

# **CALIFORNIA JPIA**

## **AGENDA REPORT**

**To:** MANAGERS COMMITTEE  
**From:** Jonathan Shull, Chief Executive Officer  
**Date:** June 14, 2010  
**Subject:** Annotated Agenda from 2010 Executive Committee Workshop

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Attached is the annotated agenda from the Executive Committee Workshop listing the items discussed and the direction given to staff on those items.

### **Recommended Action**

Receive and file.

# California JPIA

## 22nd Annual Executive Committee Workshop

April 30 – May 1, 2010

### ANNOTATED AGENDA

#### Tab

#### Topic

#### 1. State of the Authority

*Staff presented an overview of the past year's activities specifically noting the commitment of resources to the work of the Formula Review Ad Hoc Committee addressing the need to change the Authority's funding model to better ensure its financial future. Staff also noted the dedication of resources to implement the LossCAP program. It has been well received by the members. Staff noted the success of the risk management conference last October in San Francisco, and the on going planning for the 2010 conference in Santa Barbara. Staff presented a review of key decisions and discussions from the Executive Committee Workshop over the past decade. Finally, staff celebrated the complete lack of turnover of staff during the past year, as well as the very high scores on the employee opinion survey.*

#### 2. Member Services Department Update

*Staff presented an update of the activities of the Member Services Department focusing on the LossCAP strategic model to identify and deliver resources responsive to member needs. Staff shared about the "lessons learned" report produced at the conclusion of cases exceeding \$100,000 to assist in sharing information to prevent future losses. Staff shared a report about training conducted during the past year. The Executive Committee expressed the desire to provide "loss-related" training and legally mandated training as the first priority with other training as secondary. It may be appropriate to provide some training with a cost to the members if it is not "necessary" for the employee's position. Further*

*the web-based training that is forthcoming should be designed so that some courses may be offered to non-members at a fee.*

*The Executive Committee gave direction to staff to return with a policy for adoption expressing the requirement that the chief executive of each member agency is expected to participate in the LossCAP presentation. Additionally, even members with good loss experience must participate in the program. Those that ignore their responsibilities to participate in the LossCAP program may be subject to a Performance Improvement Plan.*

*In discussing the Liability Program, the Executive Committee gave direction to staff to present a policy pertaining to the assignment of cases to attorney firms. It should be the Authority's policy that firms that sue members shall not be assigned cases. Firms that sue non-members that subsequently become members shall not be assigned cases defending those whom they have previously sued. Further City Attorney firms shall not be assigned cases for members that they represent as city attorney.*

*The Executive Committee expressed concern about the cost of defending some cases and requested staff to redouble its efforts to ensure that all defense work authorized is necessary for the appropriate defense of cases.*

### **3. Administrative Services Department Update**

*Staff provided an overview of the activities of the Administrative Services Department including management of the prospective and new member underwriting and admissions process, updates to the Memoranda of Coverage, the Bylaws, and the Joint Powers Agreement, and providing resources to staff the Liability Trust Fund. The Executive Committee gave direction to continue to quote new members at the 75% confidence level to ensure that there are no "ugly surprises" for new members once the programs emerge from the transition to the new funding model.*

### **4. Financial Services Road Map**

*Staff presented an update of the activities of the Financial Services division highlighting the Authority's continued migration to Microsoft Dynamics GP as its financial platform, its completion of the investment program review, and the streamlining of the payroll process. Staff presented a number of charts and graphs depicting the Authority's financial picture as well as the financial performance of the Liability and Workers' Compensation programs.*

## **5. Information Technology Road Map**

*Staff discussed the activities of the Information Technology division including development of an extranet for employees and selected strategic partners, automated network monitoring, enhanced firewall security, formal disaster recovery and back-up services, and enhanced website statistical analysis. Staff shared about its progress in working with a vendor for development and implementation of the Authority's Resource Center, which will include web-based on-line training and other resources. Finally, staff shared about the difficulties encountered in attempting to engage a vendor for the development of the member analytics system that will draw direct connections between member losses, training, and risk management efforts. As bids received were substantially in excess of the amounts budgeted, staff will continue working with existing vendors to make improvements to existing systems until current budgetary constraints are relieved.*

## **6. Facilities Road Map**

*Staff presented an update on the status of the Authority's campus that is now over ten years old and beginning to experience some maintenance issues associated with its age. The facilities host an average of over 100 meetings per year in addition to the regular use by the full-time staff of 20. Items highlighted included renovation of Building A's back stairs, installation of a photovoltaic power system on Building A, upgrades to the campus irrigation system, resealing of the parking lot, and designation of smoking areas outside of each building.*

## **7. Human Resources Update**

*Staff presented an overview of the Authority's human resources activities noting efforts in the area of employee development and mandatory training, maintaining and updating employment practices, policies, and procedures to ensure compliance with statutes and regulations, counseling employees, managing the performance appraisal process, developing a comprehensive job description and essential functional analysis for each position, and establishing an effective recruitment and selection process to ensure the attraction, selection, and retention of the most qualified employees. Finally staff discussed the Authority's employee recognition program and the monthly awarding of "core value rings" to those employees that demonstrate special commitment to the organization's core values throughout the month.*

## **8. Pooling's Greatest Hits**

*The Authority's broker, Jenny Emery of Towers Watson, led a discussion of some of the unique and value-added programs that other pools throughout the country have developed to benefit their members. Programs discussed included those that address the costs of pre-claim activities undertaken by members to prevent claims, restricting or limiting coverage for recidivist behavior—particularly in regard to employment practices, rent-a-risk manager programs to put expertise within the member agency, and conducting post-employment offer physicals collectively to help establish consistent methodologies and to ensure employees can actually perform essential functions of positions for which they have been hired. Additionally, a number of pools offer services that extend beyond typical risk management activities, but they can be done more cost effectively due to the economies of scale presented by the pool.*

## **9. Alternative Risk Financing**

*The Authority's broker, Jenny Emery of Towers Watson, led an educational session pertaining to the variety of options available for the financing of risk. Included among the options were the use of various insurance and self-insurance structures, use of the loss portfolio transfer mechanism to "sell" a specific risk or coverage period to another party in order to bring certainty to an unknown exposure, as well as the creation and use of captive insurance companies to allow greater operating flexibility for specific types of protection.*

## **10. Strategic Plan**

*Staff provided an update of current strategic planning activities being undertaken by staff in preparation of the 2010 Strategic Plan update. The Executive Committee reviewed the business objectives that had been completed over the past five years, as well as those currently underway. Significant discussion was held pertaining to the need to communicate with members regarding their responsibilities as partners with one another in the Authority. Specific emphasis should be placed on the concept that the Authority is not an insurance company, and members have an obligation to actively engage in risk management activities to reduce costs for all members.*

## **11. 2011 Executive Committee Workshop**

*The 2011 Executive Committee Workshop will be held April 28-30, 2011.*