

Approved
12/13/05



ABAG PLAN CORPORATION
Risk Management Committee Regular Meeting
Summary Minutes

Wednesday, April 6, 2005
Conference Room 207
600 Elm St., San Carlos, CA

Presiding

Larry Anderson, Chairman

Jurisdiction

Burlingame

Committee Members Present

Kristi Chappelle
Sandy Salerno
Lee Ann McPhillips
Joni Patillo
Jeff Killian
Jeff Maltbie

Foster City
East Palo Alto
Gilroy
Dublin
Millbrae
San Carlos

Committee Members Absent

None

Staff Present – ABAG PLAN Corporation

Marcus Beverly, ABAG Plan Risk Manager
Angela Salisbury, ABAG Plan Manager
Carol Johnson, ABAG Plan Secretary

1. Call to Order:

Chairman Larry Anderson called the meeting to order at 10:10 a.m.

2. Public Comments:

None

3. Approval of Minutes:

Minutes of December 15, 2004 meeting approved as submitted.
/M/Salerno/S/McPhillips/C/unanimously approved.

4. Risk Management Assessments and Follow Up:

Cathie Bigger-Smith of Bickmore Risk Services provided a handout with an update on the status of our on-going risk management assessments, including a scorecard of how well each member is currently meeting recommended best practices. In her presentation she also provided and reviewed a Bickmore proposal outlining the work needed over the next several years to bring members into compliance with proposed Risk Management Performance Standards.

5. Risk Management Policy & Performance Standards:

Marcus Beverly presented a revised draft of the proposed Risk Management Policy and Performance Standards to guide the committee and staff in implementing and monitoring risk management programs for members. The committee discussed the Policy and requested staff to provide mark-up copies of any future revision, to make them easier to review.

Discussion and feedback from the members included combining the self audits and claim reviews, developing an action plan based on the claim review and audit, and helping to prioritize the risks to focus on those most important. Members also emphasized the importance of having good analysis to be able to sell the need for risk management to management, councils, and department heads.

Jeff Maltbie expressed need for better reports, including location of claims and trending analysis, and agreed to share sample reports with staff to develop. Other members agreed with need for ability to customize reports and access online. Beverly acknowledged limitations of current information system and gave brief status of current efforts to upgrade it, including purchase of a new module for RiskMaster that is still being implemented.

After discussion and review committee recommended to approve Risk Management Policy with revisions. /M/Salerno/S/Killian/C unanimously approved.

6. Risk Management Programs – Update:

Beverly provided a staff report containing an update of spending current risk management programs, spending by fiscal year since 1993, and suggestions for programs and funding levels for FY 05-06. Included in the report was a discussion of how to structure and pay for the services needed to implement the proposed Performance Standards. Staff recommends charging members for a certain number of consulting hours and services based on population.

The members discussed the report and method of allocating the costs. Larry Anderson requested ability for members to purchase more hours than allocated as needed. Members also discussed who was best at providing the services, being careful to avoid those who are making work for themselves or over billing for services. The committee agreed to wait and complete the basic framework before deciding whether or not a staff position makes sense. Beverly stated we will look for additional consultants and encourage members to submit suggestions. Members mentioned Palo Alto has a very good training center, and staff will contact them for more information.

The key to the recommended approach is the need to complete the basic framework items in order to be eligible for grants and additional services. If members complete their action plan they can receive grants greater than the charge for the services, giving them an incentive to do so. We would also open up the grant programs to allow the member more flexibility in choosing what they need, such as playground equipment, sidewalk repair, tree maintenance, or other customized training and services. Maltbie suggested we make one pot of money available, and staff agree we were heading toward that approach for many of the current individual programs.

After discussion and review members approved the risk management program and suggestions as presented by staff with amendment that members by can purchase more than the allocated number of hours if they choose. Members agreed not to hire a staff consultant, continue to use Cathie Bigger-Smith from Bickmore Risk Services, but a mix of consultants is encouraged.

/M/Maltbie/S/McPhillips/C/unanimously approved.

7. Earthquake Risk and Claim Update:

Staff provided a report regarding the Committee's previous recommendation to exclude claims arising out of use of any structures located within 50 feet of a known active fault trace. Portola Valley has taken steps to mitigate their exposure to earthquake liability and staff anticipates it may not be necessary to exclude the risk as of July 1. They are currently deciding whether or not to move the library and recreation facilities.

Staff also provided an update on recent claims that have been paid, including our largest single claim to date, arising from a Code 3 incident, and total payments of more than twice our average for the last six years. Staff also discussed need for risk management arising from the rental of homes or apartments.

8. Other Business:

None

9. Adjournment:

Meeting was adjourned at 2:00 p.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager and Secretary