recommendations and preparing a list of key procedures and training that will focus on preventing liability. Members also agreed to continue grant eligibility for this exposure, including the cost to join training consortium, attend conferences, and policy review.

Action on the policy additions was tabled pending feedback from attorney regarding key procedures and training.

7. Risk Management Information System (RMIS) RFP

Staff presented a brief report and update on the progress of the software RFP. The written responses have been reviewed and the options narrowed to three vendors. Further review will be conducted with hands-on testing of the programs and their capabilities for meeting our needs. Staff anticipates bringing a recommendation to the committee in September.

Staff recommended the Committee request from the Board the authority to approve purchase of a system up to \$300,000, with funding from admin reserves. Committee members discussed and agreed to the request and Julie Carter volunteered to participate in the hands-on testing of the remaining contenders.

/M/McPhillips/S/Carter/C/ motion to request authority from the Board to authorize up to \$300,000 for upgrade or replacement of current software.

8. Other Business

Marcus Beverly provided a Risk Management Data Report for the pool as a whole. Overall the claim frequency and severity has been trending down for the last five years, with loss costs dropping from a high of over \$2 per \$100 in payroll in 02-03, one of our worst years, to \$0.70 so far in 06-07. The losses by exposure were also reviewed, with the committee and staff agreeing we need to dig deeper into the large "other" category to determine if there are any patterns or trends that need to be identified.

9. Adjournment:

Laura Allen adjourned the meeting at 11:45 a.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager and Secretary