

**POOLED LIABILITY ASSURANCE NETWORK JOINT  
POWERS AGREEMENT  
(PLAN JPA)**

**MINUTES OF THE SPECIAL EXECUTIVE COMMITTEE  
MEETING OF FEBRUARY 8, 2018**

---

A special meeting of the Executive Committee was held on February 8, 2018, at San Bruno City Hall, 567 El Camino Real, San Bruno, CA 94066.

**MEMBERS PRESENT:** Marc Zafferano, Chairman, San Bruno  
Ann Ritzma, Foster City  
Jesse Takahashi, Campbell (*arrived during Agenda Item 6.A*)  
Brian Dossey, Colma  
Kathleen Kane, Burlingame (*left after Agenda Item 9.A*)  
Heather McLaughlin, Benicia  
Kevin Bryant, Woodside  
Richard Lee, South San Francisco

**MEMBERS ABSENT:** Michael Taylor, Saratoga

**OTHERS PRESENT:** Rob Kramer, General Manager, Bickmore  
Yahaira Martinez, Assistant General Manager, Bickmore  
Jon Paulsen, Senior Consultant, Bickmore  
Craig Wheaton, Litigation Manager, Bickmore  
Katie Sullivan, Analyst, Bickmore  
Byrne Conley, Coverage Counsel, Gibbons & Conley  
Greg Rubens, Legal Counsel, Aaronson, Dickerson, Cohn & Lanzone  
William Ross, American Canyon  
David Schwarz, American Canyon  
Laci Kolc, American Canyon

**1. CALL TO ORDER:**

The February 8, 2018, Executive Committee meeting was called to order at 10:05 a.m. by Chair Marc Zafferano.

**2. INTRODUCTIONS:**

Those present introduced themselves.

**3. PUBLIC COMMENTS:**

None.

**4. APPROVAL OF AGENDA AS POSTED (OR AMENDED):**

*Marc Zafferano moved to approve the agenda as posted. Brian Dossey seconded the motion. Motion passed unanimously by Marc Zafferano, Ann Ritzma, Brian Dossey, Kathleen Kane, Heather McLaughlin, Kevin Bryant, and Richard Lee.*

**5. CONSENT CALENDAR:**

*Ann Ritzma moved to approve the following items: A) Minutes from the October 16, 2017, Executive Committee Meeting; and B) Member Entity List – As of January 2018. Brian Dossey seconded the motion. Motion passed unanimously by Marc Zafferano, Ann Ritzma, Brian Dossey, Kathleen Kane, Heather McLaughlin, Kevin Bryant, and Richard Lee.*

**6. COVERAGE APPEAL:**

**A. City of American Canyon Coverage Appeal:**

Mr. Rob Kramer, General Manager, took a moment to introduce Mr. Byrne Conley, Gibbons & Conley, as the new Coverage Counsel for ABAG PLAN/PLAN JPA, pending ratification by the Executive Committee.

Mr. Kramer provided the Committee with a brief overview of the coverage appeal for the Teruel v. American Canyon Fire Protection District, et. al. matter. In March 2017, Mr. Ken Moy, former Coverage Counsel, reviewed and denied coverage for this claim. Pursuant to ABAG PLAN's Claim Policy, section 3.3 Coverage Determination, the City of American Canyon exercised its right to appeal the coverage opinion with the Claims Committee at their June 22, 2017, meeting. Upon review, the Claims Committee denied the appeal, and the City requested their appeal be heard by the Executive Committee.

Mr. William Ross, Mr. David Schwarz, and Ms. Laci Kolc, representatives of American Canyon, were present at the meeting and reviewed the facts of the aforementioned claim with the Executive Committee and stated their reasons for appealing the coverage denial.

Mr. Conley advised the Committee he came to the same conclusion Mr. Moy came to stating it was his opinion there is no coverage for this matter and briefly explained his rationale.

**7. CLOSED SESSION:**

A. The Committee convened to closed session, pursuant to Government Code sections 54956.95(a) and 54956.9(c), at 10:43 a.m. to discuss:

- Teruel v. American Canyon

B. The Committee reconvened to open session at 11:33 a.m. The following action was taken under closed session:

*Mr. Greg Rubens, Legal Counsel, reported the Executive Committee unanimously voted to deny the appeal to provide coverage in the matter of Teruel v. American Canyon.*

**8. TRANSITION UPDATE**

**A. Discussion Regarding Staff Transitions**

Mr. Kramer took time to update the Executive Committee on the status of the transition from internal ABAG PLAN staff to Bickmore contract staff, and stated that the membership had been notified via the December 6, 2017, memo included in the agenda.

Mr. Kramer advised Bickmore staff has received all physical and electronic files from former staff, posted the current program year governing documents to the new PLAN website, and currently in the process of going through the rest of the files for inventory and filing purposes. He noted PLAN has no formal record retention policy and advised staff will be creating and providing one for consideration by the Executive Committee at the next meeting, along with other governing documents that need to be updated as respects the transition to PLAN JPA.

Mr. Jon Paulsen, Senior Consultant, announced that Mr. Jeff Johnston, Director of Risk Control, and Ms. Gail Zeigler, Risk Control Consultant, have assumed the oversight of the grant fund program. He stated the team has been working closely with Ms. Cathie Bigger-Smith to gain further understanding of member goals, and how these apply to the grant fund program. He informed the Committee of the regional training schedule for the remainder of the program year, which includes a sexual abuse and molestation training, a defensive driving training, and a risk transfer training. Mr. Paulsen concluded by informing the Committee that a reminder will be sent to the membership regarding each member's available Grant Program funds.

Mr. Ritesh Sharma, Finance Manager, advised that banking functions have been successfully transferred and staff was given access to the Bank of the West accounts, signature cards have been signed, and various ACH payments have been approved and disbursed. He further advised staff is currently working on financial statements as well as the budget for the next program year; and the financial audit has been completed. Lastly, the Committee was informed a special Executive Committee meeting would be needed in April for consideration of the financial audit, operating budget, and other governing documents.

Mr. Craig Wheaton, Litigation Manager, expressed he is looking forward to his upcoming visit with the City of Cupertino, and is looking forward to meeting with each of the other individual cities in the future.

**B. Update on PLAN JPA Transition**

Ms. Yahaira Martinez, Assistant General Manager, provided a brief update on the status of member visits and noted staff is in the process of scheduling visits with each member. She advised the goal of these meetings is to get to know each of the Board and Alternate members, along with any additional key employees, and to provide information and updates with regard to the PLAN JPA transition.

Mr. Kramer noted a payroll data request had been distributed by staff, while Alliant Insurance Services is in the process of collecting renewal data. He stated, in the future, all data collection will be coordinated and distributed by staff, so members are not flooded with data requests from different people.

In response to a question regarding the JPA Agreements and Resolutions received to date, Mr. Kramer advised most of the agreements and resolutions have been received, with a few still pending council approval. Mr. Kramer also informed the Committee that staff

recommended having all major updates, financial audits, and the official name change to PLAN JPA, to be effective on July 1, 2018, as this would provide a clean start for the new PLAN JPA.

Lastly, Mr. Kramer discussed the current officer positions within ABAG PLAN, and proposed some changes for the Committee's consideration after July 1<sup>st</sup>. He indicated the position of President, Vice President, and Treasurer should be held by Board members; however, proposed changing the Board Secretary position, to be held by Mr. Kramer and adding an Assistant Board Secretary position to be held by Ms. Katie Sullivan. This would alleviate Ms. Heather McLaughlin from having to review all PLAN meeting minutes. He further suggested adding an Assistant Treasurer position to be held by Mr. Sharma as this would permit Mr. Sharma to conduct the day-to-day tasks of the pool while still allowing the Treasurer to provide a general oversight of the work.

## **9. POOLED LIABILITY PROGRAM**

### **A. Ratification of Selection of Gibbons & Conley Firm for Coverage Counsel Services**

Mr. Kramer informed the Committee that the Claims Committee was tasked with reviewing and approving a new coverage counsel on December 28, 2017. With Mr. Moy's retirement quickly approaching on January 5, 2018, a new coverage counsel needed to be engaged as soon as possible to avoid having a gap in services. Therefore, after careful consideration and discussion, the Claims Committee selected the Gibbons & Conley firm for coverage counsel services, pending a positive telephone interview with Ms. Kathleen Kane, Chair of the Claims Committee. Ms. Kane added that the Claims Committee reviewed all the proposals and is of the opinion Gibbons & Conley would best serve the pool based on their expertise, locality and judgment. It was the consensus of the Claims Committee to have the firm ratified by the Executive Committee.

In preparation, Mr. Byrne Conley, Gibbons & Conley, provided a draft agreement that was previously reviewed by Mr. Rubens with only minor changes to the agreement.

***Kathleen Kane moved to ratify the selection of Gibbons & Conley firm for coverage counsel services. Ann Ritzma seconded the motion. Motion passed unanimously by Kathleen Kane, Ann Ritzma, Marc Zafferano, Jesse Takahashi, Brian Dossey, Heather McLaughlin, Kevin Bryant, and Richard Lee.***

The Executive Committee recessed at 11:58 a.m. for lunch and reconvened the meeting at 12:32 p.m.

## **10. FINANCIAL MATTERS**

### **A. Review of the Request for Proposals for Investment Management Firm**

At the November 2, 2017, Board of Directors meeting, Bickmore staff was directed to distribute Request for Proposals (RFPs) to solicit the services of an Investment Manager. As such, staff requested proposals from seven qualified firms to manage PLAN and SHARP's investment funds. Of the seven firms contacted, responses were received from four firms as follows:

- Chandler Asset Management
- HighMark Capital Management
- PFM Asset Management, LLC
- Zions Capital Advisors

Mr. Sharma advised the firms contacted all have several years of experience working with joint powers authorities and referrals were checked for HighMark Capital Management and Zions Capital Advisors. Chandler Asset Management and PFM Asset Management, currently manage the investments for most, if not all, Bickmore JPA clients, and came highly recommended by staff.

Included in the agenda was a matrix, which summarized the responses to the RFPs received. Mr. Sharma reviewed the details provided in the matrix, and highlighted each firm's philosophy, fees, and the references.

Mr. Richard Lee, City of South San Francisco, and Ms. Ann Ritzma, City of Foster City, shared they have worked with Chandler and PFM in the past and highly recommended either one of the firms.

A discussion ensued regarding the benefits of engaging an investment firm to manage the pool's investment funds versus in-house handling. Mr. Sharma advised that besides a firm's expertise, they would also ensure the pool remains compliant to its own Investment Policy as well as California Code.

*Kevin Bryant moved to engage PFM Asset Management, LLC for investment management services for PLAN JPA. Ann Ritzma seconded the motion. Motion passed unanimously by Kevin Bryant, Ann Ritzma, Marc Zafferano, Jesse Takahashi, Brian Dossey, Heather McLaughlin, and Richard Lee.*

## **11. ADMINISTRATIVE MATTERS**

### **A. Presentation of New PLAN JPA Website**

Ms. Martinez informed the Committee staff has received mostly positive feedback from members on the new website; mixed feedback received in regards to losing the capability to print certificates from the website. The Committee was informed staff is currently working to provide that capability back on the website; however, this would only be available for evidence of coverage certificates. It was staff's recommendation certificates requiring an additional covered party endorsement should be submitted to staff with a corresponding contract for review to ensure risk is being transferred appropriately.

Ms. Martinez provided a brief overview of the website and directed the Committee to the location of various information including the meeting calendar, agendas and minutes, administrative forms, and training videos.

Mr. Marc Zafferano, Chairman, expressed he was pleased with the website and had not realized how many resources are now available to the membership via the new website. He requested staff present the website in more depth at the next Board meeting to ensure all members are aware of the resources each has available to them.

### **B. Consideration of Risk Control Contract Renewals**

Mr. Kramer reported during the transition from ABAG/MTC to Bickmore, several contracts for risk control services expired. Since ABAG PLAN will no longer be operating after June 30, 2018, staff provided drafts of three contracts to extend service through June 30, 2018. New contracts for PLAN JPA effective July 1, 2018, will be brought forth to the June Board meeting for consideration.

Mr. Paulsen reviewed the contract with Mr. David Patzer from DKF Solutions Group for the 2018 Sewer Summit. He advised Mr. Patzer submitted a proposal to include PLAN JPA as a contributing member of the sewer summit, which included an estimated budget based on actual 2017 costs. Ms. Ritzma expressed her satisfaction with the Sewer Summit and recommended Mr. Patzer's services.

*Kevin Bryant moved to approve the contract to engage David Patzer from DKF Solutions Group for the 2018 Sewer Summit. Heather McLaughlin seconded the motion. Motion passed unanimously by Kevin Bryant, Heather McLaughlin, Ann Ritzma, Marc Zafferano, Jesse Takahashi, Brian Dossey, and Richard Lee.*

Further, Mr. Paulsen reviewed the proposed contract for Ventiv Techonology, the service provider for Risk Console, which is the software program used for risk assessments. He explained that the three-year contract expired in January and staff requested a shorter term renewal option. Ventiv agreed to provide a one-year extension of their contract, to be fully assigned to PLAN JPA after July 1<sup>st</sup>.

*Heather McLaughlin moved to approve the Ventiv Technology agreement through December 31, 2018. Ann Ritzma seconded the motion. Motion passed unanimously by Heather McLaughlin, Ann Ritzma, Marc Zafferano, Jesse Takahashi, Brian Dossey, Kevin Bryant, and Richard Lee.*

Mr. Kramer covered the renewal of the Bickmore contract for Risk Control Services. While Bickmore was engaged to provide administration services for PLAN JPA through June 30, 2020, risk control services were not included in that agreement due to ABAG PLAN having a separate contract in effect. The proposed renewal contract would engage Bickmore for risk control services through June 30, 2018, at which time the Board of Directors will be asked to consider a new contract for risk control services for PLAN JPA.

*Jesse Takahashi moved to approve the renewal of the Bickmore Risk Control Services Extension through June 30, 2018. Ann Ritzma seconded the motion. Motion passed unanimously by Jesse Takahashi, Ann Ritzma, Marc Zafferano, Brian Dossey, Heather McLaughlin, Kevin Bryant, and Richard Lee.*

### **C. Consideration of Amendments to the Conflict of Interest Code**

Ms. Martinez advised that amongst the various governing documents that need to be amended due to the transition from ABAG PLAN to PLAN JPA, is the Conflict of Interest Code (COIC). She explained, anytime a COIC requires an amendment, it must be submitted to the FPPC for review, and requires a public Notice of Intention to Amend, as well as a 45-day commenting period.

Prior to submitting any changes to the FPPC, staff wanted to ensure the Executive Committee considered the proposed amendments being made to the Code and provide input.

Ms. Martinez noted the proposed amendments to the code included the following:

- Changing the name from ABAG PLAN to PLAN JPA throughout the document
- Changing the entity responsible for retaining the original copies of statements from ABAG PLAN to the FPPC
- Designating Positions – adding the Board and Alternates to the list and removing the Claims Manager, Risk Manager, and Legal Counsel as these positions fall under “consultants”
- Clearly listing the disclosure categories

Ms. Martinez stated should the FPPC approve the amendments to the COIC as outlined, all filers would have the option to submit their FPPC Form 700s electronically as well as via mail.

*Heather McLaughlin moved to approve the amendments to the Conflict of Interest Code as presented. Kevin Bryant seconded the motion. Motion passed unanimously by Heather McLaughlin, Ann Ritzma, Marc Zafferano, Jesse Takahashi, Brian Dossey, Kevin Bryant, and Richard Lee.*

## 12. CLOSING COMMENTS

### A. Executive Committee

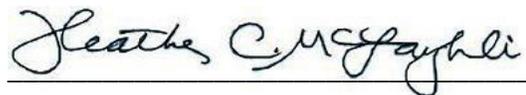
Mr. Zafferano thanked everyone for all their hard work.

### B. Staff

Mr. Kramer requested feedback from the Committee in regards to the layout and format of the agenda, to which the committee agreed it was useful and efficient. Mr. Kramer also stated, in the near future, the Executive Committee will be receiving a Doodle poll to determine availability for the special meeting in April.

## 13. ADJOURNMENT

The Special Meeting of the PLAN JPA Executive Committee was adjourned at 1:26 p.m.



Heather McLaughlin, Board Secretary