

**ASSOCIATION OF BAY AREA GOVERNMENTS
POOLED LIABILITY ASSURANCE NETWORK (ABAG PLAN) and SHARED
AGENCY RISK POOL (SHARP)**

**MINUTES OF THE SPECIAL JOINT PLAN BOARD OF DIRECTORS AND SHARP
BOARD OF DIRECTORS MEETING OF NOVEMBER 2, 2017**

A special meeting of the ABAG PLAN Board of Directors and SHARP Board of Directors was held on November 2, 2017, at City of Foster City Community Center, 1000 E. Hillside Boulevard, Foster City, CA 94404.

MEMBERS PRESENT: Marc Zafferano, President, City of San Bruno
Laci Kolc, City of American Canyon
George Rodericks, Town of Atherton
Heather McLaughlin, City of Benicia
Kathleen Kane, City of Burlingame
Jesse Takahashi, City of Campbell
Brian Dossey, Town of Colma
Randolph Hom, City of Cupertino
Julie Carter, City of Dublin
Brenda Olwin, City of East Palo Alto
Ann Ritzma, City of Foster City
Yulia Carter, City of Half Moon Bay
Edmund Suen, City of Foster City
John Mullins, Town of Hillsborough
Pak Lin, Town of Los Altos Hills
Frances Reed, Town of Los Altos Hills
Robert Schultz, Town of Los Gatos
Will Fuentes, City of Milpitas
Donald Larkin, City of Morgan Hill
David Benoun, City of Newark
Lorenzo Hines, City of Pacifica
Jeremy Dennie, Town of Portola Valley
Joe Chinn, Town of Ross
Rebecca Mendenhall, City of San Carlos
Mary Furey, City of Saratoga
Richard Lee, City of South San Francisco
Scott Corey, City of Suisun City
Greg Chanis, Town of Tiburon
Kevin Bryant, Town of Woodside

1. CALL TO ORDER – ROLL CALL:

The November 2, 2017, Board of Directors Meeting was called to order. Those present introduced themselves.

2. PUBLIC COMMENTS:

None.

3. MEETING MINUTES:

A motion was made to approve the following items: 1) Minutes from June 7, 2017, Special SHARP Board Meeting; and 2) Minutes from June 23, 2017, PLAN Board and Special SHARP Board Meeting.

4. PLAN ACTUARY COMMITTEE UPDATE:

The actuarial review of ABAG's self-insured property program (the PLAN) was completed and assuming a pool deductible of \$225,000 and a member deductible of \$5,000, the ultimate cost of claims and expenses for claims during the 2017/18 program year was estimated to be \$593,000, including allocated loss adjustment expenses (ALAE). The discount for investment income was calculated assuming a 3.0% return on investments per year.

A motion was made to approve the report titled Actuarial Review of Self-Insured Property Program Report dated August 16, 2017, as recommended by the Actuarial and Executive Committees.

A motion was made to approve the Property Premium Allocations and Pool Funding "at expected", as recommended by the Actuarial and Executive Committees.

A motion was made for staff to enlist Actuary for further study on optimal Property Program and member retention amounts, on a go forward basis, as recommended by the Actuarial and Executive Committees.

5. ABAG PLAN PERFORMANCE HIGHLIGHTS – FREQUENCY & SEVERITY ANALYSIS:

The Board was provided an update on ABAG PLAN's performance in the Liability and Property Programs. It was noted frequency remains constant, but severity is trending upward.

6. PLAN TRANSITION ACTIVITY UPDATE

An update was provided in regards to the transition of pool administration services to Bickmore. It was noted the largest challenge was the re-configuration of the PLAN JPA legal entity and getting all members aligned. A draft Joint Powers Agreement was provided to members, along with a City/Town Council Resolution and sample staff report which can be used by PLAN member agencies to assist in presentations to their respective city or town councils.

A motion was made to approve PLAN Resolutions: 2017-01 (Agency Agreement); 2017-02 (Investment Policy); 2017-03 (LAIF); and 2017-04 (Bank Accounts).

A motion was made to approve SHARP Resolutions: 2017-01 (Investment Policy); 2017-02 (LAIF); and 2017-03 (Bank Accounts).

7. FINANCE AND ADMINISTRATIVE MATTERS

- A. With the disengagement from MTC/ABAG, all financial assets of the PLAN/SHARP programs will be transferred to banking and investment accounts established for the new PLAN JPA. In the past, MTC/ABAG managed these funds on behalf of PLAN/SHARP, however no professional advisor was used to provide guidance or an assessment of the performance of the investment portfolio. It was recommended by the Chief Financial Officer of MTC, the Chairman of PLAN Finance Committee, and PLAN consultant to issue a Request for Proposal (RFP) for investment management services.

A motion was made to approve issuance of a RFP for Investment Advisory Services for PLAN.

A motion was made to approve issuance of a RFP for Investment Advisory Services for SHARP.

- B. With PLAN's transition to a new pool administrator, the disengagement from MTC/ABAG will create a void in how members access PLAN program information, best practices information, loss control/safety guidance, and management of public disclosure requirements under the Brown Act. PLAN's new pool administrator has the ability to provide a website redesign which will allow members to have continuity of access to important program and risk management information.

A motion was made to approve creation of a new PLAN website.

8. PLAN FINANCIAL UPDATE – ADMINISTRATIVE FUND

An update regarding PLAN's approved Administrative Fund was provided to the Board. With the Bickmore engagement beginning, further budget savings will be realized as the transition from MTC/ABAG to Bickmore completes.

The members were reminded that with the anticipated savings, member premium contributions will be billed in two separate installments.

9. ADJOURNMENT

The Special Meeting of the ABAG/PLAN Board of Directors and the SHARP Board of Directors was adjourned.



Heather McLaughlin, Board Secretary