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**STRATEGIC PLANNING SESSION
AGENDA**

**Friday, February 21, 2019
9:00 a.m.**

**Marriott
San Francisco Airport Waterfront
1800 Old Bayshore Highway
Burlingame, CA 94010**

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Katie Sullivan at (916) 244-1164 or (916) 244-1199 (fax). Requests must be made as early as possible and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Pooled Liability Assurance Network (PLAN) JPA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

<u>Page</u>	1. WELCOME AND INTRODUCTIONS
	2. RISK CONTROL AND LOSS PREVENTION
3	A. Ventiv Utilization
4	B. Mitigation & Risk Management
	1. Suggested Strategies for Effective Management of Police Claims
	2. Service Plan Enhancements
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9	C. Investment Update

* Reference materials enclosed with staff report.

4. RECAP

- 10 A. Open Discussion
- 11 B. Set Goals and Objectives

5. CLOSING COMMENTS

This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.

- A. Board of Directors
- B. Staff

NOTICES:

- The next Risk Management Committee meeting will be held on April 2, 2020, at 10:30 a.m., via teleconference.
- The next Finance Committee meeting will be held on April 16, 2020, at 10:30 a.m., via teleconference.
- The next Executive Committee meeting will be held on May 14, 2020, at 10:00 a.m., at San Bruno City Hall, 567 El Camino Real, San Bruno, CA 94066.
- The next Board of Directors meeting will be held on June 11, 2020, at 9:30 a.m. Location: TBD

* Reference materials attached with staff report.

February 21, 2020

Agenda Item 2.A.

RISK CONTROL AND LOSS PREVENTION

SUBJECT: Ventiv Utilization

BACKGROUND AND HISTORY:

The Risk Management Committee met on October 10, 2019. During that meeting the Committee discussed the challenges of the Ventiv risk management self-assessment tool and its on-going costs. The discussion included a review of a survey regarding the risk management self-assessment tool sent out by Jon Paulsen, General Manager, in July 2019. The Committee directed staff to investigate and report back to the Committee regarding alternatives that would still meet PLAN members' needs for assessment and resources access. These discussions were reported to the Executive Committee at their October 24, 2019 meeting. Following the directive of the Risk Management Committee, staff has developed the following alternative plan to provide members with risk management assessment and guidance.

- Staff would continue to conduct live focused assessments on a variety of risk management tasks.
- The questions asked in the focused assessments would be modified as needed to reflect recent changes in regulations and case law.
- Focused assessment questions would be made available to members who wished to conduct a self-assessment.
- Staff will develop a peer-reviewed Risk Management Best Practices document for each of the assessment topics.
- The Risk Management Best Practices library will be posted on the Sedgwick Risk Control Resources page to provide 24/7 availability to members.
- Staff would continue to provide consultation to members on the risk management assessment topics on an as needed basis.

Staff recommends this alternative as it:

- Provides greater flexibility in the wording of the assessment questions to better reflect current risk factors, regulations and case law.
- Still provides members with the ability to conduct self-assessments.
- Provides a risk control/risk management peer-reviewed library of best practices.
- Can be provided at no additional cost to PLAN JPA, as it would continue to be part of the risk control service plan.
- Allows PLAN JPA to redirect the funds set aside for Ventiv to other purposes

RECOMMENDATION:

Staff seeks direction from the Board.

REFERENCE MATERIALS ATTACHED:

None

RISK CONTROL AND LOSS PREVENTION

SUBJECT: Mitigation & Risk Management

BACKGROUND AND HISTORY:

1. Suggested Strategies For Effective Management of Police Claims

The Litigation Management Department has put together suggested strategies for the effective management of police liability claims. These strategies include proactive and cost effective approaches to assist with the early resolution of these types of claims. In addition, the Litigation Management Department's strategies provide approaches to purposeful discovery and evidence gathering as well as choosing appropriate defense counsel. The suggested strategies for the effective management of police liability claims will be provided at the strategic planning meeting.

2. Service Plan Enhancements

Risk Control Service Enhancements

Risk Control Staff has begun enhancing its services to PLAN JPA members through a variety of activities, such as:

- Membership on the CAJPA Legislative Committee. Terrie Norris joined the CAJPA Legislative Committee's Loss Control subcommittee. Jacquelyn Miller, PLAN JPA Workers' Compensation Program Manager, serves as Vice Chair on the CAJPA Legislative Committee and as the Chair of the Workers' Compensation Subcommittee. Together they are the monitoring and help CAJPA influence State legislation that has an impact on Public Entities.
- Meeting the challenge of regional training sessions. Risk Control staff worked together recently to provide a three-part webinar series on Contractual Risk Transfer to supplement the availability of regional training. Regional training attendance is challenging for members due to the travel time required in the Bay area. Another challenge for members when attending in-person regional training is the absence of valuable staff during the training. To help overcome these challenges, Staff will continue to pursue webinar opportunities, while still providing in-person regional training when the topic dictates the need. Future Risk Control webinar series include: root cause investigation, ADA compliance, Emergency Response and Resiliency.

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- Arranging for Fixed Pricing Contracts. Risk Control recently presented the Board with a proposal for a fixed pricing contract with Disability Access Consultants (DAC) for ADA consultation. Staff will continue to seek fixed pricing contracts for specialized risk control services that benefit the PLAN JPA members. Additional Fixed Price contract are in place with:

DKF Solutions for sewer risk control and risk management services; Total Aquatic Management for aquatic operational audits and training; and Du-All Safety for safety training.

Staff will soon be developing their proposed 2020/21 risk control service plan and are seeking input from PLAN JPA members in regard to the types of service in which they may wish to take part.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None

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Agenda Item 3.A.

FINANCIAL PLANNING

SUBJECT: Grant Fund Balance & Utilization

BACKGROUND AND HISTORY:

Annually, the PLAN JPA Board approves \$500,000 from equity to be used towards the Grant Fund. As of July 1, 2019, the Grant Fund Program had a carry-over of \$460,113 from the 18/19 program year and the \$500,000 for the 19/20 program was allocated among the members. Combined, the individual member balances ranged from \$3,670 to \$101,050. The individual member balances are considered a liability to PLAN JPA and thus owed to the member.

Staff is concerned that:

- Grant Fund is funded from PLAN JPA equity.
- Individual member balances are rising as well. This is due to eighteen members not utilizing their Grant Fund in 2018/19 year.

In response to the concerns, staff would like to discuss the following:

- Lowering the annually awarded Grant Fund amount.
- Funding the Grant Fund through the budget as part of member contributions.
- Putting a carry-over balance threshold (cap) on each member.
- Implementing a Grant Fund Not to Exceed and Available to Use balance by member (could be based upon % of contributions)

Terrie Norris, Risk Control Manager, and Ritesh Sharma, Finance Manager, will be present to review this information.

RECOMMENDATION:

Staff seeks direction from the Board.

REFERENCE MATERIALS ATTACHED:

- Risk Management Grant Fund Usage Spreadsheet

GRANT FUND ALLOCATION
For FISCAL YEAR 2019-2020

Member	2019/20 60% CL Loss & Admin Funding	Allocation Percentage	2019/20 GRANT FUND	CarryOver From 18/19	Total Available	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	April 2020	May 2020	June 2020	Total Grants Expensed in 19/20	Risk Mgmt Grant Available for Use
AMERICAN CANYON	\$ 207,458	2.00%	\$ 9,984.00	9,398.11	\$ 19,382.11				1,015.77				8,108.55					\$ 9,124.32	\$ 10,257.79
ATHERTON	144,269	1.39%	6,943.00	8,253.45	15,196.45													0.00	15,196.45
BENICIA	667,216	6.42%	32,112.00	43,213.95	75,325.95													0.00	75,325.95
BURLINGAME	390,388	3.76%	18,788.00	0.00	18,788.00													0.00	18,788.00
CAMPBELL	447,489	4.31%	21,537.00	23,394.47	44,931.47				30,353.00									30,353.00	14,578.47
COLMA	96,158	0.93%	4,628.00	6,662.89	11,290.89													0.00	11,290.89
CUPERTINO	389,337	3.75%	18,738.00	25,094.32	43,832.32				43,832.32									43,832.32	0.00
DUBLIN	389,240	3.75%	18,733.00	19,431.93	38,164.93													0.00	38,164.93
EAST PALO ALTO	273,522	2.63%	13,164.00	14,024.33	27,188.33			5,950.00										5,950.00	21,238.33
FOSTER CITY	255,578	2.46%	12,300.00	8,278.19	20,578.19				8,278.19									0.00	20,578.19
HALF MOON BAY	144,465	1.39%	6,953.00	7,192.47	14,145.47													0.00	14,145.47
HILLSBOROUGH	240,997	2.32%	11,599.00	13,161.96	24,760.96													0.00	24,760.96
LOS ALTOS HILLS	130,965	1.26%	6,303.00	6,564.40	12,867.40						12,600.00							12,600.00	267.40
LOS GATOS	322,542	3.10%	15,523.00	19,946.05	35,469.05													0.00	35,469.05
MILLBRAE	269,240	2.59%	12,958.00	13,633.61	26,591.61													0.00	26,591.61
MILPITAS	705,098	6.79%	33,935.00	35,983.61	69,918.61													0.00	69,918.61
MORGAN HILL	631,084	6.07%	30,373.00	37,725.00	68,098.00			8,600.00					8,600.00					17,200.00	50,898.00
NEWARK	571,025	5.50%	27,482.00	17,156.91	44,638.91													0.00	44,638.91
PACIFICA	629,470	6.06%	30,295.00	13,768.31	44,063.31													0.00	44,063.31
PORTOLA VALLEY	67,836	0.65%	3,265.00	3,663.89	6,928.89													0.00	6,928.89
ROSS	76,261	0.73%	3,670.00	(0.00)	3,670.00													0.00	3,670.00
SAN BRUNO	953,961	9.18%	45,912.00	55,138.20	101,050.20					101,050.20								101,050.20	0.00
SAN CARLOS	655,611	6.31%	31,553.00	32,075.90	63,628.90			30,111.31										30,111.31	33,517.59
SARATOGA	236,433	2.28%	11,379.00	9,862.92	21,241.92													0.00	21,241.92
SOUTH SAN FRANCISCO	1,066,997	10.27%	51,352.00	10,375.20	61,727.20													0.00	61,727.20
SUISUN CITY	214,227	2.06%	10,310.00	11,965.53	22,275.53													0.00	22,275.53
TIBURON	121,643	1.17%	5,854.00	9,195.72	15,049.72													0.00	15,049.72
WOODSIDE	90,520	0.87%	4,357.00	4,951.52	9,308.52													0.00	9,308.52
GRAND TOTAL	\$ 10,389,030	100%	\$ 500,000	\$ 460,113	\$ 960,113	\$ -	\$ -	\$ 44,661.31	\$ 75,201.09	\$ 101,050.20	\$ 12,600.00	\$ -	\$ 16,708.55	\$ -	\$ -	\$ -	\$ -	\$ 250,221.15	\$ 709,892

FINANCIAL PLANNING

SUBJECT: Experience Modification Methodology

BACKGROUND AND HISTORY:

The existing experience modification (Ex-Mod) methodology, which funds the primary loss layer, is yielding results that are not consistent with what is offered in the marketplace. More specifically, there are several members whose ex-mods are low and one member whose ex-mod is significantly high. The current ex-mod calculation methodology has been in place at least since 2002/03.

The current ex-mod methodology is:

- Loss experience and payroll from 5 years: for example, when calculating contributions for 2018/19 year, losses and payroll from 2012/13 through 2016/17 were used in the calculation.
- Losses are limited to \$250,000 per occurrence.
- Creditability is given to payroll, limited to a minimum of 20% and maximum of 90%.
- Calculated ex-mod ranges from the lowest member at 33% to the highest member at 362%. There are currently seven members whose Ex-mod is below 70%.

As there is no minimum/maximum ex-mod, a members' ex-mod can drop or rise to any level.

The Board of Directors approved Bickmore Actuarial to perform an analysis of the ex-mod calculation. Becky Richards, Actuary, and Ritesh Sharma, Finance Manager, will be on hand to present this information.

RECOMMENDATION:

Staff seeks direction from the Board.

REFERENCE MATERIALS ATTACHED:

None

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Agenda Item 3.C.

FINANCIAL PLANNING

SUBJECT: Investment Update

BACKGROUND AND HISTORY:

PFM Asset Management (PFM) was selected by the Executive Committee to manage PLAN JPA's investments. Ms. Lesley Murphy, Senior Managing Consultant with PFM, will be in attendance to present a status report on PLAN JPA's investment portfolio with California Assets Management Program (CAMP). Topics of discussion will include PLAN JPA's portfolio overview, a review of the current investment market environment and future outlook.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None

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Agenda Item 4.A.

RECAP

SUBJECT: Open Discussion

BACKGROUND AND HISTORY:

The PLAN JPA Board of Directors will have an opportunity to review items previously discussed, discuss additional topics, as well as ask questions of PLAN JPA's staff and service providers.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None

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Agenda Item 4.B.

RECAP

SUBJECT: Set Goals and Objectives

BACKGROUND AND HISTORY:

The PLAN JPA Board of Directors will have the opportunity to provide clear direction to its staff and service providers and set the goals and objectives going forward.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None