

**ASSOCIATION OF BAY AREA GOVERNMENTS POOLED
LIABILITY ASSURANCE NETWORK
(ABAG PLAN)**

**MINUTES OF THE RISK MANAGEMENT COMMITTEE
MEETING OF APRIL 4, 2018**

A regular meeting of the Risk Management Committee was held on April 4, 2018, at Alliant Insurance Services, Inc., 100 Pine St., 11th Floor, San Francisco, CA, 94111.

MEMBERS PRESENT: Brian Dossey, Chairman, Colma
Julia Carter, Dublin
Laci Kolc, American Canyon
Yulia Carter, Half Moon Bay (*arrived during Item 6.A*)
David Benoun, Newark
Jenny Liu, San Carlos (*arrived during Item 6.A*)

MEMBERS ABSENT: Michael Taylor, Saratoga

OTHERS PRESENT: Rob Kramer, General Manager, Bickmore
Yahaira Martinez, Assistant General Manager, Bickmore
Katie Sullivan, Analyst, Bickmore
Jeff Johnston, Risk Control Services Director, Bickmore

1. CALL TO ORDER:

The April 4, 2018, Risk Management Committee meeting was called to order at 10:30 a.m. by Chairman, Brian Dossey.

2. INTRODUCTIONS:

Those present introduced themselves.

3. PUBLIC COMMENTS:

None.

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

Laci Kolc moved to approve the agenda as posted. Julie Carter seconded the motion. Motion passed unanimously by Brian Dossey, Julie Carter, Laci Kolc, and David Benoun.

5. CONSENT CALENDAR:

Julia Carter moved to approve the following items: A) Minutes from the October 11, 2017, Risk Management Committee Meeting; and B) Cathie Bigger-Smith Contract Termination Letter. Laci Kolc seconded the motion. Motion passed unanimously by Brian Dossey, Julie Carter, Laci Kolc, and David Benoun.

6. RISK MANAGEMENT PROGRAM:

A. Discussion and Update of the Risk Management Grant Fund Program:

Mr. Jeff Johnston, Risk Control Services Director, provided the Committee with an overview of the current status of PLAN's grant fund program for the 2017/2018 program year. He began with a summary of the risk service credits, which included the annual risk assessments and use of risk console, mandatory goal setting and tracking, goal assessment recommendation, and phone and email consultations.

For 2017/2018, the focused area for assessments is Facilities Maintenance and Hazard Identification. All members have been contacted in regards to scheduling, with 24 of the assessments being completed and uploaded into Risk Console. Mr. Johnston responded to a question with regard to what was included in the contract with Ventiv, and he advised many tools are available for members to view and track their own risk control program and funds; however, he would need to look into it further how to provide access to the members. Currently Ventiv is being utilized internally by the risk control staff to manage the assessment process. He moved on to the use of the risk service credits and discussed they were primarily used for Ms. Cathie Bigger-Smith, former Risk Services Manager, to conduct assessments, set and track goals, provide a goal tracker to the members, as well as respond to phone calls and emails. Due to the way the credits are currently allocated, smaller towns would be depleted of their credits with the mandatory services supplied by Ms. Bigger-Smith, which puts a strain on what they would be able to accomplish.

A discussion ensued regarding the formation of the risk service credits program and that the pool had agreed to make mandatory assessments as part of each city or town's best practices. After a brief discussion around maintaining the best practices to ensure all members were actively managing their risk, Mr. Johnston assured that if any refinement to the risk service credits were to be proposed, the pool's best interest would be kept at the forefront to ensure active participation from all members.

Mr. Johnston provided summaries of the remaining balances in each program to the Committee and discussed the program and training grants and how those funds are allowed to be used. There is currently \$455,000 available, and each member is allocated their share of whatever amount is designated each year. Any surplus at the end of the program year carries over into the following year's designated amount. He noted that only \$6,000 has been spent, but he's expecting members to begin submitting their reimbursement requests soon. Mr. Johnston reminded the Committee if the grant request correlates to a required Risk Management Goal, the total amount of the request can be paid for utilizing the grant funds the City has available; however, for any other risk management related item not specific to the City's Goal, a 50% match is required from the member. Mr. Johnston advised the funds are in various buckets and it has been challenging to determine which requests qualify for 100% reimbursement or the 50% reimbursement. There is no formal documentation to guide staff on how to manage the funds in the grant program so the majority of requests are being approved. Mr. Johnston stated that under Agenda Item 6.B., staff provided a proposal for refining the entire grant program to make everything clearer and more simple going forward.

Mr. Johnston reviewed the available funds in the regional training grant and discussed what is covered. A discussion ensued around communication with notifying members of when and where the training would be, as some members were interested in attending but had no knowledge the training was occurring. It was also discussed if the regional trainings should only be conducted for trees and sewers and to let members schedule any other trainings that they need on their own. The Committee indicated they didn't realize that there were separate buckets for the training grants and usually just followed what Ms. Gertruda Luermann, Metropolitan Transportation Commission, had scheduled for them. It was also discussed that the Defensive Driver training grant is separate from the other training grants. It covers training at the local and regional level and many requests have started to come in. Staff is scheduling those in the respective agencies; however, it is open to all members.

Mr. Johnston reviewed the Sewer Smart Grants and how that program was established. It was set up as more of a sponsorship with Mr. Dave Patzer by ABAG PLAN and PLAN pays the majority of the location and events fees for a workshop. He noted that not many members from ABAG PLAN have attended in the past, and other attendees outside of ABAG PLAN have contributed far less funds towards the event while having more attendees. He asked for the Committee to consider if they wanted to continue sponsoring this program in the future; however no decision was made at this time. In regards to the Sewer Smart Grant funds, no reimbursement requests have come in, but some challenges have arisen. If the members utilize Mr. Patzer, then PLAN pays him from those grant funds. If the agency enlists sewer services from other than Mr. Patzer and Sewer Smart, there are no guidelines that help staff determine how to handle those requests and how they should get paid. Mr. Johnston mentioned that the Sewer Smart grants are first come, first served and that he would be asking the Committee for guidance on the issue later in the meeting.

B. Consideration of Proposed Risk Management Program for Program Year 2018/2019:

Following the review of the current grant fund, Mr. Rob Kramer, General Manager, discussed staff's understanding of the program that is currently in place and noted his opinion that every risk-sharing pool should have a base risk management/risk control program that is available to all the members. This program should encompass things such as a common assessment of best practices, the availability of professional support services to accomplish annual goals, telephone and e-mail support on risk management and risk control related issues and regional training opportunities. He proposed having staff come back in May to a special RMC meeting with a layout of what the 2018/2019 program could look like, and to discuss how the Committee and the pool may want to proceed going forward.

Risk service credits are currently used to pay for the annual goal setting meetings and assessments, with remaining balances used for phone and email consultations. Due to the risk service credits allocation method, many smaller members are required to use the majority of their funds for assessments and goals, with little left over for consultations and recommendation for implementation. Mr. Kramer explained that along with a significant amount of administrative time used in managing the credits, the current hourly rate for consultations creates challenges and discourages some members from engaging if they are saving their credits for other reasons. This causes the consultants to be underutilized due to a lack of time and resources that are needed

to implement long term goals. He proposed there be a flat fee in the administrative budget that would provide core risk control services to all members, which would eliminate risk service credits altogether. This would allow the pool to budget the expense to ensure all members receive a baseline of services. He reiterated these services could include:

- Annual assessments;
- Unlimited phone and email consultation;
- Up to three days of service for each member to assist with recommendation implementation, including: onsite assistance, training, and program review/development;
- Development of more tools and resources to assist with common recommendations;
- Facilitation of regional trainings; and
- Management and refinement of Risk Console or similar programs.

Mr. Kramer further noted that the members seem to really appreciate the Grant Fund program overall and that a component of that funding could still be maintained that would allow members to use those funds to support any risk management/risk control related objectives. Committee members discussed that they were interested in simplifying the program. In response to a question regarding the Shared Agency Risk Pool (SHARP) grant fund program, Mr. Kramer stated that having one base program with more flexibility would be beneficial regardless of the line of coverage; therefore in the future, staff will be proposing rolling the SHARP program into PLAN and everything risk control related would be one large program.

It was requested staff provide a list of programs that the members could utilize their grant funds for, and Mr. Johnston suggested that remaining collaborative while developing a new grant fund program would be beneficial, for both the Committee and staff, to ensure the pool is receiving the type of program that works for them. He shared his ideas in regards to eliminating the goal-setting meetings and trackers, as they are not financially feasible for some members. He also recommended keeping the assessments as it allows staff to meet the members and provide one-on-one assistance with risk management. He assured the committee staff would focus on best practices and suggested measuring in deliverables rather than charging by the hour, which would be equal to each member having three days of service in which they can utilize staff for any risk control needs. Committee members agreed to hold a Special

Risk Management Committee meeting towards the end of May in order for staff to develop and present the new 2018/2019 Risk Control Plan as discussed.

C. Consideration of New Vehicle Packets:

Ms. Yahaira Martinez, Assistant General Manager, advised staff created new PLAN vehicle packets which contain auto liability cards, basic accident information “do’s and don’ts” during the exchange with the other party involved, and an auto accident form. She informed the Committee that some members have already asked for them and they were distributed with the caveat that they have not been approved by the Risk Management Committee. She noted that once approved, they will be made available for download on the member’s only side of the PLAN JPA website, and staff would send the direct link to each member via email.

The Risk Management Committee approved the new vehicle packets for PLAN JPA.

D. Discussion of Du-All Safety Engagement:

Mr. Kramer advised the Committee that historically, PLAN has vetted safety vendors and negotiated global contracts with preferred vendors. Previously, Du-All’s Safety had a contract with PLAN that would allow members to use Du-All to deliver services using risk service credits. Their contract has expired, however members have requested services using their risk service credits. Recently, Ms. Bigger-Smith was the only consultant used in assessments and goal managing, and Du-All Safety was only being brought in to conduct specific training related to defensive driving, workers’ compensation, and other liability-related sessions.

Mr. Kramer stated if the Committee decides to make no changes to the current grant fund program, he recommended they consider adding Du-All Safety to the preferred vendor list. On the contrary, if the Committee and the Board of Directors choose to incorporate the risk service credits and training grant funds into the administrative budget, preferred vendors may no longer be necessary as members would be able to access service providers of their choice by using their grant funds.

Upon discussing, the Committee agreed they would like to see what improvements could be made to simplify the program and directed staff to schedule a special Risk Management Committee meeting to be held in May. Further, the Committee decided

to hold off on making any decisions in regards to contracting with Du-All Safety until the proposed 2018/2019 grant fund program has been reviewed.

E. Discussion of Significant Grant Fund Request:

Mr. Johnston and Mr. Kramer provided background information in regards to a significant grant fund request from the City of Morgan Hill. The City had inquired if there were funds available in the Sewer Smart program that would allow them to purchase a sewer camera truck in the amount of \$170,000. The City requested the full \$85,000 currently available in the Program; however, staff felt they could not approve or deny the request given there are no written guidelines that specify what qualifies and if there would be a maximum reimbursement amount.

After discussing, the Committee agreed that the Sewer Smart program is intended for consulting services and program development and implementation; not for capital purchases or equipment; therefore, they advised staff to deny the City of Morgan Hill's request.

7. CLOSING COMMENTS

A. Risk Management Committee

Mr. Brian Dossey, Chairman, took a moment to thank the Committee and staff for their presence and participation at the meeting.

B. Staff

Mr. Kramer also thanked the Committee for meeting and reminded them a Doodle poll will be sent via email to determine a date for the Special Risk Management Committee meeting, with the location at either Newark or San Carlos.

8. ADJOURNMENT

The Regular Meeting of the PLAN JPA Risk Management Committee was adjourned at 11:49 a.m.



Heather McLaughlin, Board Secretary